

Report on Activities of the Advisory Committee on Labor Standards and Human Rights¹, 2022-2023

Submitted by Ravi Anupindi, Chair and Lynnetta R. Smith, 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 2022 – 2023, the PACLSHR held one hybrid meeting and multiple remote meetings to successfully continue 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 2022 – 2023 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 renewals; and 3) continuing to advise on the role the university can play in the advancement of labor standards and human rights abuses with food procurement.

In the educational arena:

- A 2020 recipient whose work was delayed due to Covid travel restrictions and 2022 recipients of the graduate student summer travel fellowships presented their work to the committee.
- Continued the graduate student summer travel fellowship program in summer 2023, reaching out to the campus community to solicit applications. This year the funding will support international projects, one focusing on domestic female workers working behind the scenes in Spain to fight for labor rights and another project with the Foundation for Education and Development in Phang Nga, Thailand supporting migrant workers from Myanmar.
- Engaged two students in a research project during the winter 2023 term to work with Michigan Dining to explore contract language for sustainable food procurement and make recommendations to Michigan Dining.
- Along with the U-M Donia Human Rights Center (DHRC), continued the summer internship program in summer 2023, working with the Fair Labor Associations to support two interns on projects related to labor and human rights issues in agricultural and manufacturing.
- In partnership with Michigan Dining, PACLSHR supported hosting of 2nd conference on Sustainable Food Procurement by Institutions, held on April 11, 2023 at the Michigan Union in Ann Arbor.

In the operational arena:

- Committee Chair Ravi Anupindi continues to serve on the FLA Board of Directors representing the

¹ The 2021-2022 Committee was chaired by Prof. Ravi Anupindi (Ross School of Business). Committee members included Kristen Ablauf (Licensing), Prof. Omolade Adunbi (LSA), Khaled Eid (Finance), Prof. Alexis Handal (SPH), Julia Hagopian (Undergraduate Student, Ford School of Public Policy), Prof. Leila Kawar (LSA), Allison Kolpak (Undergraduate Student, LSA), Paul LaBute (Procurement), Ashley Martinez (Graduate Student, Erb Institute), Lynnetta R. Smith (Project Manager, Office of the President) provided administrative assistance.

University Caucus. His term expires on May 30, 2025.

- As a member of the FLA Board of Directors, Committee Chair Ravi Anupindi attended the FLA Board of Directors Meetings on October 24-26, 2022 and March 20-22, 2023 in Washington, D.C., and a virtual meeting on July 19, 2023. In addition, he attended several interim board meetings to discuss specific issues as they arose. He also 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 and the annual UAC board meetings during the FLA Board convenings.
- Chair Ravi Anupindi attended the annual meeting of the Worker Rights Consortium (WRC) held on March 24, 2022 in Washington, D.C.

In the monitoring arena:

- Continued to monitor university licensee renewals, which entails the collection of licensee sales, corporate responsibility standards and supply chains.
- Started investigation on possible wage theft, coercion of workers to facilitate that theft, and retaliation against workers who resisted at the Hong Seng Knitting Co., Ltd, a collegiate supplier to Nike, our licensee.

REPORT OF THE COMMITTEE

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

In 2022 – 2023, 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 Postponed 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. Ms. Solomon was able to return to India in January 2022 and was able to complete her research. She presented the status of her findings to the committee at the November meeting during the fall 2022 semester.

B. **2023 Summer Graduate Student Fellowship Program**

The committee funded two fellowships during the summer of 2023. 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. This program provides funds to help support projects abroad that focused broadly on addressing, evaluating or improving global labor standards and monitoring.

The committee received a total of seven applications: four from students in the College of Literature, Science, and the Arts, one from the School of Public Health, one from the School for Environment and Sustainability, and one from a student in the College of Architecture and Urban Planning. The response to the call for applications was up from last year from three applications. The committee believes the response will continue to grow now that restrictions on international travel have been lifted.

