

USAS | United Students Against Sweatshops

1155 Connecticut Ave NW, Suite 500, Washington DC 20036 | organize@usas.org | usas.org

07/22/14

Jerry Stritzke
CEO, REI
6750 South 228th St
Kent, Washington

Sent via email and facsimile

Dear Mr. Stritzke,

I am writing in response to REI's letter to USAS regarding our concerns with REI's business relationship with The North Face. We were extremely disappointed that instead of taking students and workers' concerns seriously, REI chose to praise The North Face. We were likewise alarmed that REI chose to defend The North Face's refusal to sign the Accord as a "legitimate choice," while refusing to meet with students and REI members to understand our reasons for rejecting this choice. This irresponsible, cavalier response to our concerns demonstrates that the central message of our campaign is indeed true: REI has lost sight of its values to maximize profit at any cost. On the eve of another USAS National Day of Action at REI stores across the country, we reiterate our demand for REI to cut ties with The North Face.

REI's letter to USAS is based on a number of misconceptions about The North Face/VF and their Alliance. First, REI's letter states that "members of the Alliance have made meaningful commitments to – and progress toward – ensuring factory remediation in Bangladesh." This claim elides the central distinction between the Accord and Alliance that has become the subject of international scrutiny: namely, that the Accord is a legally-binding agreement enforced by workers and their representatives, while the Alliance is a voluntary scheme, controlled entirely by The North Face/VF and other corporations whose failed safety programs have killed workers. This distinction between the Accord and the Alliance is one of the primary reasons that Bangladeshi garment worker unions [have written directly](#) to REI denouncing the Alliance and calling on the company to cut ties with The North Face.

Second, to REI's point about ensuring factory remediation, there are major differences between the Accord and the Alliance with respect to financing factory repairs. While the Accord legally requires brands to ensure their factories have adequate financial assistance to undergo repairs and renovations, the only financial assistance for factory remediation offered under the Alliance is a voluntary loans program where participation is "not a condition for membership in the Alliance" (see Section 2.3.1 of the [Alliance Membership Agreement](#)). Given that the obligation to finance necessary repairs and renovations is one of the most important, and likely the costliest, commitment by companies that have joined the Accord, it is dishonest for VF and/or REI to claim that the Alliance – a program that does not contain any such obligation – is on par with the Accord in ensuring factory remediation.

Third, your letter states that both the Accord and the Alliance have "the involvement of Bangladeshi labor organizations." Again, this claim is entirely uninformed. The Accord is governed jointly by brands and garment worker unions, giving workers the power to administer and enforce the commitments of the brands in their factories. The Alliance, on the other hand, is governed solely by brands, with no formal

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decision-making or enforcement power for workers and their representatives. Moreover, the union federations that have signed the Accord, and have declined to support the Alliance, account for nearly all – about 90% – of unionized garment workers. By contrast, the six “labor organizations” that are participating on the Alliance “advisory board” represent almost no garment workers. *Four of the six do not have a single registered garment union* in any of the country’s factories. What should matter to REI is which initiative is supported by the legitimate unions representing the vast majority of Bangladeshi garment workers. These unions have spoken loud and clear: The North Face/VF must sign the Accord.

Whether TNF/VF is affiliated with the Alliance or the Accord is not simply a matter of USAS’ preference, it is a matter of workplace safety. It is a matter that impacts 190,000 workers in VF’s supply chain in Bangladesh. There are clear examples of The North Face/VF’s negligence leading to disasters for workers. In 2010, 29 workers died while producing VF apparel in Bangladesh. Just last month, there was yet another fire at a VF supplier factory, Medlar Apparels, in which several workers were injured and later hospitalized. The fire occurred despite repeated assurances from VF CEO Eric Wiseman that the company “inspected every one of the factories we work with in Bangladesh using a robust process”.

Furthermore, not only has The North Face/VF been implicated in workers rights violations in Bangladesh, there is also a systemic crisis of labor rights compliance throughout its entire global supply chain.

Consider the following examples:

- In July 2010, union leaders and workers at [E Garment](#), a supplier of collegiate apparel for VF, were violently attacked by thugs in collusion with factory management. Yet despite repeated requests to intervene, VF did not take action until after the same thugs staged another brutal attack on union leaders in February 2013.
- In February 2012, the [Hawkins Apparel](#) factory in Honduras, which produced apparel for VF Corporation and Jerry Leigh, closed without paying workers approximately \$300,000 in legally-owed severance benefits. After the factory closure, other buyers from the factory contributed \$250,000 to help these workers, while VF Corporation refused to pay a single cent to assist them.
- VF contracts with several factories in [Cambodia](#) where, at the end of 2013, hundreds of thousands of Cambodian garment workers went on strike to demand a minimum wage of \$160 per month – the amount a government panel found to be the bare minimum required to meet a worker’s basic needs. Responding to calls from factory owners to put down these protests, the country’s military violently intervened, killing four workers, hospitalizing dozens more and jailing 23 others for months. This violent response could have been prevented had VF and other major brands ensured that their contractors agree pay workers a wage that meets their basic needs.
- On April 2, 2014, an estimated 30,000 workers [walked off the job](#) at the Yue Yuen factory, a VF supplier, in China’s largest strike in recent memory. The Yue Yuen workers had been robbed of years of legally-owed social insurance contributions, which VF’s auditors failed to detect or address over a significant period of time.

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In the face of this overwhelming evidence of sweatshop abuse in TNF/VF's supply chain in Bangladesh, as well as Cambodia, Honduras, China and beyond, it is dishonest for REI to claim that The North Face/VF is a "corporate responsibility leader in the outdoor industry."

At the end of the day, what matters is not words, but action. That's why this Saturday, July 26th, USAS will hold its largest National Day of Action yet at REI stores across the country to demand that the company cut ties with North Face sweatshops. Students, consumers, and REI members will be putting more on the line than ever to show that we will not accept REI's excuses. Each week that REI refuses to take a stand against North Face sweatshops is another week that our movement grows stronger. We hope that REI will make the right decision – both for its public image and for the lives of garment workers – by immediately cutting ties with The North Face.

I await your prompt reply.

Sincerely,



Julia Wang
International Campaigns Coordinator
United Students Against Sweatshops

CC:

Catherine Walker, Senior Vice President and General Counsel, REI
Joshua Hamlin, Chair of the REI Board of Directors
Kirk Myers, Corporate Social Responsibility Manager, REI
Libby Catalinich, Director of Corporate Communications, REI
Rick Bingle, Vice President of Supply Chain, REI
Tim Spangler, Vice President of Retail, REI
Cathy Feingold, International Department Director, AFL-CIO
Charles Kernaghan, Director, Institute for Global Labour and Human Rights
Elizabeth O'Connell, Campaigns Director, Green America
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Judy Gearhart, Executive Director, International Labor Rights Forum
KalponaAkter, Executive Director, Bangladesh Center for Worker Solidarity
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Robin Averbeck, Forest Campaigner, Rainforest Action Network
Scott Nova, Executive Director, Worker Rights Consortium
Tim Beaty, Director of Global Strategies, International Brotherhood of Teamsters
Tim Waters, Political Director, United Steelworkers
United Students Against Sweatshops Coordinating Committee