PROJECTED INCOME BY SOURCE – FISCAL YEAR 2017

University Fees 1,261,000 (69%)
Grants/Contributions 315,000 (18%)
Monitoring Income 230,000 (13%)
Total $1,806,000
## PROJECTED EXPENSE BY CATEGORY

**FISCAL YEAR 2017**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>998,000</td>
<td>59%</td>
</tr>
<tr>
<td>Field Consultants/Projects</td>
<td>397,000</td>
<td>23%</td>
</tr>
<tr>
<td>Travel</td>
<td>77,000</td>
<td>5%</td>
</tr>
<tr>
<td>Communications</td>
<td>51,000</td>
<td>3%</td>
</tr>
<tr>
<td>Overhead</td>
<td>179,000</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,702,000</strong></td>
<td></td>
</tr>
</tbody>
</table>
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)
Premium (Haiti)
Palm (Haiti)
Codevi (Haiti)
Alta Gracia (Dominican Republic)
Impression Apparel (El Salvador)
Konfetty (El Salvador)
Textiles Opico (El Salvador)
Rio Garment (Honduras)
Delta Apparel (Honduras)
Cambo Xon Ying (Cambodia)
GHI (Cambodia)
Roo Hsing et al. (Cambodia)

Hansae (Vietnam)
North Star Manufacturing (Thailand)
Sawbwa VT Garment (Burma)
PT Myung Sung (Indonesia)
PT Besco (Indonesia)
Hansoll Hyun (Indonesia)
PT Jaba Garmindo (Indonesia)
Han Embroidery (Bangladesh)
Clifton (Bangladesh)
Panorama (Bangladesh)
Windy Apparel et al (Bangladesh)
GH Haewae (Bangladesh)
Fitwell Corporation (Pakistan)
B K Saadaan (Pakistan)
Industrial Clothing (Sri Lanka)
Avery Dennison (India)
Maral Overseas (India)
Shahi Exports (India)
O-Ta Golf Products (China)
Panyu Lide Shoe Factory et al (China)
LICENSEEES 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
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

[Logos for Tailgate, GAP, American Eagle Outfitters, and Gildan]
## TOTAL FUNDS SECURED

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount (in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailgate</td>
<td>$450,000</td>
</tr>
<tr>
<td>Gap</td>
<td>$419,000</td>
</tr>
<tr>
<td>Gildan</td>
<td>$120,000</td>
</tr>
<tr>
<td><strong>Total Provided by Buyers</strong></td>
<td><strong>$989,000</strong></td>
</tr>
<tr>
<td><strong>Total Secured from Owner/Assets</strong></td>
<td><strong>$341,000</strong></td>
</tr>
<tr>
<td><strong>Total Funds Secured</strong></td>
<td><strong>$1,330,000</strong></td>
</tr>
</tbody>
</table>
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
<table>
<thead>
<tr>
<th>Licensee</th>
<th>Factory</th>
<th>% CAP progress</th>
<th>No. Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milestone Clothing Resources LLC</td>
<td>Coreattire Fashion</td>
<td>-</td>
<td>1660*</td>
</tr>
<tr>
<td><strong>Factories producing for NON-signatory licensees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ash City World Wide (Broder Bros Co)</td>
<td>Dekko Apparels Ltd.</td>
<td>84%</td>
<td>1631</td>
</tr>
<tr>
<td>Ash City World Wide (Broder Bros Co)</td>
<td>GH Haewae Company Ltd.</td>
<td>77%</td>
<td>3500</td>
</tr>
<tr>
<td>Ash City World Wide (Broder Bros Co.)</td>
<td>Newage Apparels Ltd.</td>
<td>92%</td>
<td>4000</td>
</tr>
<tr>
<td><strong>Factories producing for signatory licensees</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CC Creations* Ahead LCC</td>
<td>Actor Sporting Ltd.</td>
<td>90%</td>
<td>1085</td>
</tr>
<tr>
<td>Zephyr Graf X</td>
<td>Baek Doo Korea Ltd.</td>
<td>-</td>
<td>215</td>
</tr>
<tr>
<td>Russell Brands LLC</td>
<td>BP Wears</td>
<td>71%</td>
<td>1015</td>
</tr>
<tr>
<td>Top of the World (Captivating Headwear), adidas, Ahead</td>
<td>Dada (Dhaka) Ltd.</td>
<td>96%</td>
<td>2362</td>
</tr>
<tr>
<td>adidas</td>
<td>Dhakarea Ltd. (Yupoong)</td>
<td>84%</td>
<td>3345</td>
</tr>
<tr>
<td>Zephyr Graf X</td>
<td>Han Apparel Ltd</td>
<td>82%</td>
<td>300</td>
</tr>
<tr>
<td>Ahead, LLC</td>
<td>Magpie Composite Textile Ltd</td>
<td>68%</td>
<td>1660</td>
</tr>
<tr>
<td>Knights Apparel Inc.</td>
<td>One Composite Mills Ltd.</td>
<td>90%</td>
<td>2300</td>
</tr>
<tr>
<td>New Agenda</td>
<td>Shahriyar Fabric Industries</td>
<td>91%</td>
<td>1660*</td>
</tr>
<tr>
<td>Russell Brands LLC</td>
<td>SNV Stitches Ltd.</td>
<td>83%</td>
<td>2200</td>
</tr>
<tr>
<td>Knights Apparel Inc.</td>
<td>Supreme Stitch Ltd</td>
<td>87%</td>
<td>686</td>
</tr>
<tr>
<td>Knights Apparel Inc.</td>
<td>Total Fashions Ltd.</td>
<td>85%</td>
<td>887</td>
</tr>
<tr>
<td>Outerstuff/Genuine Stuff</td>
<td>Uni Gears Ltd.</td>
<td>93%</td>
<td>1663</td>
</tr>
<tr>
<td><strong>Overall Total</strong></td>
<td></td>
<td><strong>85%</strong></td>
<td><strong>31549</strong></td>
</tr>
</tbody>
</table>
UNI GEARS
# UNI GEARS (FIRE)

<table>
<thead>
<tr>
<th>Issue</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire rated doors</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Separation between production area and combustible storage</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Emergency exit signage and lighting</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Unobstructed emergency exits</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Fire alarm</td>
<td>X</td>
<td>✓</td>
</tr>
</tbody>
</table>
IMPORTANCE OF FIRE DOORS
BEFORE & AFTER (FIRE)

Before: Collapsible gate

After: Fire door installed
BEFORE & AFTER (FIRE)

Before separation

After separation
## UNI GEARS (ELECTRICAL)

<table>
<thead>
<tr>
<th>Issue</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separation between electrical room and combustible material</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Electrical wiring properly protected</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Electrical wiring properly identified</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Adequate signage of electrical dangers</td>
<td>X</td>
<td>✓</td>
</tr>
</tbody>
</table>
## UNI GEARS (STRUCTURAL)

<table>
<thead>
<tr>
<th>Issues</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Correct cracking in walls which is a danger to structural integrity</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Anchor storage racks properly to resist earthquake force</td>
<td>X</td>
<td>✓</td>
</tr>
<tr>
<td>Repair water damage to structural beams and slabs</td>
<td>X</td>
<td>✓</td>
</tr>
</tbody>
</table>
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

- 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)

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
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
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
ALTA GRACIA VIDEO