



WORKER RIGHTS CONSORTIUM

October 15, 2007

WRC Ontario Catholic School Boards Affiliate
c/o Susan LaRosa
York Catholic District School Board
Catholic Education Center
320 Bloomington Road West
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Dear Members of the Ontario Catholic School Boards Affiliate:

As you know, the WRC recently issued a report concerning labor practices at a factory in the Dominican Republic used by Halpern's. I understand that the report has been portrayed in some circles as evidence that Halpern's is somehow a "bad" company, relative to other uniform suppliers.

This is *not* what the report says. Indeed, the factory in question, despite the violations the WRC identified, is actually an above average facility in the context of the Dominican apparel industry. Moreover, Halpern's role in facilitating the WRC's assessment of the factory, and our efforts to improve conditions, has been a positive one. We are appreciative of Halpern's assistance and we are hopeful that other uniform suppliers will be as constructive as Halpern's has been, as we proceed to review their factories.

The problem may arise from a misunderstanding of the nature of the global apparel industry, including the school uniform industry, and of the purpose of factory monitoring. The reality is that labor rights violations are widespread in the Third World apparel production. In virtually every factory assessment the WRC has conducted in the Third World over the seven years of our existence, we have found significant problems. The goal of labor rights monitoring is not to identify rare instances of non-compliance so that these factories can be jettisoned. Non-compliance is not the exception, but the rule. The goal is to work with uniform suppliers to identify the problems that exist in their overseas factories – and then to improve conditions in these factories and sustain those improvements over time.

Given current realities in the industry, the most important way to judge a factory is not by the conditions that exist when an assessment is conducted, but by the way the factory

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responds when problems are identified and recommendations are made for corrective action. In this case, the factory's response to the WRC's findings was generally positive – better than in many of the cases we have dealt with. It should also be noted that the factory agreed to make significant changes despite the fact that Halpern's is a small customer relative to the factory's overall client base and is therefore not in a position to exert a great deal of influence. We must keep monitoring the factory to make sure that commitments are fully realized and that improvements are maintained (something that can never be assumed); however, as the report notes, the factory's initial response was constructive.

It is important for concerned parties to understand that the only reason we found problems in a Halpern's factory first, is because Halpern's is the first uniform supplier that was the subject of a WRC inquiry. This does not mean that Halpern's is a "bad" company. It merely means that Halpern's was the first of the uniform companies to have its supply chain scrutinized.

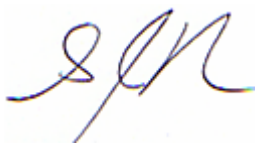
It should also be noted that one of the main reasons why Halpern's supply chain was scrutinized first is that Halpern's main overseas factory is in a country, the Dominican Republic, where it is generally feasible to interview workers and conduct independent labor rights inquiries. There are substantial labor rights problems in the Dominican Republic, but conditions are better than in other parts of the Caribbean/Central American region and better than in many Asian countries. Better working conditions are generally correlated with greater freedom of speech for workers. This makes it more feasible to interview workers outside of their place of work – something that is essential to effective labor rights inquiry. It is also worth noting that most of Halpern's supplier factories are in Canada, where labor rights problems are, of course, far less common than in the Third World. All of this is to Halpern's credit.

By contrast, there are factories producing for other uniform suppliers that are located in countries where conditions are far worse than in the Dominican Republic and where there are sharp restrictions on workers' freedom of speech and association. China and Egypt are two examples. In these countries, labor rights inquiries involving off-site worker interviews are difficult to carry out, because of significant restrictions on worker and citizen freedoms (particularly in China) – which is why it is taking more time for the WRC to initiate investigative work. However, while we have not completed an inquiry at any of the factories located in these two countries, it is important to recognize that we know, without having to complete an inquiry, that all of these factories are violating at least one fundamental right of workers that is protected by international labor law and by the standards of the Ontario Boards: the right to organize and bargain collectively. In both countries, all unions must join a single, government-controlled union federation. These federations serve the interests of the government and employers, not workers. Factories in these countries cannot fully respect associational rights, because the broader environment makes this impossible.

I want to emphasize that we believe Halpern's is responsible for labor practices throughout its supply chain. We take the problems identified at Halpern's Dominican factory seriously and we look forward to continuing to work with Halpern's to improve conditions at this facility. However, for the reasons I have outlined, it would be quite wrong for someone to portray our report on the Halpern's facility as evidence that Halpern's is a "bad" company that uses "sweatshops," as opposed to some other company this is "good" and does not use "sweatshops." All uniform suppliers sourcing from Third World factories have labor rights problems in their supply chains. This is a given in light of current industry realities. The question is how companies respond when these problems are identified – and Halpern's has responded appropriately. Moreover, because most of Halpern's factories are in North America, as opposed to the Third World, it is safe to assume that Halpern's has fewer factories with serious labor rights problems than any company sourcing primarily from Latin America or Asia.

Please let me know if I can provide any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'SN', is positioned above the typed name and title.

Scott Nova
Executive Director

Cc: Judy Temple, Halpern's