



WORKER RIGHTS CONSORTIUM

Frequently Asked Questions

What are the benefits of colleges and universities affiliating with the WRC? The WRC's mission is to assist colleges and universities with the effective enforcement of their manufacturing codes of conduct. WRC affiliate schools receive accurate, thorough, timely and impartial assessments of conditions in factories that produce collegiate apparel, with specific reference to whether factories are in compliance with universities' codes of conduct. WRC factory reports are more detailed and more thorough than the information presently being produced by any other factory monitoring organization. Where problems are identified, the WRC works with licensees, factory managers, workers and worker advocates to eliminate violations and move the factory toward compliance. Often, this occurs without any need for direct engagement by universities, though such participation is always welcome and universities can use the detailed information contained in WRC reports as a basis for communicating concerns to licensees. The WRC also provides a means for colleges and universities that so desire to work together with other schools to address problems with a particular licensee or factory. Affiliate colleges and universities also have the opportunity to help shape WRC policies and practices through participation in the organization's governing bodies.

The WRC serves as an information and education resource on issues and trends in the global apparel industry. The WRC has extensive information on economic and legal issues in apparel producing countries which is available to be shared with affiliate schools and universities can consult with the WRC staff and the organization's international network of advisors on any issues of interest or concern. The WRC can also help arrange internships abroad for students with an interest in human rights work in a particular country.

More broadly, through participating in the WRC a university sends a strong message to all concerned parties – students, faculty, licensees and others – that the university is committed to effective code enforcement and to ensuring that the university's licensing operations have a positive impact in the factories where logo goods are produced.

What are the obligations of colleges and universities that affiliate with the WRC?

Affiliates are required to:

- Adopt a manufacturing code of conduct and work toward the incorporation of this code into applicable contracts with licensees.
- Ask licensees to provide the WRC with a list, updated regularly, of names and locations of all factories involved in the production of their logo goods.

- Pay annual affiliation fees, which are either \$1,500 or 1% of gross licensing revenues, whichever is greater.

How do schools obtain lists of factory locations? Is it difficult for schools without licensing programs to acquire this information? Affiliate schools require that their licensees or apparel vendors provide them with lists of factories where their logo goods are produced. These lists are updated and reported to the WRC on a quarterly basis. Universities that work through either the Collegiate Licensing Company (CLC) or Licensing Resource Group (LRG) generally authorize these organizations to report the relevant factory disclosure directly to the WRC, which simplifies the process for both the schools and the WRC. Schools that license independently provide the data directly, after collecting it from licensees. Licensees that do any significant amount of collegiate business and that have licenses or vendor relationships with more than a few schools are in most cases already collecting and supplying this data because they are working with one or more schools that are already members of the WRC or the Fair Labor Association (FLA). Thus, for the great majority of licensees, and for many vendors, the decision of a college or university business partner to ask for disclosure does not generate a significant additional burden.

Some smaller colleges and universities that do not license their logos have found it burdensome to collect the necessary information from their individual vendors. The WRC has offered to work with smaller schools to provide assistance in collecting disclosure data. In practice, the resulting gaps in information do not affect the WRC's ability to help enforce the Codes of these smaller schools because of the significant, if not complete overlap between the companies that produce logo goods for small and large institutions. In other words, disclosure by a significant number of larger universities, combined with a good faith effort on the part of smaller schools to provide updated vendor information, generates a practically complete list of factories where university logo goods are manufactured for all schools.

What provisions are schools required to include in their codes of conduct? Affiliates are encouraged to adopt a code as strong in all respects as the WRC model code (which, for example, includes provisions requiring payment of a living wage and compliance with OSHA health and safety standards). However, affiliates are not required to do so. The code of a college or university is sufficient to meet WRC affiliation requirements if it provides basic protection for workers in each of the following areas – wages, hours of work and overtime compensation, freedom of association, workplace safety and health, women's rights, child labor and forced labor, harassment and abuse in the workplace, non-discrimination and compliance with local law.

How does a college or university become affiliated? When a college or university decides to affiliate with the WRC, this affiliation is expressed in the form of a letter from the school's President or Chancellor, or other official designated by the school, to the WRC stating the institution's decision to affiliate and its recognition of the three obligations of affiliation: maintaining a manufacturing code of conduct, providing the WRC with factory disclosure information and paying affiliation fees. Each college and

university also designates a contact person from the administration to serve as the main liaison to the WRC.

Can high schools affiliate with the WRC? Individual secondary schools can affiliate with the WRC. Affiliation requirements and procedures are the same as those outlined above for colleges and universities. Annual affiliate fees for secondary schools are \$500. School districts or boards should refer to the following question.

My city (or town, state, school district, etc) just passed an anti-sweatshop purchasing policy. Can we affiliate with the WRC?

Only colleges, universities, and secondary schools can affiliate with the WRC. However, the WRC Governing Board recently authorized the WRC to begin limited factory assessment work with cities, state governments, and school districts on a temporary and experimental basis. These pilot projects will help both the WRC and the public institutions assess the feasibility of such collaboration. Interested cities, states, or school districts should contact the WRC for details.

What is the WRC's governance structure? The WRC is governed by a 15-member board, including five representatives of university administrations elected by the University Caucus, five representatives of United Students Against Sweatshops and five representatives of the WRC Advisory Council, an international body of human rights and labor rights experts. The Governing Board meets three times per year and is actively involved in WRC business between meetings.

