

Report on Activities of the Advisory Committee on Labor Standards and Human Rights¹, 2018-2019

Submitted by Ravi Anupindi, Chair

EXECUTIVE SUMMARY

The President's Advisory Committee on Labor Standards and Human Rights (PACLSHR) is appointed by the President of the university to advise the university concerning policies and practices that ensure corporations engaged in the manufacture of licensed goods and bearing the University of Michigan name and/or logos are not engaged in unlawful or unconscionable labor practices.

In 2018 – 2019, pursuant to the charge from the President, the committee focused on promoting university leadership in corporate citizenship with respect to fair labor practices, human rights, and sustainability in its licensing operations.

Major activities for 2018 – 2019 included 1) continuing to sponsor student learning experiences related to labor standards and human rights through sponsorship of two student-led research team projects and the summer fellowship program; 2) monitoring university licensee renewals; 3) sponsoring the inaugural "Conference on Sustainable Food Procurement by Institutions"; and 4) investigating what role the committee and the university as a whole should play in the oversight of labor standards and human rights abuses with food procurement.

In the educational arena:

- 2018 recipients of the summer fellowship and internship presented their work to the committee.
- Continued the summer research fellowship program in summer 2019, reaching out to the campus community to sponsor two experiential learning experiences, one domestic and one international, related to labor standards and human rights. This year, one student will conduct research on marginalized Latinx farm works in the United States, and the other student will study labor issues for women agricultural workers in Morocco.
- Engaged four students in two research projects: one project investigated responsible food procurement and sourcing at the university, and the other focused on supplier engagement for small and medium licensees at the university.
- Sponsored a one-day conference, the inaugural "Conference on Sustainable Food Procurement by Institutions," to learn more about the challenges, opportunities and best practices surrounding sustainable food procurement at institutions.
- Hosted Ted Eisenhut, Procurement Manager; Selin Nurgun, Sustainable Procurement Coordinator; and committee member Paul LaBute, Procurement Supervisor for a presentation and discussion about the progress made by the university's Sustainable Purchasing Project.
- Along with the U-M Center for Japanese Studies and the U-M Donia Human Rights Center, sponsored and hosted a discussion on "Universities and their role in the UN Sustainable Development Goals: The story of Okayama University, Japan" by Dr. Hirofumi Makino, President, Okayama University, and Dr. Atsufumi Yokoi, Vice President for Global Engagement Strategy, Okayama University.

¹ The 2018-2019 Committee was chaired by Prof. Ravi Anupindi (Ross School of Business). Committee members included Kristen Ablauf (Licensing), Prof. Omolade Abundi (LSA), Khaled Eid (Finance), Monika Johnson (MBA, MS), Paul LaBute (Procurement), Prof. Richard Neitzel (SPH), Safia Sayed (Undergraduate, LSA), Prof. Kiyoteru Tsutsui (LSA), Emma Waitzman (MPP, JD). Stephen Yaros provided administrative assistance.

In the operational arena:

- Committee Chair Ravi Anupindi attended the Fair Labor Association Convening and Board Meeting on February 26-27, 2019, in Washington, DC.
- Committee Chair Ravi Anupindi attended the Worker Rights Consortium's annual University Caucus meeting on May 14, 2019, in Washington, DC.
- Conducted further research needed to make a recommendation to the President in response to a letter received, dated October 18, 2018, from the Coalition of Immokalee Workers and Washtenaw Solidarity with Farmworkers, which made specific requests regarding the implementation of recommendations from an April 2017 PACLSHR-sponsored student report.

In the monitoring arena:

- Continued to monitor university licensee renewals, which entails the collection of licensee sales, corporate responsibility standards and supply chains.
- Evaluated whether the university should discontinue a relationship with a major university licensee, Acushnet, because of their withdrawal of membership from the Fair Labor Association (FLA).

