

WORKER RIGHTS CONSORTIUM 2015-2016

PROJECTED INCOME BY SOURCE

FISCAL YEAR 2016

University Fees	1,209,000	(73%)
Grants/Contributions	260,000	(16%)
<u>Monitoring Income</u>	<u>190,000</u>	<u>(11%)</u>
Total	\$1,659,000	

PROJECTED EXPENSE BY CATEGORY

FISCAL YEAR 2016



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Staff	830,000	(56%)
Field Consultants/Projects	337,000	(23%)
Travel	99,000	(7%)
Communications	58,000	(4%)
Overhead	148,000	(10%)
Total	\$1,473,000	

WRC U.S. PERSONNEL



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Scott Nova

Executive Director

Jess Champagne

Research Director

Ben Hensler

General Counsel

Chelsea Rudman

Development Director

Tara Mathur

Latin America Coordinator

Laura Gutierrez

Bangladesh Coordinator

Lynnette Dunston

Office Manager

Agatha Tan

Special Projects

WRC FIELD OPERATION



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Jess Champagne (Research Director)

Bent Gehrt (SE Asia) Tara Mathur (Latin America/Caribbean)

Tony Fung (China PRC) Laura Gutierrez (Bangladesh)

Aryane Trew (CA) Ruairi Rhodes (DR/Haiti) Anha Khan (Bangladesh)

Manodeep Guha (India) An Nan (Cambodia) Renu Bobutdee (Thailand)

Mohamad Darisman (Indonesia)

Consultants/Contractors (As Needed)

NEW WRC AFFILIATES



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University of Alabama
Oklahoma State University
West Virginia University
Franklin & Marshall College

University of East Anglia
University of Manchester
University of Winnipeg
Vancouver Island University

WRC: Our Impact by the Numbers

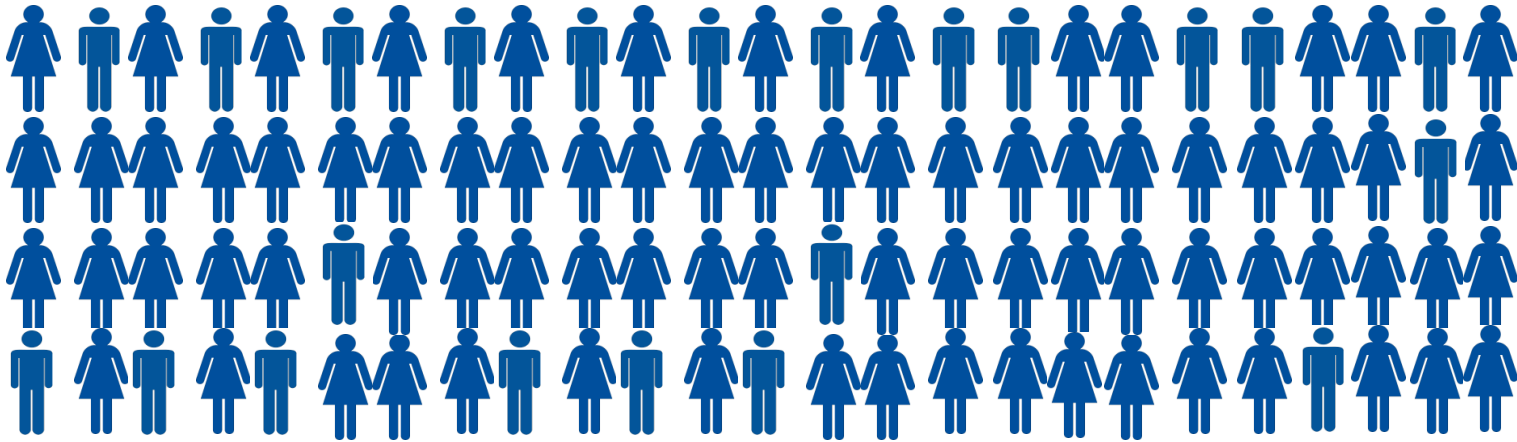
MEASURING OUR IMPACT

- Total workers helped
- Workers helped for specific violations
- Reinstatements for wrongful terminations
- Monetary benefits (where possible)

