

**Minutes of the WRC Board Meeting
November 13, 2020
(conducted by video conference)**

Present at the meeting are Geoff Chatas, Rachel Duffy, Michael Ferrari, Alixe Holcomb, Kyle Muncy, and Craig Westemeier of the University Caucus; Jill Esbenshade, Julie Farb, Mark Levinson, Julie Martínez Ortega, and Angeles Solis of the Advisory Council; Victor Barratt-McCartney, Ketchel Carey, Sarim Karim, Blythe Serrano, Juliana Swift, and Aria Wanek of USAS.

Julie Su of the Advisory Council was absent.

WRC staff members in attendance are Scott Nova, Ben Hensler, Jessica Champagne, Rola Abimourched, Chelsea Rudman, Penelope Kyritsis, Vincent DeLaurentis, Liana Foxvog, Jewher Ilham, Kimberly Capehart, Bent Gehrt, and Tara Mathur.

Observers in attendance included: Cal Watson, Georgetown University, Sabina Wildman, USAS, Jess Dampier, USAS, Snetsehay Assefa, WRC Consultant, Kelsey Henderson, WRC intern, and Dinia Abduljelil, WRC intern.

Meeting was called to order at 11:02 by Board Chair, Juliana Swift.

Board Officer Elections

Board Chair from Advisory Council

Jill motioned to appoint Angeles as Board Chair. Julie M.O. seconded the motion. There was no opposition to the approval of the nomination; all board members approved.

Angeles Solis is now chairing the meeting.

Treasurer from University Caucus

Alixé motioned to appoint Kyle as Treasurer. Geoff seconded the motion. There was no opposition to the approval of the nomination; all board members approved.

Secretary from the USAS

Ketchel motioned to appoint Victor as Secretary. Blythe seconded the motion. There was no opposition to the approval of the nomination; all board members approved.

Audit Committee Elections

Advisory Council

Jill motioned to appoint Julie F. to the Audit Committee. Julie M.O. seconded. There was no opposition to the approval of the nomination; all board members approved.

University Caucus

Kyle Muncy, as Treasurer, is automatically a member of the Audit Committee.

USAS

Juliana motioned to appoint Blythe to the Audit Committee. Victor seconded. There was no opposition to the approval of the nomination; all board members approved.

Approval of Minutes of May Board Meeting

Alixé motioned to approve the May Board Meeting minutes. Rachel seconded the motion. There was no opposition to the approval of the minutes; all board members approved.

Executive Director's Report

Covered California – Scott Nova

Scott reported that Covered California, the state's health agency, reached out to the WRC to provide monitoring of a factory in Vietnam, where the agency decided to place a large order for masks. The agency's plan for the procurement of the masks includes a commitment to ensure that the workers making them earn a living wage while doing so, and the agency set aside a substantial amount of funds to achieve this purpose. Because of the WRC's experience with living wage implementation and policy development, and our monitoring expertise, the agency asked the WRC to facilitate, monitor, and verify payment of the wage premium to all workers and to otherwise monitor the factory's labor practices. The WRC signed a contract with Covered California to play this role.

CLC Disclosure Database – Kimberly Capehart

Kimberly reported on a new public collegiate factory disclosure database initiative by the Collegiate Licensing Company (CLC). She reviewed the background of factory disclosure in the collegiate apparel sphere, including USAS's trail-blazing role in advocating for public disclosure and the WRC's work, over two decades, to build and continuously maintain a publicly accessible database of all university factories. CLC is now also working to establish a public database of factories making collegiate goods, which would have the advantages of covering a number of universities that are not WRC affiliates and of interacting directly with the trove of factory data that CLC collects regularly from licensees. CLC has asked the WRC to advise on this project and we agreed. The Fair Labor Association is also advising. CLC has committed to also involve the other licensing agents and universities that manage their licensing programs independently.

Personnel – Jess Champagne

Jess announced two new hires to the WRC's US staff: Jewher Ilham, Program Associate for the Project to Combat Forced Labor and Liana Foxvog, Crisis Response Director.

Alta Gracia – Jess Champagne

Jess reported on Alta Gracia's struggles to weather the pandemic, including a temporary furlough of staff (under a government program providing wage continuation) and an increasingly challenging outlook, given declining orders. Scott noted that the factory's survival is very much in question.

