March 21, 2016

Dear Members of the PACLSHR:

I write in follow up to my letter of February 9, 2016, to let you know that we have concluded our negotiation with Nike, Inc. I believe the agreement upholds our institutional principles and values and that Nike is going to be a strong partner with us in promoting labor standards and human rights throughout the supply chain for goods bearing the University’s mark.

The agreement acknowledges the UM Code of Conduct and affirms a shared commitment to addressing labor issues. It provides that Nike will abide by the Nike Code of Conduct and that the Nike Code “meets, exceeds or has equivalent treatment” of all requirements in the current UM Code. It also requires that Nike disclose which factories are making products bearing our mark; states that such factories are subject to independent monitoring and investigation by agents mutually agreeable to Nike and UM; and requires that Nike provide ongoing reports of systemic monitoring. Should Nike fail to meet its Code and these other requirements, UM will have a right to terminate the agreement. Although I understand this is a somewhat different approach than with other licensees in the past, I am confident that it achieves the same aims and gives us contractual power to leverage the labor standards to which we are pledged. Professor Anupindi was a helpful resource to our negotiating team and I appreciate his input and ongoing leadership.

I understand that the senior leadership of the Nike group on labor standards is interested in coming to Ann Arbor soon and meeting with the PACLSHR committee to answer any questions and to formally launch our partnership in this arena. I hope this will be the first step in a long term productive alliance that helps us achieve our shared goals. Thank you for your ongoing attention to these important issues.

Sincerely,

[Signature]

Mark S. Schlissel
President