Graduate students Lsaanna Brotman-Krass, and Chantal Croteau, both Ph.D. candidates in the College of Literature, Science, and Arts, were selected as the recipients of the committee's 2023 Graduate Summer Travel Fellowship awards.

Ms. Brotman-Krass proposed traveling to Madrid, Spain for 4 months this summer to shoot and edit a short film in collaboration with Territorio Doméstico about labor

exploitation of migrant care workers, and participate in the public-facing performance-based activism domestic laborers engage in to achieve human rights and standardization for workers through Spanish Congress.

Ms. Croteau was seeking support to conduct three months of participant observation with the Foundation for Education and Development (FED) based in Phang Nga, Thailand. FED is a grassroots human rights organization that supports migrant workers and their families from Myanmar who are currently living in Thailand. This travel will assist in continuing dissertation research on the subtle dynamics of intercommunal relations and ethnoreligious tensions in Thailand, more specifically the relationships between Thai Buddhists and Thai/Malay Muslims which focuses on the nuances of these intercommunal dynamics through a focus on agroindustry, performing participant observation on rubber and oil palm plantations and at palm oil processing mills.

C. Research Assistantship Program

In the winter 2023 term, the committee funded a project to explore the research contract language for sustainable food procurement and make recommendations to Michigan Dining; the outcomes will be of value to other institutions interested in adopting sustainable food procurement policies. 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 ten applications for the positions (eight graduate students and two undergraduate students).

Shortlisted applicants were interviewed by the committee chair. Ultimately, sara² Faraj (graduate student, College of Architecture and Urban Planning) and Joshua Davis (undergraduate student, Ross School of Business) were chosen.

The study objectives included (1) reviewing contract language that's already been developed by the MDining team; (2) comparing this to up-to-date industry standards and other universities' contract languages; (3) identifying categories of procurement that MDining has yet to develop contract language for, such as dairy or linens; and (4) create or provide example content and criteria for what contract language for this category could look like. The Winter 2023 Research Assistants (RAs) worked under the supervision of Chair Ravi Anupindi, committee member Ashley Martinez, and the Michigan Dining team. They delivered their final report in May 2023. The team will brief the committee in Fall 2023 when the committee reconvenes for the fall semester.

D. Summer Internship Program

Encouraged by the success of past summer internship programs, the committee jointly with the Donia Human Rights Center funded two internships during the summer of 2023. Chair Anupindi worked with the Fair Labor Association (FLA) to source two projects – one on their Fair Compensation Dashboard and another on migrant labor rights in Turkey. 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 will be focused on the FLA's fair compensation agriculture

² sara chooses to write her first name in all smallcaps.

and manufacturing programs. The intern will be trained on the FLA's wage data collection tools, methodology, and the FLA's online Fair Compensation Dashboard. The dashboard allows FLA and its manufacturing company 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, and support on updating and researching wage benchmarks. They will also support the development and testing of the agriculture living wage and income data collection tool. These activities will require engagement with FLA staff and members. Depending on the skillset and as time permits, the intern will support on other living wage capacity building and communication projects to support FLA companies in using the FLA's fair compensation tools to improve wages for workers.

The PACLSHR received 22 applications for the fair compensation internship opportunity. Shortlisted applicants were interviewed by FLA representatives and the Chair of the committee. Mackenzie Mock, graduate student in the School for Environment and Sustainability, was selected. Ms. Mock began her internship in May 2023 and plans to share her experiences with the PACLSHR in the Fall 2023 semester.

The second internship opportunity will be focused on projects in Turkey carried out in cooperation with stakeholders such as employers, ministries, UN agencies, and other NGOs to raise awareness of children's rights, combat child labor, and ensure fair wages and living conditions for workers working in the agriculture and apparel sectors. This project is part of FLA's larger project called "Harvesting the Future" to ensure rights and protection to migrant labor and their families in the agricultural sector across Turkey. The focus of this engagement is to identify the root causes of child labor, understand barriers to achieving living incomes for migrant families, and barriers to multi-stakeholder collaborations to address these issues. The student will work with the FLA staff, including in Turkey, to collect data, conduct interviews, analyze the data and develop recommendations.

