President’s Advisory Committee
On Labor Standards and Human Rights

MINUTES
January 11, 2019, 11:00 AM – 12:30 PM
R6320 Ross School of Business

Attendees: Ravi Anupindi (chair), Khaled Eid, Safia Sayed, Kiyoteru Tsutsui, Emma Waitzman, Kristen Ablauf, and Stephen Yaros (staff to committee)
Absent: Omolade Adunbi, Monika Johnson, Richard Neitzel, Paul Labute
Guests: Gillian Yerington, Lauren Smith, Selin Nurgun

Committee Business

Chair Anupindi called the meeting to order at 11:03 am. Minutes from the December 3, 2018 meeting were discussed. KAblauf moved to adopt the minutes and KEid seconded the motion. The minutes were approved unanimously.

Student Presentation

The committee sponsored three summer internships in 2018. One of the students presented their work to the committee in November of 2018, another will present their work in February 2019, and the third, Gillian Yerington, presented her work to the committee during this meeting.

Ms. Yerington, an undergraduate student in the Stamps School of Art and Design and the Ross School of Business, interned with the Natural Resources Defense Council (NRDC) in Washington DC during the summer of 2018. The study she helped conduct had the following purpose:

- To assess the feasibility of quantifying the environmental impact of the manufacturing of University of Michigan apparel,
- To quantify/estimate that impact for a recent year,
- To make recommendations for expanded information collection moving forward, and
- To propose an action plan to reduce the impact of manufacturing apparel for the University of Michigan

Due to the limited time frame of the summer research project, Ms. Yerington determined that quantifying the environmental impact of all of Michigan’s apparel was impractical. Therefore, the scope of the project was narrowed by product category. Because of the high proportion of sales units and limited fabric types that t-shirt, fleece, and performance gear encompass, the study focused on these categories and the top licensees who comprise almost 80% of all sales.

A two-step process was designed to collect information from the select UM licensees about their suppliers:
• Step 1: Identifying fabric mills
  o A list of previously disclosed factories was provided to licensees. They were asked to identify where 80% of their fabric was dyed and finished and provide the percentage of U-M apparel purchased from this mill, mill location, and mill contact information

• Step 2: Determining fabric mill impact
  o A 12-question survey was created to determine the environmental impact of mills and baseline the environmental footprint of these licensed goods

Based on the results of the study, Ms. Yerington outlined four preliminary recommendations for the University of Michigan:

• More clearly require its licensees to provide information on the environmental impacts of the factories that make its goods
• Improve benchmarking with better categories to capture information from licensee’s suppliers
• Modify the CR form sent by IMG Licensing to collect more information about tier-two suppliers
• Collect information throughout licensee’s supply chains annually

Based on the data collected, the committee thought that an estimate of the average water and energy footprint of Michigan branded apparel might be a useful statistic. Ms. Yerington is working with Chair Anupindi to complete the analysis and finalize her report.

In the future, Ms. Yerington stated that she would like to understand the true cost of Michigan apparel and work to reduce unnecessary harm to the environment. Leveraging UM’s power as a university, it can encourage brands to follow more sustainable practices. Additionally, Ms. Yerington thinks UM should educate students and consumers about UM’s apparel supply chain and the goods it procures more generally. By publishing research about the supply chain, UM can give consumers the ability to assess UM gear beyond prices and design, but environmental impact as well.

A brief committee discussion followed and Ms. Yerington thanked the committee for their support for her internship.

**Research and Educational Leadership**

Chair Anupindi informed the committee that he had drafted a committee response to President Schlissel’s letter from November 2018 that tasked the committee with examining certain aspects and recommendations from the April 2017 PACLSHR-sponsored student report titled, Responsible Procurement Project: Review of Findings for Food and Electronics. The committee
reviewed Chair Anupindi’s draft response, discussed it, and agreed that it reflected the committee’s conversation about the topic from the December 2018 meeting.

Chair Anupindi informed the committee that they would be working to review applicants for the committee’s two winter 2019 research projects over the coming weeks. This included a project that would continue the work of one of the committee-sponsored student reports produced in winter 2018 regarding UM (small and medium) licensee engagement. Chair Anupindi also mentioned that the other committee-sponsored student-produced report from winter 2018, which covered environmental responsibility for UM’s licensed goods, should be taken up by the committee to explore possibly updating our current code of conduct to include environmental aspects.

**Operational Leadership**

As a follow-up from the committee’s December 2018 committee meeting, KAblauf continued a discussion regarding a recent letter the Athletic Department received from a University of Michigan licensee. The licensee in question, Acushnet, provides UM logo clothing and equipment to the UM golf teams. In the letter, Acushnet informed the University that it will no longer be a member of the Fair Labor Association (FLA), which is a requirement for all UM licensees. The question for the committee is how to respond to the licensee and what should their status be with the University of Michigan moving forward.

KAblauf spoke with other universities facing the same issue with this licensee, and most have decided to terminate or not renew their contract with Acushnet. Therefore, the University of Michigan is going to do the same and not renew Acushnet’s contract for retail goods when it expires in March of 2019. As for UM sports teams, they are receiving Acushnet goods through August of 2019, and the future of their relationships with Acushnet will be handled on a case-by-case basis at that juncture.

The committee was comfortable with the approach, but then a conversation ensued about the committee’s current and potential future purview in regards to licensees who provide items for UM sports teams but not sold in retail. Typically, the committee does not take part in the procurement and renewal of equipment or products used by athletics. Some of the items provided to sports teams have logos and other do not, but either way the contracting goes directly through the athletic department. It was unclear whether these contracts included any specific provisions on labor standards that are consistent with contracts for other licensees for the University. Once this information is gathered and shared, the committee will discuss further.

*Meeting adjourned at 12:32 pm.*