

Minutes of the WRC Board Meeting March 14, 2025

The meeting was held at Georgetown University and on Zoom.

Present at the meeting in person were Julie Farb of the Advisory Council; Michael Ferrari, Kyle Muncy, Cal Watson, and Craig Westemeier of the University Caucus; Christian Heller of USAS.

Board Members attending via Zoom were Jill Esbenshade, Mark Levinson, Julie Martínez Ortega, and Angeles Solis, of the Advisory Council and Caro Bewley of USAS.

WRC staff members in attendance in person were Scott Nova, Ben Hensler, Jessica Champagne, Rola Abimourched, Ariana MacMartin, and Kimberly Capehart.

WRC staff members Liana Foxvog and Tara Mathur attended via Zoom.

Observers in attendance in person were Shreya Basu of USAS; and Alexis Nguyen, WRC intern.

Mark Pearce of the Advisory Council; Sam Harasen and Alixe Holcomb of the University Caucus; Aidan Moore and Grayson Ren of USAS were absent.

The meeting was called to order at 9:00 a.m. by the Board Chair, Mike.

Approval of Agenda and Minutes from the November Board Meeting

Kyle moved to approve the agenda. Christian seconded. All board members voted in favor.

Julie M.O. moved to approve the minutes. Julie F. seconded. All board members voted in favor.

Executive Director's Report

Current Moment – Scott Nova

Scott highlighted the significant repercussions of the termination of most US foreign aid for garment workers globally and for the non-governmental organizations that do human rights and labor rights work in the garment sector. He added that the full extent of this impact is still unfolding, and it may take time before the true consequences become apparent, as there are several unknowns: Will private funders step in to fill the void left by the loss of government support? Will factory owners perceive the weakened unions as an opportunity to further exploit workers?

Julie F. reported that the Solidarity Center, which relied heavily on US grants, has been particularly hard hit. She provided insight into the effects these funding cuts have had.

Bangladesh Update – Scott Nova

Scott provided a brief update on the unfolding political situation in Bangladesh after last summer's popular uprising and overthrow of the Sheik Hasina regime. He informed the board that he participated in an official US government delegation in late November 2024, which met

with Dr. Mohamed Yunus, the Chief Adviser of the interim government, and other leaders, as well as numerous elements of civil society, to discuss labor issues. Scott reported that a new commission has been established to propose reforms to the labor law and regulatory practices. He reviewed our past and current work seeking justice for workers who have faced bogus criminal charges related to protests concerning the minimum wage in late 2023.

2025 Distributions – Scott Nova

Scott provided a brief overview of \$7.1 million in back pay that the WRC has secured and/or distributed in the first three months of 2025, most of it at collegiate factories. reported that Strechline, a factory in Honduras, was not going to pay \$4 million legally mandated terminal compensation. However, the WRC apprised the factory of its legal obligations, and the consequences of nonpayment, and the company subsequently agreed to pay the workers in full.

Scott also discussed a wage theft investigation at the KOA Modas factory in Guatemala. When the factory closed, it owed workers \$9.3 million in back pay, for severance as well as for stolen health care and pension contributions. He said the Korean brand, SAE-A, which produced at the factory for Target, has agreed to pay \$2.2 million of the severance. The WRC is still working to get full remediation for the workers. Scott explained that it is common for factory owners in Guatemala to pocket the health care and pension contributions they deduct from workers' paychecks, instead of handing them over to the government, as the law requires. He informed the Board that the WRC is exploring ways to address this issue at a country level.

Scott briefly updated the Board on the distribution of the final tranche of funds from Outerstuff for the for the Style Avenue workers. He highlighted the impact of the funds on the workers, noting that some workers received the equivalent of four years of wages

Scott reported that this month, the WRC also completed the distribution of \$325,000 that Cutter & Buck provided to workers making collegiate apparel in Bangladesh, after their factory closed without paying the legally owed wages. He said that neither the WRC, Cutter & Buck, nor the Bangladesh labor administration could compel the factory owners to pay. Scott explained that the BGMEA agreed to receive the funds provided by Cutter & Buck to distribute them to the workers. He noted that the distribution was delayed due to the political upheaval in Bangladesh.

Scott highlighted that distributing money to workers is quite labor intensive. He provided a brief overview of the process, from confirming the amounts owed to workers, to getting funds into the country, to ensuring that the money and the workers safely make it home/to the bank after a distribution.

Kyle suggested the WRC host a webinar for brands (particularly small brands) that introduces the requirements of university licensees as it relates to university codes of conduct. Cal added brands need to ensure their factory is paying into social systems (like health and pension). Scott replied that it can be hard to ensure that factories are setting aside money for severance, however, it is easy to see if they are contributing to the government social safety systems.

Review of Recent Cases – Rola Abimourched

Rola provided a brief overview of some successfully resolved cases. At Pungkook Indonesia, Rola explained that workers formed a new union to address issues around pregnant workers and paid leave, and the factory responded with a targeted campaign against the union leaders. The WRC was able to achieve extensive remediation. She also discussed the Central Java Gender Justice Agreement, which covers PT Batang and PT Semarang. She reviewed agreements with the factory and how Fanatics' obligations under university codes will serve to enforce it.

Norwegian Pension Fund – Rola Abimourched

Rola updated the Board on the renewal of a contract with the Ethics Council of the Norwegian Pension Fund. She recapped the focus of the investigations, which are the companies that own the footwear factories, and described two factories that will be investigated this year.

Hong Seng Knitting – Scott Nova

After being notified of a potential conflict of interest related his membership on the Fair Labor Association Board, the Board agreed that it was appropriate for Craig to stay in the meeting during this discussion.

Scott provided a brief overview of the case and where it stands.

Discussion of Proposed Change in Selection of Student Board Members

Christian recapped the previous meeting's discussion about transferring two of USAS's Board seats to Student International Labor Solidarity (SILS), as USAS is shifting its focus away from international labor issues. Christian noted that SILS and USAS are sibling organizations, both integral to the labor movement. The proposed structure would be 6 seats for University Caucus, 6 for the Advisory Council, 4 for USAS, and 2 for SILS.

The Board raised various questions and discussed the importance of ensuring full student participation and engagement. Ben clarified that a two-thirds majority of the full board would be required for the bylaw changes. The Board agreed to reconsider the issue at the April meeting.

Industry Update: Understanding New Licensee Relationships

Craig provided an overview of Hanes's recent sale of Gear for Sports and Knights Apparel and the role of their new parent company, Unrivaled Teamwear.

Jess asked which company the WRC should engage with regarding case investigations. Craig stated Unrivaled Teamwear would be the company to contact. He also noted that factory disclosures would need updating.

Setting the Next Meeting Date

The Board discussed various challenges in setting a time to meet and mentioned past efforts to form a committee to address this issue. A few dates for the fall Board meeting were discussed and will be finalized before or at the April Board meeting.

Executive Session

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