



 FIGS

Impact Report

2021



Table of Contents

Introduction

Letter from the Founders	3
About Our Impact Report	4
Mission Statement	5
Core Values	6

How We Give Back

Our Core Business	8
Threads for Threads	9
FIGS IPO	21

Team FIGS

22

Sustainability and Supply Chain

27

Long-term Partnerships	28
WRAP	29
Auditing Our Supply Chain	31
OEKO-Tex Certification	32
Other 2021 Sustainability Improvements	33

Appendix

35

Letter from the Founders

The stakes for our community have never been higher. After an incredibly arduous 2020, turning the calendar to 2021 only saw the challenges mount with the continual spread of COVID-19, the emergence of new variants and a challenged healthcare system. While the rest of the world is able to move into a “new normal,” the healthcare community remains under intense strain. Despite this, they show up to keep us safe – to have our backs.

The message for the rest of us is clear – we must have theirs. To do that, we are staying true to our mission – to celebrate, empower, and serve the Awesome Humans who spend their lives serving others. We create innovative products that make it easier for them to do their jobs, we use our platform to share their stories with the world and foster meaningful connections through a love of FIGS that brings purpose, joy, and a feeling of true belonging to a community that needs it now more than ever.

We’re also focused on expanding our impact efforts. Whether we’re donating scrubs to healthcare professionals in need, bringing improved medical services and facilities to a rural Kenyan community, doubling our tuition grants to relieve the debt of future healthcare professionals, or supporting the communities that our healthcare professionals serve – making an impact is at the center of our mission and our business.

We have unlimited gratitude for the healthcare community that we are fortunate enough to serve. Thank you for taking care of us during a historic moment in time – we are honored to be a part of your lives.

We look forward to continuing to make positive change and create the world we want to live in with the best people on the planet – our Awesome Humans.

Heather Hasson *Trina Spear*



CO-FOUNDERS/CO-CEO'S HEATHER HASSON AND TRINA SPEAR



About Our Impact Report

The FIGS Impact Report exists to provide a transparent view into our efforts to make a difference in the lives of our healthcare community and an impact on the world as a public company. It's a report that shares who we are today and represents what we're focused on for the future.

We also appreciate that as a newly public company, we have additional stakeholders that look to our Impact Report for important information on a wide range of environmental, social, and governance (ESG) topics. We take that responsibility seriously and provide certain information about these topics in this report. As we build out our resources in the years ahead, we will endeavor to provide additional data on ESG topics, while still keeping the Impact Report geared towards our primary audience – the healthcare community that we are so focused on serving.

Our mission is to celebrate, empower & serve those who serve others



Top Row (FIGS Ambassadors from Left to Right): Xy L., MSN, RN, Jen R., DVM, Nisha R., Medical Student
Middle Row (FIGS Ambassadors from Left to Right): Seanmichael N., Medical Student, Sarah B., PA-C, Allie F., DMD
Bottom Row (FIGS Ambassadors from Left to Right): Shirin S., MD, Carlo, C.P., LCPO, Anya B., MD

Core Values



HOW YOU DO ANYTHING
IS HOW YOU DO EVERYTHING



IF IT WAS EASY, EVERYONE
WOULD DO IT



CARE MORE THAN ANYONE
ELSE



HAVE BIAS TOWARD
ACTION



CREATE THE WORLD YOU
WANT TO LIVE IN



MAKE AN IMPACT



I AM BECAUSE YOU ARE
UBUNTU

How We Give Back

In the first part of our Impact Report, we detail some of the key ways that we impact the healthcare community – our community of Awesome Humans. This starts with our mission and reverberates through every part of our business. It also extends to our Threads for Threads initiative and the various ways that we use it to give back. This includes product donations to medical professionals in need, monetary donations to organizations that help uplift the healthcare community, and a range of other giving initiatives that support the vulnerable communities that our healthcare community serves every day. **Let's dive in.**





Our Core Business

The core business that we focus on every day at FIGS is inherently impact-driven. We started this company with a mission to improve the lives of healthcare professionals by caring about their uniform with the same intensity and passion as the multi-billion-dollar companies that serve athletes. We do this in four key ways:

1. We create innovative products that enable healthcare professionals to look good, feel good and perform at their best.
2. We use a digitally-native direct-to-consumer platform to enable them to get the products they need in the most convenient and seamless way possible.
3. We celebrate healthcare professionals by highlighting the incredible contributions they make every day and by telling their stories through our platform.
4. We bring them together through the community we've built.

