

# united students against sweatshops



April 13, 2012

Dear President Coleman,

It has now been over a year that PT Kizone workers in Indonesia, who sewed Adidas-licensed apparel for our University, have been deprived of the \$1.8 million in severance they are legally owed. Adidas, our University's sideline sponsor, has committed serious violations of our code of conduct for apparel producers, and the company has made clear that they are unwilling to comply with the University of Michigan code. Therefore, we call on you to swiftly move forward in putting Adidas on notice that the University will terminate their contract until they comply with our code of conduct and pay PT Kizone workers the remaining severance they are owed in full.

In April 2011, PT Kizone was shut down without advance notice and workers were not paid severance and other terminal pay legally owed to them under Indonesian law. The amount totaled \$3.3 million, according to the Worker Rights Consortium. Even though other buyers including Nike and the Dallas Cowboys have contributed partial severance, Adidas has refused to contribute a single penny.

It is also our understanding that workers were coerced into signing a document stating they wouldn't seek additional severance pay, also a grave violation of our University's code. Adidas has neglected responsibility for their suppliers breaking the law, and the company has even been dishonest in their defense against paying any severance, stating that they ended their relationship with PT Kizone ten months before its closure, even though the WRC has proven and the company now acknowledges that workers were earning severance while still producing Adidas products.

Needless to say, we are outraged that Adidas continues to flagrantly violate the University of Michigan's long-respected code of conduct by refusing to pay workers who made their clothing. It is frankly disturbing that Adidas still won't accept full responsibility, now a year after the closure, despite university codes of conduct that clearly hold the company responsible. We understand that Adidas has proposed some humanitarian aid to the former PT Kizone workers searching for other employment opportunities, but this is grossly inadequate in addressing the central issue of the \$1.8 million still owed to these 2,800 workers.

On March 6 of this year, Mr. Gregg Nebel, Adidas's Director of Social and Environmental Affairs, addressed both students and the President's Advisory Committee on Labor Standards and Human Rights, and made it clear that the company has no intention to pay the PT Kizone workers the \$1.8 million they are legally due.

As you may know, this is not the first time Adidas has refused to pay severance. Adidas also produced university-logo goods in Hermosa Manufacturing, a plant in El Salvador that closed in 2005 without paying workers the \$825,000 they were legally owed. The Hermosa workers to this day have not been paid their severance in full and their families continue to suffer because of it. We cannot allow this pattern of disregard for the basic rights of workers to continue unchecked.

We demand that you step in and:

1. Immediately put Adidas on notice that the University will terminate their licensing and sponsorship agreements until the company pays the \$1.8 million still owed to the 2,800 former workers of PT Kizone.
2. Release a public statement condemning Adidas's failure to respect the rights of workers making University of Michigan apparel.
3. Keep University of Michigan USAS informed of all communications or meetings with Adidas and include us in any discussions or negotiations.
4. Respond to this letter by April 26 describing the steps your administration will take to put Adidas on notice.

As students of the University of Michigan, we expect and hope that responsible producers make the school clothing we proudly wear in fair conditions. In this case, Adidas has grossly violated our standards, has publicly stated they refuse to comply, and we expect that you will take swift action to ensure Adidas's unethical and illegal transgressions will not tarnish the good name of the University of Michigan, a university we are proud to be a part of.

We look forward to your prompt response.

Sincerely,

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