

FAIR LABOR ASSOCIATION

Annual Report

2025



Introduction

EVERY DAY, IN countries around the world, workers face hardships ranging from poverty wages and forced labor to workplace health hazards and gender-based discrimination. For more than 25 years, the Fair Labor Association has brought together global brands, major universities, and labor and civil society organizations (CSOs) to address these and other thorny challenges to the well-being of workers globally.

In 2025, FLA continued decades of growth, both in terms of our membership—we welcomed 11 new members from six countries—and our global impact. This year alone, our programs and projects extended across 33 countries on five continents.

Our work investigating and remediating labor rights violations directly benefited approximately 8,300 workers, and we improved access to grievance mechanisms for countless others. One key to success? We partner with stakeholders around the world, with an emphasis on the importance of applying a local context to labor rights solutions.

We continued to support government policies and programs that protect workers, leveling the playing field and helping make regulations both practical and effective, despite significant shifts in policy and shrinking financial support for labor rights initiatives. In the EU, we called for a meaningful and aligned due diligence framework. In the United States, we argued strongly for the value of the Department

of Labor's Bureau of International Labor Affairs and its programs, which historically have built institutions to effectively protect workers and raise labor standards.

We know that robust risk-based due diligence models that address human and labor rights issues at all tiers of the supply chain remain critical for global companies. Our flagship Harvesting the Future (HTF) program continued to foster large-scale change on child protection and responsible recruitment in agricultural communities. Over the course of the year, we mobilized more than 130 partners in three countries to reach thousands of workers, families, and suppliers. We are particularly proud that HTF was recognized this year with a prestigious Gold Anthem Award, which celebrates organizations and initiatives dedicated to purpose-driven change, alongside programs from the International Committee of the Red Cross, the Clinton Global Initiative, UNHCR, UNICEF, and the Citi Foundation.

HTF is not our only program that digs deeply into the upper—and often most opaque—tiers

of a company's supply chain. Recognizing that companies often face limited visibility and traceability beyond Tier One suppliers, a lack of leverage and resources to scale actions, and systemic issues that require sectoral-level interventions, this year we launched the Supply Chain Action Network (SCAN), bringing companies together to pilot practical solutions in upstream supply chains and scale them up. Our groundbreaking report on the leather industry in Brazil, co-authored with Impactt, is paving the way toward a more equitable industry for workers at all levels of the leather supply chain.

And as always, we carried on our core work evaluating companies' systems to protect workers throughout their global supply chains. This year, we celebrated five of our agriculture companies reaching Milestone 1 in their accreditation journey.

We invite you to learn more about the impact these programs – and many others – had this year on workers at farms and factories worldwide.

Thailand **Pakistan** **Taiwan**
 Switzerland **Türkiye** Cambodia
Nicaragua **Brazil** Honduras
 United States **India** Denmark **Côte d'Ivoire**
 Albania **Myanmar** Nigeria **Vietnam**
 Mexico **El Salvador** Malaysia **Philippines**
Indonesia **Egypt** Costa Rica
 France
Germany Portugal **Guatemala**
 Peru **Bangladesh**
 Comoros **Sri Lanka**

In **2025**, FLA welcomed **11** new
 members from **6** countries. We carried
 out on-the-ground activities across **33**
 countries on **5** continents.



By the numbers

MEMBERS AND AFFILIATES

58 Participating Companies, representing about
125 brands worldwide ■ **19** labor and civil society
organizations and unions ■ **135** universities ■
2,670 collegiate licensee affiliates

ASSESSMENTS

9 farm assessments, including interviews with **270**
farmers and **334** workers across **4** countries ■
59 factory assessments, including interviews with
2,782 workers across **18** countries

INVESTIGATIONS

Conducted investigations on behalf of approximately **8,300** workers ■ **7** independent investigations
conducted or closed, impacting **6,800+** workers, including **\$300,000** in retroactive severance payments
■ **7** worker complaints addressed and resolved without the need for a full investigation, representing timely
remediation for approximately **1,500** workers

NEW MEMBERS

6 COMPANIES



2 CSOS



3 UNIVERSITIES



FLA welcomes new Board Chair, Chris Lu

DURING FLA'S OCTOBER Board Convening and Stakeholder Conference in Berlin, Germany, we welcomed new Board Chair Chris Lu to the FLA board of directors. Lu succeeded Michael Posner, who had served as board chair since 2017.

Lu served most recently as the U.S. ambassador to the United Nations for Management and Reform, where he led negotiations on the UN budget, coordinated oversight of UN programs, served as the U.S. Mission's liaison to the private sector, and managed cross-cutting issues, including global AI policy.

"From raising wages and working conditions in factories and fields, to combating child and forced labor, FLA has tackled some of the most critical labor issues by promoting transparency, accountability, and education. I look forward to building on Mike Posner's impressive record of success as we work towards a more fair labor future," said Lu.

"Chris has a strong record of consensus-building and strategic leadership on both labor and international affairs, and he brings insight into key trends that will shape FLA's work going forward," said FLA President and CEO Jeff Vockrodt. "With his experience, expertise, and personal commitment to empowering workers, he will help us continue to move the organization forward, building on Mike's legacy as chair and making a difference in the lives of millions of workers who might otherwise be underpaid, overworked, and overlooked."



Securing remediation for workers through Fair Labor Investigations

THE FAIR LABOR Investigations team partners with stakeholders around the world, with an emphasis on the importance of applying a local context to labor rights solutions. These relationships help create stronger systems to identify workers' concerns, remediate issues, and prioritize more resilient supply chains.



Strengthening partnerships in Indonesia

In Indonesia, members of our investigations team met with 15 regional partners, including FLA members, CSOs, and local government agencies. At the launch of the International Organization for Migration's initiative, the Migration, Business and Human Rights Programme in Asia, we shared expertise on ethical recruitment of migrant workers, labor mobility, and decent working conditions in line with international standards.

Securing remediation for workers in Thailand

We worked with member company Nike to resolve issues concerning labor violations at Hong Seng Knitting Co. Ltd., a Bangkok factory with over 3,000 workers, during the early stages of the COVID-19 global pandemic. Following a thorough, independent investigation by FLA, all impacted workers were compensated for 100% of the wages for unpaid leave days, after years of stalemate.

