

Minutes of the WRC Board Meeting April 15, 2016

Attending the meeting were Jim Wilkerson, Everett Mitchell, Scott Fleming, Marybeth Schmutz, Scott Kelley, Michael Ferrer, Elizabeth Bunn, Jeff Hermanson, Julie Martinez Ortega (via phone), Jill Esbenshade (via phone), Emilie Wood (via phone), and Sofia Vera (via phone).

WRC Staff in attendance were Scott Nova, Jessica Champagne, Chelsea Rudman, Lynnette Dunston, Laura Gutierrez, and Ben Hensler (via phone).

Observers in attendance were Joanne Dus-Zastrow, Rutgers University, and Morgan Currier, USAS.

The meeting was called to order at 9:25 by Board Chair, Jim Wilkerson.

Agenda Review: Agenda was reviewed without objection.

Board Meeting Minutes of February 5, 2016: Scott Fleming motioned to approve the minutes and this was seconded by Scott Kelley; the minutes were unanimously approved.

Executive Director's Report: Scott began with organizational updates. He welcomed the WRC's Bangladesh field representative, Laura Gutierrez, who recently relocated from Bangladesh to the DC office. Laura will continue to travel frequently to Bangladesh to complete on-the-ground work. Scott also announced one new WRC affiliate: The University of Alabama.

Next, Chelsea discussed a project case database which provides a broad overview of the WRC's overall work and its impact, including quantitative data. The database, which encompasses 118 reports, includes a breakdown of numbers of cases, countries, workers, severance, back pay, and more. The database excludes the WRC's most recent work and work done on the Accord.

Laura then covered two ongoing cases in Bangladesh, at Panorama and Han Embroidery. Panorama, located in a town north of Dhaka, employs 1,550 workers and supplies collegiate apparel to Antigua and non-collegiate apparel to H&M and NEXT. After launching an investigation, the WRC concluded that the workers were illegally dismissed from the factory for union activities. The dismissals violated the Bangladesh Labor Act, which prohibits any employer from firing a worker serving as a union officer while the union's application for registration is pending, unless the employer obtains prior permission from the Director of Labor. The WRC has contacted the university licensee, Antigua, and other brands and hopes to achieve remediation.

Laura continued with the closure at Han Embroidery in Savar. The factory employed 168 workers at the time of closure in October 2015. At the time of closure, many of the employees were members of the Bangladeshi labor organization, the National Garment Workers Federation, which reported, shortly after the closure, to the WRC that the factory had closed without paying workers their severance benefits. The factory was a subcontracted supplier to collegiate licensee Zephyr Graf-X. The factory did not originally appear on the collegiate disclosure list; however, the WRC discovered after the time of closure that Zephyr was in fact producing collegiate

apparel at the factory based on worker interviews. The WRC found that workers only received 30 days' basic wages but should have received 30 days' basic wages for every year worked and an additional 30 days' wages in lieu of notice of retrenchment. Zephyr acknowledged that the factory should have been listed a supplier, committed to work with its direct supplier to resolve the violations, and secured a commitment from that supplier, Han Apparel, to pay the workers. The WRC calculated that the total severance remaining, after subtracting the initial payment of 30 day's basic wages, is \$72,157. The WRC has confirmed contact information for workers. Payments are set for April 29 and May 6, 2016. The WRC and NGWF will be there to observe and confirm payment.

Jess then discussed Genesis in Honduras. Genesis supplies apparel through wholesaler, SanMar, to university licensee Box Seat and employs 1,829 workers. The WRC initiated an investigation on behalf of the city of Los Angeles. The WRC conducted worker interviews and a site visit with the assistance of EMIH, an independent monitoring team in Honduras. Violations found include mandatory overtime (workers are required to sign a contract that states they will work whenever management requires); inadequate break time (11 hour day with only one 30 minute break); gender discrimination (lack of accommodations for pregnant and breastfeeding workers); failure to provide an onsite childcare as required under Honduran law; occupational health and safety issues (poor air quality, high noise levels, etc.); and failure to maintain a properly functioning Health and Safety committee (no worker representation on the committee). Some violations have been fully remedied while others remain only partially resolved. A pilot project regarding a community child care center has been initialized but only 10 slots are available for Genesis workers. Genesis was previously repeatedly monitored by other organizations which did not catch the violations. The WRC will continue to monitor the factory.

