

## Report on Activities of the Advisory Committee on Labor Standards and Human Rights<sup>1</sup>, 2020-2021

Submitted by Ravi Anupindi, Chair and Joon Lee, President's Office Staff to the Committee

### EXECUTIVE SUMMARY

The President's Advisory Committee on Labor Standards and Human Rights (PACLSHR) is appointed by the President of the University of Michigan 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 2020 – 2021, the PACLSHR navigated obstacles presented by the COVID-19 pandemic and successfully continued its mission. 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 2020 – 2021 included 1) continuing to sponsor student learning experiences related to labor standards and human rights through sponsorship of one student-led research team project, the summer fellowship program, and two student internships; and 2) monitoring university licensee renewals

#### *In the educational arena:*

- Continued the graduate student summer travel fellowship program in summer 2021, reaching out to the campus community to sponsor one experiential learning experience. Typically, this program would provide funds to help support projects abroad that focused broadly on addressing, evaluating or improving global labor standards and monitoring. Due to COVID-19 pandemic travel restrictions, the PACLSHR accepted proposals that were remote and/or domestic in nature and a project that would take place in Michigan was selected.
- Engaged two students in a research project during the winter 2021 term to explore changing workplace practices in response to COVID-19 across global food supply chains.
- Along with the U-M Donia Human Rights Center (DHRC), continued the summer internship program in summer 2021, reaching out to the U-M campus community to sponsor two domestic experiential learning experiences related to labor and human rights issues in agricultural and apparel supply chains. This year, both internship opportunities were offered virtually in partnership with the Fair Labor Association (FLA).
- Virtually hosted Sumerra representative A. Bernard to discuss Sumerra's partnership with the U-M on ensuring ethical sourcing among U-M licensees.
- Virtually hosted FLA representatives C. Moran and T. Rogers to discuss the FLA's fair compensation dashboard which was developed recently.

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<sup>1</sup> The 2020-2021 Committee was chaired by Prof. Ravi Anupindi (Ross School of Business). Committee members included Kristen Ablauf (Licensing), Prof. Christian Davenport (LSA), Khaled Eid (Finance), Prof. Alexis Handal (SPH), Amanda Kaplan (Undergraduate Student, Ford School of Public Policy), Prof. Leila Kavar (LSA), Allison Kolpak (Undergraduate Student, LSA), Paul LaBute (Procurement), Junghoon Park (Graduate Student, Erb Institute), Joon Lee (Project Coordinator, Office of the President) provided administrative assistance.

*In the operational arena:*

- Committee Chair Ravi Anupindi continued serving as a member of the FLA Board of Directors. His term will expire on May 30, 2022.
- As a member of the FLA Board of Directors, Committee Chair Ravi Anupindi attended the FLA Board of Directors Meetings on October 26-28, 2020, February 23-25, 2021, and June 22-24, 2021, all of which were held virtually due to the COVID-19 pandemic. In addition, he attended several interim board meetings to discuss specific issues as they arose. He serves on the Agricultural Committee of the FLA and participated in several meetings to develop principles, benchmarks, and key performance indicators of Fair Labor and Responsible Sourcing for Companies with Agricultural Supply Chains. He also participated in bi-monthly meetings of the University Advisory Council (UAC) board over the past year. Chair Anupindi and committee member Kristen Ablauf attended the virtual meeting of the UAC on February 9, 2021.
- Due to the COVID-19 pandemic, the Worker Rights Consortium (WRC) held the Annual Meeting of the University Caucus virtually on April 23, 2021. Committee Chair Ravi Anupindi and committee member Kristen Ablauf attended the meeting.
- In March 2021, President Schlissel responded to a letter received, dated February 24, 2021, from the United Students Against Sweatshops (USAS) National Student Steering Committee, which specifically requested that the University of Michigan reaffirm its commitment with the Worker Rights Consortium (WRC) and to maintain it throughout the COVID-19 pandemic. The WRC is an entity that helps uphold labor standards in the apparel supply chains of universities. In his response letter, the President confirmed the university's intent to continue its partnership with the WRC throughout the pandemic and beyond.