Collaborating with key stakeholders in Central America

During meetings with the Americas Group's Mexico and Central America Committees, we explored topics important to local unions and labor groups, including freedom of association, advance severance payments, childcare, and optimizing sourcing for local manufacturers. We also participated in a webinar for stakeholders in Nicaragua sharing information on FLA Third Party Complaints to improve workers' awareness of our investigations processes.





Providing rapid resolution for workers through mediation

IN ADDITION TO Third Party Complaint (TPC) investigations, our team works with brands, unions, and workers to resolve complaints in advance of launching a formal investigation, otherwise known as pre-TPC mediation, providing an effective and accelerated avenue to strengthen social dialogue among all stakeholders.

In sourcing countries with threats to freedom of association, workers may prefer to pursue pre-TPC mediation to avoid drawing attention from government actors. This offers safer conditions for reporting workplace issues, as well as speedier access to remedy.

Our team also collaborates with worker representatives on mediation in countries where freedom of association is not restricted. In 2025, we engaged with over 10 unions and union federations to address issues raised by workers, ensuring they had a voice in remediation.

RESULTS OF MEDIATED CASES (2025)

141 migrant workers were reimbursed recruitment fees

\$600,000 in unpaid wages and severance were delivered to workers after an abrupt factory closure

1,300 workers received training materials translated in their native languages

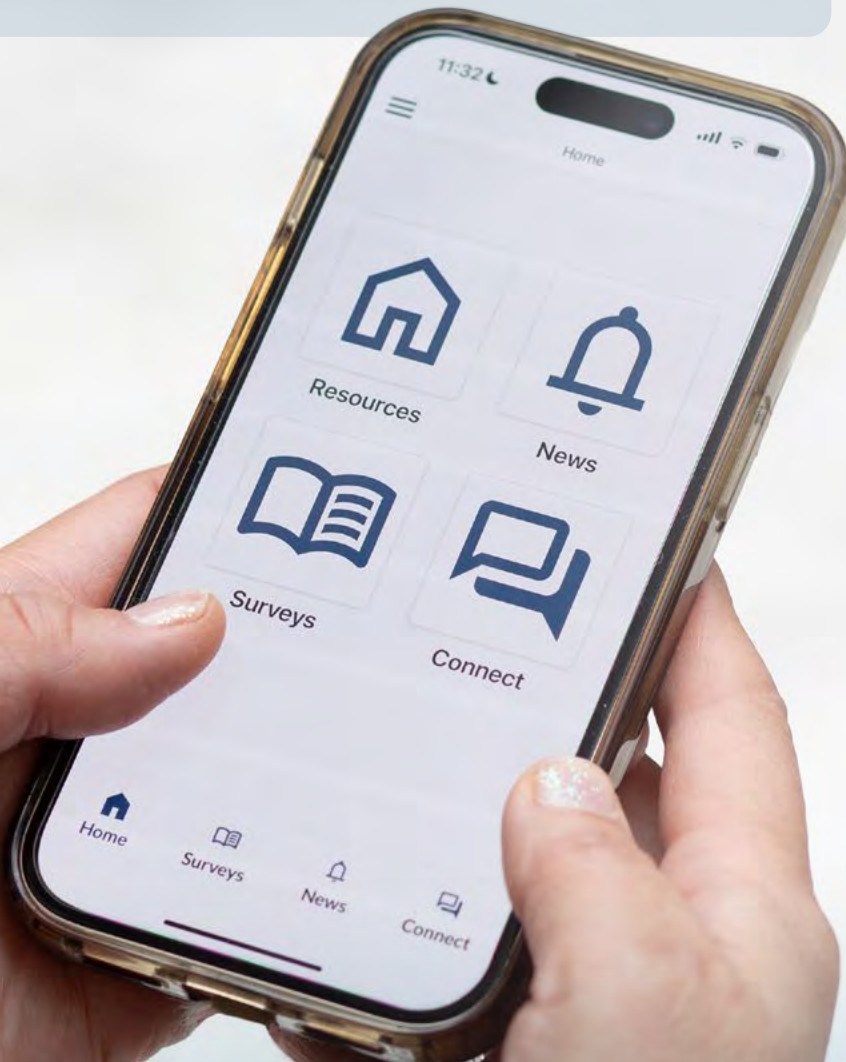
6 factories implemented improvements

27 union members and workers received owed compensation, including a settlement of ~\$35,000 for five workers and access to unemployment benefits

21 union leaders reinstated after unlawful termination

FLA STANDARDS

FLA's Principles of Fair Labor and Responsible Sourcing and Production for Manufacturing and Agriculture (Principle 6) and Workplace Code of Conduct and Compliance Benchmarks require functioning and effective grievance mechanisms to uphold and protect workers' rights and provide guidance for brands and suppliers.



Improving access to grievance mechanisms

GRIEVANCE MECHANISMS HELP to identify, prevent, and remediate workers' issues and concerns, and ensure workers' voices are integrated in companies' human rights due diligence (HRDD) efforts. In 2025, we expanded our grievance mechanism resources for our members, affiliates, and partners.

Grievance Mechanism Toolkit for Companies

We launched a new [Grievance Mechanism Toolkit for Companies](#), an actionable, step-by-step guide to assist with the development, implementation, and measurement of functioning, effective grievance mechanisms. The toolkit highlights key focus areas, common challenges, best practices, and the business case for effective grievance mechanisms. It includes case studies and lessons learned from companies, suppliers, and auditors.

Worker Insights, Smart Engagement (WISE) mobile application

Our [Worker Insights, Smart Engagement \(WISE\)](#) mobile application can be used across various supply chain tiers, industry sectors, and countries to engage meaningfully with workers at scale. Through WISE, workers can report suggestions, concerns, or grievances directly; confidentially communicate with a WISE case manager; and track the progress of their grievance resolution. In addition, WISE is designed to disseminate information about labor rights to workers; help workers communicate with their employer; and survey workers about their experiences.

