President’s Advisory Committee  
On Labor Standards and Human Rights

MINUTES
April 20, 2018, 2:00 – 3:30 PM
R5020 Ross School of Business

Attendees: Ravi Anupindi (chair), Omolade Adunbi, Monika Johnson, Richard Neitzel, Nicholas Rine, Lauren Smith, Kristen Ablauf, Fatima Nasir and Stephen Yaros (staff to committee)
Absent: Michael Counts, Khaled Eid
Guests: Sara Hayat, Megan Sounder, Vanessa Wong, Rosie Sharp

Committee Business

Chair Anupindi called the meeting to order at 2:03pm. Minutes from the March 7, 2018 meeting were reviewed. KAblauf moved to approve the minutes and RNeitzel seconded the motion. The minutes were unanimously approved.

Student Presentations

The committee sponsored two student research projects during the Winter 2018 semester. Each project involved two students, and both groups presented their finding to the committee.

Megan Souders and Sara Hayat worked with committee members RNeitzel and LSmith on a project that explored the University of Michigan’s approach to environmental responsibility for licensed goods.

The project entailed conducting an evaluation of opportunities and mechanisms for the integration of environmental impacts and sustainability into existing purchasing policies and procedures for licensed goods. This included providing a detailed inspection of how other universities in the U.S. are meeting their environmental obligation to licensed goods, and how compliance of any environmental standards in the UM code may be monitored.

The students looked at 80 public and private universities from across 50 states in the United States, and they found only ten of them had specific environmental provision in their codes.

Based on their findings, the students provided several recommendations. Their first was that UM should include an environmental compliance provision in the UM Code.
They also stated that UM could choose to reference environmental compliance in the preamble to the code.

Other recommendations included a request that UM begin to collaborate more with other Universities around this issue (especially those ten who already include this in their codes), the possibility that UM engage an external firm for monitoring compliance, and updating the UM licensing and trademark webpage.

After the presentation concluded, Chair Anupindi asked about occupational health and safety.

The students responded that the University of Notre Dame has the largest amount of language in their code around this kind of work, but none of the ten have a compliance or monitoring process built in. They stated there would be different ways to include this in the UM code, but even if there is a mention in the code of conduct, it doesn’t mean that it will necessarily be carried out.

MJohnson asked the students more about engaging a third-party group to help the university. The students said they asked other universities about their process with this, but they were not specific. Third-party firms seem beneficial, but it is unclear if what they charge is worth their services.

Chair Anupindi thanked the two students for their hard work on the project and invited the other pair of students to present their project.

**Vanessa Wong** and **Rosie Sharp** worked with committee members KAblauf and MJohnson on a project that explored supplier engagement for UM’s small and medium sized licensees.

Specifically, the project assessed category C and D licensees’ capacity to evaluate and remediate human rights issues in their supply chains, and it resulted in a recommendation to the committee on how to better equip smaller licenses to uphold labor standards and human rights.

Category C licensees fall in the range of $2.5 million to $50 million in annual revenue, and category D are all those below $2.5 million. The two categories make up over two thirds of UM licensees, and they produce many different types of items globally.

The students reached out to 181 licensees via an online survey and 94 participated (52%). The survey was designed to evaluate the licensees’ current resources and validate key hypotheses held by the students. They also conducted 6 qualitative interviews, although many more licensees were willing to participate.
The students also interviewed representatives from several key University partners in this process. They included the University of Michigan Licensing department, the Collegiate Licensing Company (CLC), the Fair Labor Association (FLA), and a previous PACLSHR student researcher.

The students found that different licensees were at different points in the path towards achieving Corporate Social Responsibility (CSR) and labor standards and human rights (LSHR) compliance and progress. The four steps are as follows:

1. Code of Conduct Meets Standards
2. Disclose Supply Chain Data
3. CSR Training
4. Preventative and Remedial Action

Ultimately, the students highlighted four overarching themes from the research:

- **Industry Collaboration:** The overall feeling that C&D licensees (often small and medium sized businesses) have a long list of requirements and answer to many different masters in regards to LSHR. A strategy to improve support to these licensees should include a collaborative approach among partners to streamline requirements and to provide targeted support or resources based on their unique business needs.

- **Clarity of Expectations:** A need to clarify what success looks like for licensees. Although issues of LSHR are not black and white, a clearer understanding of licensee expectations and measures of good performance may benefit everyone involved. By providing transparency around what defines acceptable performance, the University can better support these licensees, especially as many demonstrate a genuine commitment to and enthusiasm for upholding LSHR in their businesses.

- **Data Management:** The more existing data can be leveraged to provide insights on performance and examples of success, the better the University will be able to support C&D licensees. A more robust data management system will also improve collaboration with key partners, allow for more direct and customized communications with licensees, increase effectiveness of supplier engagement efforts, and inform strategic decision-making related to contract renewals and performance measurement.

- **Licensee Enthusiasm:** Between high rates of participation in the online survey and licensees' eagerness to engage with them through qualitative interviews, the students were energized by licensees willingness to share their insights and experience. Hopefully this energy can be leveraged in the future to continue supporting licensees on this journey.

Once the students finished their presentation, brief committee discussion ensued. Chair Anupindi thanked the two students for their hard work on the project.
Monitoring and Compliance

Chair Anupindi provided the committee with several updates from the WRC University Caucus Meeting he recently attended.

The first was regarding remediation work being done at the Hansae Vietnam factory. WRC worked with factory leadership to improve conditions and Nike recently pulled all orders from the factory.

The second update was regarding Nike’s progress with overall university labor standards. Nike now has agreements with several licensing agencies, including IMGCL, Learfield, Fermata, and Exemplar.

Finally, Chair Anupindi confirmed that the Bangladesh Accord was renewed for another three years. The Accord is a legally binding agreement between global brands/retailers and IndustriALL and UNI global trade unions.

Meeting adjourned at 3:43 pm.