

**Minutes of the WRC Board Meeting
September 22, 2017**

Attending the meeting were Jill Esbenshade, Scott Fleming, Kyle Muncy, Julie Martinez Ortega, Scott Kelley, Craig Westemeier, Ana Jimenez, Mehlan Bhuriwla, Alaina Storch, Corina Yballa, Maxwell Pearce, Marc Donabella (via phone), Jeff Hermanson (via phone), and Julie Su (via phone).

WRC staff members in attendance were Scott Nova, Ben Hensler, Jessica Champagne, Chelsea Rudman, and Lynnette Dunston.

Outgoing board members Justin Valeroso and Kanisha DiCicco joined by phone for the election of new Board members.

There was one observer in attendance: Angeles Solis, USAS.

The meeting was called to order at 9:10 a.m. by outgoing Board Chair, Ana Jimenez.

Board Officer Elections: Jeff Hermanson moved to nominate Jill Esbenshade to serve as Board Chair; Maxwell Pearce seconded the motion. Jill was unanimously elected. Craig Westemeier moved to nominate Scott Fleming to serve as Treasurer. Kyle Muncy seconded the motion. Scott F. was unanimously elected. Alaina Storch moved to nominate Mehlan Bhuriwla to serve as Secretary. Ana Jimenez seconded the motion. Mehlan was unanimously elected.

Agenda Review: There were no questions, concerns, or proposals regarding the agenda.

Audit Committee Elections: Corina Yballa moved to nominate Maxwell Pearce to serve on the Audit Committee. Alaina Storch seconded the motion. Maxwell was unanimously elected. Jill Esbenshade moved to nominate Julie Martinez to serve on the Audit Committee. Jeff Hermanson seconded the motion. Julie M. was unanimously elected. As Treasurer, Scott Fleming is automatically a member of the Audit Committee

Approval of Minutes of June 2, 2017 Meeting: Kyle Muncy made a motion to approve the minutes. Jeff Hermanson seconded this motion. The minutes were unanimously approved.

Executive Director's Report: Scott N. began by announcing the affiliation of three new universities: Oregon State University, Florida International University, and College of Marin. He also announced the release of *Sewing Hope*, a new book that details the impact and evolution of the Alta Gracia factory in the Dominican Republic and the valuable impact of this living wage factory on its workers and their families. The book is authored by Professor John Kline of Georgetown University and the WRC's own former Field Director for Latin America and the Caribbean, Sarah Adler-Milstein.

Scott briefly discussed the issue of the proliferation of unsubstantiated labor rights claims being made by apparel brands' as a marketing and shared several examples with the Board. Jess encouraged Boards members and their institutions to find ways to expand support for Alta Gracia. Craig noted the large purchase by the Dallas Cowboyas of blank shirts from Alta Gracia and that sales of Alta Gracia apparel at The University of Texas bookstore are going well.

Ben continued the Executive Director's report with the announcement of contracts awarded to the WRC for compliance monitoring by the Cities of Los Angeles and San Francisco. The cities adopted ordinances in 2004-2005 requiring city apparel vendors to partner with an independent nonprofit to monitor overseas factories supplying vendors with city goods. At that time, the Board authorized the WRC to serve in this capacity, which the organization has done, continuously, for LA and intermittently for San Francisco. This past June, the WRC successfully renewed a one-year contract with the City of Los Angeles and a three-year contract with the City of San Francisco. The WRC is the original and only factory monitor for both cities. The WRC collects the disclosure data from suppliers for the City of Los Angeles; the City of San Francisco collects their own data. The WRC then works with the cities to determine which factories to inspect. Factory reports become public as the cities post them on their own websites. Scott noted that it is of value to the WRC to have the opportunity to do work in a different supply chain; the cities' supply chains have only minor overlap with the collegiate apparel supply chain. Appropriately of the WRC's work in California, Julie S. remarked on the important assistance provided by the WRC to the California Department of Labor Standards Enforcement, in the form of trainings carried out by the WRC for Department inspectors on the use of off-site worker interviews in the detection of wage theft.

Jess then provided a brief update on a research project in Ethiopia, through which the WRC is seeking to develop an understanding of prevailing labor practices in the burgeoning export garment sector. The WRC has not found collegiate disclosure yet in Ethiopia, but given the rapid growth of the industry there, it is likely that licensees will soon be sourcing from the country. Jess noted there's a dearth of information about what's going on in terms of labor practices in garment factories in Ethiopia, which has a deeply authoritarian government that is strongly hostile to the circulation of any information critical of the practices of business in Ethiopia or of the government itself. There was a 10-month state of emergency while the WRC's research was ongoing. There is also a law that prohibits international organizations from working on human rights in the country. All of this Ethiopia a particularly difficult country in which to carry out any labor rights research not officially sponsored by the industry or the government.. The WRC looks forward to sharing the results of its research early in 2018.