We do all of this because we believe that the healthcare community is that important. And we believe that if we celebrate, empower, and serve them, we will not only make their experience better, but we can also inspire the next generation to follow in their footsteps. The impact we create through our mission is massive, and it's what we're focused on every single day.

Threads for Threads

Our Threads for Threads initiative is integral to our mission to improve the lives of healthcare professionals on a global scale.

Founded alongside FIGS in 2013, Threads for Threads donates scrubs to healthcare professionals working in resource-poor countries around the world. By providing clean, high quality scrubs to these individuals, we know we can empower them and improve the quality of care they provide.

With the onset of the COVID-19 pandemic, we expanded the scope of our Threads for Threads initiative by donating scrubs, masks and face shields to frontline healthcare providers in the US.

What began as a one-for-one model of donating scrubs in 2013 progressed into a comprehensive aid and corporate social responsibility initiative in late 2017. In addition to donating scrubs, we are focused on making bigger, longer-lasting impact in the community we serve – and the communities they serve – around the world.



THE TIBA FOUNDATION

2021 THREADS FOR THREADS GIVING SUMMARY

Scrubs donated **55,195**

Masks donated **301,441**

Monetary donations **\$967K**



Product Donations

Even as we've grown the scope of Threads for Threads, we continue to donate FIGS products in large numbers.

The power of clean scrubs, let alone a set of FIGS, is quite profound for healthcare professionals who don't otherwise have access to them. It's more than a uniform – it empowers them, letting their communities know who they are and bringing their teams together. And ultimately, that improves the quality of care they provide.

In 2021, we partnered with 24 incredible organizations to donate over 55,000 FIGS scrubs and over 300,000 FIGS masks.

McLaren Macomb Hospital
Mercy SD
Children's Hospital Los Angeles
UC Health Milk Bank
Helping Hands for Rwanda
Medical Bridges
Monmouth Medical Center
Water Wells for Africa
Transyouth Center at CHLA
StemLove/Youme Healthcare
American Heart Association
Tiba/Matibabu - Kenya

Medical Bridges
Hope in a Suitcase
Unspoken Smiles
Direct Relief
Global Spine Outreach
Team Healthcare
Glennwood House
Pacific Marine Mammal Center
Global Medical Training
Share the Warmth
RxArt PJ Project
Roseman Pharmacy Covid Immunization Site/Pharmacists



Helping Hands for Rwanda RWANDA

Helping Hands for Rwanda brings quality education and healthcare to the Rwandese people. We are supporting a medical school cohort of 13 students on their journey to become doctors, providing them with FIGS for their clinical experiences.



STEMLOVE NIGERIA

StemLove, in partnership with Youme Healthcare, helps orphans and underserved children around the world break the cycle of generational poverty through mental health services, STEM labs and much-needed supplies. By offering these children medical and therapeutic care while sparking their interest in STEM, StemLove gives them tools for a successful future. FIGS provided scrubs for healthcare professionals based in Nigeria.



Share the Warmth SKID ROW, LOS ANGELES

Share the Warmth brings nourishment in layers, love, food and other forms of support to communities experiencing housing insecurity in Los Angeles. FIGS provided warm clothing to the community, joining Share the Warmth to hand them out.



Unspoken Smiles HAITI

Unspoken Smiles delivers happy, healthy smiles to children in disadvantaged communities around the world through oral health education, disease prevention programs and quality dental care. FIGS provided scrubs for the dental care providers in Haiti and Costa Rica.



