

## Building a fair labor future

25 years of the Fair Labor Association



## **Contents**

I. INTRODUCTION TO FLA	4
1996-1999: Industry Leaders Recognize a Need for Fair Labor in Global Supply Chains	5
1999-2010: FLA Brings Companies, Universities, and CSOs to One Table	6
2011-2019: FLA Enhances its Workplace Code of Conduct and Expands Accreditation to Agriculture Companies	7
2020-2024: FLA Strengthens its Accreditation Programs and Protects Global Workers During a Pandemic	9
Toward the Next 25 Years	11
II. BUILDING A FAIR LABOR FUTURE	13
Supply Chain Transformation	13
Living Wage	13
Responsible Recruitment and Forced Labor	15
Child Labor	17
Automation and Artificial Intelligence	19
Mandatory Human Rights Due Diligence	20
Impact of Climate	22
III: ENSURING COLLECTIVE ACCOUNTABILITY:	67
CALLS TO ACTION FOR A FAIR LABOR FUTURE	23















### I. Introduction to FLA

The Fair Labor Association (FLA) is 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.

In the late 1990s, following several high-profile labor abuses in apparel supply chains, President Bill Clinton brought together a diverse coalition of leaders from brands, the labor movement, and human rights organizations to devise a path forward, which in 1999 culminated in the creation of FLA.

Since then, FLA has worked toward a future where responsible business means that fair working conditions are the standard, not the exception. Its unique model of collaboration builds expertise and drives innovation to improve business policies and practices that benefit workers around the world. Today, FLA experts are featured at global events like COP28, the Economist Impact Summit, and more.

From developing rigorous accreditation programs that evaluate companies' systems to protect workers throughout global supply chains, to launching award-winning living wage tools to support companies that want to fairly compensate their workers, FLA represents a future where all stakeholders have a seat at the table and are pursuing better outcomes for workers.

FLA's 25<sup>th</sup> anniversary, in 2024, comes at a transformational time for human rights at work. The future of fair labor depends on today's responses to new risks for workers, such as climate change, and rapid changes in the world of business and human rights, ranging from new mandatory due diligence regimes to advances in artificial intelligence.

Looking ahead, FLA's 2023 –
2028 strategic plan keeps the organization focused on meeting today's challenges by ensuring company performance to FLA standards, innovating solutions, understanding impact, and communicating effectively to a broader group of stakeholders.



#### FLA'S FIGHT FOR WORKING PEOPLE

## 1996-1999: INDUSTRY LEADERS RECOGNIZE A NEED FOR FAIR LABOR IN GLOBAL SUPPLY CHAINS

In the 1990s, several high-profile labor violations shocked the American public. In August of 1995, a garment factory in El Monte, California was revealed to have more than 70 people working in slavery behind barbed wire. The following year, news broke that a popular apparel brand owned by TV star Kathie Lee Gifford was using child labor in its supply chain. At the same time, reporters uncovered child labor and other abuses in the overseas supply chains of popular sportswear manufacturers.

These incidents, raised against the backdrop of offshoring by American brands, elevated awareness of labor abuses in the apparel and footwear supply chains around the world. There was strong outcry among American consumers for brands to take responsibility and ensure their goods were produced ethically and transparently, regardless of where they were manufactured.

In August 1996, President Clinton responded by bringing together a diverse coalition of leaders from brands, the labor movement, and human rights organizations to form the Apparel Industry Partnership. This group included major brands like Nike and Patagonia, and the US labor unions, who agreed to meet regularly and determine how to improve labor rights within their supply chains.

In 1997, the group presented an action plan to the White House, which outlined workplace standards for participating companies and formed the basis for the establishment of the Fair Labor Association.



On April 14, 1997, President Bill Clinton discusses working conditions in the apparel industry.

## 1999-2010: FLA BRINGS COMPANIES, UNIVERSITIES, AND CSOS TO ONE TABLE

In 1999, the Apparel Industry Partnership committed to continuing their progress by formally establishing the Fair Labor Association.

The mission: "Combine the efforts of business, civil society organizations, and colleges and universities to protect workers' rights and improve working conditions worldwide by promoting adherence to international labor standards."