REPORT OF THE COMMITTEE

This year, the committee had representation from the Ross School of Business; School of Public Health; School of Public Policy; Law School; School of Natural Resources; College of Literature, Science, and the Arts; university Procurement, Financial Operations and Licensing.

In 2018 – 2019, pursuant to the charge from the President, the committee focused on promoting university leadership in corporate citizenship with respect to fair labor practices, human rights and sustainability in its licensing operations.

I. EDUCATIONAL LEADERSHIP

A. **Report out from 2018 Summer Fellowship & Internship Program**

PACLSHR awarded two summer fellowships in 2018 and sponsored one internship with the Natural Resource Defense Council. Each of the three recipients gave a brief presentation of their work to the committee.

- Elizabeth Guthrie, a graduate student in the School of Public Health, interned within the Department of Occupational Health at the Tianjin Centers for Disease Control and Prevention (TJCDC) in China for ten weeks during the summer of 2018. The TJCDC is one of the Chinese governmental bodies that seeks to promote workplace health by controlling health risk factors and reducing the occurrence of work-related disease. As an intern, she sought to learn how the regulatory occupational health system in China was designed to both protect and promote health among all workers, and understand major challenges facing workplace health and safety professionals in China today. She assisted with workplace audits, which gave her a better understanding of how the current laws were applied. Overall, Ms. Guthrie was able to gain an understanding of China's regulatory occupational health system through research, discussions with her mentor and workplace audits.

- Kyle Sullivan, a graduate student in the School of Public Health, presented his work conducted in Eastern Thailand from April through August 2018 on electronic (e-waste) recycling. The PACLSHR summer fellowship supported part of a longer engagement led by faculty at the University of Michigan and Mae Fah Luang University. By engaging stakeholders in identification of potential interventions in policy, governance, employment, and economic development that can influence e-waste streams and labor standards at e-waste worksites, the project sought to help improve local work conditions and identify methods and interventions that can be adapted to develop more responsible practices around e-waste production and disposal in different global settings. Mr. Sullivan was part of a working group that came out of the *Changing the Global E-Waste Cycle Symposium* hosted by the Graham Sustainability Institute in April 2018. The symposium sought to envision a multi-dimensional, conceptual model of an ideal workplace, describing key targets for policy development. Building upon the symposium outcomes and in collaboration with local government, Mr. Sullivan conducted a descriptive survey of individual views concerning the effects of e-waste work on quality of life in the village of Khok Sa-at in Kalasin Province, Thailand, to help guide and strengthen local policy development. The survey articulates emic descriptions of problems that, if addressed by local governance and policy, could help incentivize community participation in e-waste regulation, and health, safety, and environmental programs.
- Gillian 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 main purpose of her study was to assess the feasibility of quantifying the environmental impact of the manufacturing of University of Michigan apparel and provide an estimate of the impact. Given the time constraints, she narrowed the study to consider specific product categories (t-shirt, fleece, and performance gear) and top licensees who comprise almost 80% of all sales. She identified the mills producing these fabrics and designed a survey that was administered to the licensees. Response rates, however, were limited, and therefore, there was insufficient confidence in the data to estimate a footprint. Through this experience, however, she concluded that data collection processes need to be revised to (a) require licensees to provide information on the environmental impacts of the factories that make its goods; (b) improve benchmarking with better categories to capture information from licensee’s suppliers; (c) modify the CR form sent by IMG Licensing to collect more information about tier-two suppliers; and (d) collect information throughout licensee’s supply chains annually. IMG licensing has already begun a process to implement some of these recommendations.

B. Review and Discussion of the 2018 Research on Environmental Issues in University of Michigan’s Licensed Goods

The committee reviewed the 2018 student study sponsored by the PACLSHR titled, “Exploring the University of Michigan’s Approach to Environmental Responsibility for Licensed Goods” that conducted a benchmarking study of university licensing codes on

environmental issues. The report found that only a handful of universities had environmental issues in their code. Further review of these codes by select committee members revealed that they were also not being actively monitored.

