



2023–2028 Strategic Plan

Fair Labor Association is a multistakeholder network of companies, universities, and civil society organizations that promotes human rights at work.

INTRODUCTION

AS THE WORLD EMERGES FROM A PANDEMIC, workers in global supply chains continue to be challenged by low wages, job insecurity, and unsafe working conditions. Companies that source from factories and farms must be responsible buyers to ensure that workers are paid fairly and protected from risks to their health, safety, and well-being. Members of Fair Labor Association (FLA) are leaders on social compliance and are well-placed to ensure that their business policies and practices benefit workers in their supply chain. The 2023 – 2028 strategic plan keeps our organization focused on meeting these challenges by ensuring company performance to FLA standards, innovating solutions, understanding our impact, and communicating effectively to a broader group of stakeholders.

In our last strategic plan (2018 – 2022), FLA focused on solidifying and strengthening its core programs:

- ▶ **We created a new accreditation framework for manufacturing**, with clear metrics mapped to FLA and international labor standards.
- ▶ **We created a metric-based accreditation program for agricultural commodities** also mapped to international labor standards.
- ▶ **We strengthened the Third-Party Complaint system**, which ensures workers have access to grievance mechanisms designed to investigate and remediate noncompliance with FLA standards.
- ▶ **We developed and implemented a Fair Compensation Dashboard**, a groundbreaking tool that helps companies measure progress toward a living wage.

INTRODUCTION

- ▶ **We enhanced capacity building**, providing updated guidance and tools in areas of strategic importance, and implementing an e-Learning course library available to university affiliates and their licensees.
- ▶ **We expanded our membership base**, particularly among civil society organizations.
- ▶ **We built a new website and created a new logo** that helps us better communicate our work and share information.

The 2023 – 2028 strategic plan builds on this work and reflects the evolving landscape.

Global regulatory efforts have moved due diligence requirements beyond Tier 1 and deeper into global supply chains. The pandemic highlighted the precariousness of work and the need for a sharper focus on wages that can provide workers with a greater safety net. Forced labor, child labor, and workplace safety continue to challenge even the most robust remediation efforts and more must be done to address the risks to children and workers. This strategic plan will equip FLA to lead the way and provide our members with the tools and accountability that will lead to improvement for workers. We look forward to making significant progress over the next five years.

EXECUTIVE SUMMARY

THE 2023 – 2028 STRATEGIC PLAN has four goals that build on FLA's current efforts and maintain our commitment to holding member companies accountable to achieve the highest standards for protecting human rights at work. The plan is underpinned by two tenets:

Our focus is workers

FLA will continue to center its efforts on workers: leveraging its civil society members and engaging with other organizations that represent workers, driving remediation through its grievance mechanisms and broader collaborative efforts, experimenting with new ways to bring worker voice directly into the conversation, and finding ways to effectively measure impact.

Priority issue areas are addressed across programs and departments

FLA will prioritize issue areas of the most fundamental importance to workers such as forced labor, child labor, freedom of association, gender-related violence and discrimination, and living wage, across all departments. These issues will be prioritized alongside FLA's ongoing commitment to workplace health and safety and worker well-being.

GOAL 1: STANDARDS AND ACCOUNTABILITY

Champion rigorous and transparent labor standards and promote innovative business practices that improve labor rights for workers in global supply chains.

INITIATIVE A: ACCREDITATION

Continue to advance accreditation programs in manufacturing and agriculture as a means of upholding rights and improving conditions for workers.

FLA Accreditation is our flagship program and the core of our work with the apparel and food/agriculture industries. During accreditation we evaluate a company's sourcing against a set of ten principles rooted in international standards and best practices. These standards are not an end in themselves but are drivers of systemic change in global brands' business models, thereby increasing protection and well-being for millions of workers.

Accreditation by FLA represents a member company's sustained commitment to our standards in their supply chain. During the 2018 – 2023 strategic implementation period, FLA strengthened its metrics and reporting systems for manufacturing accreditation and created a new metrics-based accreditation program for agriculture companies. Over the next five years, we will focus on implementing this refreshed accreditation program in both manufacturing and agriculture, thereby ensuring accredited brands embed their commitment to worker rights within their everyday business decisions. Priorities include:

Manufacturing:

- ▶ Maintain and continue to strengthen performance evaluation for accreditation based on rigorous review of a company's program. Report publicly on companies that maintain accreditation standards using meaningful metrics that reflect FLA standards and impact for workers.