What is the fee structure? Colleges and universities with licensing programs pay annual fees in the amount of 1% of their previous year's gross licensing revenues, with a minimum of \$1,000 and a maximum of \$50,000. Colleges and universities that do not have licensing programs pay a flat annual fee of \$1,000.

What is the WRC's budget? The budget for the 2006 fiscal year is \$1,367,931. Detailed budget information and audited financial statements from prior fiscal years are always available to affiliate schools upon request.

What are the WRC's funding sources? Roughly 40% of the WRC's funds come from college and university affiliation fees. The remaining 60% is raised through grants from philanthropic foundations and the federal government. Past grantors to the WRC include the Rockefeller Foundation, the Arca Foundation, the New World Foundation, the General Services Foundation and several other philanthropies.

What is the WRC's tax status? The WRC is a 501(c)(3) non-profit corporation.

Can schools join both the WRC and the Fair Labor Association (FLA)? Yes. Many colleges and universities that are affiliated with one organization are also affiliated with the other.

How does the WRC relate to licensee corporations? The WRC has built solid working relationships with a number of the most important collegiate licensees. In all cases where WRC assessments have led to successful remediation, licensees have played a central role in the progress made toward better conditions in these production facilities. In many cases, the WRC and the licensee(s) have worked very closely on the remediation process. The WRC's goal is not to embarrass licensees but to promote real improvements in factory conditions. For this reason, when violations are identified at a factory, the WRC generally seeks to give licensees an opportunity to address the problems prior to the issuance of a public report. In many cases, this allows the WRC to state that violations have been eliminated at the same time these violations are reported.

The WRC has often been asked why there are no industry representatives on the WRC Governing Board. The WRC believes that there is an important role to be played by monitoring organizations that operate independently of the apparel industry itself. The WRC therefore decided to maintain independence from licensees in terms of organizational governance and funding, while engaging in constructive dialogue and cooperation with licensees in the course of our work. The WRC's independence is a crucial asset to the organization and to affiliate colleges and universities. This independence allows the WRC to get information from workers and worker advocates about factory conditions that other monitors cannot obtain and to assist factories and licensees in communicating with workers and their representatives to resolve problems and disputes; enhances the credibility of the WRC's reports; and enables colleges and universities to report that their licensees' supply chains are subject to investigative review by an organization that operates entirely independently of the licensees.

Do licensees simply sever contracts when problems are uncovered at their supplier factories? The WRC strongly encourages licensees to stay and work to correct violations at problem factories. The WRC views "cutting and running" from a factory as a serious abrogation of a licensee's responsibilities. If licensees understand that colleges and universities will not accept a "cut and run" approach, they will have a strong incentive to fix problems.

How do colleges and universities work with the WRC after affiliating? There are four primary ways affiliate schools participate in the work of the WRC:

- Taking an active role in working with licensees to correct code of conduct violations when they are identified.
- Serving on the WRC Governing Board. The University Caucus – a body comprised of representatives of the administrations of every WRC affiliate school – appoints five representatives to the WRC Board.
- Getting involved in the University Caucus. The Caucus enables university administrations to work collectively to ensure that their views are reflected in WRC policy.
- Consulting informally with the WRC staff and board. The WRC very much welcomes ongoing dialogue with college and university affiliates. School officials

are invited to contact the Executive Director and/or members of the board regularly to make suggestions, raise concerns, discuss issues, etc.

Aren't there too many codes out there? Doesn't it get too confusing to figure out how to follow codes? How should licensees comply? There are indeed many different codes, but in reality most of the codes are very similar. Most have language on the same general provisions, and most codes reference international and domestic law. Factories making a good faith effort to comply with widely recognized international labor standards are, in most cases, going to be in compliance with the WRC model code and the codes of WRC affiliate schools.

Will colleges and universities be liable for WRC actions? We do not believe that affiliate universities face any significant threat of liability for the actions of the WRC, a conclusion based on extensive research by the WRC's attorneys. However, schools must ultimately rely on the judgment of their own legal counsel in reaching conclusions on this question. Since the WRC's founding in 2000, affiliate schools have faced no problems in this area.

Are reports of WRC factory investigations made public? Yes. All reports of factory investigations are made public on the WRC website and distributed to affiliate colleges and universities.

Does the WRC do other work in addition to factory investigations? Yes. The WRC engages in three other types of activity:

- **Worker Complaint Mechanism:** Working with local NGOs, the WRC conducts trainings for workers at collegiate apparel factories to inform them of their rights under college and university codes of conduct, including their right to lodge a confidential complaint if they believe there are violations in their workplace. This effort is designed to make it possible for workers to bring legitimate complaints about violations to the attention of trusted NGOs and, through them, to the WRC. Since no monitoring organization can be in every factory every day, the best way to ensure that colleges and universities find out about problems in their factories is for the workers themselves to serve as front-line monitors.
- **Research:** The WRC conducts research on important topics related to apparel production.
- **Factory Disclosure Database:** The WRC maintains and makes available on its website a comprehensive, interactive, up-to-date database of factory names and locations for all factories producing goods for WRC schools as reported by licensees.