

DOJ APPROVES FAIR FACTORIES CLEARINGHOUSE

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Wiggin and Dana secures favorable business review letter that clears way for groundbreaking corporate social responsibility project

NEW YORK - The U.S. Department of Justice Antitrust Division has given a green light to a planned database of workplace conditions in factories used around the world by apparel, footwear and other manufacturers. In a business review letter Thomas O. Barnett, Assistant Attorney General in charge of the Antitrust Division, stated he was satisfied the strict controls established for the Fair Factories Clearinghouse (FFC) would sufficiently guard against potential anti-competitive issues.

The FFC's workplace data sharing project is aimed at helping apparel, footwear and other manufacturers detect and eliminate "sweatshops" and abusive workplace conditions in the foreign factories making their products. The FFC was initiated by World Monitors Inc. with a grant from the U.S. State Department and in partnership with Reebok International and the National Retail Federation and other major apparel manufacturers and trade associations. World Monitors Inc. is a business and human rights consulting group that provides counsel to business, government, and other entities on issues related to corporate social responsibility.

Now that it has received DOJ approval, the FFC will proceed with plans to implement its database of the workplace conditions in factories around the world used by apparel and other manufacturers. The information will be available to FFC members to guide them in their decision-making regarding the factories they use to make their products. Current members of the FFC include Reebok/adidas, Federated Department Stores, Timberland, L.L. Bean, the Hudson's Bay Company, Mark's Work Wearhouse, and the Retail Council of Canada. Other leading companies, including Eileen Fisher, Nautica/VE, Nike, Levi Strauss, The Gap and The Limited have also expressed interest in joining the FFC.

"There are always antitrust concerns when companies competing in the marketplace meet to discuss common business concerns. In this case, we felt that the DOJ's Antitrust Division should review our plans because the FFC involves a joint effort by competitors to gather and share information concerning workplace conditions in factories they use," said **Scott Greathead**, CEO of World Monitors, Inc. and a partner with the law firm Wiggin and Dana. "Now that we have received the business review letter from the DOJ we feel that more brands and manufacturers will feel comfortable participating in the FFC. This is definitely a great leap forward in our efforts to ending sweatshop abuses and fostering fair and equitable conditions to workers making apparel, footwear and other products in

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the global marketplace. It will help multinational companies in making responsible decisions in sourcing there products."

Wiggin and Dana partners **Robert M. Langer** and **Suzanne E. Wachsstock**, both members of the firm's Antitrust Practice Group, provided pro bono counsel to World Monitors Inc. and the FFC in the proceedings with the DOJ. They also worked with Phillip H. Rudolph of Chicago-based Corporate Responsibility Law, LLC, an antitrust attorney and leading figure in the area of corporate social responsibility. One of the team's main efforts was to draft the guidelines for members of the FFC that will govern how the information on factories will be collected, disseminated, and used. These guidelines formed the basis for the FFC's application to the DOJ for approval, and are the main reason it has allowed the project to move forward.

"I am very grateful to my partners Bob and Suzanne and to Phil Rudolph for their tireless and dedicated work on this matter. They truly understand World Monitors' mission to be an advocate for corporate social responsibility in our increasingly global marketplace. The FFC would not be moving forward without their considerable talents and efforts," said Greathead.

[Click here to read a copy of the DOJ's business review letter.](#)

World Monitors Inc.

WORLD MONITORS INC. (WMI) is a business and human rights consulting group that provides expertise to multinational companies, non-governmental and multilateral organizations seeking to align their business practices with human rights standards around the world. We understand the diverse and often conflicting needs of business enterprises and their stakeholders and work to find solutions. For more information, please visit www.worldmonitors.com.

Fair Factories Clearinghouse (FFC)

FFC is a not-for-profit, collaborative industry effort involving retail and consumer brands to facilitate responsible sourcing through the creation of a technology platform for managing and sharing compliance information. In addition to World Monitors Inc., other founding members include Reebok International Ltd., Macy's Merchandising Group, Mark's Work Wearhouse, Hudson's Bay Company, Wet Seal, the National Retail Federation and the Retail Council of Canada. It is also supported through a grant from the U.S. State Department.

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The FFC objectives are to:

- Improve the availability, comprehensiveness and standardization of factory social compliance audits through the use of a global data management system to track workplace conditions.
- Facilitate the exchange of information concerning factory social compliance audits from internal and external reports without requiring adherence to a particular social compliance audit standard.
- Eliminate the duplication of audits through the sharing of social compliance information.
- Advance and promote education and knowledge about the current status of workplace conditions and steps that companies can take to improve workplace conditions.

Wiggin and Dana serves clients from offices in Connecticut, Philadelphia and New York. The firm's expertise includes venture capital, information technology, biotechnology, securities, mergers and acquisitions, all forms of litigation and dispute resolution, antitrust, complex corporate and real estate transactions, health care, environmental, franchise and distribution, taxation, intellectual property, estate planning, and labor and employment. For more information on the firm, visit its website at www.wiggin.com.

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