

# Fruit of the Loom Social Compliance Manual For Licensees



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## DEFINITIONS

1. **Assessment firm:** The company that evaluates a facility based on a social auditing standard.
2. **Compliance Owner:** Primary contact at Fruit of the Loom that manages social compliance requirements for the factory.
3. **Corrective Action Plan (CAP):** The plan of action that details methods to remedy any findings in a social compliance or security assessment report. The CAP lists each finding, the root cause of the finding, the action that must be taken to correct the finding, the responsible party, the deadline date, and status for completing the action item.
4. **Manufacturing Site/Factory:** Manufacturing facility that will produce the final product.
5. **Fruit of the Loom-owned Compliance (FOC) Program:** Social compliance program by which Fruit of the Loom is responsible for the majority or all of supply chain social compliance monitoring.
6. **Licensee-owned Compliance Program (LOC):** Social compliance program by which licensee is responsible for majority or all of supply chain social compliance monitoring.
7. **Multi-Stakeholder Initiative (MSI):** A governance structure that seeks to bring together government, civil society and private sector to participate in the dialogue, decision making and implementation of solutions to complex development challenges or goals.
8. **Social Compliance Assessment:** The evaluation process conducted by an assessor to verify the compliance of a factory's working conditions with codes of conduct or benchmarks based on local and international labor standards.
9. **Subcontractor:** Any business other than the Supplier to which Fruit of the Loom (or its affiliate) has issued its purchase order that performs a process directly related to the production of the product for Fruit of the Loom by the Supplier. Examples of subcontracted processes could be cutting, sewing, or any operation thereafter (e.g., embroidery, printing, or laundering of a branded finished product).
10. **Tier 1 Supplier:** Main manufacturer that ships finished goods, including Subcontractors.

## General Compliance Program Requirements and Restrictions

All licensees will be required to complete a Corporate Social Responsibility Onboarding Questionnaire to determine if their company's social compliance program qualifies for the Fruit of the Loom-owned or Licensee-owned Social Compliance Program. Any questions about the Corporate Social Responsibility Questionnaire should be directed to the appropriate Compliance Owner.

All licensees are required to complete a [Licensee Profile](#) in the Fruit of the Loom system at the start of the licensing agreement.

Fruit of the Loom Supplier Code of Conduct: Licensees are responsible for ensuring that the Fruit of the Loom Supplier Code of Conduct is posted in all Tier 1 Suppliers and Subcontractors (regardless of monitoring program) and that the employees are trained on its contents at onboarding and at least annually thereafter.

Conflict Minerals: All licensees are required to submit **one** Conflict Minerals Reporting Questionnaire on behalf of their supply chain at the beginning of their agreement with Fruit of the Loom. Annually, a sample of licensing partners will be selected to complete the form again. You will be notified if your company is selected.

Supply Chain Mapping: Licensees are responsible for identifying the sources of raw materials within the entire supply chain from final assembly manufacturers to raw materials, including trims, such as sewing threads and elastics for apparel goods and nuts, bolts, plastic, rubber and leather for hardgoods. The name and address of each source of Fruit of the Loom products must be provided to Fruit of the Loom upon request.

Regional Forced Labor Risks: Licensees may not produce, manufacture, or source goods or materials (including, without limitation, cotton and cotton inputs), in or from Uzbekistan, Turkmenistan or Xinjiang Uyghur Autonomous Region ("XUAR") in China, or otherwise support, directly or indirectly, the activities of any CMIC on the NS-CMIC List, any entity on the BIS Entity List, or any of its or their subsidiaries. Documentation of the foregoing, satisfactory to Fruit of the Loom in its sole discretion, shall be provided upon request. Licensees that do business with and in China must review new developments on a regular basis and make sure that their policies and procedures align with current economic, sanction, export, and import requirements.

Restricted Countries: Licensees may not produce, manufacture, or source goods from Ethiopia or Myanmar.