TOTAL WORKERS HELPED

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Each figure = 2,500 workers

250,600
workers

1,002,400

total people affected,
including workers'
families

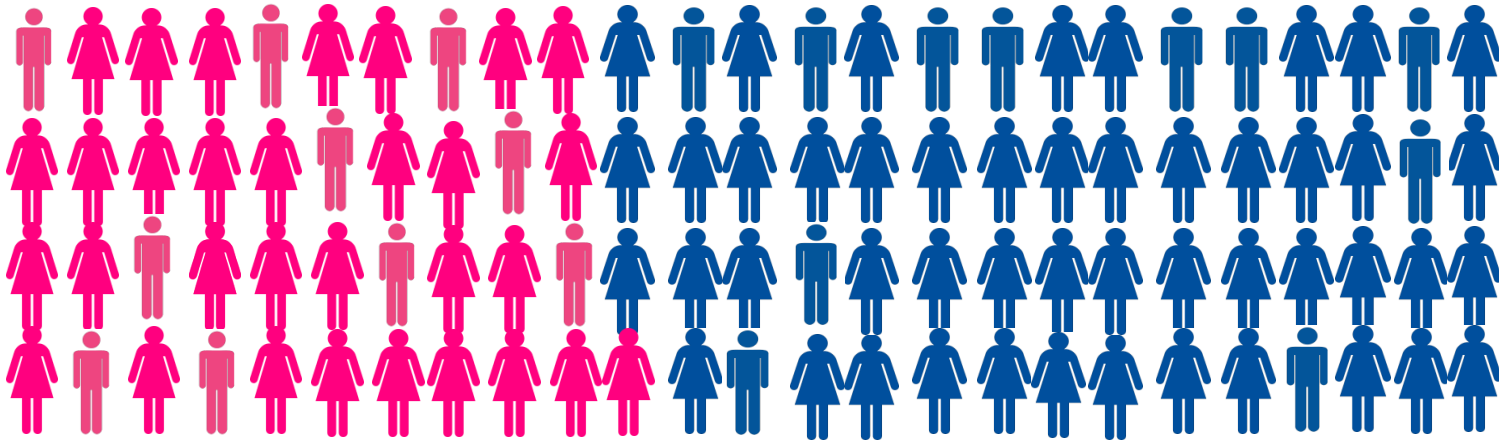
HEALTH & SAFETY: COMMON VIOLATIONS



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- Fire safety violations
- Excessive heat in factories
- Hazardous chemicals
- Inadequate safety equipment

HEALTH & SAFETY: WORKERS HELPED



103,325

workers now working in safer
factories due to the WRC's work

WORKERS REINSTATED

- **Factories fire worker leaders in retaliation for exercising their associational rights**
 - Reasons: forming a union, seeking advice from local women's rights or human rights NGOs
- **Firings usually illegal**

WORKERS AFFECTED BY REINSTATEMENTS



1,460

workers reinstated
after being
wrongfully fired

42,500

total workers at factories where the WRC
got workers reinstated—who now enjoy
stronger associational protections

WAGE THEFT

- **Off-the-clock work**
- **Failing to pay workers:**
 - Overtime pay
 - Minimum wage
 - Severance pay

HOW MUCH BACK PAY?

In the past 10 years alone:



\$34,158,500

Total back pay the WRC has won
for workers whose wages had
been stolen from them

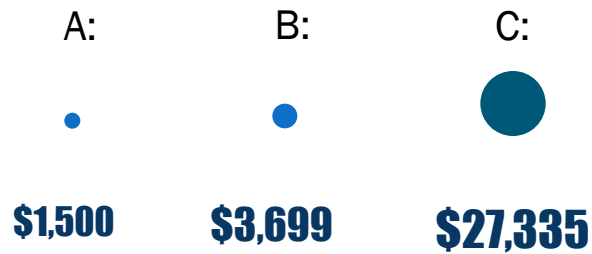
\$100,842,000

Purchasing power of that back pay
in workers' countries

Note that wage theft cases comprise **only 17% of the WRC's case work.**

AFFILIATE FEES VS. BACK PAY

Average annual affiliate fees for
schools by category (FY2016)



Average annual back pay
won for workers

(2006-16, PP)

\$10,084,200

OUR IMPACT IS EVEN GREATER

Additionally:

- **“Front pay” calculations**

- Both for wage theft stopped and reinstatements

- **Health and life value of ending H&S violations**

- Ending safety risks → health benefits, lower risk of death

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Factory Investigations

2015-16

SOUTHEAST ASIA (1)

Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Nan Yang Garment	Thailand	<i>Ahead, Antigua Group, Nike, adidas</i>	Overtime violations, illegal demotion	Partial resolution; some issues outstanding
	Thailand		Failure to pay minimum wage, excessive and mandatory overtime, sexual harassment	Under investigation
Thai Garment Export	Thailand	<i>Cutter & Buck, Peter Milliar</i>	Health and safety	Partial resolution
PT Jaba Garmino	Indonesia	<i>Haddad Apparel, Jack Wolfskin, S.Oliver, Trutex, Stadium, Uniqlo</i>	Retaliatory termination of union leaders, unpaid severance. Additional allegations: health and safety, overtime violations, illegal termination of pregnant workers	In progress; partial remediation followed by further violations