Strengthening FLA's presence in Europe

AS A LEADER in the creation of key international sustainability regulations and frameworks, as well as home to leading brands in global manufacturing and agriculture, Europe is a critical region for influencing labor rights for workers around the world. This year, we deepened our work with companies, governments, and NGO partners throughout Europe to move the needle on systemic issues.

2025 OECD Forum on Due Diligence in the Garment and Footwear Sector **Paris, France**

At February's [forum](#), and through two virtual side sessions, our experts explored how companies can improve due diligence in upstream supply chains and influence garment workers' wages through purchasing practices.

2025 Board Convening and Stakeholder Conference **Berlin, Germany**

In October, approximately 125 FLA members, affiliates, regional and international stakeholders, and staff [gathered for three days of education and discussion](#). We explored key labor topics impacting members, including responsible recruitment of migrant workers, U.S. and EU regulatory changes and ethical supply chains, and how to implement grievance mechanisms.

↓ Global Fashion Summit **Copenhagen, Denmark**

FLA's groundbreaking work on responsible recruitment and the forced labor risks migrant workers face due to the ongoing practice of charging recruitment fees took the Ignite Stage at June's Global Fashion Summit.



FLA's Europe Committee

Our Europe Committee is dedicated to establishing FLA as a leading human and labor rights organization in Europe. It advises FLA on advocacy opportunities, supports our European members, and engages with strategic partners in Europe on key projects. This year, Yves Flückiger was officially named chair of the committee, providing strategic oversight to its activities moving forward.



2025 Textile Exchange **Lisbon, Portugal**

In October, we exchanged ideas with brands, suppliers, and stakeholders on textile sustainability and the intersection of climate and human rights. Our team hosted a booth and shared key factors that can improve working conditions on farms, based on our research and projects in Brazil and India.

UN Business and Human Rights Forum **Geneva, Switzerland**

At November's forum, we also hosted a booth to meet with fellow attendees and contributed to discussions on why centering workers in business and labor rights discussions is essential to meaningful HRDD work.



What members have to say



"Being part of the FLA's multistakeholder initiative allows us to engage directly with companies, CSOs, and other stakeholders to drive meaningful improvements in working conditions. The FLA's collaborative approach ensures accountability and fosters sustainable change across global supply chains."

ÖZ İPLİK-İŞ TRADE UNION **TÜRKİYE**

"At Balsu, we believe that lasting progress in global supply chains is possible through knowledge sharing, shared responsibility, and collaboration. Through FLA's multi-stakeholder initiatives, we share field experience, contribute to the exchange of good practices, and support the development of more responsible and resilient agricultural supply chains with respect for human rights at their core."

BALSU **TÜRKİYE**

BALSU



"The University of Texas benefits significantly from its affiliation with the Fair Labor Association, gaining valuable knowledge and insight into complex issues related to the code of conduct, sourcing practices, and the broader field of corporate social responsibility. The expertise of the FLA staff is instrumental in helping us navigate these areas with diligence and integrity."

THE UNIVERSITY OF TEXAS **UNITED STATES**

"FLA has been and continues to be a safe place where contentious issues and contentious sides can meet together to try to develop solutions. Whether it was in the boisterous and rambunctious early days or more pragmatic approaches these days, that is a real value to the organization and that has to underpin how we work in the future."

ADIDAS **GERMANY**



Advocate

Fair Labor Association 2025 Annual Report

Collaborating with CSOs and unions in Jakarta

LABOR UNIONS AND civil society members influence FLA's strategic direction and priorities, ensuring that workers' voices are integrated into our standards, programmatic work, and key decisions. In August, we convened a diverse group of over 20 unions and CSOs from across Indonesia to share firsthand insights from workers and communities and drive more accountable supply chains in the country.

Roundtable participants emphasized the persistent gaps between policy commitments and on-the-ground realities, especially for women workers and vulnerable groups, and the need for stronger collaboration between brands, suppliers, and worker representatives to ensure that labor standards translate into meaningful improvements.

Several cross-cutting priorities emerged, including advancing gender equity, living wage, and supply chain transparency; strengthening grievance mechanisms; and ensuring that workers' voices are embedded in decision-making processes. Participants reiterated that global standards must be aligned with local contexts to be effective.

Working toward workers' rights and fair compensation in Bangladesh

BANGLADESH IS ONE of the world's top textile manufacturing countries, ranking second in global exports of ready-made garments, supplying products for some of the world's largest apparel brands, and employing more than four million people.

In addition to its economic importance, Bangladesh has played a key role in the workers' rights movement. The Rana Plaza collapse in 2013 raised questions globally about the importance of workplace safety and labor rights, resulting in the Bangladesh Accord – an important multi-stakeholder agreement to improve on worker health and safety that has influenced many of today's due diligence programs.

Many FLA members and affiliates source from Bangladesh, making it a key focus area where we advocate to improve working conditions. This year, we partnered with the American Apparel & Footwear Association (AAFA) to host a [joint brand delegation](#) to the country, urging both the national government and manufacturing stakeholders to focus on advancing workers' rights in its garment, footwear, and travel goods industries.

At the [2025 OECD Forum on Due Diligence in the Garment and Footwear Sector](#), we joined unions, CSOs, NGOs, and international development agencies to explore findings from our [living wage project in Bangladesh](#), wage trends, and experiences engaging with workers on fair compensation. This was part of a collective effort to bring more transparency and advocacy to labor rights reform in the country.



Celebrating a key milestone in addressing forced labor in Taiwan

EACH YEAR, 750,000+ migrant workers travel to Taiwan from countries such as Vietnam, Indonesia, the Philippines, and Thailand to work in the textile sector and other industries. Migrant workers are often charged exorbitant recruitment fees to secure employment, which can lead to significant forced labor risks such as debt bondage and restricted freedom of movement.

Eliminating forced labor in global supply chains has been an ongoing part of our advocacy work. In 2018, FLA and AAFA launched the Apparel & Footwear Industry Commitment to Responsible Recruitment, [a proactive industry effort to address forced labor risks for migrant workers](#) in the global apparel supply chain. By using collective leverage, this group can push for industry-wide improvement on specific issues for workers.

