

FAIR LABOR ASSOCIATION
2023 ANNUAL REPORT

INTRODUCTION

The Fair Labor Association (FLA) promotes human rights at work

WE ARE AN INTERNATIONAL NETWORK of companies, universities, and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.

FLA members, headquartered in more than 20 different countries, are committed to making tangible changes in business policy and practice that benefit workers around the world. Together, supported by our multinational staff, they draw on FLA's expertise to support the development of ethical and equitable global supply chains.

As part of our work, we evaluate members' business practices against the highest international standards for global supply chains; advocate for improvements to wages, working hours, and the health and safety of workers; develop projects that test innovative ideas to improve working conditions; and provide resources that help members and affiliates develop a sustainable social compliance program that improves working conditions and protects workers' rights.

Learn more about our accomplishments in 2023...

NEW MEMBERS



NEW LEADERSHIP

Fair Labor Association welcomes new President and CEO Jeff Vockrodt

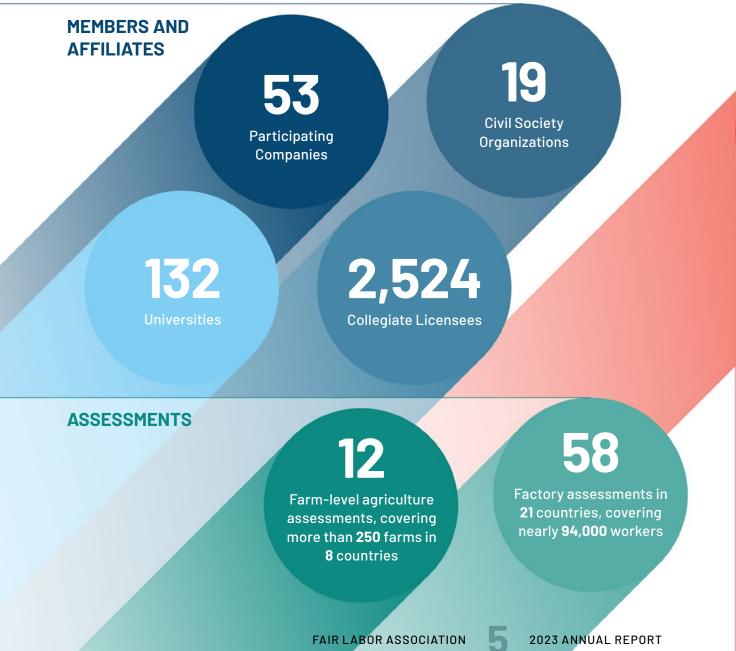
IN DECEMBER 2023, the FLA Board of Directors selected Jeff Vockrodt to succeed outgoing FLA President Sharon Waxman, who led FLA from 2016–2023. For two decades, Vockrodt has worked to advance workers' rights and responsible business practices, as an organizer, attorney, policymaker, and executive. He previously held leadership positions at organizations including the US Department of Labor and Climate Jobs NY and has advanced human rights in the workplace through his work with labor unions, the International Labour Organization (ILO), and the law firm of James & Hoffman.

"I am humbled by the mission—the number of people whose lives FLA can impact in fundamentally important ways that go right to the heart of quality of life, dignity, and respect."

 $\, \bigcirc \,$ FLA PRESIDENT AND CEO JEFF VOCKRODT



BY THE NUMBERS



INVESTIGATIONS



15

Resolved through FLA's assistance in facilitating resolutions between the parties regarding the complaints without the need for an independent investigation, benefiting more than 15,000 workers

5

Deemed out of scope

2

Investigations were launched on behalf of over **2,200** workers

2

Investigations were closed

FLA IN THE NEWS

The three top-performing companies in KNOW THE CHAIN'S 2023 ANNUAL REPORT on combating forced labor in the apparel and footwear sector are FLA members.

The Fair Labor Association promotes human rights at work

FAIR LABOR TODAY



Broken thread: College clothing made in factories rife with labor violations, poverty wages

LEE WIRE SERVICE OCTOBER 26, 2023

"Until enough pressure builds across the apparel industry, it's hard to change the fundamentals of an industry where fair wages and other worker protections are hard to come by. Solving it will require more coordination on behalf of all actors,' said Sif Thorgeirsson, who leads factory investigations at the Fair Labor Association. 'That's almost like asking me about world peace,' Thorgeirsson said. 'It's part of the reason why this is still such an issue ... because it's incredibly complex. I don't think we can rely solely on factories and brands to resolve structural issues that ultimately need governmental support and assistance.''