This 2018 report also recommended to (a) incorporate a provision on environmental sustainability in U-M's Code of Conduct or in the Preamble to the Code; (b) provide a list of university licensees on the U-M website; (c) update the U-M licensing and trademark web page; (d) collaborate with other universities; and (e) provide the U-M Code of Conduct on the Licensing & Trademark webpage as opposed to the University President's webpage. The committee deliberated these recommendations, some of which are easily implementable. The committee suggested that these recommendations be taken up in the 2019-20 year.

C. Summer Fellowship Program

Encouraged by the success of past summer fellowship programs, the committee again funded two travel fellowships during the summer of 2019, one domestic and one international. The travel awards were open to University of Michigan graduate students. The students were responsible for sourcing their own projects, although the committee assisted in providing connections to organizations related to labor standards and human rights, if needed. Prospective applicants were asked to submit a brief proposal statement of their work accompanied by a resume, current transcripts, and a letter of recommendation from one faculty member. The committee received a total of eleven applications: seven were from students from Rackham Graduate School, two were from the School of Public Health, one from a joint Rackham Graduate School and School of Public Health program, and one from a joint School of Public Health and School of Public Policy program. Graduate students Maira Areguine and Amelia Burke, both from Rackham Graduate School, were selected as recipients of the committee's 2019 Travel Fellowship award.

Funding provided by the committee allowed Ms. Areguine, a graduate student in the Departments of Psychology and Women's Studies, to travel to regions in Northern and Central California to interview farm workers in order to gather and analyze data on their workplace experiences. This study, in addition to previous and future related studies conducted by Ms. Areguine, aims to help create culturally informed interventions to mitigate the impact of discrimination experiences for farm workers.

Ms. Burke, a graduate student in the Departments of Anthropology and History, will travel to Morocco in partnership with Association Homme Et Environment (AHE), a Berkani labor organization. She will investigate the ways in which migrant women workers identify sources of insecurity, danger, and abuse within their employment and explore the strategies workers develop to attempt to secure their futures against these risks. Both students will present their findings to the committee in fall term 2019.

D. Research Assistantship Program

In the winter term 2019, the committee funded four student research assistantships. Two positions investigated responsible food procurement at the university in relation to social responsibility and sustainability; the other two positions focused on supplier engagement and included an assessment of the university's licensing office's evaluation of companies' corporate responsibility practices for small and medium licensees. These research project

opportunities were advertised to the student community, and prospective applicants were asked to submit a resume, statement of interest, and current transcripts. The committee received a total of twenty-five applications for the responsible food procurement positions (sixteen graduates; nine undergraduates) and eight applications for the supplier engagement positions (six graduates; two undergraduates).

Shortlisted applicants were interviewed by select committee members and two students were chosen for each position. Elana Fox (graduate student, Ross School of Business and School of Environment and Sustainability) and Melissa Robinson (graduate student, School of Public Health) were chosen for the responsible food procurement assistantships. Megan Sounders (graduate student, School of Public Policy) and Ashley Tjhung (undergraduate student, School of Public Policy) were accepted for the for the supplier engagement assistantships.

Under the supervision of select committee members, Ms. Fox and Ms. Robinson were tasked with building upon an April 2017 PASLSHR-sponsored student project that addressed opportunities and challenges for responsible procurement in electronics and food. To that end, the scope of the winter term 2019 research study included (a) development of a code of conduct that potentially encompasses labor standards / human rights as well as environmental issues; (b) a deeper analysis of sustainability practices of the university's food suppliers and food service providers on campus; (c) assessment of external partners to assist the university in ensuring responsibility practices of the supply base, (d) assessment of necessary resources (internal and external) and an organizational structure, as well as appropriate (direct and indirect) cost impacts; (e) development of an implementation strategy. The final deliverable was a presentation to the PACLSHR and a final report.