The PACLSHR received 16 applications for the Turkey project internship opportunity. Shortlisted applicants were interviewed by FLA representatives and the Chair of the committee. Hayley Sakwa, a dual degree graduate student (MBA/MPP) at the Ross School and Ford School of Public Policy was selected. Ms. Sakwa began her internship in June 2023 and plans to share her experiences with the PACLSHR in the Fall 2023 semester.

E. 2nd Conference on Sustainable Food Procurement by Institutions

Embedding sustainability in food procured by (academic) institutions is increasingly becoming an important initiative across campuses. Food is also an important vehicle to build awareness and knowledge regarding sustainability across the campus community. In April 2019, PACLSHR in partnership with Michigan Dining hosted the first conference to bring together key stakeholders from the extended food supply to discuss challenges and share successes and strategies.

Building up this successful inaugural conference PACLSHR, in partnership with Michigan Dining and with support from UM Office of Finance, the Erb Institute and the Technology & Operations Department at the Ross School of Business, hosted the 2nd Conference on Sustainable Food Procurement by Institutions. The event was held on April 11, 2023 at the Michigan Union in Ann Arbor. A strong team of 18 student volunteers worked hard to put together this event under the guidance of Chair Anupindi and the Michigan Dining team. A

total of 100 attendees participated in the event with representation from universities, supply chain actors and civil society.

Keynote speeches were delivered by Dr. Sapna Thottanil, Managing Director of University of California Center for Climate, Health and Equity and Dave Newport, Director of Sustainability at the University of Colorado, Boulder (CO). The conference features three panels with the following themes: “Voices of the Supply Chain”, “Measuring Impact” and “Time For Actions”. The panel on “Voices of the Supply Chain” featured panelists representing various stakeholders in the food supply chain. Some key takeaways included challenges of establishing transparency across the supply chain, collaboration, labor shortages, higher prices of inputs and changing purchasing behavior of the institutions. The panel on “Measuring Impact” discussed the need to define a smaller set of key standardized metrics to measure sustainability performance and developing mechanisms to track and measure impact efficiently. Finally, the panelists on “Time for Action” panel shared about some of their current projects. The conference also featured three breakout sessions to discuss “Just Purchasing Consortium”, “Reimagining Contract Language” and “Measuring Impact”. A summary of key takeaways from the conference is available [here](#). Overall the conference was a huge success.

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 with his term expiring May 2025. Meetings on October 24-26, 2022 and March 20-22, 2023 in Washington, D.C., and a virtual meeting on July 19, 2023. The October and March meetings were spread across three days and featured various caucus meetings, working groups’ reports, and closed-door and open board meetings. The closed-door FLA board meetings included presentation of the 5-year strategic plan and discussion on implementation; reporting that several non-FLA brands are adopting the fair compensation dashboard developed by the FLA, a signal of its broader appeal; discussion of developing a transition plan for the next board chair while extending the term of Mike Posner. The open-board meeting included reports from various committees and approval of company accreditations. In the October board meetings there was a panel discussion on due diligence in Xinjiang/China. Concerns were raised that with new laws passed by China, it has become almost impossible to do any independent monitoring of factories in China, which could also present a conundrum for FLA accreditation process.

In the March 2023 board meetings, President Waxman reported that the external perception of the FLA is shifting from that of an audit entity to an organization working more broadly to improve labor conditions across the globe. In this board meeting there was also a panel discussion on Human Rights Due Diligence (HRDD) including exploring OECD recognition of FLA accreditation.

The University Advisory Council (UAC) meetings were held during the 3-day FLA board meetings. FLA staff updated that the learning program now included 16 sequenced self-learning modules ranging from 30mins-2hrs; instructor led licensee training program, offered quarterly over zoom, each session 1-2 hours in length, covering 10 milestones; strategies to measure licensee engagement and providing email reminder templates to

universities. The FLA staff also provided updates on course authoring tools to allow custom courses; e.g., include grievance mechanism, forced labor, responsible recruitment, etc.