So you think you know your supply chain?

FINANCIAL TIMES MARCH 24, 2023

"[California and EU laws] were wellintentioned but fairly limited, given the lack of back-up beyond what was expected to be disclosed,' says Eric Biel, senior adviser at the Fair Labor Association in the US. He says the nature of legislation now emerging is markedly different. 'With the Uyghur Forced Labour Prevention Act and the use of WROs, it is no longer a choice," he says. "That is where government engagement has been a game-changer.""



How Can Companies Put an End to Child Labor?

SOURCING JOURNAL APRIL 27, 2023

"We lead organizations dedicated to eradicating child labor in the United States and in global supply chains. We know that addressing child labor is not simple; the root causes are varied and complex. But we do know this: with the right resources, companies can reduce the risks of child labor or even eliminate them entirely."

-Op-ed by Sharon Waxman and Sally Greenberg, Executive Director, National Consumers League



ONE OF THE MOST IMPORTANT

components of FLA's multi-stakeholder model is the **CIVIL SOCIETY ORGANIZATION (CSO) CAUCUS**, which is composed of labor unions and labor rights-focused groups that ensure FLA's work remains focused on improving the lives of workers. Led by six CSO Caucus board members and supported by 13 additional CSO members, the caucus brings valuable perspectives and experiences to FLA's board decisions, strategic planning, and program development.

FLA's CSO members, which include organizations across Asia, Europe, and North America, lead consultations with the CSO community worldwide, emphasizing the points of view of labor unions and labor rights, human rights, consumer, faith-based, and other public interest organizations that focus on or implement specific initiatives promoting workers' rights. FLA is proud to have leaders like Gopinath Parakuni, a founder and director of Cividep, as a longstanding board member.

CIVIDEP INDIA

For the last quarter of a century, CSO Caucus member <u>CIVIDEP</u> India has been working to uphold worker rights in global supply chains related to apparel, electronics, leather, and tea/coffee plantations.



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Cividep holds companies accountable for the impact of their business on workers and the environment. Based in Bangalore with field offices in production locations in South India, Cividep works at the intersection of business and human rights, engaging directly with workers and

other stakeholders. Cividep seeks to improve the lives of low-wage workers through multi-stakeholder collaboration, research, education, advocacy, and supporting workers in their efforts to act collectively for decent work.

Recent projects include developing gender-sensitive health and safety protocols in garment and shoe factories; conducting worker dialogue workshops; and hosting worker gatherings in Bengaluru's garment sector to demand policies favorable to workers.

Gopinath Parakuni, Cividep's founder-director, joined the FLA Board of Directors in 2016. Parakuni's experience brings valuable insights on key issues such as worker voice, living wage, nondiscrimination, issues affecting women and informal workers, and more.

Cividep is also a member of OECD Watch and Good Electronics Network and is a monitoring partner of Electronics Watch.

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ADVOCATE

Government and stakeholder advocacy is an important part of FLA's engagement on labor issues that impact workers in global supply chains. FLA's advocacy work focuses on enhancing or supporting legal and regulatory changes that, if enacted, can improve wages, working hours, and the health and safety of workers.

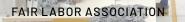
ADVOCATE

FLA and AAFA lead more than 100 brands toward a strengthened commitment to responsible recruitment

FLA AND THE AMERICAN APPAREL & FOOTWEAR ASSOCIATION <u>RE-LAUNCHED</u> and enhanced the AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment in 2023. Originally introduced in 2018, the Commitment aligns the industry around the principles of fair treatment of foreign migrant workers in the global textiles, apparel, footwear, and travel goods supply chain.

The enhanced Commitment to Responsible Recruitment builds on learnings over a five-year period. In addition to ensuring a no-fees recruitment policy, signatories now commit to creating conditions where workers receive a timely refund of any fees and costs paid to obtain or maintain their job.