Ms. Tjhung and Ms. Sounders were tasked with assessing the University of Michigan licensing office's evaluation of companies' corporate responsibility practices. Building on previous research about licensees' capacity for evaluating and remediating human rights issues in their supply chains, this research was to focus on designing an actionable decision-making process to promote licensee's efforts in improvement. The scope of the project included: (a) a review of the current information capture process and content collected from the licensees and licensing office perspectives; (b) identification of the major pain points preventing the licensing office from enforcing corporate responsibility standards on licensees; (c) recommendations on how to better enforce these standards, as well as a possible decision-making tool for reacting to licensees' corporate responsibility efforts. The final deliverable was a presentation to the PACLSHR and a final report.

E. Inaugural Conference on Sustainable Food Procurement by Institutions

The one-day conference, the "Inaugural Conference on Sustainable Food Procurement by Institutions," was sponsored by the PACLSHR, MDining, the Erb Institute and Business + Impact at Michigan Ross, and was held at the U-M Golf Course on April 9, 2019. The conference was planned to bring together cross-functional experts and stakeholders to discuss best practices, key challenges, and strategies to overcome them as they relate to sustainable food procurement by institutions. Ravi Anupindi, the Chair of the PACLSHR, chaired the conference programing committee, gave welcoming and closing remarks, and

moderated the first panel at the conference. The conference drew over 85 attendees and began with a keynote address by Alexa Delwiche, Co-founder and Executive Director of the Center for Good Food Purchasing. The schedule included three panels, a small group brainstorming session, and a closing keynote address from Zia Ahmed, Senior Director of Dining Services from Ohio State University.

F. “Sustainable Purchasing Project” Presentation by Procurement

On November 12, 2018, Ted Eisenhut, Procurement Manager; Selin Nurgun, Sustainable Procurement Coordinator; and Paul LaBute, Procurement Supervisor, presented to the committee and led a discussion on the progress made by the university’s Sustainable Purchasing Project. The presentation specifically focused on actions that Procurement Services is taking to reduce greenhouse gas emissions, promote waste reduction, and increase sustainable food purchasing. Procurement Services provides support to the university’s Facilities & Operations Utilities department and their efforts to reduce the university's greenhouse gas emissions through increased on-campus production of clean energy and identification of opportunities to take advantage of renewable energy sources. Procurement Services also provides support for both the bid process and supplier selection for the central power plant expansion project, which included the purchase of a 15-megawatt combustion turbine. It is estimated that the new natural gas turbine will reduce university greenhouse gas emissions by 80,000 tons per year.

Procurement Services also works with Utilities and other Facilities & Operations staff to identify opportunities in which the university may take advantage of renewable energy sources. Procurement Services supports university efforts to procure and promote compostable and recyclable products by negotiating with suppliers for more favorable pricing to bring costs more in line with non-compostable products. They have also enhanced the procurement website and eProcurement platform, M-Marketsite, for greater supplier and product visibility for customer ordering. When it comes to supporting sustainable food purchasing, Procurement Services works with Michigan Dining and Michigan Medicine’s Patient Food and Nutrition Services to identify local sources, and negotiates for more favorable pricing to bring costs more in line with traditional larger providers. They have also initiated technology processes that simplify the procure-to-pay process and they seek to make products more visible and easier to find for customer ordering. Moving forward, the focus will be to offer awards to suppliers who clearly identify products and services that meet high ratings and standards recognized by certifying agencies. In addition, price negotiation of sustainable products (with current and potential suppliers) to be comparable or close to traditional products would positively influence customer behavior and budget-sensitive decision making on campus.

G. Discussion on “Universities and their role in UN Sustainable Development Goals: The story of Okayama University, Japan”

On October 29, 2018, The PACLSHR committee, along with the U-M Center for Japanese Studies and the U-M Donia Human Rights Center, sponsored and hosted a discussion on "Universities and their role in the UN Sustainable Development Goals: The story of

Okayama University, Japan" by Dr. Hirofumi Makino, President, Okayama University, and Dr. Atsufumi Yokoi, Vice President for Global Engagement Strategy, Okayama University.