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 discuss various issues related to milestones and accreditation. 2022-23 discussions centered around disclosure and transparency.

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

The annual meeting of the University Caucus of the Worker Rights Consortium was held in Washington, D.C. on March 24 2022. 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 2022-23;
- b) A roundtable to present and discuss how WRC carries out its investigations;
- c) Discussion of the Pakistan Accord on Health and Safety in the Textile and Garment Industry.
- d) Guest speaker, Kelly Fay Rodríguez, Special Representative for International Labor Affairs, gave an update us on the latest in the US government approach to centering worker rights considerations in trade and foreign policy and how this affects workers producing collegiate apparel.
- e) Discussion on Challenges for University Code Compliance in Cambodia, where the Cambodian government has become increasingly unwilling to allow workers and human rights defenders to freely criticize employers and the government and has eroded the independence and legitimacy of the Arbitration Council, the key national institution adjudicating labor disputes.
- f) Discussion on Successes in Combating Gender-Based Violence and Harassment: Such harassment and violence is a disturbing violation of university codes of conduct and the new ILO Convention on violence and harassment in the workplace. The WRC presented its approach whereby it has identified strategic opportunities to engage licensees, factories, unions, and women's organizations to create programs designed to eliminate gender-based violence harassment at supplier factories.

III. MONITORING

A. 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.

B. UM Licensee Statistics

Fiscal Year 2022-23 royalties totaled \$13,386,453, a 40% increase year over year and an overall record for Michigan.

- Total # of licensees - 429 licensees reporting royalties and 2,811 retailers selling licensed products
- Top 5 licensees by royalty

Licensee	Royalty
Nike / Jordan	\$2.2M
Knights Apparel	\$1.18M
Underground Printing	\$834,000
Colosseum	\$817,000
GFSI (Champions)	\$706,000

- Number participating in the ESEP (a global supply chain monitoring program) – 27 up from 16 last year, 158 licensees were required to submit a SMAQ (Sustainable Manufacturing Assessment Questionnaire)
- Number of countries where our products are produced - 46

IV. INQUIRIES

- A. On March 9, 2023 a group do concerned University of Michigan students delivered a letter to the President’s Office expressing concerns about the treatment of workers at the Hong Seng Knitting factory in Bangkok, Thailand. Hong Seng produces collegiate apparel for Nike, including University of Michigan apparel. The letter alleges that at the height of the pandemic, Hong Seng informed its workers, many of whom were Burmese migrants, that they would be required to take “voluntary” leave without pay, rather than suspending them during periods of low production caused by the pandemic. The students further alleged that in doing so, the factory evaded provisions in Thai law that would have required paying the workers a portion of their wages during the period of suspension,

which the Worker Rights Consortium (WRC) estimates to be about \$600,000 in total. When workers refused to take unpaid leave voluntarily, factory management allegedly coerced them to sign forms attesting to the fact that they wanted to take unpaid leave, in violation of the law.

Upon receipt of the letter, a letter of response was issued to the student group and the matter was referred for review to the committee by the president. The committee extended an invitation to representatives of the student group to attend the April 7, 2023 committee meeting. During the meeting the students presented information and evidence regarding their claims against the Hong Seng Knitting factory in Bangkok, Thailand. The committee has taken their presented information under advisement and agreed that Nike would be contacted to provide input on the matter. After conferring with the General Counsel and Chief Financial Officer the committee chair reached out to representatives at Nike. Nike has agreed to meet with the committee chair, Mark Nogueira, Associate General Counsel and Geoff Chatas, Executive Vice President and Chief Financial Officer on July 10, 2023 to engage in discussion regarding the students' complaint. The Chair is awaiting further clarifications from Nike and consultations with Mark Nogueira and the FLA. The chair will update the committee on the status and develop appropriate recommendations for the President.