As part of the commitment, FLA and AAFA lead advocacy efforts to address migrant workers issues in highrisk countries and regularly host information sessions for brands to promote continuous improvement in their work with suppliers.



AMERICAN

APPAREL& FOOTWEAR

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ADVOCATE

FLA, other partners raise concerns to Bangladesh's Prime Minister about new minimum wage for garment workers

FLA joined amfori, Ethical Trading Initiative, Fair Wear, and Mondiaal FNV to voice **CONCERNS REGARDING THE NEW MINIMUM WAGE** announced in late 2023 for the ready-made garment (RMG) sector in Bangladesh. The five signatories represented over 2,500 international brands, retailers, and suppliers sourcing from more than 2,900 factories in Bangladesh.



In a letter to Bangladesh Prime Minister Sheikh Hasina, the group requested that the government reconsider the decision of the minimum wage board and encouraged employers and worker representatives to collaborate on setting a legal minimum wage that aligns with international labor and industry standards respecting human rights.

The letter followed an October communication from 16 apparel brands and retailers sourcing in Bangladesh—including 10 members of FLA—urging the government of Bangladesh to increase the country's minimum wage, and previous outreach supporting an increase in the minimum wage for the RMG sector in Bangladesh that is in line with a decent wage for workers and their families.

FLA holds companies accountable to their labor rights commitments by evaluating their business practices against the highest international standards for global supply chains.

As part of their commitment to upholding fair labor standards through transparency, FLA members agree to subject their supply chains to independent assessments and monitoring, both while they are pursuing Fair Labor Accreditation and as part of the postaccreditation maintenance process.

SanMar earns reaccreditation



Following a rigorous, multi-year review of SanMar's business systems for compliance with international labor standards designed to protect workers in its global supply chains, FLA **REACCREDITED** the company's HRDD program. SanMar first earned Fair Labor Accreditation in 2012, and the reaccreditation report reflects continuous improvements that kept pace with updates to FLA standards during the intervening period.

"Our people are our top priority and the work we do with supplier relationships, data management, and workplace training are critical steps toward setting a high standard for labor rights in the apparel industry."

♀ SANMAR CEO JEREMY LOTT



Spotlight: Independent external assessments and factory activities

FLA conducts several different types of Independent External Assessments (IEAs) in the manufacturing supply chains of FLA participating companies. Facilities are selected for IEAs based on the accreditation status of the company; the type of facility (owned or contracted); a company's history with FLA; known labor risks; and other related factors.

TYPE OF IEA ASSESSMENT	PURPOSE	ASSESSMENTS CONDUCTED IN 2023
Sustainable Compliance Initiative (SCI) Assessment	 Evaluates labor conditions at the factory level against the FLA's Workplace Code of Conduct and Compliance Benchmarks. Identifies both factory-level and systemic issues affecting workers. Collects compliance data that is useful to identify trends and compare results between factories, regions or countries. Provides recommendations for immediate actions. 	50
Social Compliance Initiative Baseline (SCIB) Assessment	 Conducted at companies' owned facilities and may be deployed elsewhere as appropriate. In addition to recommendations for immediate actions, includes sustainable improvement recommendations based on root cause analysis of non-compliances. 	6
Audit Field Observation	 Allows FLA staff to observe and evaluate a company's internal audits, training sessions, and/or remediation visits. Helps verify improvement over time following FLA monitoring systems' recommendations from a milestone evaluation or past observations. 	2

FLA periodically facilitates special projects and pilot programs that give greater visibility into companies' supply chains. When a project requires a company's participation in factory level monitoring or remediation, FLA may consider it as part of the company's IEA obligations for that year.



In 2023, FLA conducted 58 Sustainable Compliance Initiative assessments in 21 countries covering a total of 93,599 workers. 72% of SCI assessments took place in Asia; 12% in Central and South America and Mexico; 9% in Canada and the US; and 7% in Europe, the Middle East, and Africa (EMEA). FLA analyzed Immediate Action Required findings observed in six countries (Bangladesh, India, Indonesia, Pakistan, the US, and Vietnam), covering 55% of SCI assessments. Detailed SCI reports can be found online at FAIRLABOR.ORG.