Global Partnerships

In 2021, we developed two additional partnerships whose reach extends across the globe, comprising more than 100 countries collectively. Through these partnerships, we will be able to get FIGS to where they are needed most, and we are excited to see this impact in 2022 and beyond.

Medical Bridges

Medical Bridges works to bridge the healthcare gap worldwide by procuring and distributing medical equipment and supplies to underserved communities. They currently have international distribution to 90 countries, as well as domestically, mainly to underserved rural communities. In 2021, FIGS donated 100k FIONx masks and 100k filters, as well as 3.3k units of scrubs through our partnership with Medical Bridges.



Direct Relief

Direct Relief is a humanitarian aid organization, active in all 50 US states and more than 80 countries, with a mission to improve the health and lives of people affected by poverty or emergencies—without regard to politics, religion, or ability to pay. In 2021, FIGS donated 100k FIONx masks to the Democratic Republic of Congo through our partnership with Direct Relief.





Monetary Donations

We know what a catalyst financial support can be in helping both organizations and individuals reach their goals.

The majority of our financial giving goes directly to healthcare professionals who provide clinical services to vulnerable populations. We also donate to real-time events, tying these donations to medical initiatives as frequently as possible.

We are also extremely proud to be growing our Future Icons Grant program to help students and recent graduates in the healthcare community reduce the burden of tuition and student loan repayment.

Highlights

RxART



\$19,400

WILDAID



\$20,000

PRIDE / CHLA
TRANSYOUTH



\$20,000

DOCTORS
WITHOUT BORDERS



\$15,000

NATIONAL
WOMEN'S
EQUALITY DAY /
BUMBLE / AMA



\$25,000

BCA / MSKCC



\$50,000

FUTURE ICONS
TUITION GRANT



\$500,000

National Women's Equality Day

On National Women's Equality Day in August 2021, we partnered with Bumble to honor all of the trailblazers creating a path to a more just and equitable future for women in medicine. We donated \$25k to the American Medical Association, Women Physicians, to further gender equity in the medical field by focusing on representation, leadership, and compensation.



Center for Transyouth Health & Development at CHLA

Access to safe, sensitive, identity-affirming healthcare is critical to ensuring that LGBTQIA+ youth can live their lives to the fullest. During PRIDE, FIGS proudly donated \$20k to the Center for Transyouth Health and Development at Children's Hospital Los Angeles. Their work with patients and their families provides comprehensive mental and physical health services that cater to the unique needs of trans- and genderqueer youth. Their groundbreaking research advances the model for gender-affirming care, paving the way to a more compassionate and progressive healthcare future for everyone.



RxART

FIGS partnered with RxART to create three limited-edition face masks designed by three awesome contemporary artists. \$19,400 from the sales of the masks was donated to RxART. RxART commissions exceptional artists to reimagine pediatric healthcare facilities by bringing beauty, humor and comfort to children through the power of visual art.



WildAid

In February 2021, we released our FIGS | WildAid Capsule Collection, including compression socks featuring prints of some of the world's most endangered species. Our donation of \$20k went to support WildAid's fight against poaching and climate change and to protect endangered species.



Breast Cancer Awareness Month

For Breast Cancer Awareness Month, we donated \$50k to Memorial Sloan Kettering Cancer Center in support of their patient care, research and educational programs, specifically their RISE program. The RISE program provides a comprehensive specialized identification and treatment program for those identified as high-risk for developing breast cancer.



Doctors without Borders in Haiti

When a catastrophic earthquake impacted the Haitian community, and medical care was dire, FIGS donated \$15k to Doctors without Borders to support acute medical relief efforts.



Future Icons Grants

We chose 10 Awesome Humans to each receive a \$50k grant to go toward their tuition or student loan repayment, for a total of \$500k awarded.

Our recipients are inspirational and deeply passionate about healthcare. We hope these grants allow these Awesome Humans to focus on what's important – dreaming bigger than everyone, impacting the future and creating the world we all want to live in. We also hope these grants help play a role in inspiring the next generation to become healthcare professionals.



