



EXECUTIVE VICE PRESIDENT—
BUSINESS OPERATIONS

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August 22, 2014

DIRECTOR MARIA RUBINSHTEYN
Chair, Committee on the UC Code of Conduct for Trademark Licensees

Dear Maria:

I greatly appreciate your leadership and the thoughtful work of the Committee in developing the recommendation regarding UC licensees who operate or conduct business in Bangladesh.

In the spirit of the Committee's recommendation, I believe that UC licensees who source UC-logoed goods from Bangladesh should be required to be either members of the Accord on the Fire and Building Safety ("Accord") or the Alliance on Bangladesh Worker Safety ("Alliance").

The Accord and the Alliance have taken different approaches towards governance and remediation, and both have experienced successes and set-backs in their efforts. Reforming Bangladesh's garment manufacturing industry will require the collective efforts of as many manufacturers as possible. The Accord and the Alliance have a combined membership of more than 200 companies, representing a significant portion of the Bangladeshi garment export market. I believe that, despite the differences in the two agreements, these parallel efforts will have a real impact on how international companies do business in Bangladesh.

In alignment with our existing "Code of Conduct for Trademark Licensees," the University of California will not partner with any manufacturer who does not make a financial and moral commitment to improve the conditions of workers in Bangladesh. Moving forward, we will require that our trademark licensees be members of either the Accord or the Alliance. We will allow six months for all UC licensees to make this transition.

Efforts to reform the Bangladeshi garment manufacturing industry are just in the beginning stages. The Alliance and the Accord have made significant strides in the year since their inception, conducting more than 1,300 factory inspections, combined. How these groups will effectively manage challenges that accompany the remediation process remains a question. I view our approach as a fluid process, and we will need to continue to monitor the situation as the work of the Accord and the Alliance unfolds. I commit to work with you and the Committee in this ongoing evaluation.

Again, I am grateful for your leadership in this matter. Please contact me if you would like to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read "Nathan Brostrom".

Nathan Brostrom
Executive Vice President