STRATEGIC PLAN FOR 2018-2022

Executive Summary

The Fair Labor Association (FLA) strategic plan for 2018-2022 is informed by the evolving landscape in which our stakeholders operate. Since the founding of the FLA, its affiliated brands and suppliers have made substantial progress addressing human rights abuses in their labor supply chains, particularly among tier-one suppliers. While conditions for some workers have improved, significant challenges remain.

Too many workers continue to face unsafe conditions, excessive working hours, low pay, harassment, and discrimination. While a garment sector job can be a first step out of poverty in the developing world, particularly for women, wages may not be sufficient to meet basic needs and provide discretionary income, leaving many workers trapped in poverty. In addition, estimates are that globally more than 152 million children are engaged in child labor, and more than 20 million children are in forced labor. These issues need to be addressed globally, but the FLA’s work in specific countries and with specific commodities and products also demonstrates a need for improvements tailored for individual local environments – for example, to improve compliance with legal benefits where governments have introduced robust social insurance systems; to stand with workers when their rights to freedom of association and collective bargaining are threatened; or to protect vulnerable populations such as children, women workers, and migrant workers from risks to their health, safety, livelihoods, and well-being.

To increase the FLA’s impact, this plan describes a strategy to improve conditions for the 5.6 million workers in the factories and farms of our current affiliates and additional workers in the new affiliates we hope to add. The strategy is founded upon the FLA’s long-standing commitment to establish and apply strong labor standards through a transparent process that holds companies accountable, while we also increase our efforts to drive systemic improvement through collaboration, innovation, remediation, and capacity building.

This plan also responds to consumers’ and investors’ evolving expectations that brands demonstrate that their efforts to improve conditions for workers are successful. On a parallel track, global brands are also being called on to comply with existing and emerging legal and regulatory frameworks requiring companies to address risks throughout their entire supply chains. Companies with strong human rights commitments have been pursuing these goals for many years, but these companies face increasing market competition based on speed and price.
The FLA aims to recognize the work of companies with strong human rights commitments and performance. To advance this goal, the FLA will increase recognition of its unique accreditation program, which is both the gold standard for a systems approach to human rights compliance and social responsibility and a basis for investors and consumers to make informed investing and purchasing choices.

The FLA recognizes that leadership on labor rights starts at the top. Its work to facilitate headquarter-level policies and procedures that are in line with strong labor-rights goals remains central to this plan. The FLA is the only organization of its kind in which brands and suppliers commit to an accreditation process that demands regular review and assessment of corporate structures that support workers’ rights and social responsibility. As an independent non-governmental organization, we accredit a company’s social compliance program once we have evaluated performance against policy commitments made at headquarters.

As always, our work is guided by our mission to protect workers’ rights and improve working conditions in global supply chains and by three overarching objectives:

1. Strengthen the voice and concerns of workers in our work
2. Improve working conditions through effective remediation
3. Demonstrate the impact of the FLA’s model on workers’ lives

This will involve a variety of approaches that are embedded in this plan, including experimenting with new ways to communicate with workers and strengthening engagement with unions and other organizations that represent workers. And while the FLA has always been committed to effective remediation, this plan also emphasizes efforts to demonstrate that our accountability mechanisms, at both the workplace and headquarter levels, result in better working conditions and, thus, greater positive impact on the lives of workers.
GOAL 1
Champion the most rigorous labor standards, transparency, and accountability as the foundation for improving workers’ lives

The FLA will continue to hold companies accountable to clear and comprehensive labor standards and metrics. We will adapt our standards and metrics as necessary, based on new and emerging challenges in global supply chains as well as on lessons learned from our work in factories and farms in nearly 30 countries across the globe.

INITIATIVE A: Drive change by promoting the highest labor standards

- Continue to strengthen and adapt our standards and metrics based on new and emerging challenges in global supply chains.
- Ensure that innovation remains a core feature of our efforts to solve pressing supply chain challenges.
- Assist affiliates in understanding their full supply chain and then gradually applying FLA standards beyond tier-one factories and farms in their supply chains.
- Advance a shared commitment to, and responsibility for, high labor standards through continuous dialogue between brands and manufacturers.

INITIATIVE B: Strengthen focus on remediation to improve working conditions

- Support collaboration between brands and suppliers to drive more effective remediation and promote audit sharing.
- Better leverage our comprehensive labor assessment tool—the Sustainable Compliance Initiative—as a critical tool for diagnosis and remediation in selected factories. This includes strengthening its modularity so it can be used to diagnose issues in specific areas at all levels of the supply chain.
- Evaluate progress of remediation efforts affecting workers in factories and on farms through targeted verification assessments.

INITIATIVE C: Reinforce accountability by strengthening worker voice and grievance mechanisms and increasing transparency

- Strengthen the existing FLA grievance mechanism, working through civil society organizations (CSOs) to build stronger networks in different geographic areas.
- Explore and adopt new and innovative methods to amplify workers’ voices and more fully incorporate their perspectives into our work on compliance issues in factories and on farms.
- Strengthen our role as an independent assessor of factory and farm conditions; continue to make reports available to the public in a user-friendly format.
- Improve on transparency of reports by incentivizing all affiliates to make public the names and locations of their sourcing factories.
Since its founding, the FLA has worked on innovative solutions to systemic global labor challenges. Innovation remains a core feature of our efforts to drive change by seeking solutions to address pressing supply chain challenges. Our efforts to ensure fair compensation, eliminate forced labor and child labor, and tackle other systemic labor issues will remain a central feature of our work. We will assist affiliates in understanding labor challenges beyond their tier-one supply chains. By facilitating dialogue between brands and suppliers, we will also advance a shared commitment to promote purchasing practices that do not result in harm for workers.