UNITED STATES

EMPLOYMENT RELATIONSHIPS:

Maintenance of legally and FLA required documentation was a challenge among US factories; 75% of the factories violated this benchmark. Missing/ expired legally required certificate and verification forms, such as employment eligibility verification forms (I-9s) and CA Garment Manufacturing Certificate, was the common issue.

Given the norm of hiring temporary workers and the diverse population, protection of temporary workers and workers with limited English proficiency should be implemented to accommodate worker's needs.

INDIA AND PAKISTAN

COMPENSATION: Findings related to compensation were observed in all eight factories assessed. The prevailing issue was general compliance with compensation; cases of insufficient provision of legal benefits and incomplete payment records were found in seven out of eight factories. Calculation of payment and benefits was also a common finding in the region. Notably, minimum wage findings were only verified in Pakistan among all the six countries analyzed.

EMPLOYMENT RELATIONSHIPS: The SCI analysis concluded that many factories face challenges documenting employment relationship practices. In India, lack of a grievance system was a concern for 50% of the factories, with all violations relating to a lack of or insufficient grievance policies and procedures. In Pakistan, 75% of factories had findings related to the protection or management of special categories of workers and disciplinary procedures.

VIETNAM

HOURS OF WORK (HOW): HOW remained one of the most pressing issues in countries with stringent regulations on work hours. Eight out of nine factories reported HOW violations. Excessive weekly work hours and overtime were the most common issues. Insufficient provision of legal breaks and annual leave compensation were observed in 67% of the factories. Findings related to time attendance records were found more often in Vietnam than the other five countries.

BANGLADESH

HEALTH, SAFETY, AND ENVIRONMENT (HSE):

Violations of evacuation requirements constituted the most HSE findings in factories. Almost three issues in this category were reported in each SCI assessment; awareness-raising on this issue should be a priority. Sanitation in working facilities affected all visited factories. Unhygienic conditions were observed in bathrooms, which enhanced existing risks of spreading contagious diseases.

Machine guarding, general fire safety, legal compliance of HSE regulations and working environment safety are the common issues here, shared among the six countries featured.

NON-DISCRIMINATION (ND): Gender-related non-discrimination issues, which required immediate actions, only prevailed in Bangladesh. They dominated the core benchmark violations. Lack of childcare centers, mandatory maternity benefits, and protection of pregnant employees were the major findings. Insufficient contagious disease control measures were also a notable issue.

INDONESIA

HARASSMENT AND ABUSE (H&A): Unlike assessment findings in India and Pakistan in which H&A issues were about regulations, policies, and procedures, Indonesia's most concerning H&A findings were all related to body search practices. It affected 67% of the factories. It was found to be common practice to conduct body searches four times daily, a violation of FLA Code of Conduct benchmarks. Body searches were often conducted in public areas, which failed to give dignity to the workers concerned.

Agriculture members progress through milestones toward Fair Labor Accreditation

Code alignment, risk assessment, and public disclosure of sourcing profiles for in-scope commodities are not only foundational elements of a successful HRDD program, but also requirements for meeting **MILESTONE 1** of FLA's agriculture accreditation program.

In 2023, all FLA agriculture members successfully aligned their codes to FLA standards. Because agricultural work entails short intensive seasonal harvesting periods and often a harvest-based (quota) pay system, aligning a company's code language on hours of work and compensation with international standards can be challenging. By aligning their code to FLA standards, members in the agriculture sector have committed to providing stronger protection to workers in their upstream supply chains, which is critical in countries where labor laws do not cover the informal agriculture sector.

In addition to committing to all FLA standards, member companies in the agricultural sector successfully completed a risk assessment and developed an HRDD framework for in-scope commodities, as well as a time-bound plan to improve supply chain traceability of those commodities.

To support agriculture members in meeting their obligation to publicly disclose their sourcing profile for in-scope commodities, FLA piloted a program to help companies collect and organize the required information.Based on the pilot, FLA is implementing a phased approach to help companies improve their data collection and reach agreements with their upper-tier suppliers, allowing agriculture members to disclose the information as they improve their social compliance programs and strengthen their supplier relationships.

FLA collaborates with organizations around the world to advance workers' rights through strategic partnerships and projects that increase understanding of labor issues in global supply chains and test innovative ideas to improve working conditions.

