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November 8, 1999

Mr. Lee Bollinger Office of the President University of Michigan Ann Arbor, MI 48109

Dear Mr. Bollinger,

My company is a supplier of logoed apparel to the University of Michigan, and has been asked to publicly disclose our factories to any interested party at your university. I urge you to reconsider this request.

I'm sure that you have heard nearly all of your suppliers recite their internal code of conduct to your school. Although many of your students look upon such recitations cynically, isn't it a sign of progress that we all have such standards and can articulate them? The area of social responsibility is increasingly an area of concern for companies that have such standards, since our suppliers are independent business owners, are situated long airplane flights away, and exist in cultures that don't instinctively have progressive western values. No matter how well we think that we monitor our factories, we are not "on the spot" at all times, and are therefore vulnerable. I would suggest that this concern about social, economic and environmental standards extends into every corner of your school purchases, whether for paper products, dishes and housewares, apparel, toys and gifts, building materials, chemical treatments used on buildings and campus flora, school vehicle fleets, etc. I don't mean to belabor the issue, but when examined in full, it's surprisingly extensive. I recently attended the annual Business for Social Responsibility meeting, where all of these issues were examined and debated by 800 attendees from all over the world.

In an earlier response to your school about factory disclosure, I volunteered our list if it could be kept confidential. We are in a very competitive industry, and Cutter & Buck has worked hard to identify top-quality factories around the world and train them to our standards. Many companies would like our list so that they could capitalize on the years of training that we've done. That is reason alone to keep the list confidential. But I have another worry. I greatly fear that students might take independent action with our factories. Would they show up at the factory door and demand to be admitted? Would they bother the workers? Would they demonstrate and cause trouble if not admitted? How would the factory owners respond? Would this represent a legal liability for your university or for Cutter & Buck? You might think that these are far-fetched concerns, but I live in a city that will shortly host the WTO meetings, and recently a Molotov cocktail was thrown through the window of the Gap, who hasn't moved as rapidly on social issues as some groups think that they should. I do not want to create a situation where students,

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workers or factory management could be injured, nor do I want excellent factories to conclude that Cutter & Buck is too troublesome a customer.

However, we believe that the concerns of human rights groups are valid, and that we have a clear responsibility to workers in factories that produce Cutter & Buck. After a significant amount of study, we have adopted the most comprehensive and rigorous ethics standard in <u>any</u> industry, called **Social Accountability 8000**. I have enclosed their brochure, so that you can see the broad-based international group that created and monitors it. The key issues that SA8000 addresses are; child labor, forced labor, health and safety, living wage, discrimination, disciplinary practices, right to organize, working hours, and management systems. This standard is a uniform, auditable code of conduct. It requires verification and audit from an independent third party.

We have discussed our intention with all of our suppliers to install this standard at their factories. Frankly, they welcomed it. Generally, they are enlightened business people with progressive factories, and know that consumers will demand this of us and them. We have engaged independent accredited auditors, to begin the process, and expect to take about three years to certify all of our thirty-five suppliers, address any concerns, and remedy them as quickly as possible. This process will demand a significant amount of human and financial resources from Cutter & Buck, which we're willing to fund. We're a young, progressive company, and we're doing this for our employees and ourselves more than anyone else.

I believe that I've given you an understanding of the way that Cutter & Buck is working to help move the industry forward. I hope that you can also understand why we are not willing to make our suppliers' names public. Instead, I would welcome any member of your staff to visit our factories, either with our personnel or with a qualified auditor. If you have concerns that extend beyond those of SA8000, we would be happy to discuss them. There are many concerned individuals that believe the only way to effect change is through confrontation and lawsuits. I don't. We're one of many companies that are quickly moving forward to address the public's concerns. We owe it to our employees, our shareholders, our consumers and ourselves.

I welcome your thoughts and further discussion of this difficult issue.

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Harvey N. Jones Chairman and CEC

Cc: Mr. Tom Goss