This multi-stakeholder approach offered a new way to address labor rights, forming a coalition of three disparate groups to tackle the complex issues that arise within global supply chains:

- Companies: Companies in apparel and footwear manufacturing would implement a rigorous system of monitoring by external auditors and an annual compliance review by FLA.
- Universities: Universities and academic institutions would commit to ensuring fair labor standards and respect for human rights wherever their branded merchandise is produced by requiring their trademark licensees to join the FLA Collegiate Licensee Program.
- Civil Society Organizations (CSOs): Labor unions and other civil society organizations would help ensure a strong worker voice in FLA's strategy, program development, and decision-making.

As part of these efforts, FLA launched the **Fair Labor Accreditation** program, which is an extensive, independent evaluation verifying that an FLA member company has effective systems in place to protect workers in their global supply chains, to remediate violations, and to ensure ongoing compliance with international labor standards. It is the leading program of its kind based in frameworks such as the International Labour Organization, UN Guiding Principles, the OECD, and the UN Sustainable Development Goals.









#### Other key milestones included:

- In 2004, Reebok footwear became the first company to earn Fair Labor Accreditation.
- By 2010, FLA programs annually reached nearly 5,000 factories worldwide, impacting more than 4.6 million workers.
- By 2010, FLA programs annually reached nearly 5,000 factories worldwide, impacting more than 4.6 million workers.
- FLA launched its third-party complaint process, which allows any worker, union, university, civil society, or other stakeholder to request an independent investigation into an alleged violation of FLA standards by an FLA member or affiliate.

#### 2011-2019: FLA ENHANCES ITS WORKPLACE CODE OF CONDUCT AND EXPANDS ACCREDITATION TO AGRICULTURE COMPANIES

In 2011, FLA strengthened its Code of Conduct, adding additional protections for workers and reinforcing employers' accountability. Significant enhancements included raising the minimum age of employment to 15 for manufacturing sector member brands, introducing stringent standards for work hours, and requiring factories to ensure employees have not been trafficked or employed against their will.

In 2012, the organization expanded its support to brands in the agriculture industry. FLA's Agriculture Accreditation is the only program that annually assesses labor practices at both a company's headquarters and at the farm level in sourcing countries. Nestlé became the first company in the food industry to join FLA, working toward accreditation for the company's sourcing programs for hazelnuts and cocoa.





#### Other key milestones included:

- FLA provided training and guidance to thousands of collegiate licensees, improving accountability in the university merchandising supply chain.
- In 2014, FLA released its Fair Compensation Work Plan, and formally adopted a code element recognizing that workers have a right to wages and compensation to meet their basic needs.

FLA provided training and guidance to thousands of collegiate licensees, improving accountability in the university merchandising supply chain.

- In 2015, FLA was awarded \$4.87 million by the U.S. Department of Labor to address child labor in Turkey.
- In 2018, FLA partnered with the American Apparel & Footwear Association to launch

  AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment, a proactive industry effort to address potential forced labor risks for migrant workers.
- In 2019, FLA adopted a requirement that members and affiliates must make their factory lists public to improve transparency.

## 2020-2024: FLA STRENGTHENS ITS ACCREDITATION PROGRAMS AND PROTECTS GLOBAL WORKERS DURING A PANDEMIC

From 2020-2021, FLA weathered the COVID-19 pandemic while keeping the human rights of vulnerable workers at the center of its collaborative efforts. During the height of the pandemic, FLA completed 57 COVID-focused factory visits and provided rapid feedback on COVID-related health and safety issues for workers so they could be immediately addressed by member companies. Despite the pandemic, FLA also continued its monitoring programs, conducting more than 1,500 farm assessments around the world.



In 2020, FLA prohibited member companies from sourcing and production in the Xinjiang region of China, given the high risk of forced labor, the overwhelming evidence of human rights abuses, and the multiple layers of government sanctions. It was the first time in FLA history that members were explicitly prohibited from sourcing from a specific geographic region based on evidence of human rights violations.