Okayama University, one of the vaunted national universities in Japan, is known for its commitment to the United Nation Sustainable Development Goals (SDGs). The UN and other international organizations have showcased it as one of the most successful cases of a university adopting SDGs. At this event, we heard about their efforts to implement SDGs on their campus. The event targeted those interested in understanding how universities can contribute to global efforts to find sustainable solutions to intractable social problems such as poverty, hunger, health, education, global warming, gender quality, water, sanitation, energy, urbanization, environment and social justice. The Okayama University representatives also visited the Ann Arbor campus with efforts to help develop ties with the University of Michigan on multiple fronts.

II. OPERATIONAL LEADERSHIP

A. **Fair Labor Association's Convening and Board Meeting**

The Chair of the committee, Ravi Anupindi, attended the Fair Labor Association's Convening and Board Meeting on February 26-27, 2019 in Washington, DC. The two-day event featured various caucus meetings, working groups' reports, a presentation, and a board meeting. The University Caucus meeting featured conversations surrounding (a) FLA's current expectations from university affiliates, (b) FLA's current expectations from licensee affiliates, and (c) strategic partnerships the FLA should pursue. The Chair was asked to give an overview of the PACLSHR committee work, and it highlighted that the committee is unique in this space because of its expansive scope that includes operational as well as research and education mandates and support from the President's office.

B. **Worker Rights Consortium's annual University Caucus Meeting**

The Chair of the committee, Ravi Anupindi, attended the Worker Rights Consortium's (WRC) annual University Caucus Meeting on May 14, 2019, in Washington, DC. This one-day event included (a) an in-depth review of several key factory investigations, updates on major issues, and reports on organizational developments from the WRC; (b) a licensee roundtable featuring two licensees who discussed their experiences and engagement strategies with the WRC; (c) discussion of membership categories and WRC Governance; and (d) presentation by the Associated Press on their report regarding apparel from Chinese forced-labor camps entering the university supply chain.

C. **University Licensee Renewals**

The office of Intercollegiate Athletics reviewed licensee applications for renewal, which entails the collection of licensee sales, corporate responsibility standards, and supply chains. As a condition of some renewals, licensees are required to participate in Sumerra LLC's Ethical Supplier Engagement Program (ESEP).

The ESEP provides licensees with guidance to ensure that their factories take an aggressive stance to rectify codes of conduct violation. It is designed to guide a collegiate

licensee on their social responsibility practices journey including knowing what to do, where to go for help, how to report, etc. Participation in ESEP is recommended or sometimes required by the university, and is implemented by Sumerra, LLC. Experience suggests the program leads to sustainable change provided the licensee is involved and participates.

Over the past year, 388 licensees were up for renewal or review. Ultimately, 35 were renewed with the condition of participating or continuing their participation in the ESEP, 88 were renewed with the condition of initiating or completing the e-learning series through the FLA, and 14 were not renewed.

D. Requests from the Coalition of Immokalee Workers and the Washtenaw Solidarity of Farmworkers

The Board of Regents was contacted by two individuals by letter dated October 18, 2018, written on behalf of the Coalition of Immokalee Workers and the Washtenaw Solidarity of Farmworkers. In this letter, the authors made specific requests for the implementation of several recommendations outlined in an April 2017 PACLSHR-sponsored student-led research report titled, “Responsible Procurement Project: Review of Findings for Food and Electronics.” In this study, the student team assessed labor standards and human rights issues in these sectors, identified potential external partners to assist the university, identified select universities who share similar perspectives and might be willing to work with the University of Michigan, and outlined feasible pathways for improving labor standards in these two categories. The President responded on behalf of the Board of Regents to the two individuals in a letter dated November 14, 2018, stating that he would be referring the issue to the PACLSHR for review and to provide a possible recommendation on next steps.