GOAL 1: STANDARDS AND ACCOUNTABILITY

- ▶ Position FLA as the most relevant approach for corporate compliance with select international frameworks, including OECD Guidelines, EU mandatory due diligence laws, and various ESG assessments. Analyze areas of alignment with these frameworks and convey them to member companies and all stakeholders.

Agriculture:

- ▶ Evaluate agriculture member companies' social compliance programs using FLA's agriculture sector standards for in-scope commodities. Determine progress against FLA Milestones and Accreditation and publicly report on it.
- ▶ Develop a program to enable apparel and footwear manufacturing companies to seek commodity-level accreditation.

INITIATIVE B: INDUSTRY INNOVATORS

Develop and implement a program (Accreditation+) to recognize and learn from companies exceeding requirements for Fair Labor Accreditation in critical areas and incentivize leading companies to aim higher.

FLA Accredited companies are recognized leaders on improving labor conditions within their industry. Under our new industry innovators (Accreditation+) program, accredited manufacturing companies that exceed FLA's rigorous accreditation metrics may earn a designation of exceptional achievement in a particular area. Companies that achieve this designation will not only better protect workers, but also help raise the bar within the industry by serving as exemplars that can

GOAL 1: STANDARDS AND ACCOUNTABILITY

inspire and motivate their peers. In addition to developing an industry innovators framework for existing accreditation standards such as fair compensation, responsible purchasing practices, and worker engagement (including freedom of association and CSO engagement), FLA will develop an industry innovators framework for both supply chain and raw materials due diligence. FLA will:

- ▶ Implement a suite of metrics to recognize companies that have demonstrated leadership and progress beyond accreditation requirements in specific areas.
- ▶ Develop an efficient and transparent external reporting system so that companies and FLA can easily communicate about these areas of exceptional performance.
- ▶ Partner with industry innovators to learn from and share their solutions, leveraging their success to promote impact for workers and excellence in the industry.

INITIATIVE C: COMPLAINT AND GRIEVANCE MECHANISMS

Expand coverage and reach of FLA's independent complaint mechanisms to top sourcing countries, ensuring workers have access to effective remedy, including around issues of freedom of association, severance, and harassment.

FLA's Third Party Complaint process enables FLA to address some of the most challenging cases of labor violations in the supply chains of member companies, such as attempts to limit freedom of association. The 22 recommendations approved by the board of directors in 2021 strengthen each part of the complaint process—from clarifying the standards for launching an investigation to

GOAL 1: STANDARDS AND ACCOUNTABILITY

establishing a more robust process for remediation and corrective actions and how these will be verified—and will be the foundation on which FLA will continue to build as part of a longstanding goal to implement more effective remedies for workers.

In the coming five-year period FLA will implement the board-approved recommendations of the TPC Working Group for the Manufacturing work program and the new TPC Agriculture work program across three categories:

- ▶ Work with business, university, and civil society caucus members to expand coverage and reach of the program to top sourcing countries and facilitate greater engagement of workers and their representatives.
- ▶ Improve procedures for complaint initiation, implementation, and remediation/corrective action.
- ▶ Strengthen feedback loops through implementation of tools to engage stakeholders, share information (including highlighting best practices), and reduce the likelihood of recurrence.

GOAL 2: INNOVATION

Innovate solutions to address the most challenging labor rights issues.

INITIATIVE A: LIVING WAGE

Advance the Fair Compensation program, including showing an impact on worker wages; explore extending the Fair Compensation program to the agriculture sector.

FLA believes workers in member company supply chains have a right to earn compensation that is sufficient to meet their basic needs and have some discretionary income. FLA's 2020 Fair Compensation Strategy charts a path toward this goal and serves as the basis of this initiative. FLA's living wage tools, including a Wage Data Collection Toolkit and Fair Compensation Dashboard, are used by FLA members and non-members in the apparel industry to calculate what workers are earning, illustrate the gap between actual and living wages, and measure progress over time. They are practical, efficient, and scalable tools that allow FLA to use data that has been collected in a standardized way to support increased wages for workers.