*In the monitoring arena:*

- Continued to monitor university licensee renewals, which entails the collection of licensee sales, corporate responsibility standards and supply chains.

## REPORT OF THE COMMITTEE

This year, the committee had representation from the College of Literature, Science, and the Arts; Erb Institute; Financial Operations; Ford School of Public Policy; Ross School of Business; School of Public Health; University Procurement, and Licensing.

In 2020 – 2021, 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. Status of 2020 Summer Fellowship

PACLSHR awarded one summer fellowship in 2020. The recipient was Divya Solomon, a doctoral student in the School for Environment and Sustainability.

- Due to the COVID-19 pandemic, Ms. Solomon had postponed her travel plans to India, where she had planned to conduct research exploring the effect of urban-rural migration on women's paid and unpaid labor and such implications on women's empowerment in India. She began her project in India in February 2021 upon receiving university approval and agreeing to take necessary health and safety precautions. However, her trip was unexpectedly shortened due to worsening COVID-19 conditions in India. She returned to the United States in April 2021 and hopes to return to India by early 2022 to complete her research project.

#### B. 2021 Summer Graduate Student Fellowship Program

The committee funded one fellowship during the summer of 2021. The award application was open to University of Michigan graduate students. The students were responsible for sourcing their own projects, although the committee offered to assist by 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 CV/resume, current transcripts, and a letter of recommendation from one faculty member. Typically, this program would provide funds to help support projects abroad that focused broadly on addressing, evaluating or improving global labor standards and monitoring. Due to COVID-19 pandemic travel restrictions, the PACLSHR accepted proposals that were remote and/or domestic in nature, and a project that would take place in Michigan was selected.

The committee received a total of two applications: one from a student in the School of Education and one from a student in the School of Public Health. The committee believes the low response rate is due to the pandemic that has prevented international travel. However, the committee felt comfortable with the quality of applications received. Graduate student Alexa Kort, MPH student in the School of Public Health, was selected as the recipient of the committee's 2021 Graduate Summer Travel Fellowship award.

Ms. Kort proposed to build upon her work with the Michigan Farmworker Project, which examined the working and living conditions of migrant and seasonal farmworkers (MSFWs) in Michigan. Specifically, she plans to focus her research on fair housing for

farmworkers in the state of Michigan during the COVID-19 pandemic and beyond. Her internship will focus on data collection (through interviews), management, and analysis of MSFWs.

### C. **Research Assistantship Program**

In the winter 2021 term, the committee funded a project to explore changing workplace practices in response to COVID-19 across global food supply chains. The research opportunity was advertised to the U-M student community, and prospective applicants were asked to submit a CV/resume, statement of interest, and current transcripts. The committee received a total of forty-two applications for the positions (fifteen graduate students and twenty-seven undergraduate students).

Shortlisted applicants were interviewed by select committee members and two students, Marney Coleman (graduate student, Erb Institute) and Grace Hermann (undergraduate student, Ford School of Public Policy), were chosen.

The research involved studying the impacts of COVID-19 on domestic farm and meat processing workers. The Winter 2021 Research Assistants (RAs) worked under the supervision of Chair Ravi Anupindi and delivered a final report to the PACLSHR. They presented to the PACLSHR in the committee's April 2021 meeting.

The student team used desk research and interviews with experts to gain insights. They found that the COVID-19 pandemic exacerbated existing vulnerabilities within the food system. The vulnerabilities they reviewed fell broadly into six categories: labor trafficking, wage theft, child labor, unsanitary working and living conditions, unenforced worker safety standards, and fear of retaliation. These vulnerabilities resulted from a combination of weak labor laws and eroded labor protections. The implications of the pandemic on farmworkers and meat processing workers included concerns about the health and safety and financial security of the workers as well as their families and communities that these workers live and are employed in.

The RAs presented four recommendations for enhanced worker protection:

- 1) Implement a Federal OSHA COVID-19 Emergency Temporary Standard;
- 2) Advocate for federal, state, and local policies that build worker power;
- 3) Strategize for innovative approaches to vaccine distribution among workers in farm labor and meat processing sectors; and
- 4) Change employment law to move toward a "just cause" termination standard.

