

YEAR IN REVIEW

WRC University Caucus

Annual Meeting

May 2017

W R C

WORKER RIGHTS
CONSORTIUM

PROJECTED INCOME BY SOURCE – FISCAL YEAR 2017

University Fees	1,261,000 (69%)
Grants/Contributions	315,000 (18%)
<u>Monitoring Income</u>	<u>230,000 (13%)</u>
Total	\$1,806,000

PROJECTED EXPENSE BY CATEGORY FISCAL YEAR 2017

Staff	998,000 (59%)
Field Consultants/Projects	397,000 (23%)
Travel	77,000 (5%)
Communications	51,000 (3%)
<u>Overhead</u>	<u>179,000 (11%)</u>
Total	\$1,702,000

WRC U.S. PERSONNEL

Scott Nova

Executive Director

Ben Hensler

General Counsel and Deputy Director
for Policy and Research

Jessica Champagne

Deputy Director for Strategy and Field
Operations

Chelsea Rudman

Director of Development and Strategic
Partnerships

Laura Gutierrez

Field Director, Bangladesh

Tara Mathur

Field Director, Latin America and
Caribbean

Lynnette Dunston

Office Manager

Ariana Gangloff

Interim Office Manager

WRC AFFILIATES

- Total WRC Affiliates: 189
- New WRC Affiliates Since May 2016:
 - Virginia Commonwealth University
 - University of South Florida
 - Appalachian State University
 - College of Marin
 - Kent State University
 - Thompson Rivers University
 - Western Michigan University

INVESTIGATIONS 2016-2017

SISA (Haiti)	Hansae (Vietnam)	(Bangladesh)
Premium (Haiti)	North Star Manufacturing (Thailand)	GH Haewae (Bangladesh)
Palm (Haiti)	Sawbwa VT Garment (Burma)	Fitwell Corporation (Pakistan)
Codevi (Haiti)	PT Myung Sung (Indonesia)	B K Saadaan (Pakistan)
Alta Gracia (Dominican Republic)	PT Besco (Indonesia)	Industrial Clothing (Sri Lanka)
Impression Apparel (El Salvador)	Hansoll Hyun (Indonesia)	Avery Dennison (India)
Konfetty (El Salvador)	PT Jaba Garmino (Indonesia)	Maral Overseas (India)
Textiles Opico (El Salvador)	Han Embroidery (Bangladesh)	Shahi Exports (India)
Rio Garment (Honduras)	Clifton (Bangladesh)	O-Ta Golf Products (China)
Delta Apparel (Honduras)	Panorama (Bangladesh)	Panyu Lide Shoe Factory et al (China)
Cambo Xon Ying (Cambodia)	Windy Apparel et al	
GHI (Cambodia)		
Roo Hsing et al. (Cambodia)		

LICENSEES DISCLOSING INVESTIGATED FACTORIES

- 5th & Ocean
- adidas
- Alta Gracia Apparel
- Antigua
- Ash City
- Charles River Apparel
- Columbia
- Cotton Gallery
- Gear for Sport
- Haddad Apparel
- Hanesbrands
- J America
- JSW Uniwear
- MJ Soffe
- New Agenda
- Nike
- Peter Millar
- Royce Apparels
- Russell Athletic (Fruit of the Loom)
- Tailgate
- Team Beans
- To the Game
- Under Armour
- Vive la Fete
- Zephyr Graf-X

WRC 2016-17 BY THE NUMBERS



72,000

workers directly
affected



16

countries in which we
worked



\$6,200,000

purchasing power of back
pay secured for workers
harmed by wage theft

RIO GARMENT



WORKER RIGHTS
CONSORTIUM

VIDEO



WORKER RIGHTS
CONSORTIUM

FACTORY BACKGROUND

- Located in San Pedro Sula, Honduras
- Employed 532 workers
- Supplied university logo T-shirts to Tailgate (American Eagle)
- Supplied shirts to Gap, Gildan, Walmart
- Owned by U.S. businessman David Gren

FACTORY CLOSURE

- August 12, 2016: Factory closes
- August 24: WRC contacts Tailgate
- Tailgate: “On August 19th David advised us that the workers had been paid in full.”