Future Icons Grant Winners



Alex H., OTR, MOT

BioA specialist in pediatric hand therapy, OTR Alex fosters independence in her young patients while striving towards a more eco-conscious future for her field.



August F., Veterinary Student

August is a veterinary student following his grandfather's path – they studied at the same school – and August hopes to reopen his grandfather's animal clinic.



Freddy F., Future DDS

Driven by the power of second chances, community leader and non-traditional student Freddy went into dentistry to help recovering addicts restore their smiles.



Gina Y., MD, Future Ophthalmologist

A first-generation, first-year general surgery and ophthalmology resident, Gina was inspired to become a doctor by her dad's work-related injury.



Jen K., MSN, APRN, WHNP-BC, AGPCNP-BC

With a commitment to serving marginalized communities, nurse practitioner Jen is on a mission to bring quality healthcare to women experiencing homelessness.



Jordan S., RN, MSN, Student Nurse Midwife

Mother of two and student nurse midwife, RN Jordan is driven to improve the statistics around maternal and infant mortality rates within the Black community.



Kalvin M., Future BSN

Working towards certification as a psychiatric nurse practitioner, LVN Calvin is driven by a desire to support healthier mindsets and happier lives.



Nayelah S., MD, Internal Medicine

Her experience as a refugee brought Nayelah to medicine – now she's a clinician educator training the next generation of healthcare professionals.



Desiree S., PA-S

As a physician assistant in-training, Desiree brings passion to the field and aspires to advocate for the mental health of her future patients.



Sven G., MD

After listening to a transgender friend's experience with healthcare, Sven was inspired to begin a 15-year journey towards becoming a gender-affirmation surgeon.

Our New Partnership with The Tiba Foundation & Matibabu Foundation

In 2021, we launched our partnership with The Tiba Foundation (founded in 2004) and Matibabu Foundation (founded in 2003) — incredible organizations dedicated to improving the quality and access to healthcare in rural Kenya. We understand that empowering communities leaves a lasting impact. That's why, with the on-the-ground expertise of Tiba and Matibabu, FIGS contributed **\$300,000** in 2021 and committed to contributing up to an additional **\$200,000** over the next two years, for a total commitment of up to **\$500,000**, to build an Operating Theater and lifesaving ICU that will provide quality healthcare to this region of Kenya. In this same community, we donated about 50k scrubs, which inspired a community-led program that deployed cervical cancer screeners across Kenya.



THE MATIBABU HOSPITAL CAMPUS

FIGS IPO

In 2021, FIGS went public, which was huge for our community. It proved what we knew all along – that healthcare professionals are invaluable and they have staying power.

That's why when we were planning our IPO we knew we wanted it to be about the people – our Awesome Humans – who inspired and helped FIGS become what it is today. The FIGS community descended on New York City with 65 of our incredible FIGS Ambassadors who celebrated with us at the New York Stock Exchange, where Heather and Trina and as many Awesome Humans as we could possibly fit up on the podium rang that bell. This was only fitting – FIGS is all about the people we serve and we wanted to use the IPO to once again tell the world just how extraordinary the healthcare community is.

But that wasn't all.

We also became the first company ever to partner with Robinhood to open up our IPO to retail shareholders – meaning that the healthcare professionals we're so proud of serving had the chance to become owners of FIGS at the IPO price.

We were so excited to empower healthcare professionals in this unprecedented way. We've kept this same spirit now that we're a public company. **Starting with our Q3 '21 earnings call, we partnered with Say Technologies to provide access on our earnings conference calls to retail shareholders, which include many healthcare professionals, as another way for them to engage with our company.** We appreciated the insightful questions from our retail investors and look forward to continuing to engage with them in this unique way.





FIGS / Team FIGS

Team FIGS

We believe that we're only able to succeed if we have a talented and engaged team that lives and breathes our mission of celebrating, empowering and serving our community. We cannot do that fully without having a team as representative as our diverse community of healthcare professionals. It's not just the right thing to do – it's essential for our business.