Over the next five years, FLA will focus on deepening the impact of its Fair Compensation program for workers and extend its reach to non-member companies. We will also:

Manufacturing:

- ▶ Utilize the FLA Fair Compensation Toolkit to engage FLA members and recruit non-FLA companies to use the dashboard.
- ▶ Strengthen measurement of purchasing practices to improve wages.

GOAL 2: INNOVATION

- ▶ Draw best practices from case studies, pilot programs, and stakeholder engagement.
- ▶ Engage with internal and external stakeholders to identify innovative methods for employing a gender lens, including effective measurement of impact of this program on women workers.

Agriculture:

- ▶ Identify how agriculture companies can address living wages at the farm level.
- ▶ Develop and deploy living income and living wage data collection tools on a pilot basis in key commodities and countries.
- ▶ Explore potential pilots to address wage gaps.

INITIATIVE B: SOLUTION-ORIENTED COLLABORATION

Continue to pursue collaborative initiatives to develop, test, and implement new solutions for improving the lives of the most vulnerable workers.

FLA has a unique convening power that can be used to test innovative solutions to systemic labor issues. Over the years FLA has created collaborative initiatives among its members and other stakeholders to develop and test solutions to high-risk labor issues that individual companies cannot effectively address on their own. Such initiatives often provide immediate and tangible improvements for workers that last beyond the timespan of the initiative. As these programs continue, the learnings from these projects will be communicated in a way that promotes best practice and can inform other parts of FLA's work—including future tools, education projects, and standards.

GOAL 2: INNOVATION

Over the next five years, FLA will prioritize collaborative projects that:

- ▶ Identify approaches that FLA member companies can use to collaboratively trace raw material and conduct upstream supply chain due diligence.
- ▶ Develop innovative methods to amplify workers' voices in their workplace and more fully incorporate their perspectives into FLA's work (e.g., grievance mechanisms through FLA's worker voice technology solutions like WISE; support for freedom of association).
- ▶ Address risks specific to women workers, including gender-based violence and wage discrimination.
- ▶ Enhance the human rights of migrant workers throughout the recruitment and employment process.

GOAL 3: LEARNING

Provide guidance, education, and tools that foster business system improvements that protect workers.

INITIATIVE A: LEARNING PROGRAM FOR COLLEGES AND UNIVERSITIES AND THEIR LICENSEES *Further enhance FLA's learning-based approach to strengthen ethical sourcing.*

Students on college and university campuses have played an indispensable role in defending the rights of workers in global supply chains. Students have rightly demanded that the people who make the clothing and products that bear their college or university logo are treated fairly. Their decades-long efforts have led to greater transparency and accountability and improved working conditions for factory workers across the globe.

US colleges and universities have the power to effect change in the business models of their licensees. We recognize that Fair Labor Accreditation is not the right program for all companies. Some companies need to engage first on the building blocks of corporate responsibility. Over the last five years, FLA has sought to ensure universities and their licensees have access to learning and educational material that builds their capacity to advance labor rights. Over the next five years, FLA will build upon this platform to promote learning and strengthen collaboration in support of ethical sourcing and will:

- ▶ Develop a campus engagement strategy to enable learning opportunities for students, university stakeholders, and collegiate licensees on responsible business practices.
- ▶ Support college and university licensing directors in identifying and addressing gaps in their ethical sourcing programs.

GOAL 3: LEARNING

- ▶ Create a stronger foundation of knowledge for collegiate licensees through a dedicated learning management system that coordinates existing and new content.

INITIATIVE B: GUIDANCE AND TOOLS FOR BRANDS ON AN ACCREDITATION TRACK

Continue to provide resources to help companies achieve the highest labor standards and transform business models.

FLA's Theory of Change envisions a continuous improvement cycle in which FLA both sets rigorous standards and helps companies meet these standards for the benefit of workers. FLA has created a robust set of tools and learning material to help companies effectively implement FLA standards, transform their business models, and protect workers in their supply chains. In the coming five years, FLA will continue to add to its library of guidance resources and will:

- ▶ Develop written guidance to inform company implementation of key principles in the manufacturing and agriculture sectors. Guidance will be carefully selected to benefit the widest possible group of affiliates and will: explain relevant FLA standards; lay a roadmap for implementation; explain available tools; and identify remediation tactics.
- ▶ Provide timely updates on urgent issues (e.g., legal changes affecting workers, global events that present worker risk, etc.). Guidance will be grounded in FLA standards and will help companies respond to issues within the framework of FLA's Principles, Code of Conduct, and Compliance Benchmarks.
- ▶ Offer webinars and a limited number of fee-for-service learning opportunities. These webinars and learning opportunities will give affiliated companies access to experts with unique insights into labor rights issues and will prioritize time-sensitive and high-risk issues for workers.