\$1.3 MILLION OWED TO WORKERS

- Legally required terminal payments:
 - Severance compensation
 - Notice pay
 - Unpaid vacation days
 - Unpaid bonuses
- Deductions from workers' paychecks
 - National health insurance payments (5 months)
 - Savings and loan cooperative contributions
 - Municipal taxes

BUYER ENGAGEMENT



**AMERICAN EAGLE
OUTFITTERS**

GILDAN[®]

TOTAL FUNDS SECURED

Source	Amount (in USD)
Tailgate	\$ 450,000
Gap	\$ 419,000
Gildan	\$ 120,000
Total Provided by Buyers	\$ 989,000
Total Secured from Owner/Assets	\$ 341,000
Total Funds Secured	\$ 1,330,000

ACCORD ON FIRE AND BUILDING SAFETY IN BANGLADESH

WHY THE ACCORD

- Nearly **2000 Bangladeshi garment workers killed** between 2004 and 2013
- These disasters demonstrated what the WRC had long warned: brands' private inspection programs failed to keep workers safe
- Since 2013, after Rana Plaza, over 200 brands have signed Accord on Fire and Building Safety in Bangladesh

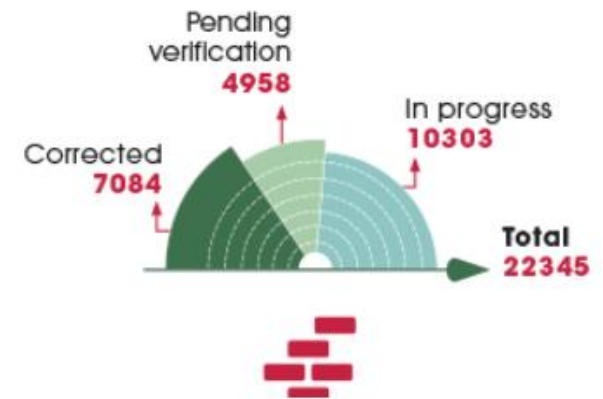
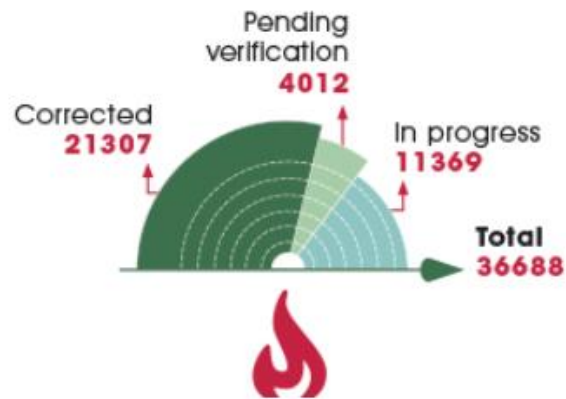
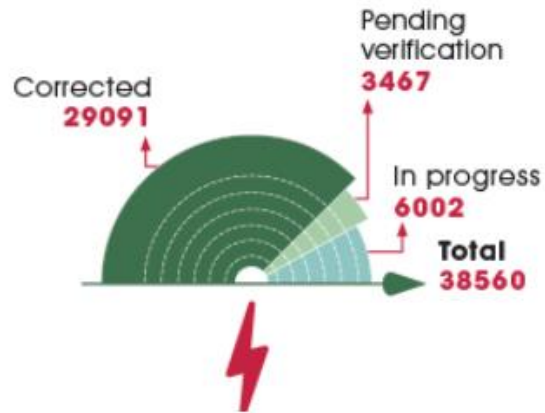


THE ACCORD

- Independent inspections by professional fire, electrical and structural engineers
- Full public reporting
- Brands/retailers must require factories to undergo all necessary renovations and ensure financing is available to them
- Central role for workers and unions: union access, OHS committees, right to refuse dangerous work
- All commitments binding and enforceable

PROGRESS

- 79% of safety issues have been fixed



ESCALATION/TERMINATION

- Accord's escalation procedure for recalcitrant factories leads to termination, which means they are unable to do business with any of the 200+ Accord signatory companies



ANANTA APPARELS LTD.