We are so fortunate to have a team at FIGS – our FIGS Fam – that embodies this to the extreme. We can't imagine a more dedicated and diverse team that could be more passionate about standing up for healthcare professionals.

Our strong culture and values have built an exceptional foundation of DI&B

Culture of Diversity

FIGS has had a comprehensive commitment to diversity since we were founded. We've always been female-led and our team has always had a particularly large percentage of women and people from minority populations. Even before we had processes built out to cultivate our diversity, we still had exceptional representation because it was hard-wired from the beginning.

Culture of Inclusivity

One core ingredient of our culture's 'secret sauce' is our Culture Committee. It's comprised of, and led by, a highly engaged group of team members from all levels of the company. The Culture Committee celebrates, empowers and serves our team members through cultural wellness programs that are inclusive and accessible.

Our Culture programming also provides a way for our FIGS Fam to give back to the community every month, driving connection and making a true impact on a wide variety of organizations in need. In 2021, we held nine community donation initiatives, all of which are built around monthly themes, such as Black Community Empowerment (Boys & Girls Club), Women's Empowerment (Good Shepherd), Environmental Wellness (Heal the Bay), Mental Health (Asian Mental Health Collective), Pride (CHLA Transyouth Center), Financial Wellness (Hope in a Suitcase), Physical & Nutritional Wellness (Home-y Made Meals), Creativity (Inner City Arts), and Family (LA Food Bank).

Culture of Belonging

As we live our values at FIGS (especially Ubuntu), we encourage each other to be the best version of our authentic selves at work. We cultivate relationships that benefit the wellbeing of the entire FIGS Fam. Team members perform their best when they feel valued, empowered and respected.



Institutionalizing What Makes Us Great

Taking It To The Next Level

Focusing on DI&B across the talent acquisition landscape

We utilize unique DI&B technology provided by Mathison, a leader in helping build diverse teams, to drive inclusive hiring at every level. Leveraging the Equal Hiring Index, we are assessing our entire hiring process, identifying areas for development and continuously improving our inclusive hiring strategies. We are deeply committed to finding diverse candidates through new sourcing methods, reducing unconscious bias across the recruitment life cycle, and ensuring fair and consistent hiring practices. This includes:

- Utilizing special tools to review all communications to candidates to ensure that the language we use is inclusive
- Leveraging a bias scanner with Google and our Applicant Tracking System to hide pictures or mask other elements that would introduce bias into the hiring process
- Elevating our Talent Acquisition curriculum to include broader Interview training, capturing DI&B best practices



Growing and developing our leaders in DI&B

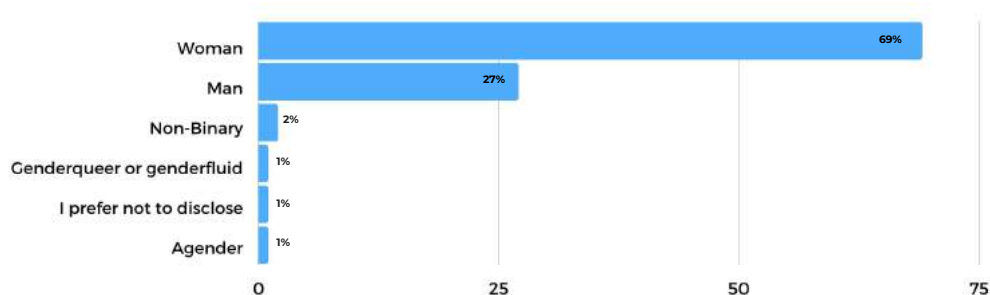
We are making investments in new leadership development that is centered around our values and DI&B principles. We are doing this to further develop our leaders and mobilize our whole team to be their best selves, which includes honoring one another and making everyone feel welcome and important.

These development experiences will be grounded in building inclusive leadership and communication. The goal is to be more inclusive of team members, have leaders stretch outside their typical style to elevate results, and guide leaders on how to bring more of themselves to work.