## Fruit of the Loom-Owned Compliance (FOC) Program Overview

1. New Factory Onboarding **\*Complete prior to placing orders with the facility.**
  - a. Once a prospective factory has been identified, check Fruit of the Loom's factory list on the Fruit of the Loom website ([Supply Chain - Fruit of the Loom, Inc. \(fotlinc.com\)](https://www.fotlinc.com)) to confirm if proposed new factory is already registered for Fruit of the Loom production. If the factory is on Fruit of the Loom's factory list, notify your Compliance Owner of your intent to onboard this factory and the date initial purchase orders will be placed. The Compliance Owner will communicate current or recent concerns, such as ongoing remediation of major findings or incidents. If the factory is **not** listed on the Fruit of the Loom website, send the New Factory Setup for FOC Licensees email to the factory contact with your Compliance Owner on copy. The factory will be required to complete and submit the items below via Fruit of the Loom system. **Allow 10 business days for onboarding requests to be processed.**
    - i. [Manufacturing Site Profile](#) (including Third-party manufacturing acknowledgment)
    - ii. A valid WRAP, BSCI, SMETA, ERSA or WCA assessment (alternatively, if the licensee is a member of Better Work or has purchased the factory assessment from Better Work, provide access to Fruit of the Loom within the Better Work Portal to share the report).
  - b. Instruct the factory to review the Fruit of the Loom Supplier Code of Conduct Benchmarks and the Supplier Guidelines found here: <https://www.fotlinc.com/sustainability/supply-chain/resources-for-suppliers/>.
  - c. If there are any compliance risks identified by the submitted factory information or social assessment, Compliance Owner will communicate those risks. Risks include but are not limited to factories over five floors, multiple tenants in the same building, and retail stores on the ground floor.
  - d. Onsite visit is recommended to verify the working conditions and is required for a factory located in a country in which Fruit of the Loom or its licensees have no current production presence. Fruit of the Loom manufacturing footprint can be found here: [Supply Chain - Fruit of the Loom, Inc. \(fotlinc.com\)](https://www.fotlinc.com).
  - e. The Compliance Owner will communicate acceptance of the new factory if there are no major or zero tolerance findings identified in the industry assessment and there are no further compliance risks. CAP process should proceed according to step 2h in the Ongoing Monitoring section.
  - f. Access the Fruit of the Loom Supplier Code of Conduct and Human Trafficking poster from <https://www.fotlinc.com/sustainability/supply-chain/resources-for-suppliers/>. Instruct the factory to post the Fruit of the Loom Supplier Code of Conduct and Human Trafficking poster in the facility in all languages understood by employees and return a photo as proof of posting. Upload the photo and training records of Fruit of the Loom Supplier Code of Conduct training conducted at the facility including attendee list, photos with date stamps, and training material in the LogicManager platform via the email notification received.

- g. If any major or zero tolerance findings are identified by the industry assessment, the Compliance Owner will inform the licensee that the factory does not meet Fruit of the Loom compliance standards. This will end the onboarding process. To resume the onboarding process, the factory must complete the CAP process according to step 2h in the Ongoing Monitoring section of this manual and be re-audited with no repeat findings.

## 2. Ongoing Monitoring

- a. By the 10<sup>th</sup> of each month, licensees must confirm their list of active factories by clicking the link in the notification sent to the designated CSR email. Be sure to include all factories (active with or without orders, potential new factories and exiting factories). Please provide the most current information for each factory and add any additional new factories to the list prior to submission.
- b. Three months before a compliance assessment expires, you will receive an email notification to begin the audit scheduling process. Click the link in the notification to provide the following assessment details:
  - i. Assessment Name
  - ii. Assessment Scheduled Date (or last day of audit window)
  - iii. Assessment firm that will conduct the assessment

If your company will be exiting the supplier, an assessment will not be required if the expected exit date is **less than or equal to 90 days** after the assessment expiration date. Please proceed to [Facilities Without Orders](#) for additional instructions.

- c. For BSCI assessments, proceed to **step d**. For WRAP, SMETA, ERSA, WCA or Better Work assessments, proceed to **step j**.
- d. If a BSCI assessment has been conducted, the Compliance Owner will be able to access it on the BSCI platform. BSCI assessments should be available within 10 business days of the assessment.
- e. The Compliance Owner will review the report and document any major and zero tolerance findings.
- f. If there are no major or zero tolerance findings, the Compliance Owner will simply communicate the expiration date and BSCI requirement to submit Sustainability Impacts and Measures in the amfori Sustainability Platform within 60 days. The assessment process is complete.
- g. If there are major findings, the Compliance Owner will email the list of findings to the licensee with a member of the Fruit of the Loom Sustainability team member on copy.
- h. The Fruit of the Loom Sustainability team member will review the information and request clarification, if needed. Further guidance will be communicated, if needed.
- i. If a zero-tolerance finding was identified in the report, the Compliance Owner will contact you with next steps.
- j. Once the WRAP, SMETA, ERSA or WCA assessment has taken place, submit the full report, CAP report (if applicable), and certificate (WRAP only). For Better Work assessments, the Better Work member must give Fruit of the Loom access to Better Work assessments through the Better Work portal.

- k. The Compliance Owner will review the report and document any major and zero-tolerance findings and communicate the results to the licensee.
  - l. WRAP audits will be valid according to the WRAP certification expiration date.
  - m. WCA, SMETA, ERSA and Better Work are valid for one year from the audit date.
  - n. Remediation of findings will take place according to individual assessment's current process.
  - o. If a zero-tolerance finding was identified in the report, the Compliance Owner will contact you with the next steps.
  - p. Request the factory to complete the [Manufacturing Site profile](#) (provide link to factory)  
**annually** as instructed by Compliance Owner.
3. Factories without Orders
- a. **Factories with no current orders may remain active in Fruit of the Loom's system for up to six (6) months from the date the last orders shipped if they have a valid assessment.**
  - b. Factories with no current orders that will be exited will need to be deactivated in the Fruit of the Loom system.
  - c. When the decision is made to exit a factory, please indicate this on the monthly factory list. Include the date that the last orders will ship from the factory.
  - d. When all orders have shipped from the factory, the licensee will be responsible for ensuring that all trademarked materials have been removed and/or destroyed from the facility including but not limited to the Fruit of the Loom Supplier Code of Conduct and Human trafficking poster along with any garments, trims, packaging, etc.
  - e. Once you have confirmed the above, access the deactivation certificate using the link provided to you in the notification email.
  - f. If at any time you wish to reactivate the factory, notify your Compliance Owner, and follow the steps for onboarding.