GOAL 4: IMPACT AND ENGAGEMENT

Demonstrate and communicate the impact of FLA, driving progress for workers through thought leadership and a broad membership.

INITIATIVE A: MEASUREMENT

Develop and execute a results framework that will utilize data to understand FLA's impact and drive continuous improvement.

FLA's path to impact is articulated in a Theory of Change that describes the interventions and causal linkages that lead to better outcomes for workers. FLA will develop a results framework that will enable it to identify and articulate how and where FLA's work has impact. This will, in turn, allow FLA to identify areas for programmatic improvement or focus that will advance conditions for workers. We will:

- ▶ Identify and evaluate existing data sources at FLA, including Fair Labor Accreditation reports, assessment results, fair compensation reports, feedback from suppliers, workers, and other stakeholders.
- ▶ Utilize this data to demonstrate and articulate the value and impact of our work through a results framework aligned with FLA's Theory of Change.

GOAL 4: IMPACT AND ENGAGEMENT

INITIATIVE B: VISIBILITY AND ENGAGEMENT

Raise the visibility of FLA and engage with external stakeholders to add value for Fair Labor Accredited companies, raise public awareness of labor conditions in global supply chains, and use our voice to bring about improvements for workers in global supply chains.

Over the past five years, FLA has strengthened its communications capabilities and more clearly articulated how its systems-based model of accountability impacts workers. In the coming years, FLA will continue building on these efforts to become a significantly more public-facing organization. FLA will increase awareness of its unique Fair Labor Accreditation process, elevate the accomplishments of Fair Labor Accredited companies, and share its knowledge of labor rights solutions.

- ▶ **FLA Companies:** Provide communication tools to help companies tell their unique story of FLA membership and Fair Labor Accreditation to consumers, employees, and investors.
- ▶ **Universities:** Create communications tools that will engage the broad range of academic stakeholders that help universities talk about their FLA affiliation and their commitment to an ethical sourcing program for branded merchandise.
- ▶ **CSOs:** Develop a communications and engagement strategy focused on issues of high concern; partner with CSO caucus members to engage with other labor rights advocates and include them in FLA's work.
- ▶ **Investors:** Develop the case for the relevance of FLA's standards to various ESG stakeholders; increase visibility within the investment community through targeted outreach to promote FLA Accreditation as a leading performance metric and/or data in SRI screens.

GOAL 4: IMPACT AND ENGAGEMENT

- ▶ **Consumers:** Explore creation of a consumer-facing educational campaign that provides information on labor rights standards and FLA standards to help consumers make purchasing decisions about socially responsible brands; develop proactive media and influencer strategy with key consumer-facing outlets.

INITIATIVE C: MULTISTAKEHOLDER INITIATIVE (MSI)

Strengthen FLA's governance structure by growing a diverse membership in all three FLA Caucuses: Civil Society, University, and Business.

Over the next five years, FLA will enhance its ability to innovate and drive impact by increasing the size of its membership. By growing the civil society caucus, FLA will deepen and diversify its expertise on labor and human rights and strengthen the voice of workers within our organization. Adding university members will allow FLA to bring in more student voices, engage with more licensees, and tap into academic expertise. Adding business members will expand the number of workers in affiliates' supply chains who benefit from FLA's rigorous standards, and we will:

- ▶ Consider ways to effectively promote diversity, equity, and inclusion throughout the organization.
- ▶ Clearly articulate the value proposition for FLA membership for each of the three caucuses.
- ▶ Develop compelling communication tools and train staff, board, and affiliates on the FLA message so that it is a regular part of peer interactions, presentations, and outreach.
- ▶ Create a strategy to attract members in all three caucuses. Include goals for increasing international membership and establish a minimum company size for accreditation-track membership.