- Factory is housed in a 15 story building
- Employs 1500 workers
- Workers are unionized
- April 5, 2017 union members reported
 - Cracks in walls in production areas
 - Collapse of separate security building



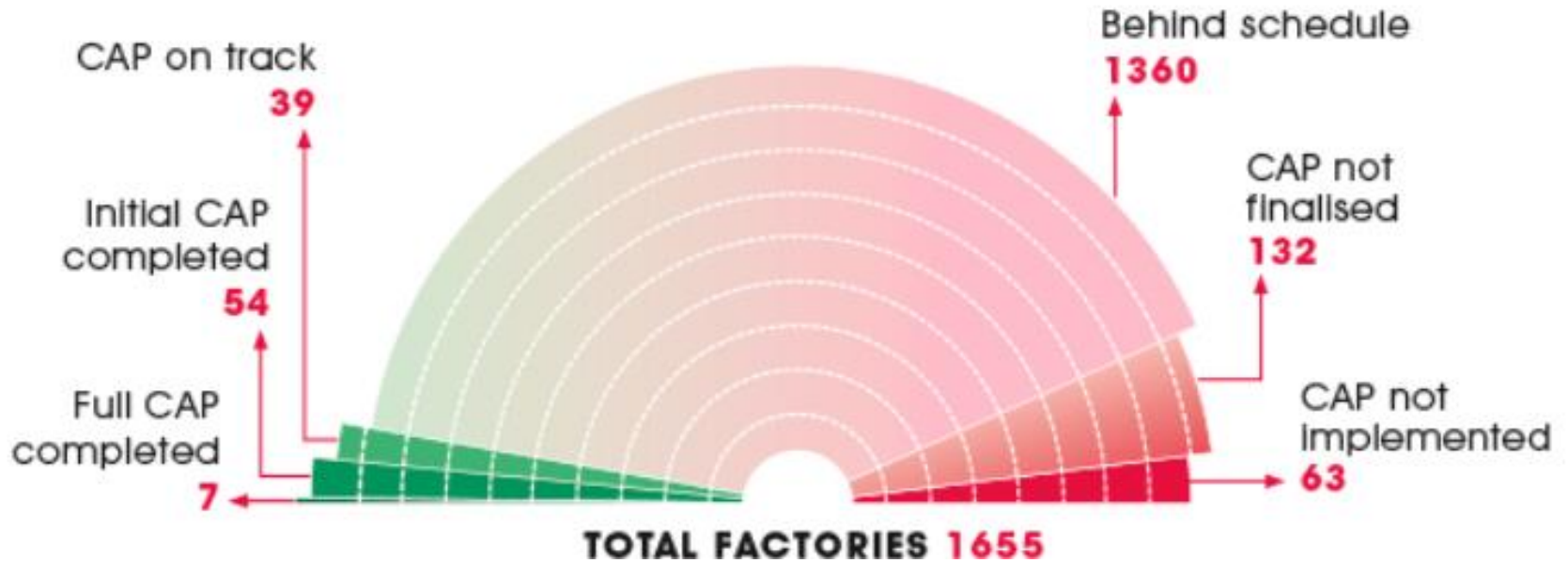


Tilting/partial collapse of security room



Broken column of the security room

PROGRESS - CONTINUED



COLLEGIATE SUPPLIERS

- 13 collegiate licensees currently sourcing from Bangladesh, 10 of which have signed the Accord
- Licensees are currently sourcing from 20 factories in Bangladesh, 19 of which are covered by the Accord
 - Employ 32,209 workers
 - At 7 of these factories, the collegiate licensee is the *only* Accord signatory present
- 85% of all corrective action initially required at collegiate factories now complete

Collegiate Disclosure, 2017

Factories Not Covered by the Accord

Licensee	Factory		No. Workers
Milestone Clothing Resources LLC	Coreattire Fashion	-	1660*

