

Herbert Hainer
Chief Executive Officer
Adidas Group
Adi-Dassler-Str. 1,
91074 Herzogenaurach
Germany

National
132 Leicester Street, Carlton
Victoria 3053, Australia.
Telephone: (03) 9289 9444
Facsimile: (03) 9347 1983

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Dear Mr. Hainer,

In 2006, starting around the time of the World Cup Soccer tournament and following the release of the report *Offside! Labour Rights and Sportswear production in Asia* people from around the world wrote your company asking you to improve workers human rights.

These messages, which are attached to this letter, clearly indicate that many people, including consumers, who buy your gear or would consider doing so, believe your treatment of workers making sporting goods in Asia is unacceptable and that a change in your company's practices is needed.

In many of the letters attached people have taken the time to compose unique messages to your company. You will see from their messages that people want workers throughout your supply chain to be treated fairly and that all your supplier factories should uphold workers labour rights with specific attention to workers rights to form and join union, organise and collectively bargain.

Respecting these rights is vital as they have a direct positive outcome in achieving a sustainable livelihood for workers and their families in poor countries.

We are passing these messages on to you and we hope that you will seriously address the concerns of these consumers and citizens from many countries.

Oxfam Australia recognises that your company has taken some steps towards greater transparency through cooperation with trade unions and other civil society groups. Your company has also been willing to prevent discrimination against trade union members in particular factories. We acknowledge the release of your Global Supplier List in November 2007 and we are also aware that your company participates in the Fair Labor Association (FLA).

However, there is still a long way to go to make your supply chain, including your purchasing practices, fair and transparent. The recommendations contained in the *Offside!* report with regard to your company, which are listed below, remain outstanding.

Oxfam Australia looks forward seeing concrete changes in adidas' practices in the following areas:

1. Confidential and accessible means for workers to report exploitation and abuse;
2. Independent education and training for workers concerning their rights at work;
3. Further transparency regarding company supply chains and efforts to improve conditions;
4. Purchasing practices which allow suppliers to respect labour standards (including stable business relationships and reasonable prices and delivery times);
5. A framework agreement between the ITGLWF and the WFSGI to facilitate freedom of association and collective bargaining;

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6. Prioritising retaining unionised factories in the companies' supply chain;
7. Banning, or severely restricting, the employment of workers on short-term contracts;
8. If factories close, ensuring that workers' receive their full entitlement to severance pay and take steps to help ensure there is no discrimination against worker activists if they apply for jobs with other suppliers; and
9. Not increasing your company's sourcing in countries and free trade zones where the right to freedom of association does not have legal force. Any new production should be in countries and zones where this right has legal effect.

In addition to these Offside! report recommendations Oxfam Australia also anticipates that adidas will take positive steps forward on the outstanding cases in adidas' former Indonesian supplier factories, Dong Joe, Tong Yang and Spotec. Spotec and Dong Joe workers continue to go without their full outstanding entitlements. Workers in the Tong Yang factory are still waiting to learn if they can keep their jobs or else be paid the legal entitlements they are owed.

With regard to adidas' Panarub supplier factory in Indonesia, the new leadership of the Perbupas (SBGTS) union at Panarub is still waiting for adidas to fulfil your company's commitment to a fair verification process. We furthermore expect adidas will ensure that the unfairly dismissed union officials from Panarub, who want employment with adidas, will be given every opportunity to find new employment in other adidas supplier factories.

We look forward to hearing from you about how your company has concretely progressed on these major recommendations since the release of the *Offside* report and how you are resolving the outstanding issues of workers' labour rights in your supply chains. Oxfam Australia remains willing to work with your company and others on achieving these solutions.

Regards,



Andrew Hewett
Executive Director
Oxfam Australia

CC

Frank Henke

Global Director of Social and Environmental Affairs
adidas Group

William Anderson

Head of Social & Environmental Affairs
Asia Pacific, Adidas Sourcing Limited

Kitty Potter

Regional Labour Manager
Social & Environmental Affairs
Adidas group