### GOAL 2

**Drive change through innovation, collaboration, and capacity building**

Promote shared solutions to systemic challenges that are best addressed through collaborative efforts rather than by companies individually.

Support implementation of code elements – such as our work promoting fair compensation – as well as core organizational priorities such as ecosystem mapping, ensuring transparency in deeper tiers of the supply chain, and promoting best practices in purchasing.

Engage governments to address priority issues in ways that will both improve conditions for workers and allow affiliates to better fulfill their FLA commitments.

**INITIATIVE A:**

**Strengthen collaboration and innovation to address systemic challenges through carefully selected strategic projects that:**

- Facilitate stronger cross-caucus engagement, with a focus on the most challenging issues facing workers.
- Prioritize efforts to better engage Participating Suppliers.
- Create more opportunities for civil society organizations – both affiliated and non-affiliated – to contribute meaningfully to the FLA’s work.
- Provide opportunities for the FLA’s geographically diverse affiliates to participate by periodically holding meetings in Asia and Europe, as well as in other parts of the United States.
- Leverage relationships with the academic community to provide research on supply chain issues, and to partner, as appropriate, with FLA affiliates through strategic projects to find common solutions to challenges.
- Formalize representation of agriculture companies on the FLA board so that the board reflects the nature of the Participating Suppliers and Participating Companies in the FLA.

**INITIATIVE B:**

**Strengthen and more fully leverage the FLA’s multi-stakeholder structure to invite greater collaboration among affiliates:**
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Develop educational material and training to improve companies’ ability to:
- implement the FLA’s code and principles to achieve accreditation; and
- improve the working conditions of their suppliers (factories, farms) and licensees.

Ensure universities have access to capacity building and training to help them enhance their efforts to advance labor rights.

Explore peer-to-peer mentorship as a form of capacity building and heightened engagement across the FLA’s three caucuses (companies, universities and colleges, and CSOs).

Develop and phase in a risk evaluation tool to identify gaps in licensees’ supply chains, and encourage universities and licensees to employ training where risk is greatest.

Develop a user-friendly portal of guidance documents and educational materials.

INITIATIVE C: Provide guidance, resources, and tools for companies and universities, strengthening their capacity to improve working conditions in their supply chains

INITIATIVE D: Broaden reach and increase impact through collaborative alliances and the affiliation of additional companies

Develop structured alliances for collaboration and education among (1) companies with agricultural supply chains, and (2) among brands with suppliers and retailers to:
- facilitate dialogue and action toward remediation on the most pressing labor issues in supply chains; and
- ensure that participants benefit from the FLA’s convening power, research, and learning.

Over the next five years, seek to add geographically diverse apparel, footwear, and agriculture companies as members – both brands and suppliers – that are characterized by:
- strong motivation to be leaders in human rights and supply chain labor rights; and
- overlapping supply chains and geographic interests with current affiliates.
GOAL 3  
Become a more publicly facing organization that promotes increased recognition of the FLA, its accreditation process, and its accredited brands and suppliers as the standard of excellence

All brands and suppliers that affiliate with the FLA commit (1) to upholding international labor standards throughout their supply chains, and (2) to an evaluation by the FLA of the preparedness of their social compliance programs to sufficiently uphold these standards. Brands and suppliers that successfully complete the initial multi-year evaluation, subject to approval by the FLA Board of Directors, achieve accreditation of their programs, with reaccreditation assessments required regularly thereafter.

The extraordinary efforts undertaken by companies to achieve FLA accreditation and the resultant impact of accreditation on working conditions are not widely understood. The FLA will prioritize efforts to increase understanding of its unique accreditation process among key stakeholders and the public. Through increased recognition of its accreditation – by the media, business, the investor community, civil society organizations, consumers, and governments – the FLA seeks to raise the bar and promote high standards for the field.

INITIATIVE A:  
Better communicate the FLA’s unique systems-based model of accountability

- Evaluate and strengthen the relationship between the accreditation process and companies’ ability to successfully demonstrate an impact on workers’ lives.
- Articulate how accreditation helps affiliates meet international human rights standards through a systems-based approach that evaluates both corporate governance and conditions for workers in factories and on farms.
- Make the information in FLA accreditation reports a more useful consumer- and investor-facing resource for external organizations that are evaluating a range of performance metrics.
Develop and execute educational outreach strategies with targeted audiences, including:

- **FLA Affiliates:** For accredited brands and suppliers in the FLA, promote audit reciprocity. For universities and colleges, promote recognition of the FLA code and accreditation as the standard for acceptance.

- **Large business customers/retailers:** Encourage retailers to accept internal assessments from accredited Participating Companies and Participating Suppliers rather than re-auditing the same facilities to reduce audit redundancy and free up resources for remediation efforts.

- **Socially responsible investor (SRI) community:** Increase visibility within the SRI community to drive use of FLA accreditation as a leading performance metric and/or data in SRI screens.

- **CSOs:** Strengthen relationships with organizations that are engaged in labor rights, especially issue-based ranking organizations that evaluate/rate companies, to ensure they take appropriate account of FLA accreditation in their ratings.

- **Consumers:** Raise consumers’ and other public constituencies’ awareness of FLA accreditation of companies for compliance with labor rights in their supply chains. Over the next five years, the FLA will move to become a more consumer-facing organization.

**INITIATIVE B:**
Raise the visibility and acceptance of the FLA’s accreditation, thereby increasing its value for accredited companies and promoting excellence

**INITIATIVE C:**
Ensure that the accreditation program more fully encompasses the work of agriculture companies

- Adapt the FLA’s accreditation model for agriculture companies, ensuring adherence to the FLA’s core principles.
- Raise the visibility of accreditation for agriculture companies with key external audiences.