

## **Minutes of the WRC Board Meeting May 29, 2020**

Present at the meeting are Rachel Duffy, Michael Ferrari, Alixe Holcomb, Kyle Muncy, and Craig Westemeier of the University Caucus; Jill Esbenshade, Julie Farb, Mark Levinson, Julie Martinez Ortega, and Angeles Solis of the Advisory Council; Elizabeth Carroll, Kimberly Johnson, Shromona Mandal, Clara Raftery, and Juliana Swift of USAS. Julie Su of the Advisory Council and Delaney Ho of USAS were absent.

WRC staff members in attendance are Scott Nova, Ben Hensler, Jessica Champagne, Chelsea Rudman, Vincent DeLaurentis, Penelope Kyritsis, Kimberly Capehart, Laura Gutierrez, and Tara Mathur.

Observers in attendance included: Cal Watson, Georgetown University, Ana Jimenez, USAS, and Liana Foxvog, WRC consultant.

Meeting was called to order at 11:04 by Board Chair, Juliana Swift.

### **Approval of Minutes of January Board Meeting**

Jill motioned to approve the minutes. Kyle seconded the motion. There was no opposition to the approval of the minutes; all board members approved.

### **Nomination of a New Board Member**

Julie F. motioned to proposed Angeles Solis as a new board member representing the Advisory Council. Jill seconded the motion. All board members approved the motion.

### **Executive Director's Report**

#### ***Year in Review – Jessica Champagne***

Jess provided a review of WRC staff and factory investigations from the 2019–2020 year.

#### ***The Accord and South Asia Building Safety Update – Laura Gutierrez***

Laura outlined a brief review and update on the Accord. The Accord agreement has expired and was scheduled to transition to the Ready-Made Garment (RMG) Sustainability Council (RSC). Laura described current discussions around postponing the transition due to the Covid-19 pandemic. Given the work around launching a new initiative, this is the best path under the circumstances. Laura restated there are still plans to turn this program into an international program in South Asia.

#### ***L&Y – Laura Gutierrez***

Laura reviewed the details of the WRC's investigation into L&Y, a subcontractor to Han Apparel (Han). L&Y violated Bangladeshi labor law and university codes of conduct by terminating seven employees without providing them legally required notice and severance benefits. After engagement by the WRC with Han's buyer Zephyr, the seven workers were paid their legally due wages. As Laura stated at the last board meeting, this was the third instance that Han had subcontracted Zephyr's collegiate apparel production to another factory, without disclosing the subcontractor in question to Zephyr. The WRC recommended and Zephyr agreed

to impose economic penalties on Han Apparel. The WRC is optimistic that this will prevent further such noncompliance by this supplier.

### ***All Sportz – Tara Mathur***

Tara reviewed the WRC's investigation into violations of workers' right to freedom of association under university codes of conduct, Dominican labor law, and international labor standards. Initially All Sportz denied the WRC's findings and refused to take steps to adequately remedy the violations that occurred. The WRC then engaged with the factory's licensee, Varsity Brands, and, following protracted engagement, the factory owner agreed to implement all of the WRC's proposed corrective actions. Tara confirmed these remediations were fulfilled, and the factory is in compliance with university codes. Tara also highlighted that the factory has worked with the WRC to ensure compliance with OSH standards as it continues to operate during the Covid-19 pandemic.

### ***Alta Gracia – Tara Mathur***

Tara reported Alta Gracia was temporarily closed due to the Covid-19 pandemic. Workers continued to receive pay during this time. Tara noted that Alta Gracia has since resumed limited operations and is following the WRC's OSH recommendations, in order to protect safety for all the workers. Tara also announced that Barnes and Noble has increased their orders at Alta Gracia after engagement from the WRC and the WRC's board members.

### **The Impact of Covid-19 on Garment Workers – Scott Nova**

Scott provided an overview of the payment practices in the garment industry. He highlighted that the factories are in a much more vulnerable position since they front the costs of the fabric, the labor, and the shipping. The brands pay for the order from 30 to 120 days after the goods are completed and shipped by the factory. Due to this payment system, Scott reported that numerous major brands had been able to retroactively cancel both complete (but not received) orders and orders in progress. This had huge financial repercussions on suppliers and workers.

Scott reported the WRC, in collaboration with Penn State, investigated and issued a report on the current situation for suppliers. From this work, the WRC has published a "Brand Tracker" on the WRC's website to display and monitor current brands' actions reporting which were retroactively canceling orders and which were fully honoring their obligations to suppliers and workers. The goal is to encourage major brands to honor their obligations, which has large implications for factories across the supply chain, including university factories, where major buyers of non-university goods are usually the largest customers.

Scott outlined several other initiatives the WRC is pursuing to help defend the well-being and rights of garment workers amidst the unfolding crisis.

Scott added the WRC is also looking toward long-term issues such as the impact of a reduction of orders going forward, workers' safety as garment factories reopen, and reformation of the payment terms in the garment industry.

## **Roundtable Discussion with the WRC Field Directors**

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WRC Field Directors discussed issues percolating in the wake of the Covid-19 pandemic in three major regions in the Global South. Laura described the high potential for wage theft of funds intended for workers in South Asia. Furthermore, Laura accentuated that migrants are experiencing displacement during this time and are in an even more vulnerable position. Additionally, she identified that various states in India have reduced labor rights during this time. For instance, Laura warned of the removal of caps on overtime hours and the legal requirement that overtime is voluntary. The WRC and other human rights groups are concerned that these changes will erode labor rights permanently in the region.

Tara noted the Americas vary on the impact of Covid-19 on workers. Tara remarked that many countries have instituted relief funds for workers. However, other countries have not ceased manufacturing during this time, and workers are at a greater risk of OSH violations. Tara recounted concerns from worker leaders about health and safety, current and future reductions in apparel orders, discontinued government relief funds, and mass layoffs of workers.

In Southeast Asia, Bent described mass discrimination and retaliation against union leaders, union members, and other workers who are speaking out about labor abuses. He reported that some factory owners have used the Covid-19 pandemic as a cover to fire union leaders and members. One employer in Cambodia had a worker arrested for criticizing the employer in a Facebook post. After weeks in jail, just this week she was released, however she has not been absolved of the charges yet. Ben underscored this is particularly concerning since this can embolden other employers to engage in retaliatory behavior.

## **Set Next Board Date and Budget Approval Call**

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Next Board Meeting: November 13, 2020.

Budget Approval Call: June 18, 2020 at 4:00pm.

## **Constituency Perspectives on the Covid-19 Impact on University Apparel**

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Representatives from each Board Constituency presented their perspective on the impact of the Covid-19 pandemic. SEIU Chief Economist Mark Levinson presented on the huge job losses in the United States with a historical frame for comparison and deeper understanding. Kyle Muncy of the University of Connecticut discussed the complex challenges university administrators face in the licensing sphere. NYU student, Shromona Mandel described students organizing and mobilization of solidarity with workers domestically and internationally.

## **Executive Session**

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An executive session was held to discuss confidential financial and other sensitive matters.

## **Forced Labor in the XUAR (China) and the University Apparel Supply Chain – Penelope Kyritsis**

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Penelope outlined, and updated the Board on, the forced labor situation in the Xinjiang Uyghur Autonomous Region (XUAR) and the WRC's work to develop guidance for licensees and to address the obligations of the broader garment industry.

Jill motioned to adjourn the meeting. Kyle seconded the motion, which carried unanimously. The meeting was adjourned at 3:35 p.m.