Lastly, Scott N. briefly discussed the WRC's work for the Council on Ethics of the Norwegian Government Pension Fund. WRC is currently working on its fourth contract with the Council on Ethics, involving investigations in Vietnam and several other countries.

Report and Discussion on Developments Related to Nike, Factory Access, and University Labor Codes: Scott thanked the Board members for their participation in the special Board meeting, by video-conference, conducted on August 24 regarding the WRC-Nike factory access protocol. Scott noted that the WRC-Nike protocol, and the new licensing agreement between Nike and Georgetown, resolve the issue of WRC access to Nike collegiate factories going forward, while strongly reaffirming the ability of universities to establish and enforce their own independent labor standards. Scott expressed his view that it is very good news, both for universities and the WRC itself, to have achieved a successful resolution to this issue and to be moving past it. Scott expressed the WRC's appreciation for the efforts Georgetown and of many other universities, of

USAS, and of Nike itself in achieving this favorable resolution. Scott reported that the WRC will assist universities that seek the organization's guidance in the incorporation of the access protocol and related commitments into their own licensing agreements with Nike. Kyle expressed the view that it would be preferable if Nike proposed standard contract language, across schools, with respect to labor rights issues.

Scott provided a brief update on the Hansae factory in Vietnam. He reported that the WRC and Hansae are moving towards a final mediation plan which should address outstanding issues, including the implementation of ergonomic chairs, back pay and freedom of association. Scott indicated that he would be traveling to Seoul to meet with Hansae's CEO, with goal of agreeing on a final plan.

Jess and Ben then provided an overview of the WRC-Nike access protocol. Jess covered the portion of the protocol related to Nike's commitment to arrange access, explain that Nike has committed to arrange factory access within 15 days of the WRC's request, allowing an additional seven days for extraordinary circumstances. In the case of an "urgent problem," Nike will move "as soon as possible." Jess noted that Nike's access commitments are actually an advance of standard requirements in university labor codes, in terms of the specific time-frame and Nike's commitment to use all available economic leverage, including exit, to achieve supplier cooperation. Jess noted other important elements of the protocol, including the right of the WRC to return to a factory if needed.

Ben continued the overview of the protocol with a review of the elements that concern what happens after the WRC has inspected a factory. He noted that these elements are generally consistent with the procedure that the WRC currently follows in recommending and securing commitments from licensees and factories for remediation of violations found and then reporting on both our findings and the status of remediation. With respect to sharing findings, the protocol says that, before issuing a public report on the factory, the WRC will give "reasonable notice" of our findings to Nike so that Nike can get commitments from the factory regarding remediation of violations, that we can include in our reporting, or so that Nike or the factory can demonstrate that corrective actions already have been taken or are in process, and we can include that in our reporting. "Reasonable notice" will vary depending on the type of violation(s), what is a reasonable time for Nike to deal with the factory owner and to respond, and how time sensitive it is that the WRC publicly reports. In some special cases, where there is an urgent threat to workers (i.e., imminent occupational safety hazards, workplace violence, and mass firings of workers for union organizing), the WRC is free to publish without notice. The protocol also defines who are the other parties, besides Nike, that the WRC may share findings with before publishing a report; they include the factory owner; the workers and their representatives; government officials who may be investigating or about to investigate the same allegations; and other buyers, in addition to the licensee. With respect to working on remediation of violations, the protocol reflects the WRC's current practice: the WRC engages on remediation of violations with all licensees who purchase from the factory, and with any identified non-collegiate buyers who have significant leverage over the factory. And the WRC identifies all of these companies in its public reporting. Importantly, the protocol does not place any restriction on the WRC's ability

to report independently on whether remedies requested by a licensee, and/or undertaken by a factory, are adequate to fully resolve university code of conduct violations.

Report and Discussion on Renewal of Bangladesh Accord: Scott reported that out of 90,000 initial safety hazards identified across all Accord factories, more than 60,000 have been eliminated through renovations, repairs and upgrades. He noted that electrical issues have the highest progress, followed by fire, and then structural.