We continued these advocacy efforts this year, meeting with the Taiwanese government to advocate for responsible recruitment practices. In December, [we celebrated a milestone announcement from the Taiwan Textile Federation](#), which urged the Taiwan textile industry to adopt a policy that includes an Employer Pays Principle starting on January 1, 2026. Under the policy, Taiwan's textile mills would pay all fees associated with recruitment of foreign migrant workers into Taiwan's textile industry and adopt other steps to protect these workers.

“High recruitment fees continue to create a high risk of forced labor for international migrant workers heading to Taiwan, despite years of efforts to eliminate those fees. Addressing the root cause requires a significant shift in the way money flows in the labor supply chain. I’m confident that we can create real change in the recruitment process by creating the economic incentives the recruitment marketplace needs to shift from worker-paid fees to employer-paid fees.”

SHELLY HAN, FLA EXECUTIVE VICE PRESIDENT
AND HEAD OF PUBLIC POLICY

Supporting government policies and programs that protect workers

“Companies, workers, and consumers all benefit from strong labor standards in global supply chains. The elimination of grant programs administered by ILAB will significantly damage U.S. efforts to combat child labor and forced labor worldwide, weakening the ability of U.S. companies to compete with manufacturers in countries where labor standards are less stringent.”

JEFF VOCKRODT, FLA PRESIDENT AND CEO

The EU’s sustainability framework

In 2025, European legislators proposed changes to key sustainability regulations, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), which form the backbone of Europe’s sustainability framework and set a global standard for corporate human rights due diligence.

Throughout the year, FLA joined like-minded organizations to reaffirm our strong support for a robust and pragmatic implementation of the framework and the need for legal certainty and a level playing field across global supply chains.

U.S. labor rights funding

In 2025, the U.S. administration announced cuts to several government programs supporting labor rights around the world, including the U.S. Department of Labor’s Bureau of International Labor Affairs (ILAB).

FLA and AAFA argued against the cuts in multiple statements, urging the government to preserve ILAB. These programs have been key contributors to raising labor standards, including eliminating child labor and forced labor; promoting freedom of association and collective bargaining; and enforcing transparency in global supply chains.



Advocate

Evaluate



Five agriculture companies reach Milestone 1 toward Fair Labor Accreditation, demonstrating continuous commitment to fair labor practices

FAIR LABOR ACCREDITATION is a rigorous, multi-year process that evaluates companies' systems to protect workers throughout global supply chains, comprised of five key milestones that signify different workers' rights requirements. For agriculture companies, many of whom source across multiple countries and commodity value chains, achieving these standards at the farm level requires a significant commitment to, and investment in, human rights.

In March, five companies—[Balsu](#), [Nespresso](#), [ofi](#), [Sabirlar](#), and [Yavuz Gıda](#)—celebrated reaching Milestone 1 in the Fair Labor Accreditation process.

Milestone 1 considers a company's activities related to governance and internal alignment, confirming that each company has demonstrated a continuous commitment to working towards ensuring fair labor practices in their commodity supply chains. Companies must have developed a human rights due diligence system to oversee the implementation of labor standards for in-scope commodities, based on a commitment to human rights, a risk assessment, and consultation with international CSOs.

In addition, each company must have aligned its standards to FLA standards, developed a time-bound plan for achieving full supply chain traceability, and started publicly disclosing its sourcing profile for in-scope commodities.



Evaluate

FLA launches the Fair Labor Data Hub for improved supply chain transparency

PUBLISHING A SOURCING profile is a critical part of a strong due diligence program. It helps create a pathway for data collection on working conditions, identify opportunities to train suppliers, and facilitate investigations and remediations for workers.

To support companies in enhancing their supply chain transparency, we launched the Fair Labor Data Hub. This new supply chain disclosure platform, which replaced Fair Factories Clearinghouse, helps our manufacturing member companies and collegiate licensee affiliates better collect and provide information on their current factories, suppliers, and licensors to meet FLA's [disclosure requirements](#).



Investing in fair compensation pilots and tools

EVERY WORKER HAS a right to compensation for a regular work week that is sufficient to meet the worker's basic needs and provide some discretionary income.

However, achieving a living wage for workers across countries and supply chains requires addressing complicated structural issues, such as the need for improved data and collective action. By investing in and expanding our fair compensation resources, including piloting new solutions and expanding [Fair Compensation Toolkit](#) offerings, we help companies close the gap between what workers earn and what they need.

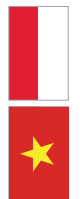
Gender Pay Equity Pilot and tool development

In many countries, women represent the majority of workers in textile and apparel manufacturing. To effectively improve wages, companies must first understand what women workers are getting paid and how this compares to living wage benchmarks.

This year, we launched the Gender Pay Equity Pilot to collect gender-disaggregated wage data from four factories (three in Indonesia and one in Vietnam) to test and refine measuring the gender pay gap within worker occupations. We used the results to develop our online Gender Pay Equity Tool, which supports data analysis allowing companies to apply a gender lens to workers' compensation. The pilot also supported gender pay gap analysis capabilities in our Fair Compensation Dashboard, which currently supports 50+ companies measuring living wage benchmarks across 30+ countries.

Wage Data Collection Tool 2.0

We updated our Wage Data Collection Tool – which allows companies to gather wage data from factory workers – after consultation with stakeholders and CSOs on how to improve wage measurement. Tool updates include an expanded number of worker categories to allow for data by skill level or gender, coverage of 12 months of wage data, addition of the lowest wage and bargained wage, and more. These updates expand the information available to companies, helping improve worker wages and quality of life.



Expanding living wage research in Bangladesh, Pakistan, and Vietnam

ACHIEVING FAIR COMPENSATION for workers in global supply chains rests on a sophisticated understanding of the country-specific contexts that influence wages. Through our living wage studies and research on wage trends, we're exploring how factors like local and national regulations, restrictions on freedom of association, and the influence of international buyers impact what workers earn – providing country-specific learnings for companies.

Living wage studies in Vietnam and Bangladesh

From 2022-2025, we worked with partner organizations to assess strategies to raise workers' wages in [Vietnam and Bangladesh](#), two key sourcing countries for our members. At the participating factories in Vietnam, the project team found that both regular minimum wage increases and the factory's compensation policy improvements had contributed to higher average wages for workers. In Bangladesh, the team found that in general wages do not increase without a minimum wage update or other government mandate.

