Minutes of the WRC Board Meeting
November 9, 2018

Present at the meeting is: Geoff Chatas, Alixe Holcomb, Kyle Muncy, and Craig Westemeier of the University Caucus; Jill Esbenshade (via phone), Julie Farb, Julie Martinez Ortega, and Julie Su (via phone) of the Advisory Council; Patricia Alvaro, Mehlam Bhuriwala, Elizabeth Carroll, Amber Chan, and April Lopez of USAS.

WRC staff members in attendance were: Scott Nova, Ben Hensler, Rola Abimourched, Chelsea Rudman, Vincent DeLaurentis, Kimberly Capehart, Laura Gutierrez, and Tara Mathur (via phone).

Outgoing board members Ana Jimenez joined in person, and Maxwell Pearce joined by phone for the election of new Board members.

Observers in attendance included: Ana Jimenez, USAS, Sam Hodges, Georgetown University, Ben Hayes, WRC Intern, and Obed Ventura, WRC Intern.

Julie Farb is chairing the meeting for Jill Esbenshade, who is joining on the phone. The meeting was called to order at 9:17 a.m.

Board Member Nominations
The Board ratified the election of five new members, as follows:

University Caucus Board Member
Kyle Muncy nominated Geoff Chatas
Craig Westemeier seconded
Approved by acclimation; no opposition

USAS Board Members
Mehlam Bhuriwala nominated:
April Lopez
Elizabeth Carroll
Trish Alvaro
Amber Chan
Ana Jimenez seconded
Approved by acclimation; no opposition

Board Officer Elections
The Board elected offers for the current fiscal year, as follows:

Chair from University Caucus
Nomination for Alixe Holcomb by: Kyle Muncy
Seconded by Craig Westemeier
Approved by acclimation; no opposition
Treasurer from USAS
Amber Chan nominated Trish Alvaro
Second by Mehlam Bhuriwala
Approved by acclimation

Secretary from the Advisory Council
Jill Esbenshade nominated Julie Farb
Julie Su Seconded
Approved by acclimation

Alix Holcomb is now chairing meeting.

Executive Director’s Report
The new office manager, Kimberly Capehart, was introduced. A fond farewell was given to Lynnette Dunston who worked with the WRC for over 8 years.

Accord - Laura Gutierrez and Scott Nova
Scott and Laura summarized the sweeping progress achieved under the Bangladesh Accord, the work remaining, and described the current challenges presented by the Bangladesh government’s hostility to the Accord’s continued presence.

Scott explained that the Bangladesh Government, under pressure from some factory owners, is threatening to close the Accord headquarters by the end of this month (November). The high court of Bangladesh, at the direction of the government, has ruled that the Accord has no right to operate in Bangladesh. The WRC has worked with others involved in the Accord to develop a contingency plan. An important note: the Accord is not merely an inspection program; it is agreement between worker representatives and brands. The obligations of brands continue regardless of actions of the Bangladesh government. The Accord’s plan, if the government closes the Accord’s Dhaka office, is to continue to run the program out of the Accord’s Amsterdam office and use international engineers traveling to and from the country, rather than local engineers, to carry out inspections. Scott noted that this was the approach the Accord began with, before the local inspectorate could be trained, and that it is a viable, if more expensive and more limiting, approach.

Scott described ongoing discussions with the government and the factory owner’s association, being pursued with the goal of averting this scenario.

Nike - Scott Nova and Ben Hensler
Scott discussed the memorandum the WRC just issued concerning Nike’s relocation of a substantial portion of its collegiate and non-collegiate production in Indonesia to other countries. Scott summarized the key points in the memo and the Board engaged in substantial discussion. Scott noted that the WRC would be following developments in any cases where factories close or workers are laid off in large numbers to ensure that there is full compliance with laws concerning severance and related terminal compensation.
Some Board members expressed the concern that Nike is scrutinized more heavily than other licensees by the university community. Differing opinions were expressed on this point. There was general agreement among the Board members that the memo issued by the WRC was useful to schools and fair to Nike.

**Avery Dennison – Ben Hensler**

Ben discussed Avery Dennison (AD), which makes labels for commercial and industrial uses, including sew-in labels for several major brands in the garment industry, including Columbia for their collegiate apparel. University codes of conduct cover the production of all parts of collegiate garments, not just the cutting and sewing of fabric. The codes also cover embroidery, weaving the cloth that goes into garments, manufacturing zippers and tags, and more.

