

## **President's Advisory Committee on Labor Standards and Human Rights**

### MINUTES

November 13, 2019, 11:30 am - 1:00 pm  
R5020, Ross School of Business

Attendees: Ravi Anupindi (chair), Kristen Ablauf, Omolade Adunbi, Amanda Kaplan, Paul LaBute, Hannah Pierce, Kiyoteru Tsutsui, Emma Waitzman, Amy Argersinger and Joon Lee (staff to the committee)

Absent: Khaled Eid, Richard Neitzel

Guests: Sharon Waxman, President & CEO, Fair Labor Association  
Earl Shank, University Program Manager, Fair Labor Association

Chair Anupindi called the meeting to order at 11:33 am and welcomed new and returning committee members to the second meeting of the year. Committee members and meeting guests introduced themselves.

Chair Anupindi gave S. Waxman and E. Shank a brief history and overview of the structure of committee. He explained that the PACLSHR is unique in its expansive scope, which includes operational, research, and educational mandates supported by the president's office.

The minutes from the October 2019 meeting were adopted and the motion to approve was seconded.

Committee members and guests discussed possible future partnerships with the Fair Labor Association (FLA), including a summer internship and small-and-medium licensee training. E. Shank provided an overview of licensee training opportunities and S. Waxman offered to share agendas from previous licensee training sessions. Additional discussion regarding challenges faced by small-and-medium licensees ensued.

Chair Anupindi mentioned that the food procurement conference will likely not take place this academic year due to bandwidth.

Chair Anupindi asked S. Waxman to give the PACLSHR an overview of the work that the FLA is doing regarding fair compensation. S. Waxman responded with an explanation of the code of conduct model that FLA uses to standardize working conditions. The model includes a fair compensation definition to meet needs of individuals and their families. She mentioned that defining "living wage" is a challenge. The FLA has attempted to address this challenge by collecting global wage data over the past few years in a standardized way. A tool was then developed about 6 months ago to analyze this data. Eighty percent of companies with FLA now use this tool in some form, and the tool is being updated frequently to become more user-friendly. The FLA uses data to develop wage platform that includes benchmarks for a variety of countries, comparing to standards such as the World Bank poverty line. While the FLA does not own the data, they use the data to develop better wage policies within their organization. The FLA hopes that more companies will adopt the use of the tool, especially the bigger licensees. The FLA does not force companies to make wage data public but hopes that companies use this data to drive better wage conversations in their factories worldwide in the future.

Discussion ensued regarding transparency of licensees and having licensees share aggregated data to universities in order to make more informed decisions when choosing partnerships. While the FLA cannot force companies to share data, companies can choose to use the FLA's tool and share data that is collected. S. Waxman noted the focus of the FLA is currently on larger companies. O. Adunbi asked about the impact that the FLA has seen among companies who have used

the tool. S. Waxman explained that, because the tool is new, it will take time for companies to implement it. She also shared a “frequently asked questions” document with committee to better understand how the tool works, and offered to do a demonstration in the future if the PACLSHR wanted to learn more.

P. LaBute inquired about whether the tool could be used across other industries. From a procurement perspective, there are other industries that this tool could benefit. S. Waxman responded positively but wanted to ensure that apparel (licensing) industry is addressed first.

Committee discussion broke briefly for lunch. Following, the committee suggested additional edits and finalized the graduate summer travel fellowship call for applications. Upon final approval from the chair, the document will be distributed among PACLSHR networks.

Chair Anupindi proposed a joint summer internship sponsored by the PACLSHR with the FLA. K. Tsutsui mentioned the possibility that the Donia Human Rights Center also share in the sponsorship of this internship and outlined action steps needed to move forward with this process. He will look into this and it will be explored further.

K. Ablauf outlined process of U-M quarterly renewals of licensing agencies and the steps she takes to renew these partnerships. Brief discussion regarding this process ensued.

In concluding the meeting, S. Waxman announced two current areas of focus for FLA:

- 1) New transparency requirement for licensees to make factory list public. U-M and its licensees are already compliant due to WRC.
- 2) Issues in Western China region: FLA has Shelly Han working on this situation. U.S. companies who source cotton or apparel from Western China region may need to review closely. FLA will update guidelines for affiliates soon.

Conversation ensued about government involvement across the globe discouraging trade of items produced by any form of forced labor. S. Waxman suggested that we need to observe this situation closely.

The meeting was adjourned at 1:05 pm.