Using this data, we identified recommendations for all buyers working toward living wage goals. These include committing to responsible purchasing practices; advocating with governments for labor reforms and minimum wages that are also living wages; supporting worker engagement, social dialogue, and collective bargaining; ensuring that living wage commitments are shared across internal teams; accounting for living wage costs in pricing negotiations; and working with multi-stakeholder initiatives and local CSOs on wage progress.

As of this report's publication, buyers and suppliers have started to implement recommendations and actions plans, including improving

At the Sourcing Journal Fall Summit in New York City, we emphasized the importance of fair wages and how companies can help close the living wage gap in fashion-producing countries.



communication to workers on incentives and navigating purchasing practices impacted by tariffs. As of 2025, most garment and footwear workers in both countries still earned below living wages.

Wage trends: Pakistan

Using data from our member companies, we reported on [wage trends in Pakistan](#) – another key sourcing location for many of our members. We determined that workers' wages remained below living wage estimates, despite increased wages in 2022 and 2023 in two of the country's largest garment manufacturing provinces. Between 2021-2023, rising inflation and inadequate minimum wage-setting frameworks—including lack of effective worker representation—contributed to the growing living wage gap.



Our reports consistently find that garment workers experience a living wage gap compared to international benchmarks – although this gap is decreasing over time. Using this data, we’re working with members and industry partners to push for a living wage for all workers.

18.05% Vietnam workers’ living wage gap in 2023

45.48% Bangladesh workers’ living wage gap in 2023

20.01% Pakistan workers’ living wage gap in 2023

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BY THE NUMBERS

Factory monitoring and due diligence

In 2025, FLA assessors:

- Completed **59** factory assessments, including **7** shared assessments among two or more FLA member companies that contributed to reducing audit fatigue
- Interviewed **2,782** workers in **18** countries (Albania, Bangladesh, Cambodia, El Salvador, India, Indonesia, Malaysia, Mexico, Myanmar, Nicaragua, Pakistan, Peru, the Philippines, Sri Lanka, Taiwan, Türkiye, the United States, and Vietnam)

United States

Use of labor agencies and worker management systems

Findings primarily relate to the use of temporary labor agencies and associated worker management practices. Assessments identified gaps in how agency workers are integrated into workplace systems, including limited clarity around policies, communication, and access to grievance mechanisms. In some cases, information on employment terms, termination conditions, and worker representation is not sufficiently transparent or consistently applied. These findings highlight the importance of strengthening oversight of third-party labor arrangements and ensuring equal protection and communication for all workers.

Mexico

Occupational safety and missing procedures

Assessment findings point primarily to gaps in occupational health and safety and missing or incomplete procedures. Several facilities lack required safety measures, particularly in warehouse and production areas, exposing workers to preventable risks. Documentation and procedural gaps are also common, with missing policies and unclear system implementation across key operational areas. These shortcomings indicate a need for stronger safety management systems, improved documentation, and more consistent enforcement of workplace standards.

2025 factory assessments

2025 factory assessments

Türkiye

Working hours, personnel systems, and compliance procedures

Assessments show continued challenges in working hours management and broader personnel systems. Findings include inconsistencies in recording and monitoring working hours, as well as gaps in compliance procedures and documentation. Personnel-related systems, including disciplinary practices and employee recordkeeping, are not always fully structured or consistently applied. In addition, workplace procedures and permits are sometimes incomplete or not effectively implemented. These issues suggest the need for more robust administrative systems and clearer processes to ensure fair and compliant workforce management.

Myanmar

Working hours, recordkeeping, and workplace systems

Assessment findings continue to highlight concerns around working hours, but with a stronger emphasis on system gaps and recordkeeping. Overtime practices, leave management, and working hour records are not consistently maintained or aligned with legal requirements, limiting transparency and worker protection. Additionally, weaknesses in policies, procedures, and documentation systems affect broader workplace management, including safety and chemical handling practices. These gaps point to the need for more structured systems and improved monitoring to ensure compliance and protect worker rights.

Vietnam

Working hours, overtime, and occupational safety

Assessments indicate that challenges have shifted from recruitment-related concerns toward working hours management and occupational safety practices. Overtime is not always effectively controlled or transparently recorded, with inconsistencies in how working hours are tracked and communicated to workers. In parallel, occupational health and safety issues persist, including gaps in safety training, emergency preparedness, and proper use and maintenance of equipment. These issues are compounded by limited documentation and inconsistent implementation of safety procedures. Together, the findings suggest a need for stronger systems to manage working time and reinforce workplace safety compliance.

Indonesia

Occupational safety, grievance systems, and disciplinary practices

Assessments reveal ongoing challenges in occupational health and safety, alongside gaps in grievance mechanisms and disciplinary systems. Procedures are not consistently implemented or effectively communicated to workers. Safety-related findings include insufficient emergency preparedness, equipment management, and building safety controls. At the same time, grievance channels lack accessibility or worker trust, and disciplinary procedures are not always clearly defined or fairly applied. These issues collectively limit workers' ability to raise concerns and contribute to workplace improvements, indicating a need for more transparent and functional management systems.



Evaluate

BY THE NUMBERS

Farm-level due diligence

In 2025, FLA assessors:

- Conducted **9** farm assessments
- Interviewed **270** farmers and **334** workers in four countries (Colombia, Côte d'Ivoire, the Philippines, and Türkiye)

Colombia

Informal hiring practices

Assessment findings indicate that farms often use informal employment arrangements and hiring practices with workers, without any written policies, procedures, or rules such as age verification, disciplinary processes, and record keeping practices.

Lack of formal health, safety, and environment systems

Assessments show that many farms lack documents, records, and procedures related to inspections and safety. In addition, some farms also lack first-aid kits, training programs, emergency plans, personal protective equipment (PPE) provision, and safety guards on machines.

2025 farm assessments

2025 farm assessments

Türkiye

Child labor and young workers

Assessment findings indicate risks of child labor, with cases of children below the age of 15 working under the same conditions as adult workers and receiving the same pay. Young workers aged 15-18 also harvest under the same conditions as adults, including performing steep-slope work, picking branches, and working long hours – all of which are considered hazardous for children below 18.