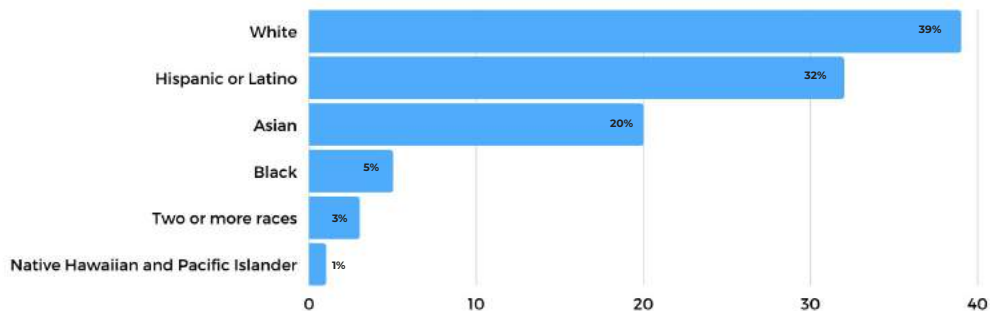
DI&B By The Numbers

As a result of our efforts, we are proud of the diversity that our team represents, including **over 70% of the company identifying as female or non-binary, genderqueer, genderfluid, or agender, and more than half identifying as underrepresented minorities.** In 2021, 59% of our newly hired employees identified as underrepresented minorities. We believe our incredible diversity is a critical part of our success as a business.

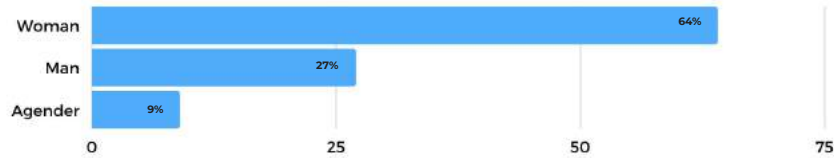
GENDER IDENTITY FOR FIGS TEAM:



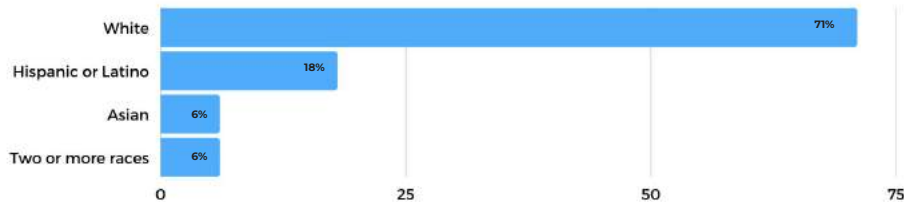
RACIAL/ETHNIC IDENTITY FOR FIGS TEAM MEMBERS:



GENDER IDENTITY FOR FIGS EXECUTIVE TEAM



RACIAL/ETHNIC IDENTITY FOR FIGS EXECUTIVE TEAM



Our leadership team is led by two female co-CEOs – the first time two female co-CEOs have ever taken a company public – as well as a female CFO.



Sustainability and Supply Chain

The healthcare community fundamentally exists to promote and protect humanity. So serving the healthcare community means that we must respect humanity at every stage of our business, from how our supply chain partners operate their factories and treat their employees to the materials that we use in our products.

We have a diversified global supply chain that spans over 60 facilities and 14 countries, and we make a wide range of products to serve all of the needs and desires that a healthcare professional could have.

We make great effort to ensure that our partners are operating to our high standards and that we are respectful of the world around us.

As we build out our resources in the years ahead, we will endeavor to provide additional data on the sustainability of our products and production process.

Long-term Partnerships

Having a supply chain that is not only effective but humane starts with having deep, long-standing partnerships with our suppliers.

Towards that end, we produce more than 65% of our scrubwear with suppliers that we have worked with for more than 5 years.