Pilot program jump-starts living wage progress in Vietnam

With funding from the Initiative for Global Solidarity, implemented by the German development agency **DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT** (GIZ), plus on-the-ground support from the **RESEARCH CENTER FOR EMPLOYMENT RELATIONS** (ERC), FLA launched its Vietnam **LIVING WAGE PILOT** in 2022 to understand the complexities in buyer-supplier relationships in multi-buyer apparel and footwear factories, and improve purchasing and costing practices, wage transparency, and worker engagement.



Throughout the pilot, FLA worked with two factories with at least three buyers each to conduct a desktop and payroll review, as well as interviews with workers and management. ERC offered insight and recommendations on how factories and buyers can support wage progress by improving costing practices, diversifying product categories, forecasting and incentives, and worker engagement and dialogue.

FLA reviewed buyers' overall purchasing practices policies and procedures, providing recommendations for companies to improve responsible purchasing practices policies across their supply chains.

FLA will conclude the pilot in Vietnam in June 2024 and then share findings, challenges, and best practices to support progress toward living wages in apparel and footwear supply chains.



FLA joins forces with GIZ on grievance mechanisms in Uzbekistan

New growth opportunities for Uzbekistan's cotton-textile sector are in sight, thanks to the country's changing labor landscape. Since 2018, FLA has worked with stakeholders in Uzbekistan's cotton industry to shape the in-country working and environmental conditions by introducing effective grievance mechanisms, international labor and environmental standards, and social dialogue.

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For example, FLA has worked with the ILO to train approximately 200 national and regional stakeholders, including labor inspectors, on fair recruitment of seasonal agriculture workers, integrating human rights into business, monitoring, and remediation of decent work principles at the cotton farms, and operating effective grievance mechanisms.

Between December 2021 and March 2023, through a grant provided by GIZ, FLA helped **STRENGTHEN ACCESS TO REMEDY** for cotton workers in Uzbekistan by developing functioning grievance mechanisms in three selected cotton-textile clusters. The second phase of the project, launched in October 2023, centers on building the capacity of local human and labor rights practitioners through train-the-trainer modules on grievance mechanisms.

In 2023, FLA also conducted a supply chain mapping study for Better Cotton, which examined and recommended improvements to the chain of custody documentation and processes, traceability, and the potential for integration into a segregated chain of custody model at cotton-textile clusters in Uzbekistan.

FLA collaborates with Consumer Goods Forum to mitigate forced labor risks

In 2023, FLA continued its partnership with the Consumer Goods Forum - Human Rights Coalition (CGF-HRC) to mitigate forced labor risks through two separate programs: one focusing on Malaysia's palm sector, and the other on improving working conditions in owned operations.



PEOPLE POSITIVE PALM: FLA and CGF led government engagement sessions to foster collaboration among various stakeholders in Malaysia's palm supply chain and to advocate for ethical recruitment practices. Through in-person training sessions, FLA helped build the capacity of small-palm suppliers and independent mills in the areas of HRDD, responsible recruitment, and farm-level risk assessment, and provided tools to facilitate the implementation of good practices at the plantation level.

GUIDANCE FOR OWNED OPERATIONS: To help companies improve working conditions in their owned operations, FLA developed

guidance-including case studies from CGF-HRC member companies-on creating a global HRDD roadmap; extending grievance mechanisms to contract workers; and responsibly managing brand promoters. FLA also worked with companies to complete and review HRDD selfassessments, provide input on action plans, and implement site-level assessments in warehousing and manufacturing sites in Brazil.

FAIR LABOR ASSOCIATION



Harvesting the Future-Rose

In January 2023, FLA's flagship project, Harvesting the Future in Türkiye, was expanded to cover the country's rose sector. The project seeks to improve human rights and labor conditions in <u>TÜRKIYE'S ROSE SECTOR</u>, focusing on empowering seasonal agricultural workers and their families in the supply chains of project partner companies.



The project brings together a range of stakeholders, including the Turkish government, civil society organizations, processors, producers, and beauty and fragrance companies, to advance HRDD systems in

supply chains and garner local stakeholder engagement.

Key areas of work include establishing robust governance, stakeholder engagement, and advocacy efforts; strengthening supply chain management systems of project partners; undertaking fieldlevel interventions to improve working and living conditions; and ensuring access to remedy for the agricultural workers and their families.

