

SENATE COMMITTEE ON SOCIAL CONCERNS  
MINUTES OF MEETING  
FEBRUARY 11, 2008

[In these minutes: Trademark Licensees Code of Conduct Working Group Update, University's Use of Kimberly Clark Disposable Paper Products]

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate, the Administration or the Board of Regents.]

PRESENT: Katherine Fennelly, chair, Todd Tratz, Richard Lidstad, Benton Schnabel, Rebecca von Dissen, Kimberly Boyd, Stacy Hebdon, David Fox, Ken Heller, Catherine Jordan, Mark Pedelty, Ajay Skaria, Yiyuan Zhao, Jessica Arett, Allison Arling, Nick Curtis, Justin Drees, Theresa Flores

REGRETS: Joseph Marchesani, Jennifer Oliphant, Christine Dolph

ABSENT: Barbara Foster, Amelious Whyte

GUESTS: Tim Crepeau, former University of Minnesota student; Jim Dudley, director, Central Services, and co-chair of University Services Sustainability Committee; Lynn Hein, purchasing and customer service manager for University Stores and category manager/contracts specialist for Purchasing Services; Karen Triplett, director, Purchasing Services

I). Professor Fennelly called the meeting to order and asked those present to introduce themselves.

II). Members unanimously approved the December 10, 2007 minutes.

III). Professor David Fox provided the committee with a Trademark Licensees Code of Conduct Working Group update. As background for members unfamiliar with this issue, Professor Fox explained that the Worker Rights Consortium (WRC) is an independent, labor rights monitoring organization that investigates the working conditions in apparel factories around the world. The WRC is of the opinion that only a handful of factories out of several thousand are actually living up to the standards put forth in college and university codes of conduct. The Designated Suppliers Program (DSP), is a procurement standard proposed by the WRC and United Students Against Sweatshops, which seeks to protect the rights of workers who sew university logo apparel. There is a range of opinions within the WRC about whether the DSP is the best approach for protecting the rights of apparel factory workers.

Professor Fox reported that in January 2007, the WRC submitted the DSP to the anti-trust division of the U.S. Department of Justice (DOJ) for a formal opinion on the legality of

the program under U.S. anti-trust laws. Recently, the DOJ informed the WRC that it would not issue the opinion the WRC had hoped to receive. The DOJ gave the WRC the option of withdrawing its request for an opinion in lieu of receiving an unfavorable opinion. The WRC withdrew its request, and is now assessing its next steps.

The University's Trademark Licensees Code of Conduct Working Group has been charged by President Bruininks with:

- Reviewing and assessing the proposed DSP in light of the DOJ finding;
- Identifying and assessing other options for addressing issues of policy enforcement with the WRC Code of Conduct;
- Advising on the adoption of a broader University Vendor Code of Conduct that would apply to all vendors;
- Reviewing the University's existing Trademark Licensee Code of Conduct and recommend any necessary change or updates; and
- Recommending how the University should move forward in each of these areas.

Given the possibility that a Democratic administration could be elected this fall, stated Professor Fox, it is conceivable that a DOJ with a different political agenda could view the anti-trust issues in a different light than the current DOJ. The Working Group, regardless of whether the next administration is Republican or Democratic, will continue to meet to ensure that fair and equitable standards exist for workers who produce university apparel.

What was the DOJ's rationale for the DSP violating U.S. anti-trust laws asked a member? According to Professor Fox, they have not given a reason yet. The position they shared with the WRC was not a legal opinion, but rather an informal notification that if they went ahead and actually issued an opinion it would be that the DSP violates U.S. anti-trust laws. He added that the issue with the DSP has to do with collusion among the major apparel labels. A member noted that the University could technically create its own policy with guidelines similar to those outlined by the DSP. Professor Fox stated he did not know if this would be possible, but noted that the University purchases trademark licensed goods from approximately 1,500 factories, which would make it difficult for the University to monitor and enforce single-handedly, without the backing of the DSP.

