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April 1, 2014

Ravi Anupindi
David B. Hermelin Professor of Business Administration
and Professor of Technology and Operations
University of Michigan
Stephen M. Ross School of Business
701 Tappan Street
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Dear Ravi,

Please accept this letter in response to your letter on behalf of the President's Advisory Committee on Labor Standards and Human Rights concerning the University of Michigan's approach to setting expectations regarding building and fire safety issues, especially of licensees who produce in Bangladesh. First, let me convey how important the Committee's work has been on this issue. I truly appreciate and value the thoughtful approach taken by the Committee as it considered the request of United Students Against Sweatshops (USAS), Chapter Local #17, for the University of Michigan to require that all licensees sign the Accord on Fire and Safety in Bangladesh. I am impressed by USAS's commitment to the well being of the workers in Bangladesh and their patience while the issue was thoroughly vetted.

Recent events in Bangladesh have brought to the forefront the importance of one of the core elements of the University of Michigan's Code of Conduct for Licensees – health and safety of workers. The University's expectation is that all licensees provide workers a safe and healthy working environment regardless of what country they are working in to produce goods. Therefore, the committee unanimously approved the recommendations presented below and my response follows each recommendation:

***Recommendation #1** – The committee recommends that the University of Michigan reiterate to ALL its licensees the importance of honoring its code of conduct including the guarantee of health and safety of workers regardless of which country in the world they produce the goods and initiate procedures to require licensees to document how they ensure the same.*

In response to recommendation #1 – I accept this recommendation and will direct our Office of Trademark Licensing to communicate this vital principle to all of our licensees.

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***Recommendation #2** - The committee recommends that all University of Michigan licensees who sourced, produced or purchased collegiate apparel in Bangladesh as of January 1, 2013, or do so at any point thereafter, be required within 45 days to either sign the Accord or demonstrate to the satisfaction of the PACLSHR Committee that the licensee has: 1) a plan that is at least as good as commitments reflected in the Accord; and 2) the capacity (and will) to implement and enforce their plan.*

In response to recommendation #2 – I accept this recommendation and will direct our Office of Trademark Licensing to contact relevant licensees as soon as possible to communicate this standard and request their compliance. In addition, as new entities are considered as licensees, this requirement should also be enforced. Finally, since the climate and conditions regarding worker safety in Bangladesh are fluid and evolving, I encourage the Committee to monitor the progress of the Accord and other worker safety initiatives in Bangladesh so that we can periodically revisit whether this measure is proving effective.

***Recommendation #3** - The committee recommends that the University of Michigan continue to monitor the progress of various initiatives to improve factory safety in Bangladesh and actively seek progress reports from the Accord and the Alliance teams as well as from the university licensees sourcing from Bangladesh.*

In response to recommendation #3 – I accept this recommendation and believe it is, and will continue to be, addressed in the annual Charge to the President’s Advisory Committee on Labor Standards and Human Rights, fifth bullet, Monitoring efforts and complaint response.

***Recommendation #4** - The committee recommends that the University of Michigan leverage its resources as well as collaborate with other peer institutions to push forward an agenda of deeper reform in the management of global supply chains to improve labor standards and human rights.*

In response to recommendation #4 – I agree with the Committee’s desire that the University act as a leader and collaborate with peer institutions on these important issues, and believe it is, and will continue to be, addressed in the annual Charge to the President’s Advisory Committee on Labor Standards and Human Rights, second bullet, Research and education. We look forward and welcome suggestions from the Committee on activities you would like to organize and/or recommend for the University of Michigan. With respect to recognizing suppliers, I will anticipate hearing any specific recommendations after the Committee has the opportunity for further deliberation.

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I would like to thank the Committee for its efforts and thoughtful recommendations regarding the safety of workers in Bangladesh and across the globe. With the guidance of the expert and dedicated leadership of the members of this Committee, the University is able to leverage its position as a global brand in a more responsible and even transformative manner. I will be sharing with President-elect Schlissel how I have valued the President's Advisory Committee on Labor Standards and Human Rights input on issues like these and that he can be confident in forwarding the next issue that arises for review and recommendations.

Sincerely,



Mary Sue Coleman
President

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