Select accomplishments in the program's first year include:

- Referring 735 children to public schools, child-friendly spaces, or childcare centers, and providing access to meals, clothing, educational activities, socio-cultural activities, psychosocial support services, school supplies, and transportation to the project-run summer camp.
- Renovating and furnishing two school buildings, which were used to provide education and extracurricular activities for the children of seasonal migrant agricultural workers.
- Training 1,667 seasonal migrant workers on decent work, child protection, occupational health and safety, and parental support.
- Training 1,662 rose farmers on decent work, child protection, and occupational health and safety.
- Training 120 participants from rose oil processing companies on child protection, child labor case management protocol, and farm-level monitoring.
- Constructing sanitation facilities—including 30 bathrooms, 28 toilets, and four water fountains—at campsites for harvest workers.

FLA provides training, tools, and resources that help members and affiliates develop a sustainable social compliance program that improves working conditions and protects workers' rights. FLA also supports student programs designed to engage the next generation of labor rights advocates.

Eric Biel Fellowship for International Labor Rights honors late FLA senior advisor

In December 2023, FLA lost a beloved colleague, Senior Advisor **ERIC BIEL**. In response, FLA supported the creation of the Eric Biel Fellowship for International Labor Rights with contributions from his family, friends, and former colleagues. The fellowship, which launched in December 2023, honors Biel's contribution to furthering international labor rights as well as his scholarship in the field of business and human rights. As a US government official, labor rights advocate, and law professor, his legacy is reflected in government policies and corporate practices that have improved the lives of millions of workers worldwide.

The Biel Fellowship provides an opportunity for students in law or graduate school to pursue practical work experience and contribute to the advancement of international labor rights. The fellowship will cover travel and living expenses for the summer term while the fellow gains experience and contributes to the work of a non-profit organization dedicated to advancing the rights of workers.

"I know Eric would be thrilled with the fellowship's purpose," said Dana Rosenfeld, Biel's spouse. "The idea that those who loved Eric will celebrate his life and legacy through this fellowship sustains us, and makes us proud of all that Eric was able to accomplish in a life that was far too short."

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FLA University Caucus supports social compliance in university licensing with new Best Practices toolkit

FLA's University Caucus Best Practices, launched in 2022, offer a framework for building robust social compliance programs within collegiate trademark licensing. To help universities effectively implement these nine practices, in 2023 the University Caucus launched a 31-page Best Practices Implementation Toolkit.

The included materials aim to facilitate flexible and effective program development, recognizing the diverse resources and expertise across university licensing programs. The toolkit organizes materials for each of the best practices based on when (timeframe for implementation), what (key activities or processes), and how (relevant guides and resources) they can be implemented.

The toolkit includes dozens of customized resources such as video tutorials, a self-assessment tool, email templates, campus examples, testimonials, tips, and guidance. As a dynamic resource, the toolkit will evolve through feedback and contributions from FLA University Caucus members, fostering knowledge exchange and benefiting all participants.

Fair Labor	Best Practice 1: Maintain Active FLA University Membership
III Labor	1.1 Renew FLA University Hembership Annually, Including Paying Annual Dues
	WHEN: FLA University Member annual renewal period takes place during Q3, July to September.
	WHAT: Key Activities or Processes
FLA University Caucus Best	 FLA staff will email University Contacts with renewal instructions and reminders.
	HOW: Relevant Materials and How-To Guides
Practices: Implementation	 Video: How to complete FLA University Member Renewal on MyFLA
Toolkit	 Downloadable PDF: How to complete FLA University Member Renewal on MyFLA
FLA Contact: Danielle Roberts, FLA University Program Manager	1.2 Send Timely Notices of Any Changes in Staffing to FLA
(droberts@fairlabor.org)	WHEN: Ongoing, as staffing changes occur
	WHAT: Key Activities or Processes
	 University Contacts can email names and contact information to renewals@taidabor.org or to the FLA. University Program Manager.
	 FLA staff will ensure new University Contacts have a MyFLA account and are added to relevant FLA email streams.
	1.3 Develop and Implement for the University's Internal use a Standard Operating Procedure and, Where Applicable, a Business Continuity Plan to Maintain FLA University Nembership
	WHAT: Key Activities or Processes
	 Ensure that roles, responsibilities, and timelines are clear for ongoing FLA. University Membership.
	 If you choose to disaffiliate from FLA, ensure you communicate this decision to FLA as well as to relevant business or licensing agency partners.
[October 2023]	EXECUTE 1
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FLA strengthens learning opportunities for collegiate licensees

In 2023, FLA continued its instructor-led training for licensees, hosting four training sessions, each with over 500 companies participating.

