

**Minutes of the WRC Board Meeting:
January 22, 2010**

Present at the meeting were Katie Quan, Julie Martinez Ortega, Eric Hoyt, Dida El Sourady, Jill Esbenshade, Ben McKean, LaMarr Billups, Mike Powers, Ella Torti, Matt Reid, Thea Lee, Jim Wilkerson (by phone) and Mel Tenen (by phone). WRC staff in attendance were Scott Nova, Jeremy Blasi, Ben Hensler and Theresa Haas.

At the beginning of the meeting one change was made to the agenda allowing for voting to take place when there was a quorum based on attendance. The minutes from the September 25th board meeting were unanimously approved. Two new board reps were nominated to represent USAS (Matt Reed and Ella Torti) and the nominees were unanimously approved. Jim, the Treasurer, presented the Treasurer's report verbally, stating that he has reviewed the mid-fiscal year balance sheet and profit and loss statement and considered these acceptable, and motioned to approve the Treasurer's report. The motion was seconded and unanimously passed.

Executive Directors Report:

Scott provided additional financial information and applauded the accomplishments of the staff since the last Board meeting, including the Russell Athletic accords and the progress made with the Bookstore Initiative – noting that detailed updates would follow on these subjects. Scott also provided information about the CBA negotiation with the WRC staff union, reporting that the CBA had been concluded, approved by the Executive Committee of the Board and signed by Scott on behalf of the WRC and Theresa Haas on behalf of the WRC Staff Association.

Policies:

Scott introduced a proposed amendment to the “Key Principles” section of the WRC bylaws, which was discussed and agreed informally at the last Board meeting. He reminded the Board that the amendment is needed to reconcile the “Key Principles” with the WRC's role as verifier of labor rights compliance under the Bookstore Initiative. A motion to approve the amendment was made, seconded, and unanimously approved (Note: the amendment, as approved, is included as an annex to these minutes).

Ben proposed new organizational policies including a whistle-blower policy, a document retention policy and a policy regarding Executive Director compensation. Ben explained the benefits of these policies, noting the need to keep up with best practices in non-profit administration. The whistleblower policy was approved by the board with a friendly amendment that everywhere it says “audit committee” will be changed to “ethics committee” and defining the ethics committee as a committee composed of the members of both the audit committee and the executive committee. The document retention policy was approved. Ben agreed to revise the executive compensation policy based on input from Board members and to reintroduce at the next board meeting.

Russell Athletic:

Jeremy outlined the terms of the historic agreements between Russell, the CGT union federation and the Sitrajerzeesh union and between Russell and the WRC. Jeremy emphasized the profound implications of the Russell agreements for the right to freedom of association in Honduras and Central America more broadly. He reported in detail on the initial distribution of funds from the worker assistance fund to the workers, noting the mechanisms used, the WRC's role, and the decision of the union leadership, ratified by the members, to divide the funds up equally among all former employees of the Jerzees de Honduras factory, regardless of union membership.

Bookstore initiative:

Scott reported on the status of the bookstore initiative/Knights Apparel project – updating the Board on the timing of the roll-out of the new apparel brand and the start-up process at the factory. He noted that the WRC was finalizing language for the hangtag that the WRC will allow the company to place on the product, stating the WRC's verification of compliance with the labor standards. He reviewed the current draft of the language.

Scott also mentioned that some academic studies of the project are in the works, one to be done by faculty at Georgetown and another jointly by Harvard and UC-Berkeley.

Field Updates:

Ben provided updates on a number of factory investigations, including Shahi Exports (India), Thai Garment Export (Thailand), Talent Garment (Cambodia), Lian Xing (China), and Young An Hat (Bangladesh). Ben noted that last summer the WRC hired a field representative in India where key issues in the garment sector include unpaid overtime, excessive hours, minimum wage violations etc. All of the information provided by Ben can be found on the WRC website under the respective factory pages. Theresa discussed the Propper International assessment, which the WRC is carrying out on behalf of the City of Los Angeles, and which involves serious violations of associational rights.

Jeremy discussed the Hugger/Vision Tex case where workers at two Nike supplier factories continue to be owed more than two million dollars in legally mandated severance. He noted that Nike has, to date, failed to take the steps necessary to correct the violations.

Annex to January 22, 2010 Board Meeting Minutes

Amendment to WRC Bylaws Annex 1 (Key Principles)

Previous language:

Enforcement should be based on citing companies for violation – and using the licensing agreement to hold the licensee accountable for such violations. The WRC shall not play the role of certifying “good” companies.

Revised language, as approved by the WRC Board on January 22, 2010:

Enforcement should be based on citing factories for violations – and using the licensing agreement to hold the licensee accountable for such violations. The WRC shall not play the role of certifying “good” licensees or brands. This commitment is, however, compatible with publicly verifying that particular factories have met the standards of applicable codes of conduct.