Update/Discussion on Nike and Factory Access: Scott provided an update on the dispute with Nike, over its refusal to facilitate access to its collegiate factories. Nike's position has remained essentially unchanged. Nike continues to make inaccurate claims to universities. It continues to imply that the WRC's role is limited to merely informing them of violations rather than conducting investigations. Several universities have now written to Nike concerning factory access. Nike subsequently sent a standard letter to universities describing its position, which varies only slightly from its original stance. Notably, Nike does not acknowledge the existence of universities' labor codes in its recent letter, only its own code. Cornell University proposed to Nike a joint WRC-FLA visit to the Hansae factory in Vietnam. The WRC and FLA both agreed; however, Nike has been unresponsive to the proposal. Efforts to resolve the issue continue.

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

Field Project Updates: Ben discussed trainings conducted in Cambodia and Burma, supported by the American Bar Association, via human rights funding the ABA has received from the US government. The focus of the program is to help partners engage major brands to address retaliation by factory owners against garment worker advocates, including terminations, prosecutions, and detentions. The Cambodia program focused on assisting worker advocates in engaging brands on key cases of retaliation against factory-level activists. In Burma, the WRC

organized a training for Burmese labor rights NGOs and worker unions on labor codes of conduct. The main focus was to share experiences and skills of Cambodian labor rights advocates with the Burmese training participants. Key cases involving retaliatory dismissals of union member, leaders, and worker activists were identified by training participants for collaboration and follow-up.

Jess then discussed the arrest of labor rights advocates in China. In December, there were surprise raids at NGO offices and homes, 21 individuals were detained, among them six key labor rights leaders. Two activists were later released but expelled from Guangdong. The remaining four face serious criminal charges. Two have now been released on bail and two remain in detention. This persecution not only violates the associational rights of the advocates themselves, but effectively deprives workers throughout the province of the assistance of these groups, which is vital if workers are to achieve a greater level of respect for their rights – and thereby restricts the freedom of association of these workers, as well. The WRC contacted four major university licensees producing in the area, VF, Hanesbrands, adidas, and Nike, and recommended that the brands express concern, in writing, to the Chinese government and request the release of the detainees and the dismissal of all charges against the labor right advocates. Some brands have responded and said that they would, instead, write to US government; one brand has been unresponsive; and another gave a convoluted response which the WRC will follow-up to receive clarification. The WRC reiterated to each of the brands that the action requested is that they contact the Chinese government. The US government has made its position clear on FOA in China, and this crackdown in particular. The Chinese government is the entity that is responsible for this crackdown and is in a direct position to secure the labor advocates' release from detention and threat of criminal prosecution. These brands have chosen to source a significant amount of apparel in China despite the lack of basic rights. They now have the opportunity to use that economic influence they possess to engage with the Chinese government to address these severe violations of freedom of association. The WRC hopes to receive further responses shortly.

Scott then briefly noted that the WRC has moved into the third phase of its work with the Norwegian government pension fund in Vietnam. The WRC will deliver all reports to the Norwegians in May.

Next Board Meeting Date: September 30 with a back-up date of November 4.

Update on Bangladesh: Accord and Freedom of Association: Scott provided an update on the status of safety renovations under the Bangladesh Accord. Accord renovations are currently just under 60 percent complete; most of those renovations have been verified. However, few factories have completed all renovations and virtually all are well behind schedule relative to the original deadlines. There are several enforcement mechanisms to address this, including the chief inspector of the Accord's power to kick recalcitrant factories out of the program, thereby prohibiting signatories from doing business with that factory and with any other factory owned by the same company. Scott also provided a brief update on the efforts of the Accord's signatory unions to use the formal enforcement procedures for non-compliant brands, a process he believes is bearing fruit, in part by giving the brands in general more incentive to comply. Scott's final

update on the Accord was that a new training director had been hired to oversee all of the work related to worker and union participation and health and safety committees.

The meeting was adjourned at 3:38 p.m.