The training sessions covered the foundation phase of the 10 Milestones of Social Compliance for Licensees framework, which includes securing commitment from top management, establishing and understanding a code of conduct, and educating colleagues.

The content addressed the realities of all FLA collegiate licensee affiliates, which include a variety of supply chain structures, sizes, and geographies. FLA trainers incorporated activities including case studies, peer sharing, polls, and role-playing to create an engaging and interactive learning environment.

"It... does not have to be a fight, but rather a discussion, as we demonstrated in the role-play."

○ PARTICIPANT IN 2023 INSTRUCTOR-LED TRAINING, "GET AND MAINTAIN COMMITMENT FROM TOP MANAGEMENT"

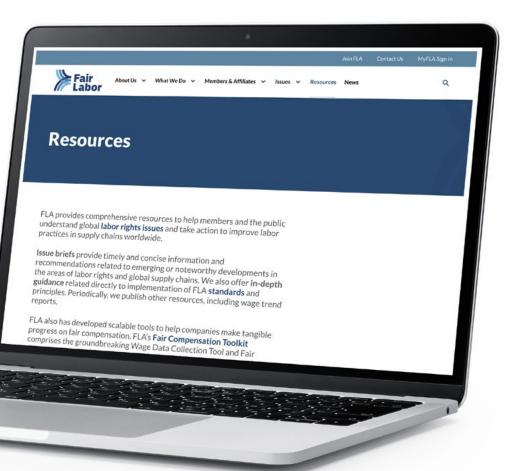


FLA launches resource hub for members and the public

In late 2023, FLA launched a new hub for <u>COMPREHENSIVE RESOURCES</u> to help members and the public understand global labor rights issues and take action to improve labor practices in supply chains worldwide. Issue briefs provide timely and concise information and recommendations related to emerging or noteworthy developments in the areas of labor rights and global supply chains.

The resource hub also offers in-depth guidance related directly to implementation of FLA standards and principles. For example, FLA's <u>LIVING WAGE PUBLIC REPORTING GUIDANCE</u> provides a framework for company members to report on progress towards living wages. Featuring PUMA's annual sustainability reporting as an example, the guidance shows how companies using FLA's award-winning Fair Compensation Toolkit can improve wage transparency and show progress towards living wage in their supply chains.

Public materials developed in 2023 also included guidance on ensuring responsible retrenchment and closure; mapping supply chains; and preventing child labor. In addition to publicly available resources, to support member companies in their HRDD journeys FLA released members-only guides related to responsible procurement, supplier engagement, and light work.



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New e-Learning platform catalyzes digital learning for members and affiliates

In 2023, FLA launched its own e-Learning platform to expand digital learning opportunities and facilitate improved access for members and affiliates. The platform enables FLA to develop custom online courses on a range of relevant social compliance topics.

FLA published new original courses on grievance mechanisms; responsible retrenchment, exit, and closure; and wage data analysis. These courses, as well as the 90+ other courses available to FLA members and affiliates in the platform, complement and reinforce lessons from both the Fair Labor Accreditation and FLA knowledge building programs.



FINANCIALS

STATEMENT OF FINANCIAL POSITION

	Dec. 31, 2023
Cash & Equivalents	\$10,406,148
Accounts Receivable	426,620
Prepaid Expenses	181,938
Fixed Assets (net)	213,990
Right-of-use Asset	2,694,671
Other Assets	165,334
Total Assets	\$14,088,701
Accounts Payable & Accrued Expenses	\$787,215
Deferred Revenues	1,328,229
Affiliate Payable	2,117,544
Operating Lease Liability	3,210,903
Total Liabilities	7,443,891
Net Assets	6,644,810
Total Liabilities & Net Assets	\$14,088,701