Both the original letter and President’s response to the letter were shared with the committee. Given the scope of the requests, the committee agreed that building upon certain aspects of the 2017 Responsible Procurement Project study was necessary, and further research would be needed to provide a recommendation to the President for next steps. A research project was designed to review the findings of the 2017 study, the current state of sustainable food procurement by the university, and the university code of conduct. It was also designed to explore the scale and scope of capabilities of credible organizations that can assist the university to uphold any commitments the university can make, assess associated (direct and indirect) costs, and recommend an implementation plan. The Chair of the committee sent a letter to the President, dated January 19, 2019, outlining the committee’s plan.

A two-member student research team was recruited in the winter 2019 term to work with the PACLSHR, Procurement Services, Michigan Dining, and the Office of Campus Sustainability on this project. The committee accepted applications for the research assistantships and received a total of twenty-five applications for the responsible food procurement positions (sixteen graduates; nine undergraduates). The selection process for the assistantships is outlined above in this report in Section I. Operational Leadership, B. The Assistantship Program.

The research assistants submitted their findings to the committee at the end of winter term 2019 in the form of a report and presentation titled “Addressing Labor Standards and Human Rights in University of Michigan Sustainable Food Purchasing.” Their findings indicated that the university’s food procurement system faces unique challenges related to data collection, transparency, and enforcement of standards within its value chain related to labor standards, human rights, and sustainability.

The committee reviewed the report in its entirety and discussed next steps for delivering a recommendation to the President in response to the requests made by the individuals who contacted the Board of Regents on behalf of the Coalition of Immokalee Workers and the Washtenaw Solidarity of Farmworkers. The committee will deliver a recommendation on the matter to the President in the summer/early fall of 2019.

III. MONITORING AND COMPLIANCE

A. **Acushnet**

In fall term 2018, committee member Kristen Ablauf, from university licensing, informed the committee that the Athletic Department received a letter from Acushnet, a university licensee that provides U-M branded clothing and equipment to the university golf teams, informing the university that it will no longer be a member of the Fair Labor Association (FLA), which is a requirement for all University of Michigan licensees. The committee was tasked in determining whether an exception should be made for Acushnet. Although exceptions to this policy have been made in the past, the committee determined that more background was needed about Acushnet’s relationship with the university, the potential impact of ending the relationship, and information about licensees that have received an exception to this policy in the past.

Following committee discussion, more research was conducted regarding the matter. Ms. Ablauf spoke with other institutions facing the same issue with this licensee, most of which decided to terminate or not renew their contract with Acushnet. Therefore, it was decided that the University of Michigan would not renew Acushnet’s contract for retail goods when it expired in March of 2019. University of Michigan sports teams would receive Acushnet goods through August 2019 and handle future Acushnet matters on a case-by-case basis. The committee was comfortable with the approach and approved.

IV. SUGGESTIONS FOR 2019-2020 COMMITTEE ACTIVITIES

Based on the activities of the committee to date and issues pending as of September, 2019, major items that will likely need attention in the coming year include:

- Continuation of summer travel fellowship & internship programs, sponsoring international human rights and labor standards-related research experiences for graduate students and continuing the committee’s undergraduate internship.
- Explore action items based on the two research projects on small and medium licensee engagement and responsible food procurement, and continue to explore environmental issues relating to the university licensing code.

- Continuation of the Research Assistantship program to continue to explore how the university can improve licensing operations while providing students an engaged learning experience
- Review the scope of the committee's work as outlined in the President's Charge to the committee and suggest recommendations, when appropriate.
- Building upon the success of the "Inaugural Conference on Sustainable Food Procurement by Institutions," by hosting the second annual conference in order to continue exploring the challenges, opportunities and best practices surrounding food procurement at institutions.