## Licensee-owned Compliance Program Overview

1. Program Prerequisites
  - a. The minimum requirements for the program are:
    - i. At least one dedicated CSR staff member
    - ii. An internal monitoring process for social and labor compliance in both owned and sourced facilities
    - iii. Current MSI engagement (either company or customer driven program)
  - b. Once in the program, social compliance management will be the sole responsibility of the licensee. The licensee will be responsible for all aspects of social compliance including but not limited to factory selection, internal/third party assessments, worker and management training, new country due diligence, and factory deactivation.
2. Reporting Specifications
  - a. Licensees within this program must submit a list of all facilities within their supply chain that will be producing any of the Fruit of the Loom family of brands.
  - b. The following tools will be used for reporting purposes for all participants within the Licensee-owned Social Compliance Program:
    - i. [Manufacturing Site Profile](#) (including Third-party manufacturing acknowledgment)
    - ii. Monthly Factory List
    - iii. LogicManager User Guide
3. Social Compliance Program Reporting Requirements
  - a. Licensees are required to follow the below reporting requirements and schedule.
    - i. **For New Factories:** Once a prospective factory has been identified, check Fruit of the Loom's factory list the Fruit of the Loom website ([Supply Chain - Fruit of the Loom, Inc. \(fotlinc.com\)](#)) to confirm if proposed new factory is already producing for the company. If the factory is on Fruit of the Loom's list, notify your Compliance Owner of your intent to onboard this factory and the date initial purchase orders will be placed. The Compliance Owner will communicate current or recent concerns, such as ongoing remediation of major findings or incidents. If the factory is **not** listed on Fruit of the Loom website, send the New Factory Setup for LOC Licensees email to the factory contact with your Compliance Owner on copy. The factory will be required to complete and submit the items below via Fruit of the Loom. system. **Allow 10 business days for onboarding requests to be processed.**
      - a. [Manufacturing Site Profile](#)
      - b. Additional information may be requested for factories located in Bangladesh. \*
    - ii. **For Existing Factories:** Annually by the deadline provided in the annual CSR communication, all active factories must submit a new manufacturing site profile. Licensees will need to send the Annual Profile Update email to all active suppliers to be completed on or before the specified deadline.



- iii. **Ongoing Monitoring:** By the 10th of each month, licensees must confirm their list of active factories by clicking the link in the notification sent to the designated CSR email. Be sure to include all factories (active with or without orders, potential new factories and exiting factories). Please provide the most current information for each factory and add any additional new factories to the list prior to submission.
  - b. It will be the responsibility of the licensee to ensure that the Fruit of the Loom Supplier Code of Conduct along with all trademarked materials are removed and/or destroyed when a factory is exited. A deactivation certificate will be required to confirm that no trademarked material remains in the factory. Access the deactivation certificate using the link provided to you in the notification email upon confirmation of the above-mentioned actions.
4. Continued Participation
- a. Periodically a member of the Fruit of the Loom Sustainability team will conduct courtesy visits at factories producing Fruit of the Loom brands to verify the validity and effectiveness of the licensee's social compliance program as well as identify opportunities to provide training and support. While these visits are conducted as courtesy and are not classified as an audit, it should be noted that specific areas may be assessed for compliance to Fruit of the Loom standards. It is recommended that a member from the licensing partner accompany the Fruit of the Loom Sustainability member during this visit, but it is not required.
  - b. Continued participation in the program is contingent upon consistent timely reporting and adherence to the program's guidelines. If at any time, a licensee no longer meets program guidelines, Fruit of the Loom retains the right to remove a licensee from the program. In this case, the Fruit of the Loom-owned Compliance Program will be resumed.

\* For new factories located in Bangladesh, the following additional information must be provided when onboarding documents are submitted.

- Confirmation on whether licensee is Accord (RSC)/Nirapon member or is willing to join Accord (RSC)/Nirapon
- Percentages of remediation completed for structural, fire and electrical assessments
- Projected completion date of remediation
- Estimated remediation cost
- Finance plan responsibility
- Lead brand
- Most recent CAPs of structural, fire and electrical assessments

FRUIT OF THE LOOM  
Social Compliance Manual Acknowledgement Form

Name of Licensee: \_\_\_\_\_

Compliance Program: (select one)

Fruit of the Loom-Owned Compliance (FOC) Program

Licensee-owned Compliance (LOC) Program

**By signing below, I acknowledge that I have read and understand the steps outlined in this manual and my company's social compliance obligations for Fruit of the Loom.**

\_\_\_\_\_  
Licensee Representative (signature)

\_\_\_\_\_  
Licensee Representative (print)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date