The RAs also presented several recommendations relevant for university procurement teams at large:

- Incorporate education about ethical and sustainable food procurement into university dining halls;
- Formalize a structure between universities and trusted, third-party organizations in labor and procurement to facilitate ongoing professional learning as well as collect data and ultimately monitor compliance around ethical procurement practices;
- Enhance existing RFPs to include questions about labor standards and human rights;

- Enhance institutional sustainability goals by expanding definitions of sustainability to include language around labor standards, worker health, and worker well-being;
- Support university dining procurement coalition building within an existing structure with the ultimate goal of coalescing around an enforceable, values-driven procurement framework and universal set of ethical procurement/codes; and
- Develop systems/structures in institutional procurement that give weight to ethical and sustainability criteria in the competitive bidding process.

#### **D. Summer Internship Program**

Encouraged by the success of past summer internship programs, the committee jointly funded two internships, with the Donia Human Rights Center, during the summer of 2021. The internship opportunities were open to University of Michigan graduate students and undergraduate students with at least two years of completed college education. For each opportunity, prospective applicants were asked to submit a brief statement of interest accompanied by a CV/resume, and current transcripts.

The first internship opportunity would be focused on labor and human rights issues in apparel supply chains. The intern will support the FLA's fair compensation program for apparel and footwear members. They will be trained on the FLA's wage data collection tool, methodology, and the FLA's online Fair Compensation Dashboard. The dashboard allows FLA and its apparel and footwear members to visualize and analyze workers' monthly wages in a wage ladder with relevant living wage benchmarks. Using these tools, they will review data, conduct aggregate analysis, prepare reports on living wage pilots or case studies; and support on updating and researching wage benchmarks.

The PACLSHR received 24 applications for the fair compensation internship opportunity. Shortlisted applicants were interviewed by FLA representatives and the Chair of the committee. Allison Kelly, MSW student in the School of Social Work, was selected. Ms. Kelly began her internship in May 2021 and plans to share her experiences with the PACLSHR in the Fall 2021 semester.

The second internship opportunity would be focused on labor and human rights issues in food supply chains. The intern will be guided by the FLA to conduct and analyze a survey on university food procurement practices to prepare a multi-university workshop in fall 2021. The intern will also explore and evaluate labor hiring practices and business implications in a local food supplier within the University of Michigan food supply chain.

The PACLSHR received 33 applications for the sustainable food procurement internship opportunity. Shortlisted applicants were interviewed by FLA representatives and the Chair of the committee. Lena Hoppe, undergraduate student in the Ford School of Public Policy, was selected. Ms. Hoppe began her internship in June 2021 and plans to share her experiences with the PACLSHR in the Fall 2021 semester.

#### **E. Virtual Fair Labor Association Visit to the University of Michigan**

The PACLSHR virtually hosted FLA representatives Courtney Moran and Tiffany Rogers during the committee's meeting on February 3, 2021. The representatives discussed the

fair compensation dashboard that the FLA has developed. They provided an overview of the FLA's strategy to promoting fair compensation, which included wage data collection, public commitment to fair wages, and reporting processes by companies. A demo was provided of the FLA's fair compensation dashboard, which can be used to graphically display the disparities in a specific factory's wages compared to various benchmarks, such as minimum wage data. The dashboard can also display the data of factories at the country level or for a specific brand, across years and within years, such as peak and low pay periods. The dashboard was developed to provide wage data at the factory level for companies, to assist their efforts in improving labor standards throughout their supply chains. Once more data is collected, this will be an important tool.

#### **F. Virtual Sumerra Visit to the University of Michigan**

The PACLSHR virtually hosted Sumerra representative Ashley Bernard during the committee's meeting on April 22, 2021. The representative discussed Sumerra's partnership with the U-M on ensuring ethical sourcing among U-M licensees. For the purposes of the discussion, ethical sourcing was broadly defined as a cycle involving various pillars: prevent issues, detect issues, and correct issues. It was described as a cycle, as issues may be recurring, requiring repeat action for certain groups. Ms. Bernard mentioned that Sumerra works closely with PACLSHR member Kristen Ablauf in her role working with U-M licensees. Sumerra's Ethical Supplier Engagement Program (ESEP) involves auditing and training U-M suppliers and working with them to improve upon their working conditions for workers. Sumerra also works with U-M licensees through the SMAQ program.

