



Aug 9, 2017

Board of Directors  
Fair Labor Association  
Washington, DC

Attention: Mike Posner, Board Chair and Sharon Waxman, President/CEO

On behalf of the undersigned organizations, we are writing to request that the FLA Board of Directors express its support for the right of universities, both members and non-members of the FLA, to choose the monitoring organization(s) to assess compliance with their codes of conduct, the right to access to supplier factories that manufacture the universities' licensed products in order to carry out inspections, and the right to determine whether remediation of violations of their code standards has been achieved.

We are extremely concerned about reports that one of the FLA Participating Companies, Nike Inc., is currently attempting to redefine its contractual relationships with North American universities, demanding that the applicable labour standards be those of the company rather than the university, that the company can veto the use of any auditing organization(s) chosen by the university, and that the company can deny access to a supplier factory for a monitoring organization chosen by the university that is not approved by Nike.

As you know, as a result of student activism and faculty engagement, universities have become extraordinarily important advocates for the protection of workers' rights in the global apparel sector. Almost two decades ago, universities established the principle of supply chain transparency, requiring public disclosure of names and locations of supplier factories, a practice that has since become an emerging norm in the industry. Universities adopted codes of conduct establishing minimum labour standards for workers producing university-licensed products, and perhaps most important, established their right to determine which organization(s) would monitor compliance with those codes of conduct. As a result of these efforts, universities have helped secure crucially important breakthroughs on labour rights at factories around the world.

Nike's conduct in recent months threatens to undermine this critically important progress and raises questions about its commitment to the FLA's basic principles. First, in the high profile Hansae factory case in Vietnam, Nike's communications to universities attempted to portray the underlying causes of a series of worker strikes as being solely the product of

"miscommunication" over an incentive bonus. In fact, as both the FLA and the Worker Rights Consortium (WRC) have since confirmed, there were widespread and serious code of conduct violations at the plant.

Second, Nike has announced a policy of denying access to factories producing collegiate apparel to the WRC which, along with the FLA, is the designated factory monitor for numerous universities. By its own admission, Nike has refused the WRC access to workplaces, which has led to delays in the remediation of labour rights violations at some supplier factories. This controversy has led to student protests at numerous universities and at least five major universities announcing that they will cut their contracts with Nike over the issue.

Third, and most disturbingly, Nike is attempting to use its considerable financial power to coerce universities into rolling back their labour and human rights policies by conditioning agreements with Nike on weaker labour standards and weaker enforcement. Under the language Nike is reportedly pressing universities to accept, universities would no longer have the right to define their own minimum labour standards in collegiate codes of conduct and have independent monitors they select assess compliance with these standards. Instead, Nike would be required only to adhere to its own standards and could reject any university-chosen monitor it does not accept.

Nike's recent conduct threatens to turn the clock back on vitally important progress achieved over the past two decades and return to a time when brands policed themselves.

While the focus of this dispute has been on whether Nike will cooperate with factory inspections and investigations carried out by the Worker Rights Consortium (WRC) in response to worker and third-party complaints, it has much broader implications for all colleges and universities, as well as other public institutions, that have adopted ethical licensing and/or purchasing policies. It also has negative implications for the FLA's relations with civil society organizations, particularly in cases where such organizations file complaints with both the FLA and WRC regarding violations of workers' rights in Nike-supplier factories producing for universities. Essentially, Nike is demanding that universities accept its standards, its designated auditing organizations, and its control over access to university supplier factories.

We would therefore urge the FLA Board to publicly express its support for the right of universities and colleges to continue to define their own labour standards in their collegiate codes of conduct, to require compliance with those standards, to choose their auditing organizations, and to have access to supplier factories in order to carry out audits and investigations. We would also urge you to communicate to Nike the FLA's expectation that it

will continue to cooperate fully with current university licensing and purchasing policies and immediately cease attempting to undermine those policies.

Yours truly,

Ben Vanpeperstraete, Lobby & Advocacy Coordinator  
Clean Clothes Campaign

Judy Gearhart, Executive Director  
International Labor Rights Forum

Lynda Yanz, Executive Director  
Maquila Solidarity Network

cc:

Kathy Hoggan at U of Washington and Maureen Riedel of Penn State, co-chairs  
FLA University Advisory Council  
Shelly Heald Han, FLA Director of Civil Society Engagement