Seasonal migrant workers

Assessment findings indicate that seasonal migrant workers are paid 20% less per day than local workers, in addition to paying 10% in recruitment fees. Seasonal migrant workers often work longer daily hours than locals, without overtime pay due to inaccurate record keeping for working hours. In addition, some seasonal migrant workers provide work without pay as “rent” for housing, indicating a risk of involuntary labor.

Grievance mechanisms

Assessments could not verify the presence of grievance mechanisms for farmers, workers, or intermediaries.

The Philippines

Informal labor arrangements

Assessments show that farmers use informal employment structures, lacking written policies, contracts, and recordkeeping that would ensure proper compensation and working conditions. Neither farmers nor cooperatives collect workers’ age verification documents, increasing the risk of hiring of underage workers.

Lack of awareness of labor rights

Assessment findings report that due to the informal labor structure, farms have no standard practices to inform and train individuals (both farmers and workers) on labor rights and working conditions, including child labor, minimum wage, working hours, occupational safety, and grievance mechanisms.



Innovate

HARVESTING THE FUTURE UPDATE

130+ partners reach thousands of workers, families, and suppliers across three countries

FLA'S [HARVESTING THE FUTURE](#) initiative remains a leading model for collective, area-based remediation in upstream supply chains. Key successes from 2025 include:

India

Cotton

- **3,100** farming households and **1,000** workers engaged
- **3,400** children identified for program interventions, including those out of school
- **4,100** individuals connected with social protection schemes

Egypt

Jasmine

- **19,000** community members provided with medical care
- **1,700** children participated in educational activities
- **14,000** PPE kits distributed

A [case study by the Geneva Center for Business and Human Rights \(GCBHR\) at the University of Geneva](#) concluded that the HTF model successfully addresses structural human and labor rights challenges that seasonal migrant workers face in upstream supply chains.

"HTF's comprehensive multi-stakeholder approach creates opportunities that individual companies often lack, such as liaising closely with the government."

GCBHR



Harvesting the Future wins 2025 Gold Anthem Award for Humanitarian Action & Services: Partnership or Collaboration

The Anthem Awards recognize brands, nonprofits, and individuals who are setting the standard for good worldwide. [The Gold Award recognized HTF's progress](#) as a multi-stakeholder model for change.

Türkiye

Multi-commodity, including cumin, grape, hazelnut, and tea

- **5,530** farmers and **3,862** workers participated in training and awareness activities
- **1,300** children participated in summer education and referral services
- **8,500** PPE and hygiene kits distributed

Rose

- **1,900** farmers and **800+** workers trained on labor rights, working conditions, and child protection
- **1,100** children identified for program interventions
- **1,000+** children referred to education and protection services



Innovate

SUCCESS STORY

Two years of Harvesting the Future - Jasmine in Egypt

IN NOVEMBER, FLA and ILO Egypt brought together more than 60 people and 19 organizations [participating in the project](#) for their annual convening to reflect on key milestones and determine next steps for improving working conditions in the sector. They visited jasmine fields and met in-person with workers to hear their feedback – including what's working and what additional interventions are needed.

Child protection measures

Interventions designed to eliminate child labor in jasmine picking have included hosting children's educational and recreational activities, strengthening local child protection systems (case management, psychological support, and referrals), and holding awareness sessions for 620+ individuals and farmers on child labor.

Medical convoys

Jasmine pickers typically live in rural communities where medical care is difficult to access. The project has organized medical convoys that have travelled to 20+ villages and provided medical services to pickers, their families, and residents. These include essential examinations, surgeries, and health awareness sessions.

Personal protective equipment

Jasmine pickers harvest flowers at night and in the early morning, working in cold temperatures and wet environments. To date, the project has provided pickers with more than 14,000 kits of personal protective equipment, including headlamps, waterproof boots and waterproof aprons, making their work safer and more comfortable.

Economic empowerment projects

Jasmine harvesting is seasonal, and many pickers seek additional sources of income throughout the year to support their families. The project has supported workers in starting their own businesses through trainings on entrepreneurship and financial literacy, creating village savings and loan accounts, and support securing loans. So far, workers have started successful local businesses including a bakery, a home goods retail store, and chicken raising.





Researching human rights and decent working conditions in the leather supply chain

WE PARTNERED WITH Impactt to research labor issues in global leather production, a particularly high-risk sector for forced labor, health and safety issues, gender-based violence and harassment, and more. In particular, assessors profiled Brazil — the third-largest leather-producing country in the world and a sourcing location for many apparel brands. By illuminating challenges in upstream supply chains for commodities like leather, we drive accountability and inspire collective action toward a more equitable industry for workers at all levels of a company's global supply chain.

We [detailed several areas of concern in the resulting report](#), including a lack of transparency between farms, slaughterhouses, and tanneries; documented human rights risks at every level of the leather supply chain; and a lack of structured collaboration between the apparel/footwear and meat packaging industries to establish traceability or conduct human rights due diligence.

The report recommends four main strategies that companies can adopt for traceability, along with suggested concrete actions.

Human rights risks in Brazil's livestock/cattle industry:

- Between 1995–2022, inspections identified **2,023** cases of slave labor within Brazil's livestock/cattle industry (comprising **46%** of all of Brazil's slave labor cases)
- Workers often face hazardous living conditions on cattle farms, including limited space, electricity, sanitation, food, and clean water
- Migrant workers in slaughterhouses report low pay and temporary contracts



Researching underexplored human rights risks in Brazil, Comoros, Egypt, and India

WE CONDUCT TARGETED studies, known as Human Rights Impact Assessments (HRIAs), on specific agricultural, natural ingredients, and recycling supply chains where risks related to working conditions—including a lack of fair compensation and child protection, and the presence of vulnerable worker groups—are often prevalent yet underexplored. HRIAs not only help understand the scope of existing risks, but also identify root causes and enable more targeted and sustainable solutions. HRIAs inform future activities and projects, providing essential research for understanding where interventions are needed to improve workers' livelihoods.