SOUTHEAST ASIA (2)



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Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Yupoong Vietnam	Vietnam	Nike, Richardson Sports, adidas, Puma, Columbia	Benefits for pregnant women and new mothers, closure-related legal rights	In progress
Far Eastern Apparel	Vietnam	Nike, Columbia, PVH	Health and safety	In progress
North Shore	Burma	Jack Wolfskin, Salewa	Freedom of association (retaliatory dismissals)	Partially resolved
Horizon Outdoors	Cambodia	VF	Freedom of association (threats and retaliatory dismissals)	In progress
Xin Fang Garment Mfg	Cambodia	E5, Walmart, Carter	Retaliatory termination of unionists, anti-union intimidation/threats, health and safety	In progress
Can Sport Shoes	Cambodia	adidas	Discrimination against pregnant women	In progress

SOUTH ASIA (1): INDIA AND PAKISTAN



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Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Maral Overseas Ltd.	India	<i>Charles River Apparel</i>	Unpaid wages, overtime, gender-related violations	Partially resolved
Shahi Exports (3 factories)	India	<i>Columbia</i>	Health and safety	In progress
NJK Apparel	India	<i>Columbia</i>	Health and safety	In progress
Gokaldas Exports Ltd.	India	adidas, Gap, Puma, H&M, Decathlon, Columbia	Retaliatory termination of unionists, anti-union intimidation/threats, health and safety	Partially resolved
Fitwell Corporation	Pakistan	<i>JSW Uniwear, J. America</i>	Unpaid wages, nonpayment of legally required benefits, failure to enroll workers in social security programs	In progress

SOUTH ASIA (2): BANGLADESH



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Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Panorama	Bangladesh	<i>Antigua</i> , H&M, Next	Freedom of association (coerced resignations)	In progress
Han Embroidery	Bangladesh	<i>Zephyr Graf-X</i>	Unpaid severance	Remediation plan in progress of implementation
Azim Group (7 factories)	Bangladesh	VF, Li & Fung, PVH, Gap, Walmart	Freedom of association (retaliatory factory closure, retaliatory suspensions, threats), unpaid compensation	In progress

CENTRAL AMERICA (1): EL SALVADOR



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Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Manufacturas del Rio	El Salvador	<i>Russell Brands, Hanesbrands, Lacoste, Levi Strauss/ Hampshire</i>	Unpaid severance	Resolved
F & D	El Salvador	Hanesbrands (supplier for City of Los Angeles)	Anti-union intimidation/threats, health and safety, overtime violations	Violations resolved; ongoing monitoring including ombudsman
Style Avenue	El Salvador	<i>College Kids, Outerstuff</i>	Unpaid wages	Resolved
Apple Tree	El Salvador	<i>MJ Soffe, VF, To The Game, American Threads</i>	Allegation: retaliatory dismissal	In progress

CENTRAL AMERICA (2): HONDURAS



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Factory Name	Country	Licensee/Brand	Violations	Remediation Status
Industrias de Exportacion (INDEX) (Grupo Beta)	Honduras	<i>Gear for Sports, Adidas, VF, Under Armour, Knights Apparel</i>	Health and safety, unpaid wages, overtime violations, gender-based violations, failure to provide legally required child care, etc.	Most violations resolved; some outstanding
Gildan Villanueva	Honduras	<i>Cotton Gallery, Pro Ad Sports, J America, Gildan</i>	Health and safety, overtime, gender-related violations	Resolved
Jerzees Buena Vista	Honduras	<i>Russell Brands, Pro Ad Sports</i>	No violations; WRC engagement related to factory closure and transfer of employees	On-going monitoring pursuant to 2009 Russell agreement
Manufacturas Villanueva	Honduras	<i>Russell Brands, Pro Ad Sports</i>	No violations; WRC engagement transition to 4x4 schedule and absorption of JBV workers	On-going monitoring pursuant to 2009 Russell agreement
Genesis	Honduras	<i>Box Seat, SanMar</i>	Health and safety, overtime, gender-related violations	Most violations resolved; some outstanding
Petralex	Honduras	<i>VF, Outerstuff, adidas, Gear for Sport</i>	Freedom of association (retaliatory termination of union leaders, members, and family members)	Resolved
Star	Honduras	<i>Nike, adidas</i>	Under investigation: issues related to layoffs	Investigation in progress

