

**Minutes of the WRC Board Meeting
June 6, 2024**

For approval

The meeting was held at Georgetown University and on Zoom.

Present at the meeting in person were Sam Harasen, Alixe Holcomb, Kyle Muncy, Cal Watson, and Craig Westemeier of the University Caucus; Mark Levinson, and Angeles Solis of the Advisory Council; Grace Orellana, of USAS.

Board Members attending via Zoom were Julie Martinez Ortega of the Advisory Council; and Madison Allen, Joshua Gavsie, Tanvi Kamath, and Fiona Naughton of USAS

WRC staff members in attendance in person were Scott Nova, Jessica Champagne, Rola Abimourched, Jewher Ilham, Ariana MacMartin, and Kimberly Capehart. WRC intern Subihi Setiwalidi also attended in person.

WRC staff members Ben Hensler, Thulsi Narayanasamy, and Tara Mathur attended via Zoom.

Observers in attendance in person were Makayla Heiser and Kelsey Coleman of USAS.

Julie Farb, Jill Esbenshade, and Mark Pearce of the Advisory Council and Mike Ferrari of the University Caucus were absent.

The meeting was called to order at 9:03 a.m. by the substitute Board Chair, Mark Levinson.

Approval of Agenda and Minutes from the February Board Meeting

Cal moved to approve the agenda. Craig seconded. All Board members voted in favor.

Alixé moved to approve the February Board Meeting minutes. Kyle seconded. All Board members voted in favor.

Executive Director's Report

Annual Case Overview – Rola Abimourched

Rola highlighted the breadth of investigations and remediation work the WRC has conducted since the start of the fiscal year. She also shared a handout that provides a summary of the remediations achieved by the WRC over his timeframe.

Style Ave – Scott Nova

Scott provided a brief recap of the Style Ave case, a factory in El Salvador that supplied collegiate and non-collegiate goods to Outerstuff and had closed without paying workers \$1.8 million in legally mandated wages, severance, and other terminal benefits. Scott commended universities who pressed Outerstuff to remediate this case. After extensive engagement with Outerstuff, Scott reported that Outerstuff agreed to pay workers in full. Payment is taking place

in two tranches. Outerstuff has paid the first tranche and these funds are being held in escrow via at a trust company, pending distribution, which is waiting on the resolution of a tax issue in El Salvador.

APS El Salvador – Scott Nova

Scott summarized the case of another factory in El Salvador that closed without paying workers almost \$2 million in legally mandated wages, severance, and other terminal benefits. The case, which is non-collegiate, was complicated by a bizarre series of corporate transactions and ownership changes that obscured ownership at the time of closure. After extensive research and engagement with a number of buyers, the WRC secured a total of \$1.4 million in financial commitments from three buyers: Kellwood, Alwants (a sourcing company), and Gildan. Two other buyers – Hanes and the cycling brand Specialized – have refused to contribute. As a result, there are, so far, sufficient funds to pay workers about 75% of what they are legally owed. These funds are scheduled to be distributed shortly. The WRC will continue to pursue contributions from Specialized and Hanes, to achieve 100% payment.

Kyle commented that Hanes announced its sale of the Champion brand to Authentic Brands Group (Aeropostale, Eddie Bauer, Greg Norman, Nautica, etc.) and indicated that both the licensees Gear for Sports and Knights Apparel appear to be part of this sale.

Everest Apparel – Rola Abimourched

Rola provided an overview of Everest Apparel, a collegiate supplier to Cutter and Buck in Ethiopia. While Cutter and Buck had already decided to cease business with Everest Apparel before the WRC's inquiry, Rola reported that Cutter and Buck agreed to withhold its final payment to the company in order to press it to remediate labor rights violations, including forced overtime, penalizing workers for taking statutory leave, freedom of association violations, and extreme heat, and harassment of workers for taking breaks and not meeting extreme production goals. As a result of this engagement, Rola described numerous corrective actions the factory agreed to take: the factory no longer penalized workers for taking leave; supervisors ceased harassing workers for missing production goals; the factory committed to pay workers back for previous unlawful deductions from their production bonus; and the factory revised policies around bonuses, among other improvements.

Pakistan Accord – Scott Nova

Scott outlined the circumstances that led to the creation of the International Accord, first in Bangladesh, noting the failure of voluntary, industry-led monitoring. He then provided a brief review of the Pakistan Accord, including the gruesome history of worker deaths in that country; the key elements of the agreement; and the ubiquitous safety hazards identified in initial inspections. He updated the board on the implementation by CLC of licensing contract language proposed to all of its university clients requiring relevant licensees to sign the International, Pakistan, and/or Bangladesh Accord. Scott reported that, to date, 123 brands (non-collegiate and collegiate) have signed the Pakistan Accord in total. He added that 16 licensees sourcing from Pakistan have not yet signed.