WRAP

In addition to having deep long-standing partnerships with our key suppliers, **we also require all of our suppliers to be compliant with the standards of WRAP (Worldwide Responsible Accredited Production) and to obtain WRAP certification.**

WRAP certification is recognized around the world as proof of social compliance in the apparel industry. WRAP only certifies individual production units, allowing their auditors to get an “on the ground” perspective of each facility’s operations to ensure they are maintaining compliant practices. All certifications require periodic renewal, and all certified facilities are subject to unannounced follow-up visits during their certification periods.

The WRAP Certification Program independently monitors and certifies compliance with its 12 principles to ensure that sewn products are produced under safe, lawful, humane, and ethical conditions. Participating facilities voluntarily commit to ensuring that their manufacturing practices meet these standards, and they further commit to ensuring that their contractors and suppliers likewise comply with these standards.

All of FIGS production vendors are Gold or Platinum certified WRAP facilities, meaning they have demonstrated full compliance with WRAP’s 12 principles.

In order to be WRAP certified, our suppliers must show that they are complying with all legal requirements, that their workforce is treated humanely, and that they are adhering to environmentally-conscious business practices, including obligations to:

- Have an established Environmental Protective Plan and conduct an environmental assessment every 6 months.
- Have their general and hazardous waste treated by qualified agencies.
- Store and handle their solid, chemical, and sanitary substances by qualified personnel in accordance with specific chemical storage and usage protocol.
- Collect and store empty bottles and barrels in a designated location by relevant personnel qualified to handle chemicals.
- Collect residue cloth and other waste materials and put them in designated sites by qualified sanitary personnel several times a day.
- Discharge wastewater directly to a sewage treatment plant, where it is treated and purified.
- Have an established Environmental Protective Plan that addresses where and how solid, chemical, sanitary, and wastewater substances are disposed of.
- Recycle solid, chemical, sanitary, and wastewater substances as required by law.
- Maintain records of emission events every month.
- Maintain a monthly record of water and electricity consumption.

12 Principles of WRAP

1. Compliance with Laws and Workplace regulations
2. Prohibition of Forced Labor
3. Prohibition of Child Labor
4. Prohibition of Harassment and Abuse
5. Compensation and Benefits
6. Hours of Work



7. Prohibition of Discrimination
8. Health and Safety
9. Freedom of Association and Collective Bargaining
10. Environment
11. Customs Compliance
12. Security



Auditing Our Supply Chain

We maintain a detailed audit program to ensure that our suppliers are living up to their commitments. As part of our quality assurance procedures, FIGS team members visit all direct FIGS suppliers on average two times each month, and they visit all of our suppliers' suppliers on average one time each month, to review their operations and our quality requirements.

Additionally, as part of our suppliers' required certification with WRAP, they undergo regular audits by WRAP directly.

WRAP awards Gold certifications to facilities that demonstrate full compliance with WRAP's 12 principles, and WRAP awards Platinum certifications to facilities that have demonstrated full compliance with WRAP's 12 principles for three consecutive certification audits. Platinum facilities must successfully pass every audit with no corrective actions or observations and maintain continuous certification without gaps.

All FIGS suppliers must have a Gold or Platinum certification in order to continue to work with us.

OEKO-Tex Certification

In 2021, we started the process of certifying all of our core scrubwear with OEKO-TEX®. STANDARD 100 by OEKO-TEX® certification requires testing of all fabrics and trims to ensure our products are safe from harmful substances. OEKO-TEX® tests for hundreds of chemicals, including pesticides, carcinogenic colorants, heavy metals and a wide variety of other harmful substances.

We have thus far obtained certifications for our FIONx™ fabric and almost every other component used in our core scrubwear.

Once we obtain certifications for the remainder of our scrubwear components, we will apply for certification at the product level.

As part of this process, our upstream suppliers are required to annually test their products for harmful substances.

Obtaining these certifications is part of our commitment to ensuring that our products are made with safe, high quality materials that healthcare professionals deserve.



Other 2021 Sustainability Improvements

A. FIONLITE™

We rolled out a new fabrication – FIONLITE™ – made of recycled and upcycled polyester fibers, resulting in reduced CO2 emissions and energy consumption.