Factories producing for *NON*-signatory licensees

Licensee	Factory	% CAP progress	No. Workers
Ash City World Wide (Broder Bros Co)	Dekko Apparels Ltd.	84%	1631
Ash City World Wide (Broder Bros Co)	GH Haewae Company Ltd.	77%	3500
Ash City World Wide(Broder Bros Co.)	Newage Apparels Ltd.	92%	4000

Factories producing for signatory licensees

Licensee	Factory	% CAP progress	No. Workers
CC Creations* Ahead LCC	Actor Sporting Ltd.	90%	1085
Zephyr Graf X	Baek Doo Korea Ltd.	-	215
Russell Brands LLC	BP Wears	71%	1015
Top of the World (Captivating Headwear), adidas, Ahead	Dada (Dhaka) Ltd.	96%	2362
adidas	Dhakarea Ltd. (Yupoong)	84%	3345
Zephyr Graf X	Han Apparel Ltd	82%	300
Ahead, LLC	Magpie Composite Textile Ltd	68%	1660
Knights Apparel Inc.	One Composite Mills Ltd.	90%	2300
New Agenda	Shahriyar Fabric Industries	91%	1660*
Russell Brands LLC	SNV Stitches Ltd.	83%	2200
Knights Apparel Inc.	Supreme Stitch Ltd	87%	686
Knights Apparel Inc.	Total Fashions Ltd.	85%	887
Outerstuff/Genuine Stuff	Uni Gears Ltd.	93%	1663
Overall Total		85%	31549

UNI GEARS



UNI GEARS (FIRE)

Issue	2013	2017
Fire rated doors	X	✓
Separation between production area and combustible storage	X	✓
Emergency exit signage and lighting	X	✓
Unobstructed emergency exits	X	✓
Fire alarm	X	✓

IMPORTANCE OF FIRE DOORS



BEFORE & AFTER (FIRE)



Before: Collapsible gate



After: Fire door installed

BEFORE & AFTER (FIRE)



Before separation



After separation

UNI GEARS (ELECTRICAL)

Issue	2013	2017
Separation between electrical room and combustible material	X	✓
Electrical wiring properly protected	X	✓
Electrical wiring properly identified	X	✓
Adequate signage of electrical dangers	X	✓

UNI GEARS (STRUCTURAL)

Issues	2013	2017
Correct cracking in walls which is a danger to structural integrity	X	✓
Anchor storage racks properly to resist earthquake force	X	✓
Repair water damage to structural beams and slabs	X	✓

GOVERNMENT CRACKDOWNS ON GARMENT WORKER WAGE PROTESTS

A threat to worker rights progress in
collegiate apparel manufacturing

CRACKDOWNS ON GARMENT WORKER WAGE PROTESTS

- Recent crackdowns on garment worker wage protests in Bangladesh and elsewhere
- The causes and significance of crackdowns
- Licensee obligations and the WRC's response

FREEDOM OF ASSOCIATION PROTECTS RIGHT TO PEACEFUL PROTEST

- “The right to strike and to organize union meetings are essential aspects of trade union rights.”
- “Workers should enjoy the right to peaceful demonstration to defend their occupational interests.”
- “Allegations of criminal conduct should not be used to harass trade unionists by reason of their union ... activities.”
 - ILO Committee on Freedom of Association

CRACKDOWN IN BANGLADESH 2016-2017



DECEMBER 2016 – WAGE PROTESTS BREAK OUT IN ASHULIA

The New York Times

BUSINESS DAY

Protests in Bangladesh Shake a Global Workshop for Apparel

By RACHEL ABRAMS and MAHER SATTAR

JAN. 22, 2017



Jhorna Begum's husband, Jahangir Alam, a local labor leader, was detained after garment industry protests last month in Bangladesh. She had spoken with him only briefly since court.