Kyle noted that some brands may be intending to source from Pakistan but perhaps have not started yet. Fiona asked about the feasibility for stand-alone factories to remediate OSH

violations. Scott replied that signatory buyers are obligated under the Accord to assist them if they do not have the financial means to do so.

Angeles inquired about climate change and if any aspects of the Accord consider global warming impacts and moves to make factories more sustainable. Scott answered that the Accord's proactive inspection does not address heat stress, but the complaint mechanism being implemented in Pakistan does and can be used by workers and unions to raise concerns about excessive heat in specific factories.

Field Report

Department of Labor – Ben Hensler

Ben detailed the WRC's work on behalf of the US Department of Labor to monitor compliance with a federal consent decree addressing labor rights violations at a retirement facility in Walnut Creek, CA. Although not in the apparel sector, Ben explained that the WRC takes on such work occasionally in order to broaden the reach of the WRC model for compliance verification. Ben reported that the DOL found this facility owed 45 workers, primarily migrant workers, \$800,000 as a result of not paying the minimum wage, underpaying for overtime, and other forms of wage theft. Ben outlined the two-year project, ending this year, included payroll review, timeclock implementation and training, and ongoing worker interviews. While conducting this work, Ben added that the WRC found several new violations, which required additional remediation, which was in all cases achieved. Ben reported that the DOL has asked us to work on another case that is forthcoming.

Cal asked about the status of the work for the Cities of Los Angeles and San Francisco. Ben replied that those contracts are ongoing.

Haiti – Tara Mathur

Tara provided a brief overview of the challenging context of factory investigations in Haiti, given the full-on collapse of civic order and the rule of law. Ten factories in Haiti continue to produce collegiate goods, even in these circumstances, which is positive from the standpoint of the desperate need for jobs in Haiti, but requires strong labor rights vigilance under difficult conditions. Tara described the ongoing fear of violence from roaming gangs, and the various implications for workers. Tara advised the board that during the past year and a half, the WRC's investigations and remediation efforts have secured positive resolutions of serious violations of workers' rights, at six different factories in Haiti, both collegiate and non-collegiate. These include nonpayment of severance after a factory closure, gender-based violence and harassment, retaliatory mass firing, and blacklisting of workers. Tara explained that the WRC's investigative work is now done remotely, because the security risks are too high for the WRC to maintain a representative in Haiti or for WRC staff to travel there.

Bangladesh Minimum Wage – Thulsi Narayanasamy

Thulsi briefly outlined the minimum wage setting process that occurs in Bangladesh every five years and the lack of genuine representation of workers in the process. When factory owners proposed a wage that was less than half of that proposed by a broad coalition of unions and civil society organizations in the country, Thulsi described the outcry and subsequent protests by

workers. Despite the primarily peaceful nature of the mass protests, Thulsi reviewed the extensive and often brutal violence the military and police inflicted upon the workers, resulting in four deaths and hundreds of injuries. She discussed the collective efforts of the BGMEA (the factory owners' association) to punish workers for exercising their right to freedom of association through blacklisting, illegally withholding pay, and filing bogus criminal cases, with bogus cases now pending against thousands of workers and worker-leaders. Thulsi explained that the final wage that was set is at a level far below the wage needed for workers to support their families and that the increase in the minimum wage will be completely eroded well before the new wage is set again in five years.

Thulsi then outlined the WRC's work to meet this immediate crisis: (1) investigating and documenting the government violence; (2) conducting research to identify factories involved in bringing false charges and the brands they supply; (3) engaging brands, including collegiate licensees, urging them to press their suppliers to withdraw false charges; and (4) engaging international media to highlight the plight of workers.

She reported that the WRC is working to remove the bogus criminal charges against workers, which, as of today, 9 of the 17 criminal charges have been dropped. One of the criminal cases is at a collegiate factory, which we have received unconfirmed reports that they intend to drop the bogus charges.

Cal inquired about the quick response of the American Apparel & Footwear Association (AAFA). Thulsi noted that it may be a result of the fact that many AAFA-affiliated brands are under public pressure.

Mark L. noted that the situation in these contexts is getting worse, commenting on the global tide of repression of worker organizing and protest. He added that this is obviously bigger than the WRC and needs systemic change.

Executive Session

An executive session was held to discuss confidential financial, administrative, and programmatic matters.

Kyle moved to adjourn. Craig seconded. All were in favor. The meeting was adjourned at 3:00 p.m.