B. SWEATER KNIT

Our supplier for our sweater knit products uses solar energy and is the 1st textile mill in Asia to commit to becoming 100% reliant on renewable energy by 2040. These products also use Low Impact Dye Technology, which uses 15% less dye stuff, 22% less electricity, 50% less thermal energy, and 60% less water.

C. ON-SHIFT™ FLEECE

Our On-Shift™ Fleece uses 100% recycled polyester.

D. WOMEN'S SUPERSOFT UNDERSCRUBS

The modal used in the product is sourced from sustainable forests and production uses self-sufficient biorefineries.

A



B



C



D





Appendix

12 PRINCIPLES OF WRAP

1. Compliance with Laws and Workplace Regulations

Facilities must comply with the legal requirements and standards of their industry under the local laws in which the facilities are doing business along with any applicable international laws. This includes labor and employment laws, laws governing the conduct of business, rules of ethics dealing with corruption and transparency, and any relevant environmental laws.

2. Prohibition of Forced Labor

Facilities must not use involuntary, forced, or trafficked labor. This includes ensuring that any workers hired are under labor contracts that comply with all relevant legal requirements and are not coercive. Further, facilities must ensure that the workers' travel documents are not withheld, and that all written contracts are in a language understood by the workers.

3. Prohibition of Child Labor

Consistent with ILO Convention 138, facilities must not employ any person at an age younger than the law of the jurisdiction allows and in any case not below the age of 15 (14 in less-developed countries). In addition, facilities must adhere to local legal requirements regarding mandatory schooling. The facility must also comply with any applicable legal restrictions on the nature and volume of work performed by such young workers, including limitations related to working hours.

4. Prohibition of Harassment and Abuse

Facilities must ensure a workplace that is respectful of a worker's rights and dignity. This includes ensuring that no corporal punishment or physical coercion be used. Facilities must not engage in or tolerate any sexual harassment or abuse, abusive language or any other kind of undesired physical or verbal contact. In addition, facilities must ensure proper training at all levels to secure a workplace free of harassment and abuse.

5. Compensation and Benefits

Facilities must ensure proper compensation to their employees by timely providing all the wages and benefits that are in compliance with the applicable local and national laws. This includes premiums for overtime work or work done during holidays, as well as any other allowances or benefits, including any mandatory social insurance, required by local law.

6. Hours of Work

Hours worked each day, and days worked each week and each month, must not exceed the limitations of the country's law. Facilities must provide at least one day off in every seven-day period, except as required to meet urgent business needs.

7. Prohibition of Discrimination

Facilities must ensure that all terms and conditions of employment are based on an individual's ability to do the job, and not on the basis of any personal characteristics or beliefs. Facilities must ensure that employment decisions are made without discriminating against employees on the basis of race, color, national origin, gender, age, sexual orientation, religion, disability, or other similar factors.

8. Health & Safety

Facilities must provide a safe, clean, productive and healthy work environment for their employees, including making available clean drinking water (at no charge to workers). Where residential housing is provided for workers, facilities must ensure it is safe and healthy housing. Further, facilities must adequately train all their workers on how to perform their jobs safely.

9. Freedom of Association & Collective Bargaining

Facilities must recognize and respect the right of employees to exercise their lawful rights of free association and collective bargaining. Facilities must ensure an effective mechanism is in place to address any workplace grievances.

10. Environment

Facilities must comply with environmental rules, regulations and standards applicable to their operations, and must observe environmentally conscious practices in all locations where they operate. In particular, facilities must ensure proper waste management, including monitoring the disposal of any waste material to ensure such disposal is done legally and safely.

11. Customs Compliance

Facilities must comply with applicable customs laws, and in particular, must establish and maintain programs to comply with customs laws regarding illegal transshipment of finished products.

12. Security

Facilities must maintain appropriate procedures in order to ensure proper corporate security, transportation security, and people and physical security. In this regard, WRAP recognizes the United States Customs and Border Protection (CBP)'s CTPAT Guidelines for Foreign Manufacturers as minimum requirements and has adopted those guidelines under this Principle.