The renewal of the Accord for three additional years was announced in June. The Accord was scheduled to end in May of 2018 but has now been extended to 2021. The new Accord is fundamentally the same agreement as the current Accord, but with some enhancements and modifications. The most critical elements are preserved, including the binding and enforceable nature of the agreement, the brands' obligation to negotiate prices for garments that ensure that factories can afford to operate safely, the power of the Accord's independent inspectorate to direct signatory brands to stop doing business with any factory that refuses to operate safely, and the strong transparency provisions, including detailed public information on whether each identified hazard, in each factory, has been corrected. The new agreement also includes some modest, but significant, improvements including the obligation of suppliers to pay severance to workers if they have to close or relocate a factory for safety reasons; clearer protections for freedom of association; and some enhancements to the dispute resolution mechanism.

Next Board Meeting Date: The next Board Meeting was scheduled for March 2, 2018; March 9 was identified as a back-up date.

Discussion and Action on Bylaw and Policy Amendments: Ben presented to the Board an amendment to the Board policies on the recommendation of the staff.

An amendment to the Board policies was discussed and then approved as follows:

1. Board Meeting Executive Sessions:

The Board of Directors of the Worker Rights Consortium hereby amends the following policy adopted at the June 2, 2017 Board meeting as follows:

To amend the following policy from the June 2, 2017 Board Meeting:

“The Executive Director and General Counsel will remain during executive sessions, unless the Board decides in a particular case that either or both should not be present, and/or that other staff should be present.”

The Board adopts the following policy:

“The Executive Director, General Counsel and Office Manager will remain during executive sessions, unless the Board decides in a particular case that one or more of them should not be present, and/or that other staff should be present. Unless otherwise

requested by the Board, the Office Manager shall not remain during discussion of collective bargaining matters.”

Scott K. made a motion to adopt the proposed amendment. Craig seconded the motion. The motion was unanimously approved.

Executive Session: An executive session was held to discuss confidential personnel and financial matters.

Report and Discussion on Repression of Civil Society in Cambodia and Implications for the Garment Sector: Ben briefly discussed the worsening situation in Cambodia, with increasingly harsh restrictions on the ability of independent unions and labor and human rights groups to function. Cambodia is one of the top 10 garment exporters to the US, with significant collegiate apparel production. It has more than 500 garment factories and 85% represents the country’s manufacturing jobs. It has also, in strictly relative terms, been a decent performer on labor rights. It has some of the region’s strongest independent garment workers unions and labor NGOs. The unions have managed to establish a limited number of collective bargaining agreements and, until recently, a functioning labor arbitration system that had been the most effective such mechanism in any country in which the WRC works. As with civil society activities in general, the arbitration mechanism has also been severely weakened by worsening government repression. Notably, one consequence of the apparel industry’s growth is a reduction in the Cambodian government’s dependence on Western foreign aid – a dependence that had previously made the government more sensitive to criticism over human rights and labor practices. On the other hand, the importance of international apparel brands to the country is greater than ever.

Ben explained that the garment industry’s growth in the country was based in substantial part on maintaining among the lowest minimum wage in the region – a reality that has, understandably, led to substantial worker unrest and protest, which has, in turn, drawn a violent response from the government. At the end of 2013 and in early 2014, there were mass protests by garment workers over the minimum wage, which ended in a military crackdown where five workers were shot and killed, and criminal charges were brought against a number of the country’s leading garment worker leaders that were widely recognized to be fabricated. More broadly, the government, which increasingly views any independent civil society activity as a form of political opposition, has imposed increasing restrictions on NGOs and unions. The government enacted a law regulating NGOs that includes extremely onerous registration and supervision requirements for these groups. Since that law was passed, there have been notable cases of environmental activists and social media activists who have been jailed for allegedly violating it. Last year, a new trade union law was passed that made it nearly impossible for national unions to hold congresses, elect new officers, approve strikes, and for local unions to bring arbitration cases. Furthermore, the government is currently seeking to pass a minimum wage law that would make it illegal for anyone but the government to conduct research on what the minimum wage should be, or to criticize the minimum wage. Just recently we have seen the crackdown on civil society intensify further, focusing on institutions criticized for ties to the US. The National Democratic Institute, a U.S. funded organization that supports democracy-building and conducts

election observation overseas, has been shut down, as has one of the country's two leading English language newspapers, along with more than 30 independent radio stations that broadcasted the Voice of America. Most recently, the head of the leading opposition party has been arrested and charged with having conspired while in the US to overthrow the government. Part of the government's criticism of him is also to accuse him of having incited the mass wage protests in 2013. Lastly, the leader of one of the WRC's main NGO allies, the Center for Alliance of Trade Union and Human Rights (CENTRAL), Meoun Tola – who has spoken to the WRC University Caucus before – has been publicly accused by the government of trying to organize support for the opposition party among Cambodian migrant workers in Thailand. The WRC and other labor and human rights organizations have been very concerned about these developments.

The meeting adjourned at 3:32pm.