In 2022, FLA launched an updated Agricultural Accreditation Program and strengthened its Manufacturing Accreditation Program. Enhancements included formalizing and developing consistent metrics, processes, and tools under a milestones approach. Each milestone represents key building blocks for an effective social compliance program that improves working conditions and worker well-being, benchmarked against international standards and quidelines on labor and human rights due diligence.

During this time, FLA made significant investments in fair compensation. Its <a href="mailto:award-winning">award-winning</a>
<a href="mailto:Fair Compensation Toolkit">Fair Compensation Toolkit</a>
helps businesses in the fashion industry calculate what workers are earning, illustrate the gap between actual and living wages, and measure progress over time. FLA published the <a href="Living Wage Public Reporting Guidance">Living Wage Public Reporting Guidance</a>, which provides a framework for company members to report on progress towards living wages. It also launched the <a href="Living Wage Pilot in Vietnam">Living Wage Pilot in Vietnam</a>
that aims to improve wage data analysis and transparency in apparel and footwear factories.

#### Other key milestones included:

- In 2012, FLA launched its <u>Student Committee</u>. This program helps students dedicated to human rights craft a future where workers are protected. It provides access to professional development resources, including training, networking, and events, and the opportunity to write for the annual Student Committee Journal.
- In 2022, Nespresso the first multinational brand to seek Fair Labor Accreditation for its coffee sourcing program embarked on a program to improve working conditions for over 140,000 coffee farmers in 18 countries.

In 2022, Nespresso — the first multinational brand to seek Fair Labor Accreditation for its coffee sourcing program — embarked on a program to improve working conditions for over 140,000 coffee farmers in 18 countries.





#### **TOWARD THE NEXT 25 YEARS**

FLA continues to expand its global reach, currently working with:

50+

PARTICIPATING COMPANIES, INCLUDING BILLION-DOLLAR BRANDS LIKE ADIDAS, NIKE, PATAGONIA, PUMA, AND UNDER ARMOUR, WITH 30 ACCREDITED MEMBER COMPANIES

2,524

**COLLEGIATE LICENSEES** 

19

CIVIL SOCIETY ORGANIZATIONS

132

**UNIVERSITIES** 

"FLA has played an important role in promoting fair labor practices and safeguarding human rights across global supply chains. It has set benchmarks, developed innovative tools and built coalitions to make a real difference in workers' lives. And that ultimately is the measure of its success, as a change agent and a champion of worker rights."

— Selcuk Buyukozer, Vice President, Social & Environmental Affairs, adidas

"FLA takes a holistic view of social compliance and is therefore a key partner for us in advancing standards in our industry. The projects and information shared within the organization allow us to jointly achieve improved working conditions. This exchange has been absolutely valuable to HUGO BOSS over the years."

- HUGO BOSS

In 2025 and beyond, the organization will continue centering collaboration among member companies, universities, and CSOs to act on urgent issues that impact workers globally, such as eliminating child labor and forced labor, providing a living wage, improving supply chain transparency, and more. FLA's model is well-suited to help companies meet the demands created by new regulations such as the EU's Corporate Sustainability Due Diligence Directive and stands ready to meet the challenges of today and tomorrow.









## II. Building a Fair Labor Future

#### **SUPPLY CHAIN TRANSFORMATION**

#### **LIVING WAGE**

Workers in global supply chains often earn poverty-level wages that are not sufficient to support themselves or their families. FLA's vision is that workers in global supply chains will earn compensation that meets their basic needs and have some discretionary income, also known as a **living wage**. FLA member companies must make a **public commitment** to fair compensation for workers through their standards, blueprints, data collection methods, and responsible purchasing and production practices.

FLA's 2020 Fair Compensation Strategy specifies the goals, tactics, and timelines for member companies to make progress on fair compensation. Its Fair Compensation Toolkit includes the award-winning Wage Data Collection Tool and Fair Compensation Dashboard. These living wage resources work together to show companies the gap between what workers earn and what they need, and ensure that companies are equipped to publicly report on living wages in their supply chains.



Specifically, FLA's Wage Data Collection Tool helps companies **collect wage data** using uniform metrics and standards and to visualize that data against living wage benchmarks. It also serves as a driver for internal conversations about wages and ways to develop and implement fair compensation strategies.