IV). Professor Fennelly introduced the next agenda item, the University's use of Kimberly Clark disposable paper products. She called on Tim Crepeau to outline the issues for the committee.

Mr. Crepeau noted that he learned of this issue while on a trip to Chicago where he met a Greenpeace employee. Greenpeace is actively campaigning to spread the word about Kimberly Clark, the largest manufacturer of disposable paper products in the world (<http://www.greenpeace.org/usa/campaigns/forests/kleercut>), According to Mr. Crepeau, Kimberly Clark uses virgin timber to manufacture its paper products, and gets this paper by clear-cutting the Canadian Boreal Forest. Having said this, and given the University's commitment to sustainability ([http://www1.umn.edu/regents/policies/administrative/Sustain\\_Energy\\_Efficiency.htm](http://www1.umn.edu/regents/policies/administrative/Sustain_Energy_Efficiency.htm)),

Mr. Crepeau proposes that the University discontinue its use of Kimberly Clark paper products for two reasons:

1. Kimberly Clark paper products do not contain recycled material.
2. Kimberly Clark paper products are not harvested in a sustainable manner.

Additionally, the resolution asks the University to make a public statement about its decision to discontinue its use of Kimberly Clark paper products.

Next, Mr. Dudley, director, Central Services, and co-chair of University Services Sustainability Committee introduced himself. He noted that the University Services Sustainability Committee began meeting in August 2007. Then, in December 2007, the committee developed its goals in accordance with the Board of Regents' policy on sustainability. One of these goals involves looking closely at the University's purchasing practices. The committee is also trying to define what is meant by 'green.'

Lynn Hein, purchasing and customer service manager for University Stores and category manager/contracts specialist for Purchasing Services, noted that approximately 77% of the disposable paper products used at the University meet the Environmental Protection Agency's (EPA) guidelines for post-consumer waste and total recycled content, and 98% of these same products meet EPA guidelines for post-consumer waste. Mr. Hein stated that Kimberly Clark focuses its recycling efforts on post-consumer waste and not total recycled content.

Mr. Hein stated that he has been asked by the Sustainability Committee to identify alternatives to the roll toweling currently being used at the University. Roll toweling represents roughly 18% of the Kimberly Clark custodial paper products used at the University and approximately 90% of all the University's Kimberly Clark paper purchases. Custodial paper is only small percentage of the products purchased from Kimberly Clark. Approximately 60% of the University's Kimberly Clark purchases are in the medical and lab supply areas.

Any recommendations coming out of the Sustainability Committee concerning roll toweling will be based on the cost of the alternate product and the cost of new dispensers, should this be necessary. Before the University decides to boycott a particular brand of product, it should make sure it is basing its decision on reliable facts, which can be substantiated noted Mr. Hein.

Professor Fennelly asked Mr. Dudley the likelihood that the University would discontinue use of Kimberly Clark products, and whether this would mean all Kimberly Clark products or just their paper products. Mr. Dudley stated that as the director of Central Services, the University is always looking for better, more sustainable products, and from the perspective of the Sustainability Committee, the University is working to increase the percentage of products that it purchases that have been recycled. While it is impossible to answer this question, stated Mr. Dudley, he would say that the University's purchasing model would not continue to look the same as it does today.

Professor Fennelly asked Mr. Crepeau whether the resolution he brought forward only pertains to Kimberly Clark paper products or all Kimberly Clark products. Mr. Crepeau stated the resolution strictly focuses on Kimberly Clark's paper products.

A member asked why the University purchases its custodial paper products from Kimberly Clark – is it a cost issue, or a quality issue? Mr. Hein explained that in the mid 1990s, the University decided it needed to look for a less expensive way of maintaining its restrooms, which at the time were using the brown folded towels. Hence, the University issued an RFP for toweling and cabinets. The Scott Paper Company won this bid. (In 1995, Scott merged with Kimberly Clark, which continues to use the Scott brand name).