This year, we conducted 10 HRIAs across four countries and 10 supply chains, which included field research, stakeholder engagement, and mapping. Persistent and systemic labor risks, consistent with findings from previous years, include:

- Informal and insecure employment relationships;
- Low and unstable incomes;
- Child labor and young worker risks;
- Occupational health and safety gaps;
- Gender-related vulnerabilities; and
- Limited access to grievance and remediation systems.

HRIA supply chains: Orange, carnauba, violet, onion, PET recycling, castor, guar, mint, cotton and ylang.

We worked with a member company on a HRIA for a plastics supply chain in Egypt, where most recycling work is informal – meaning workers do not receive official contracts or documentation. We met with staff at a recycling company's headquarters to better understand their policies and procedures to identify and remediate labor risks. We also visited three recycling facilities and conducted interviews with 65 workers, including pickers, aggregators and transportation drivers, to learn about their work environment and challenges they face. To improve HRDD, assessors determined the need for long-term commitment and investment from actors across the supply chain, and the importance of local residents owning recycling businesses.



Innovate

Remediating child labor in Nigerian ginger farming

ACCORDING TO THE ILO, one out of 12 children worldwide are in child labor. In addition, 61% of child labor occurs in agriculture, often in family subsistence and commercial farming. In Nigeria, child labor on ginger farms is often the result of systemic community factors such as limited awareness of child labor risks, cultural norms, and economic hardship.

To address this critical issue, we've launched a project [to strengthen child protection and improve working conditions](#) in Nigeria - funded by the Fund Against Child Labor (RVO) and managed by the Netherlands Enterprise Agency Fonds Bestrijding Kinderarbeid (FBK). So far, our team has completed the following remediation initiatives:

- Trained **14** processors and exporters and **68** local trainers on child labor
- Trained **100** farmers on good agricultural practices
- Created a nine-module training course on HRDD topics, child labor, good agricultural practices, and financial literacy
- Held awareness sessions for **203** farmers, children, and local stakeholders on child labor
- Established **14** village savings and loan associations, serving **350** ginger farmers, providing the means to start supplemental businesses and raise incomes



Addressing limited visibility in upstream supply chains with the Supply Chain Action Network

GLOBAL SUPPLY CHAINS face increasing scrutiny from regulators, investors, and consumers.

However, turning labor rights commitments into practical actions can be challenging. Companies often face limited visibility and traceability beyond Tier One suppliers; a lack of leverage and resources to scale actions; and systemic issues that require sectoral-level interventions.

In response, we launched the [Supply Chain Action Network \(SCAN\)](#), which brings manufacturing companies together to collaborate, learn, pilot practical solutions in upstream supply chains, and scale them up.

Key features of SCAN:

- **Individual actions** (risk assessments, strategy advice, and facility-level data collection)
- **Collaborative actions** (joint global risk assessments, supplier awareness and engagement sessions, collective feedback on certification schemes, and collaborative research and pilots in sectors such as cotton, leather, and luxury)
- **Practical tools and capacity building** (guidance and tools on traceability, risk assessment tools, HREDD implementation tools, and WISE worker voice solutions)
- **Research and knowledge development** (the impact of climate change on workers, human rights risks in recycled fiber supply chains, and case studies)
- **Shared learning and peer exchange** (workshops and learning sessions)



innovate

Educate

Fair Labor Association 2025 Annual Report

Training members and suppliers on pressing labor rights issues

HUMAN RIGHTS RISKS are constantly evolving, requiring companies to actively stay educated on key topics such as child labor, forced labor risks, climate change, international regulations, and more. Every year, we share insights from our own research, programs, and projects with members and suppliers around the world, and provide targeted action steps for companies on key labor issues. Here are a few training highlights from 2025.

Guatemala, Costa Rica, Nicaragua and Honduras

Topic: Grievance mechanisms

We worked with coffee suppliers to identify challenges and provide worker-centric approaches to handling issues at the farm level.

The Philippines

Topic: International labor rights and working conditions standards

We prepared local implementation partners in the coconut sector, including farmers, farmer-traders, cooperative staff, and company procurement staff, to implement their own labor rights/social compliance programs.

The United States

Topic: CSO engagement

We engaged with members and affiliates on the importance of building authentic, trusting partnerships with civil society, especially unions and worker organizations, and how to promote safety, accessibility, and respect for workers.

Global

Topic: Meaningful stakeholder engagement

We hosted [a webinar](#) with partner organizations worldwide on frameworks and tools that can help companies better identify and engage rights holders, mitigate risks, and create more transparent and sustainable practices.





Partnering with adidas to host supplier trainings in Pakistan

“The program provided significant value to suppliers across the textile and apparel sector through its strong technical depth, practical industry focus, and alignment with international best practices and local compliance realities.”

INTERLOOP LIMITED, AN ADIDAS MANUFACTURER
AND TRAINING PARTICIPANT

ENSURING RESPONSIBLE BUSINESS practices requires regular training and education for all supply chain partners. Trainings offer the opportunity for stakeholders to improve their knowledge and gain access to tools and resources to address specific business needs, labor rights regulations, issues raised by workers, and more. When requested, we work directly with our member companies to offer trainings on tailored HRDD topics to their staff and their suppliers.

During the fall, we worked with FLA member adidas to host a two-day supplier capacity-building training in Lahore, Pakistan aimed at enhancing local suppliers' internal monitoring programs. The trainings were attended by 70 individuals representing 30 different suppliers and covered key labor standards and occupational health and safety topics.





Enhancing collegiate licensee affiliates' due diligence programs

COLLEGIATE LICENSEES PLAY a crucial role in upholding labor standards across the university merchandising industry. FLA University Caucus members require their licensees to affiliate with FLA and meet several requirements to improve working conditions – including participating in HRDD trainings and disclosing their factories and suppliers. Currently, our FLA [Collegiate Licensee Program](#) offers trainings and resources tailored to support more than 2,500 licensees in applying responsible business practices.

We're continuously enhancing our Collegiate Licensee Program based on feedback from licensees and universities, including investing in the following key improvements this year.

