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10th March 2008

Dear Mr. Anderson,

First, we would like to thank adidas for responding to the letter sent by Oxfam Australia's Executive Director, Andrew Hewett. In particular, we acknowledge adidas' responses to questions regarding its general purchasing practices and the information it provided regarding its supplier factories in Indonesia.

The purpose of this letter is to express our ongoing concern for the 4,500 workers from adidas' closed Spotec supplier factory many of whom are still struggling to find work.

We understand from you that in August last year adidas' business associate bought the Spotec factory and renamed it Ching Luh. Many former Spotec workers are hopeful that they can get new jobs making adidas shoes again at the site of their former factory.

In December last year we received assurances from adidas that i) the recruitment system in your new Ching Luh (CLI) supplier factory had been designed to ensure prioritization of ex Spotec workers into the new factory and ii) the recruitment process would be fair and transparent.

Unfortunately, so far the recruitment process has seen at least 150 ex-Spotec workers, who were scheduled to be interviewed, miss out because they never found out they had an interview in the first place.

We believe that the tracking chart that adidas has initiated to monitor the prioritization of ex-Spotec workers, if implemented, is a good first step.

In the interests of the fair and transparent prioritization of Spotec workers into your supplier CLI, Oxfam Australia urges adidas to ensure that:

- The workers who were not contacted in the first rounds of interviews at CLI are given a proper and fair chance, by receiving a new interview time and being contacted for this interview.
- Adidas or CLI provides a list of any new interview times to the Spotec Committee as this would increase the fairness and transparency in the recruitment process.
- Adidas facilitate a meeting between the CLI management and the Spotec Committee
- Adidas make the tracking chart of the recruitment of ex-Spotec workers available to Oxfam Australia and to other interested parties.

Fairness in the recruitment at Ching Luh

Adidas explained to Oxfam Australia in January that there was a no-show on the interview date by 150 of the 200 ex-Spotec workers who were scheduled to be interviewed in late November 2007. We understand that these workers did not find out about their interview times at all because the notice outside the factory was torn down and most workers were not contacted. We understand that adidas was going to be following up with CLI in February about how to ensure communication channels in the hiring process at CLI are strengthened.

In January your Jakarta office mentioned to Oxfam Australia that adidas have recommended CLI provide a 'second chance make up session in the 2nd (next) round of hiring for the workers who missed the interview date'. Oxfam Australia expects that that the process of prioritizing ex-Spotec workers will begin when CLI implements another round of interviews to ensure that workers who were not contacted in the first round of

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interviews are given a proper and fair chance. These workers, who missed out should receive a new interview time and be contacted for this interview. We believe this is very important in the interests of fairness and transparency in this process.

Oxfam Australia suggests that providing a list of any new interview times to the Spotec Committee would increase the fairness and transparency in this recruitment process.

Involving stakeholders in the interests of fairness and transparency

We understand that factory management at CLI have refused to meet with the Spotec Committee despite multiple requests for such a meeting. We understand that adidas' have made attempts to facilitate this meeting. Such a meeting between the committee representing the former Spotec workers and the management of your new supplier would give the ex-Spotec workers more transparency in the recruitment process. It would also contribute to the development of a mature industrial relations environment in CLI.

Public concern about adidas practices

Please find enclosed a further 500 letters in addition to those adidas have already been sent regarding its practices.

As you will see from these letters, there continues to be public concern about adidas' general purchasing practices. These letters highlight the current outstanding issues in several of your supplier and former supplier factories, including Panarub, Dong Joe and Tong Yang.

In more recent letters since January you will see that there is also increasing public concern regarding the process of prioritizing ex-Spotec workers into the new CLI adidas supplier.

We urge adidas to take concrete positive action to resolve these outstanding concerns at CLI. We look forward to hearing more from adidas on concrete progress on your general purchasing practices to ensure they don't continue to undermine workers' trade union rights.

Yours Sincerely,



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Cc: Adidas Sourcing Asia

Serikat Pekerja Nasional (National workers union)
PT. Spotec

Perkumpulan buruh-Buruh Pabrik Sepatu (Shoe workers union)
PT. Spotec

Federasi Serikat Buruh Karya Utama (Karya Utama workers union)
PT. Spotec

Adidas' Jakarta Social & Environmental Affairs Team

Clean Clothes Campaign