#### **Key Projects**

Living Wage Pilot in Vietnam: Launched in 2022, the pilot seeks 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. FLA worked with two factories with at least three suppliers to conduct a desktop and payroll review, as well as interviews with workers and management. FLA's project partner, the Research Center for Employment Relations, offered recommendations on how the factories and buyers can support wage progress by improving costing practices, diversifying product categories, forecasting and incentives, and encouraging worker engagement and dialogue.

**Wage Trend Reporting:** Since 2018, FLA has reported periodically on the average monthly wages of workers in member company factories and published recommendations to ensure they are paid a living wage. These reports are based on data that FLA members companies collect and analyze through FLA's **Fair Compensation Dashboard**.

A 2024 report on **Bangladesh** noted that garment workers' wages have barely increased since 2019 despite high inflation (the current minimum wage is 12,500 Bangladeshi taka, equivalent to \$113). A report in **Vietnam** in the same year found that the average monthly net wage for workers showed a significant living wage gap of 22.4% (1,691,574 VND, or \$69.70) in 2022.

In the near future, FLA plans to expand its living wage pilot program to Bangladesh; incorporate key learnings from living wage pilot programs to Fair Labor Accreditation standards; scale living wage progress; and continue testing solutions that foster long-term gains for workers.

"FLA's constant work on wage developments and trends in production countries, specifically in Vietnam, has strongly supported our internal discussion regarding our monitoring. We used the outcomes of the report and our own insights to set up an internal meeting with all involved departments to raise awareness regarding the responsibilities of responsible purchasing. This helps us to further engage with our purchasing teams and establish fair and transparent cost calculations to promote living wages."

— Saskia Bloch, Global Sustainability
Director,
Fenix Outdoor

"Maxport is consistently impressed by the Fair Labor Association's unwavering commitment to living wage projects in Vietnam. FLA's initiatives extend beyond compliance assessments, fostering development projects that significantly benefit manufacturing countries...While we recognize that implementing a living wage can affect manufacturing costs, it is crucial for achieving sustainable development. We are hopeful that this commitment will strengthen our partnerships with customers who share our vision of a fair and equitable supply chain."

Nicholas Stokes,
 General Director,
 Maxport Limited

"As one of the signatories of AAFA/ **FLA Commitment to** Responsible Recruitment, Pou Chen Group adopts the FLA's guidance in our policy and recruitment practices. Our responsible recruitment policy is communicated with trade unions and trainings are provided to HR staff and workers as well. We also set up grievance systems for workers to raise concerns or report non-compliances, while internal compliance audits are conducted to ensure factory recruitment practices meet our requirements on responsible recruitment."

- Pou Chen Group

## RESPONSIBLE RECRUITMENT AND FORCED LABOR

Governments, consumers, and civil society are increasingly demonstrating concern about companies' connections to human trafficking and modern slavery. Since its inception in 1999, FLA has prohibited the use of **forced labor** – including prison labor, indentured labor, and bonded labor – by participating companies.

FLA member companies are investigating how to extend the commitment against forced labor to deeper levels of the supply chain and working to remediate the violations they find. FLA standards require that:

- No worker should be unable to leave a job at will because of the burden of a heavy recruitment debt to an employer;
- No migrant worker should have to worry about being able to return home freely because an employer is withholding a passport, other important legal documents, or workers' wages; and
- No worker should have to risk termination because they are unable to work involuntary overtime or choose not to.

FLA offers companies best practices for identifying and eradicating forced labor at the supplier level. It provides indicators of forced labor, examples of risks and violations reported by FLA's on-the-ground assessors, and recommendations for proactive and cooperative steps that companies can take to ensure suppliers do not engage in or tolerate trafficking and forced labor.





#### **Key Projects**

Guidance on Promoting Responsible Recruitment
of Migrant Workers: Even with many years of effort
by worker advocates, governments, industry, and
multilateral organizations, migrant workers in the apparel
and footwear sectors continue to face forced labor risks
due to the ongoing practice of charging workers for
employment offers. In 2024, FLA partnered with Andy
Hall, an international migrant worker rights specialist, to
develop concrete recommendations to help companies
overcome recruitment challenges, eradicate recruitment
fees, and promote decent work in their supply chains.