CARIBBEAN



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Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
JoeAnne Dominicana	Dominican Republic	<i>Franklin Sports, Russell Brands, adidas</i>	Allegation: retaliatory termination	No violations identified
Alta Gracia	Dominican Republic	<i>Altagracia Apparel</i>	No significant violations	Resolved
Codevi (multiple factories)	Haiti	<i>Russell Brands, Tailgate, Hanes</i>	Failure to pay minimum wage	Partially remedied; in progress
Premium	Haiti	<i>New Agenda, Cotton Gallery, Gildan</i>	Failure to pay minimum wage	Partially remedied; in progress
SISA	Haiti	<i>New Agenda, Gildan</i>	Failure to pay minimum wage	Partially remedied; in progress
Palm	Haiti	<i>Gildan, New Agenda, Cotton Gallery</i>	Failure to pay minimum wage	Partially remedied; in progress
Multiwear	Haiti	<i>Russell, Hanesbrands</i>	Failure to pay minimum wage; monitoring issues related to closure	No remaining violations
Goal	Haiti	<i>Hanesbrands</i>	New factory; monitoring transition of Multiwear workers and payment of minimum wage	No violations identified

EAST ASIA & AFRICA



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Factory Name	Country	Licensee/ Brand	Violations	Remediation Status
Huaian Yuantong Headwear Mfg Co , Ltd.	China	<i>Nike, New Era Cap, Outdoor Cap</i>	Excessive overtime, alleged retaliatory dismissal	Partially resolved
O-Ta Golf Products (Shenzhen) Co. Ltd.	China	<i>Nike</i>	Health and safety	In progress
Yue Yuen	China	<i>adidas, Nike, ASICS</i>	Failure to make legally required payments to government social insurance funds	Partially resolved
TexRay	Swaziland	<i>VF</i>	Health and Safety	Partial remediation; in progress

LICENSEES SOURCING FROM INVESTIGATED FACTORIES



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adidas

Ahead LLC

Altagracia Apparel

American Threads

Antigua Group

Box Seat

Charles River Apparel

College Kids

Columbia

Cotton Gallery

Cutter & Buck

Dallas Cowboys (289C)

E5

Franklin Sports

Gear for Sports

Haddad Apparel

J America

JSW Uniwear

Knights Apparel

Lakeshirts

MJ Soffe

New Agenda

New Era Cap

Nike

Outdoor Cap

Outerstuff

Peter Milliar

Pro Ad Sports

Richardson Sports

Russell Brands

Tailgate Clothing Company

To The Game

Under Armour

VF Corporation

Zephyr Graf-X



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Minimum Wage Compliance

Haiti

UNIVERSITY PRODUCTION IN HAITI



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FACTORIES

Codevi (multiple factories)

Astro Carton

Genesis

H&H Textiles

Industrial Revolution II

Multiwear

Palm Apparel

Premium Apparel

Sewing International, SA

Valdor Haiti

LICENSEES AND SUPPLY CHAIN PARTNERS

Ad Resources

Boxercraft (Jones & Mitchell)

Cotton Gallery

Gildan

Hanesbrands

Knights Apparel

MJ Softe

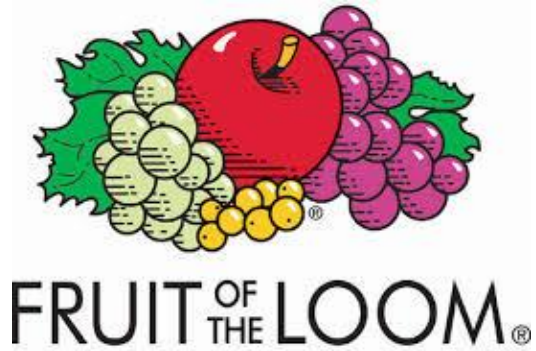
Russell Brands

Tailgate

KEY BUYERS

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Video Presentation



Han Embroidery Ltd.

Bangladesh

BACKGROUND

- Closed on October 24, 2015 without paying workers \$72,157 of legally owed severance pay
- Employed 168 workers
- Decorated collegiate goods as a subcontractor to Han Apparel Ltd, a direct supplier to Zephyr Graph-X



FAILURE TO PAY:

1. Severance pay (one month of wages per each year of service)
2. Notice pay (one additional month of wages in lieu of notice)



BRAND RESPONSE

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DISBURSEMENT

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Medical Care in Collegiate Factories

Bangalore, India

Jul. 2014 – Aug. 2015

WRC Investigates Death of Child in Factory's Care

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- July 2014 - 2 year old son of worker dies in care of onsite nursery at factory of Gokaldas Exports, largest Indian garment manufacturer, then a supplier to adidas.
- WRC investigation finds legal violations – unqualified caregivers, lack of required emergency equipment.
- Factory provided inadequate compensation (US\$2,400 = 2 yrs. wages).
- After WRC contacts factory, buyers, recommends corrective action, additional compensation, FLA investigation also finds violations.
- Factory corrects violations; agrees to pay \$11,000 additional compensation (9 years wages).

