President’s Advisory Committee
On Labor Standards and Human Rights

MINUTES
January 11, 2016, 10:00 – 11:30 AM
R6320, Ross School of Business

Attendees: Ravi Anupindi (chair), Kristin Ablauf, Stacey Glemser, Sioban Harlow (by phone), Eni Kruja, Nicholas Rine, Susan Waltz (by phone), Rebecca Wren, Britney Rashleigh (staff to committee)
Absences: Khaled Eid, Kelsea Ballantyne
Guest: Sasha McLaughlin, Licensing Coordinator

Committee Business
The remaining 2015-2016 committee meetings will take place on February 12th, 2 – 3:30 PM; March 8th, 2 – 3:30 PM; and on April 8th, 2 – 3:30 PM. As in past semesters, additional meetings will be scheduled for urgent issues that may arise.

Minutes of the December 2015 committee meeting were approved.

Research and Educational Leadership
Chair Ravi Anupindi provided a brief overview and status update for all internships and travel awards being offered by the committee. The Chair, along with committee member Kelsea Ballantyne, will serve as supervisors for the committee’s two Research Assistantships (RA) focused on analyzing the University’s non-licensed procurement for Social Responsibility. Applications for these RA opportunities are due by midnight on January 11; a small subcommittee will review and select successful candidates. With respect to the committee’s Graduate Travel Award, Chair Anupindi shared that, while the committee has yet to receive any applications, they have received several email inquiries. The committee agreed to increase the publicizing of this travel award opportunity through more targeted emailing to department chairs. Chair Anupindi presented two project options provided by Sumerra LLC for their internship engagement. These included an audit analysis of the social risks in the University’s licensed good supply chain and a survey and perception analysis of student attitudes toward social responsibility in licensed goods. After discussion, the committee decided to recommend that the audit analysis project be selected for student applications. Accordingly, the committee reviewed and finalized parameters of the summer 2016 internship with Sumerra LLC and set an application deadline of midnight on January 31st.

Operational Leadership
Kristen Ablauf, Director of Trademark Licensing and member of the committee, provided an update on the most recent round of quarterly licensing renewals. According to her report, of the 80 licensing contracts reviewed, 10 were not renewed due to corporate responsibility issues, self non-renewals, and for failure to
return appropriate renewal documentation. Of the 70 renewed, 23 were renewed without condition; 32 renewed with requests to update factory disclosure information; 25 renewed conditionally with requests to verify company standards meet University standards; and the remaining 7 were renewed but required to work with Sumerra LLC’s ethical supplier engagement program. The next quarterly reviews are slated to take place in mid-February.

**Monitoring and Compliance**
In December 2015, the Worker Rights Consortium (WRC) alerted the committee to a wage theft issue at the Indonesian firm PT Jaba Garmindo. Chair Ravi Anupindi informed the committee that the CLC had not received a factory disclosure from any Michigan licensee for this factory.

The committee returned their focus to discussing recent allegations brought against Nike by the WRC in regards to Hansae Vietnam. Since the committee’s last meeting, Chair Ravi Anupindi spoke with Scott Nova, Executive Director of WRC, as well as Sharla Settlemier, Vice President of Sustainable Manufacturing and Sourcing at Nike, to learn more on this issue. According to Nova, Hansae Vietnam factory workers engaged in a brief 3-day strike on wages, which was resolved in October 2015. During WRC’s preliminary investigations of issues surrounding the strike, they learned of possible violations regarding denial of leave for parents funeral and bathroom access; all of which they claimed could only be verified from within the factory. As notified in Nova’s memo, the WRC’s request for access to the factory was then denied by Nike. Settlemier (from Nike) shared that, while Nike works with FLA and Better Work and has no problem with suppliers allowing WRC into their factories, they cannot mandate a supplier to provide this access. Chair Ravi Anupindi reached out to the FLA who currently has an investigation open on this incident and is awaiting response. Amongst the committee there was some general consensus around the nature of the investigations WRC conducts and whether these necessitate access to a factory; evidently, a large majority of WRC investigations do not require factory access. The committee also discussed an agency’s right to access a factory. A few members felt that the main issue was about trust in Nike. Ultimately, it was resolved that it is important for the University to retain its right to seek an independent investigation, should such a need arise. The committee suggested that in its response to the President regarding the WRC/Nike memo, they will suggest the University ensure its right to independent investigation in the forthcoming contract negotiations with Nike. Other modifications to the draft letter were discussed and committee member Susan Waltz volunteered to make appropriate revisions and share with the committee chair for finalization.

**New Business**
Chair Ravi Anupindi shared that he will be participating in a call set up by the FLA to discuss a new licensee engagement scorecard to access progress on social responsibility. He solicited comments and questions from the committee to share out and pose during this call.

**Meeting adjourned at 11:15 AM.**