#### **AAFA/FLA Commitment to Responsible Recruitment:**

In 2023, FLA and the American Apparel & Footwear Association re-launched their proactive industry effort to address potential forced labor risks for migrant workers

100+ companies have signed the AAFA/FLA Commitment to Responsible Recruitment

in the apparel, footwear, and travel goods supply chains. The Commitment to Responsible Recruitment requires companies to eliminate conditions that can lead

to forced labor in the countries from which they source products by ensuring that no workers pay for their jobs; workers retain control of their travel documents and have freedom of movement; and workers are informed of the basic terms of their employment before leaving home.

More than 100 companies have signed the commitment, including Fair Labor Accredited companies like adidas, PUMA, and Patagonia.

"Protecting the rights of workers around the globe is a mission we started as a founding member of the Fair Labor Association 25 years ago. The collaborations fostered through FLA have provided the cornerstone on which we have built impactful labor and human rights programs.

FLA's expertise has guided our work on many complex issues, such as responsible recruitment of migrant workers, which has been a top priority for over a decade. Since then, FLA has been one of our key partners, offering guidance on our Migrant Workers

Standards and has served as a convener to bring suppliers, government officials NGOs, academia, and brands together to move the industry forward.

Our latest milestone in this collaboration was an industry letter to the Taiwanese government advocating for improved legislation on responsible recruitment."

Wendy Savage,
 Senior Director, Social
 Impact & Transparency,
 Patagonia

"At Balsu, the protection of children's rights and the improvement of working and living conditions for seasonal migrant agricultural workers are central to our sustainability mission. Partnering with the Fair Labor Association has been instrumental in strengthening our efforts to combat child labor within the hazelnut supply chain. Through our comprehensive Child Labour Monitoring and Improvement System, and in collaboration with the Young Lives Foundation, we are able to identify at-risk children, remove them from harmful work environments, and provide educational opportunities that pave the way for a brighter future."

> — Esra Sarıçiçek Çakar, Sustainability Manager, Balsu

#### **CHILD LABOR**

According to the International Labour Organization, one out of 10 children worldwide are in **child labor**. Globally, 160 million children between the ages of seven and 15 are in child labor. Seventy percent of child labor occurs in agriculture often in family subsistence and commercial farming. Child labor has severe consequences: many children drop out of school, can be injured or killed in workplace accidents, and suffer poor living conditions, a harsh work environment, and malnutrition.

FLA is committed to eliminating the use of child labor, hazardous work, and worst forms of child labor in the formal and informal sectors. Its Fair Labor

Globally, 160 million children between the ages of seven and 15 are in child labor.

Code mandates that no person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.

FLA works with member companies to identify child labor violations and root causes and create sustainable systems to prevent child labor in their supply chains.





#### **Key Projects**

Harvesting the Future: FLA is partnering with business, agriculture, civil society, and governments to create large-scale change on child protection and responsible recruitment through a multi-commodity, multi-company, and multi-geography approach. The first phase of Harvesting the Future, launched in 2020, aims to address labor issues faced by seasonal migrant workers in Türkiye's agriculture sector, including lack of fair compensation, long work hours, and child labor. FLA participating companies include Balsu, Nestlé, Yavuz Gida, and VoiceVale.

In 2024, Harvesting the Future was expanded to include a second country, **Egypt**, where it focuses on promoting child protections and decent working conditions in the country's jasmine supply chain. FLA is partnering with the International Labour Organization (ILO) on this project.

#### Report: Child Labor in the Vanilla Sector in Madagascar:

Madagascar is the world's leading producer of vanilla, representing about 80% of the global supply; children account for more than 30% of the sector's workforce. A 2021 FLA report outlined existing conditions that contribute to the issue, such as gaps in supply chain management systems, an unsustainable economic model, and a problematic educational infrastructure. The report also encourages companies to improve conditions and address the root causes of child labor.

"In 2019, we committed to improving working standards by joining FLA. We were motivated to produce in a fair and ethical manner, find sustainable solutions to problems that violate human rights in the [hazelnut harvesting] industry, and improve our social program, and accordingly, we established our social standards.