STATEMENT OF ACTIVITIES

	Dec. 31, 2023
Affiliate Dues	\$6,621,518
Assessment Fees	590,321
Monitoring Fees	537,580
Fee for Service/Special Projects	2,095,711
Other Income	351,852
Total Revenue	\$10,196,982
Personnel	\$5,316,045
Travel	466,641
Professional Fees	2,312,998
Support Services (Overhead)	1,813,415
Total Expenses	\$9,909,099
Net Income	\$287,883

BOARD OF DIRECTORS

CHAIR Michael Posner

BOARD COUNSEL J. Matthew Owens Arnold & Porter, LLP

PRESIDENT & CEO Sharon Waxman

BOARD SECRETARY Jamie McMillan

CIVIL SOCIETY ORGANIZATION REPRESENTATIVES

Nancy Donaldson GLOBAL FAIRNESS INITIATIVE

Gopinath Parakuni CIVIDEP INDIA

Sally Greenberg NATIONAL CONSUMERS LEAGUE

Nina Smith GOODWEAVE

Nazma Akter SOMMILITO GARMENTS SRAMIK FEDERATION

Irit Tamir OXFAM AMERICA

COMPANY REPRESENTATIVES

Selcuk Buyukozer ADIDAS

Prathika Kurian SANMAR

Michael Levine UNDER ARMOUR, INC.

Wendy Savage PATAGONIA INC.

Leslie Shull DELTA GALIL

Klara Hauss

Yann Wyss (observer) NESTLE

UNIVERSITY REPRESENTATIVES

Tomi Gerhold UNIVERSITY OF NOTRE DAME

Erika George UNIVERSITY OF UTAH

Craig Westemeier UNIVERSITY OF TEXAS

Rachel Duffy SYRACUSE UNIVERSITY

Ravi Anupindi UNIVERSITY OF MICHIGAN

Erika Austin MICHIGAN STATE UNIVERSITY

MEMBERS

PARTICIPATING COMPANIES AND SUPPLIERS

47 BRAND, LLC ADIDAS **ALPHABRODER** AMER SPORTS ARENA S.P.A. BALSU **BELLA+CANVAS** BURTON SNOWBOARDS COLOSSEUM ATHLETIC CORPORATION DELTA GALIL INDUSTRIES LTD. FANATICS APPAREL LLC FAST RETAILING CO., LTD. FENIX OUTDOOR AB FOUNDER SPORT GROUP **GILDAN ACTIVEWEAR INC** GYMSHARK LTD.

- HANESBRANDS HUGO BOSS AG **KMD BRANDS KOOZIE GROUP** LAKESHIRTS, INC. LEAGUE COLLEGIATE WEAR, INC. (L2 BRANDS) LUCY & YAK LULULEMON ATHLETICA INC. MAINLAND HEADWEAR HOLDINGS LIMITED MAXPORT LIMITED MEC MOUNTAIN EQUIPMENT COMPANY LTD NESTLE S.A. NEW BALANCE ATHLETICS INC. NEW ERA CAP, LLC NEXT LEVEL APPAREL
- NIKE, INC OLAM OUTERKNOWN **OUTERSTUFF LLC** PATAGONIA POPSOCKETS LLC POU CHEN CORPORATION PUMA SE REFORMATION ROOTS RUSSELL BRANDS/FRUIT OF THE LOOM SABIRLAR FINDIK/HAZELNUT SANMAR CORPORATION SESTAR LIMITED THE ANTIGUA GROUP, INC TOMS SHOES
- UNDER ARMOUR, INC. VOICEVALE VOLCOM, LLC. W.L. GORE AND ASSOCIATES, INC. YAVUZ GIDA SANAYI VE TICARET A.S. YEE TUNG GARMENT CO., LTD THE ANTIGUA GROUP, INC THE S. OLIVER GROUP TOMS SHOES UNDER ARMOUR, INC. VOICEVALE VOLCOM, LLC. W.L. GORE AND ASSOCIATES, INC. YAVUZ YEE TUNG GARMENT CO., LTD

CIVIL SOCIETY ORGANIZATIONS

ARISA
BETTER BUYING
CIVIDEP INDIA
GEORGETOWN LAW SCHOOL
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GOODWEAVE INTERNATIONAL

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