



THE UNIVERSITY OF MICHIGAN

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December 29, 2005

Mr. Edward E. Potter  
Director, Global Labor Relations and Workplace Accountability

Mr. Harry Ott  
Director, Global Water Resources

The Coca-Cola Company  
Coca-Cola Plaza  
PO Drawer 1734  
Atlanta, Georgia 30301

Dear Mr. Potter and Mr. Ott,

The University of Michigan's Dispute Review Board recommended that we work toward resolving concerns about bottling plants in Colombia and India using specific milestones to measure progress. In your letter of December 16, you outline the progress to date as well as some obstacles to launching a timely investigation of these concerns.

We believe Coca-Cola is sincere in its desire to ensure fair labor practices and a safe working environment in Colombia and sustainable environmental practices in India. However, the U-M Dispute Review Board (DRB) established a set of goals and deadlines for achieving those goals as a way of measuring progress on these very difficult issues. At the first deadline of September 30, 2005, Coca-Cola agreed in principle to a third-party, independent investigation of the concerns in Colombia and India. We were appreciative of your collaboration with a commission that was established with a group of interested universities, including Michigan, and because of Coca-Cola's good-faith efforts to move ahead we decided to extend our contracts on a short-term basis.

The DRB recommendation that was accepted by this administration called for an agreement with Coca-Cola by December 31, 2005, on the selection of a third-party auditor and the specific protocols for an independent review of the circumstances in India and Colombia. Coca-Cola has not been able to agree to the protocol recommended for a review of labor practices in Colombia. A protocol for reviewing the environmental concerns in India has not yet been developed.

Therefore, we will continue to adhere to the University of Michigan's process as established through the DRB and temporarily suspend University purchasing of Coca-

Cola products beginning on January 1, 2006. This decision involves not granting any additional extensions to contracts that already have expired.

We are interested in continuing to work with Coca-Cola as part of the multi-university commission to resolve the concerns in India and Colombia. We plan to resume University procurement of Coca-Cola products if the details of an independent, third-party investigation in Colombia can be resolved to our mutual satisfaction, and if we can agree on the process for a third-party review of environmental concerns in India. Progress in launching and completing these independent reviews, as well as remediation of any identified problems, remains important to our ongoing relationship.

We would like our University to be engaged in developing solutions to these international challenges, and hope we can continue working with you and your other university partners to make measurable progress.

Sincerely,



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