2015–16: WRC Assesses Compliance at Collegiate Supplier Factories in Bangalore

- Investigation of legal compliance of onsite childcare and emergency medical care at 4 factories in Bangalore - Columbia Sportswear.
- WRC conducts offsite interviews of workers from 2 of 4 factories; requests Columbia arrange access to all factories.
- After onsite inspections at all 4 factories, WRC investigation reaches preliminary findings:
 - Compliance concerning childcare facilities at 2 of 4 factories;
 - Noncompliance concerning emergency medical facilities at 3 of 4 facilities.
- Columbia is currently reviewing WRC preliminary findings and preparing response.



Crackdown in China

CONTEXT

- Significant increase in strikes in South China
- No independent unions allowed – only unions under
- ACFTU, which do not generally effectively represent workers in disputes
- More than 30 grassroots labor NGOs in Pearl River Delta region of Guangdong



DECEMBER CRACKDOWN

- Surprise raids at NGO offices and homes
- At least 21 individuals detained for questioning
- Targets included Panyu Workers' Center and Nanfeiyan Social Work Service Center



ARRESTS AND CRIMINAL CHARGES

- Six labor rights advocates arrested
- Two activists released but expelled from Guangdong
- Four face criminal charges, 3 for “gathering a crowd to disturb social order,” 1 for “misappropriation of occupational funds”
- Two released on bail
- Two remain in detention



FREEDOM OF ASSOCIATION

- Arrests deprive workers throughout Guangdong of the assistance of these groups in securing legal rights.
- **CLC Special Agreement on Labor Codes of Conduct:**
“In countries where law or practice conflicts with these workplace standards, Licensee agrees to . . . take effective actions ... to achieve the maximum possible compliance with each of these standards.”

LICENSEE ENGAGEMENT



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WRC contacted four major university licensees:

- adidas
- Nike
- VF (owner of Jansport and Majestic)
- Hanesbrands (owner of GFSI and Knights)

Recommendations

- Express concern about the current repression of labor rights advocates, in writing, to the Chinese government
- Request the immediate end of the detention, and the dismissal of all charges against, the labor rights advocates

LICENSEE RESPONSES

VF: Agreed to write to
Chinese government

Hanesbrands and

Adidas: Signed FLA
brands letter to U.S.
government

Nike: No response





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Alta Gracia

Dominican Republic

ALTA GRACIA (DOMINICAN REPUBLIC)

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- Living wage
- Continued compliance with local law and university codes of conduct
- Transition to an independent company



LIVING WAGE AT ALTA GRACIA

- More than three times the Dominican minimum wage
- Results in better nutrition, improvement of homes, and educational opportunities



MENTAL HEALTH RESEARCH

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- Depression and anxiety common among low-wage workers
- Study shows positive health effects of living wage
- Workers who do not earn living wage two times as likely to demonstrate signs of depression



ONGOING MONITORING AND REPORTING

- WRC visits factory every week
- Report issued January 2016





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Russell Athletic / Fruit of the Loom Honduras

ONGOING MONITORING AT RUSSELL AND FOTL FACTORIES IN HONDURAS

- Continued compliance with 2009 agreement
- Respect for freedom of association at all Honduras facilities
- Unions at four factories
- Important progress in the relationship between the company and union



CONSOLIDATION OF TWO FACTORIES

- One factory is closing and operations at a second factory are expanding.
- Union & management successfully negotiated the terms of the transition.
- Workers affected by the transition will receive additional compensation to that required by law.



ONGOING MONITORING

- WRC will continue to monitor compliance.
- Union and management relationship is unprecedented in the international garment industry.



Monitoring for the City of Los Angeles

MONITORING FOR CITY OF LOS ANGELES

- Sweat Free Ordinance
- Crossover with monitoring for universities: Genesis Apparel and Gildan Villanueva
- City of Los Angeles may join the Sweat Free Purchasing Consortium



Labor Rights Defenders Program with ABA Center for Human Rights

SUB-GRANT FROM U.S. STATE DEPARTMENT AND ABA CENTER FOR HUMAN RIGHTS

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- Builds on joint ABA-WRC training with labor rights advocates in Phnom Cambodia in Mar. 2015.
- Program is focused on violations against garment worker advocates in Cambodia and Burma.