Crisis Response: Grappling with the Pandemic – Scott Nova, Snetsehay Assefa, Bent Gehrt, and Tara Mathur

Scott provided an overview of payment practices in the garment industry and how this system put factories in a very vulnerable position entering the crisis, with billions of dollars in orders partly or wholly produced, mostly with borrowed money, and not yet paid for by customers. Scott recounted that numerous major brands retroactively canceled and refused to pay for such orders—with some notable exceptions, including the three major university athletic sponsors. He described the initial damaging consequences for workers and factories and the huge positive impact, at collegiate and non-collegiate factories, of the substantial, if partial, success of the WRC and other organizations in convincing many brands and retailers to reverse their cancellations. Scott said it is impossible to quantify with any sort of precision, but he believes that the WRC's leadership on this issue resulted in at least several billion dollars being paid to suppliers that they otherwise would not have received, ensuring the payment of hundreds of millions of dollars in wages to workers.

Scott described new research involving the WRC, spearheaded by the labor rights center at Penn State, to survey factory owners on their experience negotiating new orders with brands and retailers during the summer and fall. The results show that many brands are using the desperation of factories amidst declining orders to squeeze factory owners aggressively on prices and to extend payment terms (i.e., delay payment for finished goods). Scott expressed deep concern about the impact this is having, and will have, on workers. The research did not identify that practices of individual brands, but the practice appears to be widespread.

Scott additionally described a forthcoming WRC report based on a survey of nearly 400 garment workers around the world, including at collegiate factories, designed to determine the degree to which lost jobs and reduced wages during the pandemic have led to hunger among garment worker families.

Snetsehay provided an outline of the current situation in Ethiopia. She highlighted an apparel sector that is small but was growing considerably, prior to the pandemic, with three industrial parks that exist and a plan to make 27 more in the next five years. She related that there is no minimum wage, so workers make as little \$0.12 an hour. Snetsehay described the impact of Covid-19, including reduced wages for already low-paid workers and a significant number of factory closures.

Scott discussed the vulnerability of workers during the crisis, exacerbated by a historical lack of living wages and a lack of social safety nets in exporting countries. Scott noted non-payment of legally mandated severance is a particular concern at present and that the WRC is working with other groups to develop a concept for a global severance guarantee fund to put an end to the severance crises that have plagued the industry.

Bent described the WRC's work to address a rising number of cases, during the pandemic, of factory employers intimidating and retaliating against workers who are trying to advocate for themselves. He said there has been a surge in such freedom of association violations across the globe. Bent reviewed three cases the WRC is investigating in Thailand, Bangladesh, and El Salvador and also noted there are multiple cases in Myanmar.

Tara reported on occupational health and safety issues in factories related to Covid-19. She recapped the WRC and Maquiladora Health & Safety Support Network's guidance on operating safely during the pandemic. Tara highlighted three factory case investigations concerning Covid-19 outbreaks. She noted this will be an ongoing issue the WRC will monitor.

Diversity, Equity, and Inclusion – Julie Martínez Ortega

Julie M.O. presented a proposal for a resolution to express the WRC's stance and mission on diversity, equity, and inclusion within the organization and in the context of the organization's labor rights work. She proposed the following actions take place: (1) form a committee to focus on this issue; (2) publish a statement on the organization's stance; and (3) create an ongoing review and evaluation process. The Board discussed the process and implementation of this, including the identification of two board members from each constituency to serve on this committee.

Set Next Board Date

Next Board Meeting: March 12, 2021.

Executive Session

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

Forced Labor in the Uyghur Region (China) and the University Apparel Supply Chain – Jewher Ilham, Penelope Kyritsis, and Ben Hensler

Jewher outlined the history and current status of the forced labor crisis in the Xinjiang Uyghur Autonomous Region (Uyghur Region). Penelope updated the Board on the WRC's work in this area. Ben summarized the WRC's guidance to licensees on sourcing from the region. A number of USAS board representatives expressed concern about the WRC's approach, including its call for brands to stop sourcing from the region, and about the evidentiary basis of the WRC's conclusions on forced labor in the region, given that it is not possible for the WRC to carry out on-the-ground investigations. The Board decided to devote additional time in the future to discussing this work.

Rachel motioned to adjourn the meeting. Kyle seconded the motion, which carried unanimously. The meeting was adjourned at 4:21 p.m.