President’s Advisory Committee
On Labor Standards and Human Rights

MINUTES
April 5, 8:30 – 10 AM
R5020 Ross School of Business

Attendees: Ravi Anupindi (Chair), Sabrina Bilimoria, Michael Counts, Khaled Eid, Mary-Catherine Goddard, Sioban Harlow, Nicholas Rine, Rebecca Wren, Britney Rashleigh (staff to the committee)
Absent: Kristen Ablauf and Omolade Adunbi
Guest: Dr. Linda Greer, Senior Scientist, NRDC; Interim Director, University of Michigan Biological Station

Committee Business
Chair Ravi Anupindi called the meeting to order at 8:35 AM, noting it was the committee’s last regular monthly meeting and thanking members for their work over the past academic year.

Chair Anupindi provided a high-level overview of the minutes from the committee’s March meeting. During this meeting, the committee discussed content to be included in a response letter to the President regarding recent updates on Nike and the status of remediation efforts at Hansai Vietnam; updates from the FLA’s University Advisory Council (UAC) annual meeting; and a presentation from Dr. Linda Greer on the ‘Clean by Design’ program. MCGoddard moved to accept the March 2017 minutes pending updates to the list of attendees. SHarlow seconded the motion, which passed unanimously.

Chair Anupindi reminded committee members of the location and time of the April 26th student research team presentation on non-licensed goods procurement.

Operational Leadership
KAblauf was unable to attend the meeting, although provided the committee an electronic update on the quarterly licensing renewal process that took place in February. Per her email, a total of 61 licensees were reviewed, with many receiving multi-conditional renewals. A breakdown of renewal results is as follows:

- 9 were renewed without condition
- 3 were not renewed (2 decided they would not renew on their own)
- 10 were renewed with the condition that they improve their overall understanding and execution of the University’s expectations, many of which were required to submit remediation plans
- 31 were renewed with the condition that they needed to update their factory disclosure data in CLC’s files
• 13 were renewed with the condition that they register for the Ethical Supplier Engagement Program (ESEP) program
• 7 were renewed with the condition that they remain in ESEP for another year
• 22 were renewed with the condition that they complete an Elevate eLearning module either through the Elevate’s eLearning store or through the FLA’s training resources, with the goal of using this newly acquired information to develop and refine their corporate responsibility (CR) efforts.

Chair Anupindi revisited previously tabled committee discussions on the creation of a publicly recognized gradation based on level of University engagement with the FLA – a concept first broached during a session of the UAC Annual Meeting on FLA guiding principles. After reviewing current statistics on University engagement with the FLA, Chair Anupindi asked for the committee’s thoughts on whether such a categorization should be instituted and what should be the expectation of university participation at each grade or level. During this discussion committee members raised the following points:

- If one of the top goals of engagement with the FLA is to engender brand protection, it seems right to ask for increased university engagement with the organization.
- However, it will be important to realistically identify expectations for schools, especially those relatively small in size, who are incapable of the same levels of engagement due to the limited administrative and financial support of their home institution. Engagement costs money.
- Could a gradation based on FLA engagement have negative consequences for the licensing process? For example, could companies/institutions with a lower grade or categorization become targets for contractors who aim for limited monitoring by the FLA.
- Chair Anupindi will circle back to the FLA to share the committee’s feedback.

**Monitoring and Compliance**
Chair Ravi Anupindi provided the committee updates on memos he is drafting on behalf of the committee for send to the University President and FLA. He started by providing a brief overview of all correspondence received regarding the Nike Hansai Vietnam investigation, including recently received status reports from the WRC, FLA and Nike. Chair Anupindi then passed around the list of committee recommendations previously identified to be included in these memos for further discussion and finalizing. These recommendations were jointly drafted by the committee at their March meeting.

With respect to the committee’s desire to receive continual updates from Nike regarding progress on the remediation plan currently in place at Nike Hansai Vietnam, Chair Anupindi sought further clarification on the number of status reports the committee would like to request. Committee members agreed that status reports should be requested until full remediation has taken place at the supplier
Committee members felt confident that the second recommendation, asking the President to encourage Nike to consider strengthening their Occupational Health and Safety (OHS) capacity and capability of its internal audit team, accurately conveyed their suggestion and required no editing.

With respect to the committee's third recommendation, that the President request Nike provide issue-based access to an independent third party investigator with minimal delay, committee members questioned whether this request should specify which third party investigator be given such access, but ultimately decided against this. The final recommendation to the President asked him to encourage Nike to take the lead on exploring the possibility of a collaborative audit and remediation process across brands. Such an initiative would result in producing more comprehensive audits and more effective and efficient remediation of labor standard and human rights violations. Committee members deliberated on the wording of this recommendation and decided to additionally request that Nike be asked to identify any barriers they could be confronted with in establishing such collaboration.

Chair Anupindi advised that he would complete a first draft of the committee’s memo to the President in the coming week and afterwards would circulate it amongst the committee for electronic review and sign off. He would equally draft a response to the FLA that also encouraging them to build the OHS capacity of their audit teams and to also explore the possibility of a collaborative audit and remediation process across multiple brands.

**Research and Education**

Chair Ravi Anupindi updated the committee on subcommittee review of applications submitted for the committee’s International Travel Awards and summer internship with Sumerra, LLC. He thanked the committee for their help in reviewing applicants and shared that Erik Nesler (undergraduate business student) was the successful applicant for the 2017 summer internship with Sumerra, LLC.

He confirmed Berenice Castillo (doctoral Social Work and Development Psychology student) and Lauren Smith (graduate public health student) as the 2017 International Travel Award recipients.

With supporting funds provided by the committee, Lauren will travel to Colombia to evaluate e-waste recycling systems and the health and economical impact of these waste systems on both workers and their surrounding communities. Berenice will work on both the University of Michigan and Cornell University’s campuses examining employment-claim outcomes across race and immigration status among low-wage workers. Her research will endeavor to better understand both the myriad of potential claim outcomes and how these outcomes vary by key factors, including employee legal status.

**Other Business**
Committee members recapped the previous meeting’s discussion with Dr. Linda Greer and her presentation on the ‘Clean by Design’ program. Chair Anupindi questioned what the University could do to expand beyond monitoring Tier 1 suppliers, but also monitoring Tier 2 suppliers with the goal of having them prioritize the improvement of their environmental performance. Committee members acknowledged past challenges with this type of monitoring expansion given the inability to identify tier 2 supplier factories. However, as one of the first universities to include the engagement of environmental concerns in its procurement code, one could suggest the time is ripe to begin thinking about how best to monitor the environmental performance of Tier 2 suppliers. Committee members agreed that the best next steps would be to engage in further conversation with key stakeholders across the campus community in order to learn what is currently being done and to learn of University capabilities in this regard.

Chair Anupindi advised the committee that six of the current members (two faculty, one staff and all three students) will complete their terms on August 31. He asked committee members to submit recommendations for new committee membership.

Meeting adjourned at 10:03 AM.