## **II. OPERATIONAL LEADERSHIP**

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

The Chair of the committee, Ravi Anupindi, continued serving as a member of the FLA Board of Directors for a two-year term that will expire on May 30, 2022. Chair Anupindi attended the Fair Labor Association's Convening and Board Meetings on October 26-28, 2020, February 23-25, 2021, and June 22-24, 2021. All meetings were held virtually. Spread across three days, these meetings featured various caucus meetings, working groups' reports, and closed-door and open board meetings.

October 26-28, 2020: The University Advisory Council (UAC) meeting featured conversations surrounding (a) the situation in the Xinjiang region of China and implications for sourcing in general and the role of universities; (b) updates from the FLA's third-party complaints & safeguards working group as well as the promotional products working group; and (c) an overview of updates to UAC by-laws. The closed-door board meetings included discussions around FLA's fair compensation initiative and implementation strategies; new branding initiative; and discussions of a new KPI concerning company lobbying activities proposed by the Agricultural committee. The open-board meeting included reports from various committees and approval of various company accreditations.

February 23-25, 2021: The UAC meeting focused on *Building Stronger Supply Chains for the Future* in light of COVID where licensees and university representatives brainstormed ideas in breakout sessions. The closed-door board meeting reviewed finances as well as upcoming board vote decisions. The board meeting discussed changes to company accreditation timelines, promotional products supplier affiliations, child labor action pledge, and updates from FLA Europe.

June 22-24, 2021: The June meetings included closed-door and open board meetings. The closed-door meeting included discussions on board development, new dues framework, progress on strategic plan, and discussion of lobbying KPIs. The open board meeting featured updates from various committees, discussed Factory List Transparency/Ag Sourcing Profile Disclosure Implementation schedules, and approved one accreditation and one affiliation to the FLA.

Chair Ravi Anupindi is also a member of the FLA's Agricultural Committee (AGCO), which meets during the board meetings. The AGCO meets periodically to finalize a *Principles, Benchmarks and KPIs for Agriculture* document.

#### **B. Worker Rights Consortium's (WRC) annual University Caucus Meeting**

The annual meeting of the University Caucus of the Worker Rights Consortium was held virtually on April 23, 2021. Chair Anupindi and member Kristen Ablauf attended the meeting. This one-day event included:

- a) A presentation of the WRC's year in review for 2020-21;
- b) A roundtable to present and discuss how WRC carries out its investigations;
- c) A discussion on how companies and other stakeholders are responding to the global pandemic; and
- d) A presentation and discussion titled "Tackling Forced Labor in the Uyghur Region: A Multi-pronged Approach", featuring Congressman James McGovern, Chloe Cranston (Anti-Slavery International), and Zumretay Arkin (World Uyghur Congress), along with WRC staff. The presentation provided an update on the battle against forced labor in China's Uyghur Region.

#### **C. Response to the United Students Against Sweatshops regarding the University of Michigan's commitment to labor standards and human rights in apparel supply chains during COVID-19**

In March 2021, President Schlissel responded to a letter received, dated February 24, 2021, from the United Students Against Sweatshops (USAS) National Student Steering Committee, which specifically requested that the University of Michigan reaffirm its commitment with the Worker Rights Consortium (WRC) and to maintain it throughout the COVID-19 pandemic. The WRC is an entity that helps uphold labor standards in the apparel supply chains of universities. In his response letter, the President confirmed the

university's intent to continue its partnership with the WRC throughout the pandemic and beyond.

### III. MONITORING

#### D. **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.

All licensees that have been part of the ESEP program over the past year have been renewed, with the condition that they remain in the program. In addition, licensees were encouraged to register and complete the e-Learning series through the FLA website. It is now a requirement of most licensees above the category 'D' status, and for those 'D' licensees, the Office of Intercollegiate Athletics has required that most at least register and start the series and follow through to completion. This requires our licensed partners to make strong commitments to continue their learning about corporate responsibility and how to incorporate these learnings into their business.