Code of conduct submission

In January 2025, FLA collegiate licensee affiliates were asked for the first time to submit their code of conduct as part of their FLA affiliation. All licensee affiliates have long been expected to adopt a code aligned with the FLA Fair Labor Code, and this new effort represents an opportunity for FLA and the industry to continue to improve adherence

"The consistent rhythm that we have with the training helps our company stay on top of things ... the industry is changing and we want to stay ahead of the curve for sure as we want to keep our team safe, and be a strong partner to colleges and universities we work with, along with other companies/entities."

COLLEGIATE LICENSEE AFFILIATE

← The Promotional Products Association International (PPAI) was a significant contributor to our Q3 2025 session, providing industry-specific insights. This year, we also joined a roundtable discussion at PPAI's Responsibility Summit in Newport Beach, California about essential tools to help businesses identify, prevent, and address potential risks to human rights in their supply chains.

to this requirement and understand how to better support companies with adopting and implementing a robust code. To meet their licensors' expectations, licensees are also expected to ensure their code is upheld within any owned facilities and within authorized manufacturing facilities, factories, or otherwise within the operations of supply chain partners.

To support licensee affiliates' efforts to adopt and implement an FLA-aligned code that protects workers' rights throughout supply chains, we updated our comprehensive resource, which includes best practices and tips for implementation.

Quarterly training sessions

In 2025, licensees completed their first cycle through our training framework, which covers 10 essential due diligence topics. In Q3, we launched our second cycle – providing one version of the reorientation session for direct sourcing companies and another for those who source licensed products through intermediaries, like promotional product suppliers or blanks wholesalers.



Educate

Expanding e-Learning offerings with 15 new courses

WE OFFER A wide variety of **e-Learning courses** to help organizations deepen their knowledge of social compliance and HRDD, meet FLA standards, and ultimately improve working conditions in their supply chains.

Our e-Learning platform currently has more than 4,000 users representing industry-leading brands from the apparel, garment, and footwear sectors; small businesses in the university merchandising industry; and individual factories and suppliers.

As part of our commitment to offering essential knowledge building resources, our training team is actively expanding our e-Learning course selection to cover today's most pressing labor issues. This year, we added 15 new online courses and trainings—some developed by FLA experts and others that are third-party licensed courses—including:



Financials, Governance, & Membership

Statement of Financial Position	Dec. 31, 2025
Cash & Equivalents	\$4,376,276
Reserve Investments	5,250,030
Accounts Receivable	270,038
Prepaid Expenses	628,966
Fixed Assets (net)	494,613
Right-of-use Asset, Office Lease	2,044,554
Other Assets	229,690
Total Assets	\$13,294,167
Accounts Payable & Accrued Expenses	\$791,007
Deferred Revenue (Dues & Projects)	1,565,161
Member and Affiliate Payable	1,616,956
Operating Lease Liability	2,490,688
Total Liabilities	\$6,463,812
Net Assets	6,830,355
Total Liabilities & Net Assets	\$13,294,167

Statement of Activities	Dec. 31, 2025
Member and Affiliate Dues	\$6,946,734
Project Fees	4,826,830
Assessment Fees	345,362
Monitoring Fees	227,440
Investment Income	240,257
Other Income	482,381
Total Revenue	\$13,069,004
Personnel	\$6,791,542
Travel	644,117
Professional Fees	3,796,197
Support Services (Overhead)	1,880,004
Total Expenses	\$13,111,860
Net Income	-\$42,856

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Christopher Lu
TERM BEGAN 11/1/25

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adidas
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Antigua Group, Inc.
Arena
BALSU
Barbour
Bella+Canvas
Brooks Running
Burton Snowboards
Colosseum
Delta Galil Industries, Ltd.
Durak Hazelnuts
Fanatics
Fast Retailing
Fenix Outdoor
Gildan Activewear Inc.
Gymshark
HUGO BOSS
KMD Brands
L'Oréal Groupe
L2 Brands
Lakeshirts/Blue84
LTP Group
Lucy & Yak
lululemon
Mainland Headwear Holdings Limited
Maxport Limited

MEC Mountain Equipment Company Ltd
Momentec Brands
Nestlé
Nestlé Nespresso
New Balance
New Era Cap, LLC
Next Level Apparel
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Outerstuff
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PUMA
Reformation
Roots
S&S Activewear
Sabirlar Hazelnut
SanMar Corporation
SITKA Gear
SKIMS
Timtas
Under Armour
Unrivald Teamwear
Voicevale Group
Yavuz Gıda
Yavuzkan
Yee Tung

Labor & Civil Society Organizations

Arisa
Cividep India
Global Fairness Initiative
GoodWeave International
ICRW Advisors
Initiative for Women's Empowerment
International Corporate Accountability Roundtable
National Consumers League
NYU Stern Center for Business and Human Rights
Our Journey
Oxfam
Öz İplik İş
Pakistan Textile, Garments, and
Leather Workers' Federation
People's Courage International
Project Liber8
Save the Children
Sommilito Garments Sramik Federation
Textile, Knitting, Clothing, and Leather
Industry Workers' Union of Türkiye
Threading Change

Universities

American University
 Angelo State University
 Arizona State University
 Azusa Pacific University
 Ball State University
 Baylor University
 Boise State University
 Boston College
 Boston University
 Bowdoin College
 Brown University
 California State University, Long Beach
 Carnegie Mellon University
 Catawba College
 Colby College
 Colgate University
 College of Charleston
 Colorado State University
 Columbia University
 Cornell University
 Dalhousie University
 Dartmouth College
 Dawson College
 Duke University
 Elon University
 Emory University
 Florida State University
 Fresno State (California State University, Fresno)
 Furman University
 George Mason University
 Georgia Institute of Technology
 Grand Canyon University
 Gustavus Adolphus College
 Harvard University
 Illinois State University
 Indiana University of Pennsylvania
 Johns Hopkins University

Kansas State University
 Kennesaw State University
 Lehigh University
 Lewis and Clark College
 Marquette University
 McGill University
 Mercyhurst University
 Michigan State University
 Michigan Technological University
 Millersville University
 New York University
 North Carolina State University
 Northwestern University
 Ohio State University
 Oregon State University
 Pennsylvania State University
 Phillips Academy
 Pima Community College
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 Purdue University
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