We know that the most significant risk we may encounter in the supply chain is human rights violations, especially child labour; in the risk analysis and prioritisation studies we carry out, we are intensifying our work in highrisk areas in this direction."

Hasan Sabir,
 General Manager,
 Sabirlar Hazelnut

#### **AUTOMATION AND ARTIFICIAL INTELLIGENCE**

Artificial intelligence (AI) is a powerful tool that already is being applied to global challenges ranging from <u>climate change</u>, where it can help predict weather, track icebergs and identify pollution, to disease detection and early intervention.

Good outcomes with AI rely heavily on good data inputs. Not all labor rights data can be quantified or measured as easily as data available for climate change, for example; the human interactions that often drive labor abuses can be inherently complex. However, if governed and implemented properly, AI could potentially improve the lives of workers in farms and factories worldwide.



Al could potentially improve the lives of workers in farms and factories worldwide.

FLA's approach always has been, and will continue to be, tech neutral. The best solutions are the ones that foster the best outcomes for workers, whether they are facilitated by Al or achieved through more traditional means.

In 2025, FLA plans to launch a five-year strategy to identify how Al can best be integrated into the organization's work, as well as human rights due diligence more broadly, and to be at the forefront of shaping those opportunities so that they support workers in global supply chains.

#### **Looking Ahead**

As the U.S. Department of Labor notes in its <u>Al Principles for Developers and Employers</u>, Al could pose substantial risks to workers "if it undermines workers' rights, embeds bias and discrimination in decision-making processes, or makes consequential workplace decisions without transparency, human oversight and review."

However, opportunities may exist to leverage Al on behalf of workers, especially where large amounts of data already exist. For example, Al might be used to analyze historical data and trends, as well as public sentiment data, to predict where labor rights risks are most likely to develop in the future. This could allow for the launch of targeted preventative measures to preempt and mitigate specific risks, like forced labor or child labor.

Another possible opportunity could be accurately measuring and analyzing the impact of labor rights interventions to inform and tailor future activities. Al-powered analysis could be used to support a process of continual improvement in the efficiency and effectiveness of specific human and labor rights programs, helping to identify and close gaps in existing interventions.

#### MANDATORY HUMAN RIGHTS DUE DILIGENCE

The systems and frameworks FLA Participating Companies use in their journey toward Fair Labor Accreditation also support compliance with emerging mandatory human rights due diligence regulations. For example, many components of FLA's Principles of Responsible Sourcing and Responsible Production overlap with requirements of the German Supply Chain Act, which establishes human rights and environmental due diligence standards to ensure that German companies responsibly manage their global supply chains.





In addition, the new EU Corporate Sustainability Due Diligence Directive (CSDDD) includes specific requirements for companies to engage in a meaningful way with stakeholders in their supply chains. Such stakeholder engagement requirements ensure that companies actively include input from people who are directly affected by a company's business operations.

This is new territory for many multinational brands, but not for FLA members. Stakeholder engagement lies at the core of FLA's work as a multistakeholder initiative. Labor rights groups lead FLA's Civil Society Organization Caucus, occupy one-third of FLA's board of director seats, and are an indispensable part of ensuring that FLA's standards serve workers' interests. FLA's ten principles Labor rights groups lead FLA's **Civil Society Organization** Caucus, occupy one-third of FLA's board of director seats, and are an indispensable part of ensuring that FLA's standards serve workers' interests.

of responsible sourcing require companies to actively consult with civil society, including identifying, researching, and engaging with relevant labor non-governmental organizations, trade unions, and other civil society institutions as part of their responsible sourcing activities. By building these relationships, companies gain a better understanding of labor risks, support more effective implementation of workplace standards, and implement more grounded remediation of workplace labor violations.

#### **Key Projects**

**Expansion of the CSO Caucus:** FLA is consistently expanding membership in its CSO Caucus, prioritizing recruitment of labor rights organizations in key sourcing countries. CSO Caucus members serve on the board of directors, chair key committees, and contribute to working groups.