At one of AD’s factories, in Bangalore, India, there is a union already present (the “ADWU”) and another union in its formative stages. The main issue under investigation at this factory is anti-union retaliation against the nascent union, which is affiliated with Garment Apparel and Textile Workers Union (“GATWU”). Managers at the AD factory enlisted the ADWU to help suppress the newer union, GATWU. An employee at the factory found evidence of a payment from a member of AD’s management to an ADWU union leader. This is a conflict of interest, even if it was a personal loan, which is what AD asserts. Members of the ADWU attacked the employee who exposed the personal loan and another employee who tried to help the former. ADWU leaders also threatened another worker who had joined GATWU with sexual violence against a family member and to go to the police with false charges against the GATWU member. The ADWU’s parent labor federation has since removed the union leader who took the payment from the manager.

AD’s security guards have also conducted surveillance of GATWU meetings, and the management has also given gifts to workers to convince them not join GATWU. Furthermore, managers have stopped giving overtime to workers at the factory, and instead, began subcontracting out the extra work. The WRC has made the following recommendations to Avery Dennison:

- Stop retaliation against GATWU members;
- Stop the payments to ADWU leaders;
- Recognize and negotiate with GATWU;
- Discipline managers and ADWU leaders involved in making illegal threats;
- Stop surveillance of GATWU meetings;
- Reinstate overtime to workers

Avery Dennison’s response has been:

- A request to meet with WRC;
- Commitment to will hire an investigator to examine the issues WRC has raised

Columbia has said it will require AD to respect freedom of assembly and will encourage mediation. Some Board members expressed frustration with Columbia and its response to prior code of conduct violations in India. They suggested outreach could be made to Outdoor Custom Sportswear which markets Columbia’s collegiate licensed apparel. Kyle Muncy agreed to facilitate an introduction for this conversation.
**Shahi – Ben Hensler**

Ben summarized the background and substantial progress achieved in the Shahi case. Shahi is the biggest garment manufacturer in India, with numerous supplier factories. Shahi’s Unit 8 factory in Bangalore produces licensed goods for Columbia and non-collegiate goods for a number of other brands. Management at the factory organized an attack on union members in response to the union members’ petitioning for better wages and conditions. More than a dozen workers were beaten, given death threats, experienced theft, robbery, and were expelled from the factory. WRC pressed Columbia and other brands to require Shahi to: fire the managers involved in the attack, provide reinstatement and restitution for the workers, respect the workers’ right to unionize, and require the employers to bargain with the union. When brands were slow to act, the WRC issued a report to universities and the public to urge action. Many universities contacted Columbia concerning the attack after it initially balked at supporting all of the necessary remediation.

In July, there was a memorandum of understanding reached between the management and the union with the following results:

- Five managers who were involved in the violence were fired.
- Three supervisors, who couldn’t be fired immediately due to Indian Law, are scheduled to be terminated in January 2019.
- The workers who were attacked have been reinstated with back pay, compensation, and an apology.
- There have been no further incidents of antiunion retaliation or discrimination.
- There have been monthly negotiation meetings between the union and the management.
- However, there is still reluctance among other workers to join the union due to the previous violence.

**Organizational Review – Chelsea Rudman**

The WRC will be holding a retreat/meeting for the staff to come together for skills, team building, and planning activities for a week in Los Angeles. This is the first time in many years that the entire staff and field team will be gathering together.
Lesotho – Rola Abimourched

Rola presented on a non-collegiate investigation conducted for the Council on Ethics of the Norwegian Government Pension Fund of three factories in Lesotho owned by Nien Hsing Textile, headquartered in Taiwan. The Nien Hsing factories in Lesotho employ about 10,000 workers in total and produce denim jeans for three major U.S. brands. WRC initiated its investigation of the factories in December of 2017 and conducted follow up interviews with workers in August of 2018. The WRC identified serious violations of Lesotho law and international labor standards in the following areas:

- Wages and hours, including off-the-clock work due to high production targets;
- Harassment and abuse, including verbal and physical abuse and pervasive and severe sexual harassment and coercion;
- Occupational health and safety, including but not limited to, factory temperature, air quality and ventilation, fire safety, and ergonomics;
- Women’s rights, including discrimination against pregnant workers; and
- Freedom of association, including failure to comply with a collectively bargained agreement and refusal to allow unions to represent their members or enter the factory to meet with their members.

Based on these findings, the Council on Ethics recommended that Nien Hsing be placed under observation, a significant sanction, due to systematic human rights violations at several Nien Hsing factories.