Do issues of production techniques, post-consumer waste, etc. get factored into the University's paper product decisions or is it simply a matter of cost asked a member? Since the time the decision was made to go with Kimberly Clark, other manufacturers have developed products that will fit into the University's current dispensers stated Mr. Hein. The University's current contract with Kimberly Clark expires at the end of April 2007, so it will need to decide whether to continue to purchase Kimberly Clark paper products, or whether to purchase products from a different manufacturer. The major issue for the University if it decides to purchase paper products with higher total recycled content will be quality. Besides cost, factors that need to be taken into account when considering a change in paper products are the product's wicking ability, soft feel, etc.

Professor Fennelly asked how the Sustainability Committee interfaces with the Department of Purchasing when it comes to making purchasing decisions. Mr. Dudley stated that Mr. Hein participates in some of the committee's meetings. He added that because the sustainability topic is relatively new, committee members have a lot to learn as it relates to this topic. One person's definition of 'green' is not necessarily another person's definition of 'green.'

What is Kimberly Clark's position on sustainable forestry practices asked a member? Mr. Hein distributed handouts from the Kimberly Clark website about their position. He suggested reviewing this information and inviting a Kimberly Clark representative to a future meet to learn about their practices.

What would it cost the University to change to a different paper product vendor asked a member? The University would not need to purchase new cabinets because there are several brands of towels that will fit into its existing cabinets. The issue comes down to towel quality; therefore, the University would need to look at whether a less expensive towel will work as well or nearly as well so customers are satisfied. Replacing the Kimberly Clark towels with another brand could likely be done for the same or less money than the University is currently spending. Assuming the University decides to switch to a different paper product vendor, the University would use up its current towel inventory.

A member who regularly visits southwest Ontario commented on being under the impression that Canada, as a whole, is proud of how it manages its forests. After doing some research, it is clear that Canada regards the Boreal Forest as a renewable resource because of their replanting efforts. Therefore, rather than focusing on Kimberly Clark maybe the focus should be on Canada. He commented that the definition of sustainability means different things to different people. Mr. Crepeau stated that based on research he has conducted, Canada is clear-cutting its Boreal Forest for economic reasons, and this is not a sustainable practice. The replanting that is being done is not keeping pace with the old growth stands that are being logged.

Another member who summers in Canada stated that Canada is doing a significant amount of clear-cutting. He added that Canada does not have a particularly good record when it comes to its sustainable forestry practices.

Based on the information that was heard today, Professor Fennelly asked the committee how they would like to proceed. A member stated that he did not have enough information at this point to vote on the resolution brought forward by Mr. Crepeau.

Mr. Hein noted that 10 years ago the University purchased all virgin custodial paper. Today, the University has converted approximately 80% of its custodial paper products so they are EPA compliant and 98% of these products are EPA compliant when it comes to post-consumer waste. The University has made great strides over the last several years, and now with the support of the Sustainability Committee, the University will undoubtedly make further inroads related to its sustainability efforts.

Mr. Crepeau noted that over 700 companies and organizations have decided to boycott Kimberly Clark products. He had hoped that the University of Minnesota could be added to this list of organizations.

Based on today's discussion, Professor Fennelly proposed the committee not take action on the resolution that was brought forward by Mr. Crepeau, but wait to see what comes out of the work of the Sustainability Committee. Mr. Dudley agreed to report back on a regular basis in order to to keep members informed.

Professor Fennelly thanked today's guests for attending this meeting.

V). Professor Fennelly provided an update on the work of the Socially Responsible Investing Subcommittee, which is being chaired by Professor Riv-Ellen Prell. She noted that the subcommittee has decided to focus its efforts on retirement plans and to learn about passive versus active approaches to socially responsible investing. The University's current socially responsible investment option through Vanguard is a passive approach to socially responsible investing. The subcommittee will explore whether there is a more active plan that it could encourage the University to offer.

A member stated being involved with a group looking at this same issue. While the group is in complete agreement that socially responsible investing is a good idea, they cannot come to a consensus on what constitutes socially responsible investments.

VI). Hearing no further business, Professor Fennelly adjourned the meeting.

Renee Dempsey  
University Senate