Support for members engaging with CSOs: FLA supports its members in their own civil society engagement work through training, one-on-one consultations, evaluation of company compliance with FLA principles related to CSO engagement, and joint advocacy work in support of freedom of association and overall civic freedoms. Recent initiatives have included <a href="urging the Cambodian government">urging the Cambodian government</a> to ensure respect for civil society and condemning violence against union leaders in Türkiye and Honduras.

#### **Looking Ahead**

FLA values the opportunity to share learnings and best practices gleaned from 25 years of effective stakeholder engagement. Ensuring that such engagement works for companies and for stakeholders, and that each player gains maximum value from the interaction, is key to improving business policies and practices that benefit workers.

In the upcoming months and years, FLA will expand its support for companies who are developing even more robust stakeholder engagement strategies, ensuring that their efforts meet the needs of workers as well as the labor rights groups that support those workers.





#### **IMPACT OF CLIMATE**

Workers at farms and factories worldwide are on the front lines of climate change. According to a 2024 ILO report, **Heat at work: Implications for safety and health**, "Climate change is already having serious impacts on the safety and health of workers – higher daily temperatures, and more frequent and severe heatwaves, are now affecting workers in all regions...workers are among those most exposed to temperature extremes, yet frequently have no choice but to continue working despite the huge risks."



The report notes heat-related stress can lead not only to heat exhaustion or heatstroke, but also potentially to long-term chronic conditions like cardiovascular, respiratory, and kidney disease. Although agriculture workers harvesting outdoors in extreme temperatures are most obviously at risk, a lack of cooling systems and adequate ventilation in manufacturing facilities can pose an equally urgent danger to factory workers.

Climate change is already having serious impacts on the safety and health of workers

In addition, increased extreme weather events can lead to closures due to flooding, leaving workers unable to even reach their places of work. Finally, climate-driven migration resulting from rising sea levels, drought, and other disasters poses additional responsible recruitment risks to companies that rely all or in part on a migrant workforce, increasing the chances of abuses like forced or child labor.

#### **Looking Ahead**

FLA is committed to ensuring that workers are protected from both the short- and long-term impacts of climate change. To enhance its standards on "safe and healthy workplaces," FLA is exploring additional standards and guidance related specifically to climate change-related risks for workers, such as heat stress and flooding.

Many FLA projects, including **Harvesting the Future**, focus on transforming responsible recruitment and child protection related to the migrant and seasonal workforce.

Opportunities also exist to work with members to build climate resilience, explore the creation of social safety nets to mitigate climate-related risks, and encourage access to durable and low-cost insurance solutions to cover climate-related disasters.



# III: Ensuring Collective Accountability: Calls to Action for a Fair Labor Future

Making a Fair Labor Future a reality requires investment from everyone involved in global supply chains—brands, unions, universities, and more. Governments have a key role to play, both by enforcing existing laws and developing new legal tools and frameworks to protect workers.

Working together, these actors can create a Fair Labor Future by:

- Developing policies to ensure that Al supports and protects, rather than undermines, the rights of workers in global supply chains.
- Expanding the definition of "a safe and healthy workplace" to encompass and mitigate climate-related risks, including heat stress; investigate opportunities to build climate resilience, and actively explore ways to mitigate the impact of climate-related risks on workers in their supply chains.
- Ensuring that companies engage on an equal footing with stakeholders in their supply chains.
- Upholding workers' rights to fair compensation, including freedom of association and collective bargaining.
- Prioritizing responsible purchasing practices that incorporate fair wages into company human rights due diligence, ensuring that suppliers can afford to pay decent wages.
- Rewarding companies that regularly and transparently report on their fair compensation progress, such as living wage gaps, prevailing wage gaps, poverty wage gaps, and more, and have a concrete plan to bridge those gaps.
- Collaborating to ensure that worker recruitment follows the employer pays principles, is in line with international labor standards, and fully respects the worker's human rights.
  - Publicly committing to stop child labor, embedding that commitment into companies' operations, and taking proactive steps to ensure no children are exploited in company supply chains.





#### **FAIR LABOR ASSOCIATION**

2033 K St NW, Suite 400 Washington, DC 20006, USA +1 202 898 1000

- ▶ fairlaborassoc
- f fairlaborassociation
- in fair-labor
- fairlabor.org