Credit: Salahuddin Ahmed for The New York Times

W R C

WORKER RIGHTS
CONSORTIUM

- Minimum wage (\$0.32/hr.) not increased since 2013
- Local protests over low wages close 40 factories in Ashulia for 1 week
- 20 more factories in Ashulia temporarily close at urging of industry association - including 1 supplier to a licensee (Ash City)

GOVERNMENT AND FACTORY OWNERS LAUNCH CRACKDOWN

- Factories supplying H&M, VF (non-collegiate), others, file criminal complaints
- 38 workers and union leaders detained by police in December – February, some for 8+ weeks
- Criminal charges, carrying penalties up to life
- 1500 ordinary workers discharged by factories



COLLECTIVE PUNISHMENT FOR PROTESTING LOW WAGES

- Most detainees not present in Ashulia during strikes
- Many detainees not named in any of criminal complaints
- Many factories' complaints charge 400-500 unnamed persons

CRIMINAL CHARGES WITHOUT EVIDENCE OF A CRIME

- No evidence produced by factory owners of criminal misconduct
- Charges include “unlawful assembly” and “sabotage” – *“[A]n offense so vague[] ... it can ... criminalize ... freedom of association.”* – Human Rights Watch
- 1500+ workers forced to resign from their jobs without any specific allegation of misconduct
- Body text

CURRENT SITUATION

- **Detainees released** after WRC, others, brought media attention to crackdown, pressed brands to engage with factory owners and government
- **But all criminal charges still pending** against former detainees, and
- Discharged factory **workers have not been reinstated**

GOVT. CRACKDOWNS ON WAGE PROTESTS – A RECURRING CRISIS

- **Cambodia, 2014** – mass protests over minimum wage (\$0.45/hour)
- Government crackdown kills 4 garment workers; 23 worker leaders detained for months; heads of 6 leading garment worker unions still face criminal charges



EVEN WHERE EXPORT GARMENT INDUSTRY IS STILL 'NEW' ...

- **Burma (Myanmar),** – next major garment exporting country
- 2015 - workers strike over wages as low as \$0.15/hour
- Security forces beat workers; 14 protestors detained, prosecuted for “incitement”



CAUSES FOR THE CRACKDOWNS

- Bangladesh, Burma and Cambodia - world's lowest wages for garment workers
- Brands and factory owners come to these countries *for* low labor costs
- Current wages clearly unsustainable, but governments see higher wages as a direct threat to their economies

“The crackdown is clearly intended to intimidate workers and keep Bangladesh a low-wage country, thus protecting an industry that accounts for some 80 percent of export earnings.

... The lot of Bangladesh’s garment workers will not improve until Western retailers stop exerting pressure on suppliers to drive costs even lower.”

New York Times Editorial Board

LICENSEES MUST PROTECT ASSOCIATIONAL RIGHTS

Even when government don't...

- *“Licensees shall recognize and respect the right of employees to freedom of association....”*
- *“In countries where law or practice conflicts with these labor standards, Licensees agree ... to take effective actions ... to achieve the maximum possible compliance with each of these standards. Licensees further agree to refrain from any actions that would diminish the protections of these labor standards.”*

- CLC Special Agreement on Labor Codes of Conduct

WRC RESPONSES TO CRACKDOWNS ON PROTESTS

- Ensure that collegiate suppliers are not instigating/perpetuating the crackdown – e.g., withdraw baseless criminal complaints (adidas, Hanes, Russell – Cambodia)
- Call on industry and government to release detainees, drop charges (VF - Bangladesh)
- Require suppliers to provide remedies for workers - compensation, reinstatement (adidas, Nike – Cambodia)

ALTA GRACIA



CHANGE LIVES

CHANGE LIVES

Lil' Blue Devils

CLOTHES THAT MAKE A DIFFERENCE

CHANGE LIVES

THEY ARE GOING TO INFLUENCE THE FUTURE OF THESE CHILDREN.

THESE PEOPLE IN GLAZIERE TRUCKS MAKE A DIFFERENCE.

SEEK OUT THE STORES



CHANGE LIVES

CHANGE LIVES

CHANGE LIVES

CHANGE LIVES

CHANGE LIVES





ALTA GRACIA VIDEO