For this presentation, Rola focused on the WRC’s findings concerning sexual harassment and coercion and freedom of association. Based on worker testimony, the WRC found that:

- It is common practice for managers and supervisors to coerce workers into sexual relationships so that workers can keep their jobs or attain more favorable terms.
- Female workers face sexual harassment from both managers and coworkers, and that management’s tolerance of this behavior encourages acceptance of sexual harassment as the norm.
- A lack of accountability for supervisors and managers who harass or coerce workers creates a culture of acceptance and a fear of reporting among women workers.

Nien Hsing’s suppression of workers’ associational rights further exacerbates women workers’ vulnerability to sexual harassment and coercion. The WRC found that Nien Hsing had unilaterally and unlawfully terminated a collectively bargained agreement; denied employees the right to be represented by their chosen union in the workplace; attempted to interfere with internal union matters; and engaged in acts of discrimination and retaliation against employees for exercising their associational rights.

In its initial engagement with the brands sourcing from the Nien Hsing factories, the WRC focused on findings concerning sexual harassment and coercion and freedom of association, given the severity of the sexual harassment and coercion at the factories and that suppression of workers’ associational rights increases workers’ fear of reporting abuse.
Fear of exclusion from the Norwegian Pension Fund and pressure from the its customers has resulted in Nien Hsing taking some measures to address the freedom of association violations, including negotiating memoranda of understanding with the three unions with members in the factories. These MOUs allow unions to collect dues, enter the factories to confer with workers, and represent members during disciplinary hearings.

While Nien Hsing has acted on some of the WRC’s recommendations concerning findings on sexual harassment and coercion, such as eliminating the use of short-term contracts for production workers, the WRC determined that a company-led, internal solution cannot address the current culture of sexual harassment and coercion at the factories. This is because workers do not trust management’s resolution systems because of past inaction to end this type of abuse, no independent monitoring exists to ensure that management treats these cases seriously, and Nien Hsing’s suppression of workers’ associational rights fuels fears of retaliation for reporting abuse.

The WRC proposed, instead, an alternative program established through a binding agreement that would establish an independent monitor to handle and investigate complaints. The program, modeled after the Fair Food Program, would include an independent investigative body, protection against retaliation for workers, complainants, and witnesses, strong public sanction for managers and supervisors, and education and training on the program for employees and management.

The WRC sought feedback and advice on this proposed program from the unions representing workers at the Nien Hsing factories, as well as two leading organizations with expertise in sexual and gender-based violence in Lesotho. In partnership with these local unions and nonprofit organizations, as well as three U.S.-based advisors, the WRC approached the brands to engage their commitment to hold Nien Hsing accountable to comply with the program and to provide funding. One of the brands has agree to negotiate an agreement for a program to end sexual harassment at the factories, but the others have yet to respond. The WRC anticipates that the other brands will confirm their willingness to negotiate an agreement soon and that negotiations will take place in January of 2019.

**Executive Session**
An executive session was held to discuss confidential personnel, financial, and other sensitive matters.

**Next Board Meeting**
Location: 1401 K Street NW, Suite 700, Washington, DC 20005
Date: Friday, March 1, 2019

The Board agreed to review and approve the June 2018 meeting minutes by email, subsequent to the meeting.
Field Report

Konffetty – Tara Mathur and Scott Nova
Tara recapped for the Board the essential facts of the case of Konffetty, in El Salvador, operated by licensee Vive La Fete. Konffetty uses embroidery workers, who work from home, and systematically underpaid them and denied them benefits, despite Salvadoran law which grants home workers the same rights as all other workers. The factory owes large sums in back pay and must also substantially raise wages and provide benefits going forward. Scott reported that, on October 23, he met with Miguel Lacayo, owner of Vive La Fete. This meeting was a direct result of the university pressure on Vive La Fete. The conversation with Mr. Lacayo was constructive but difficult. Mr. Lacayo indicated he is willing to provide some back pay but claimed severe financial constraints. The WRC told him that if his companies can demonstrate genuine financial hardship, that this could be a basis for a reduction in back pay, with workers’ consent, but that he would nonetheless have to come into compliance with the law going forward. Mr. Lacayo agreed to provide financial documentation to the WRC. Scott expressed hope that Vive La Fete will commit to come into compliance with university codes but stressed that the necessary commitments might or might not be forthcoming.

The meeting adjourned at 3:44pm.