

Mr William Anderson
Group Social & Environmental Affairs
Asia Pacific
adidas AG

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22nd April 2009

Dear Mr. Anderson,

We are writing to follow up on our email to adidas from the 18th of March. Union leaders who lost their jobs making adidas still cannot find work in other adidas suppliers. Several of the union leaders who were dismissed from the Panarub factory or lost their jobs when the Spotec factory closed, continue to find it extremely difficult to find new jobs. Some fear they are facing discrimination because of their previous roles organizing in adidas suppliers. Examples of concerns union leaders have reported to us include: applications which have disappeared, having to pay bribes to enter into your supplier factories and being rejected after interviews without reason.

In light of these practices, we ask that Adidas uphold your own workplace standards, which enshrine the importance of freedom of association and that business partners not discriminate on the basis of association membership. We also ask that Adidas uphold your commitment to prioritizing ex-Spotec workers (including union officials) into your Ching Luh supplier (CLI) as well as providing information about job openings to the Panarub union officials.

Prioritization of ex-Spotec workers (including union leaders)

We are concerned that ex-Spotec workers are not being prioritized in the employment of workers at CLI. Workers are reporting to us that rather than ex-Spotec workers, it is workers who have local identification papers who are being prioritized in the hiring process.

Several union leaders from Spotec continue to have difficulty finding work at CLI.

FSBKU union leaders: Three FSBKU leaders have reported to us that their application have not been properly processed by CLI. Irzanni, Alma and Jarkoni's applications were sent in the first round of hiring in November 2007. We ask that adidas ensure these applications are properly processed and they receive preferential treatment as former Spotec workers. As these applications were received by CLI in the first round in 2007 we ask that they should be processed as a high priority in the next round of interviews. In the case of Jarkoni, we understand he has been interviewed a number of times, but has never heard back from the factory about the outcome of his interviews.

In addition to these three leaders, there is also the case of Ari, a female FSBKU union leader from Spotec. She passed her interview at CLI and did training in early March 2009, but was deemed not to have passed her training.

SBGTS union leaders: We understand that the ex-SBGTS union officials re-submitted their applications to CLI in November 2008 after CLI could not find their original applications. Adidas have now confirmed that CLI have these applications on their records.

We ask that the applications by the SBGTS union officials be processed as soon as possible. We will continue to monitor the process of these applications and the applications of all union officials into CLI.

We request that adidas ensure that the applications by Irzanni, Alma and Jarkoni (FSBKU) are properly processed and they receive preferential treatment as former Spotec workers.

In the interests of ensuring that Ari was not discriminated against because of her previous affiliation with FSBKU, we ask that Ari be given the opportunity to do her training again in the presence of an independent expert. We are able to provide suggestions for who might be able to act as an independent observer.

Supporting the ex-Panarub Perpubas/SBGTS union leaders to find employment

In November 2008 adidas asked for a full profile of each dismissed ex-Perpubas official, in terms of current job status and a documented record of their attempts to secure employment with adidas' suppliers. Below is a summary of two union leaders still seeking employment at adidas suppliers.

Neneng

In adidas' 12 November letter to Oxfam Australia you wrote that it was disturbing to hear that Neneng had to pay money to secure her job at Nikomas and that you would like to obtain a formal statement from Neneng on the bribe payment so that adidas can investigate the matter. In your letter you suggested that Neneng had signed a statement confirming that she had not paid recruitment fees. Neneng is prepared to provide adidas with a statement about the bribe that she paid to get a job at Nikomas. Please contact her with the details of how you would like to obtain a statement. If it would be helpful, our workplace campaign consultants, Chris Wangkay and Mimmy Kowel would be happy to help facilitate communication with Neneng. They have been copied into this letter.

Neneng was told verbally by Nikomas personnel staff that 'there's no need to pay anything to get job in Nikomas.' She was not asked if she was made to pay a bribe and she was not made aware of a hotline number to report the details of paying a bribe. She has reported to us that she stopped working at Nikomas because she became ill and the factory would not grant her more than one sick day when she required three days bed rest to recover from her illness.

Neneng was actually granted an interview at CLI for the position CUTTING on 24th November 2007, but she missed the interview because she was never informed about the interview time. Adidas have acknowledged that there are weaknesses in CLI's communications.

Given Neneng's unfair treatment at Panarub, Nikomas and CLI we ask that adidas ensure that she receives a new interview time for the next round of interviews at CLI.

Hamdani

Hamdani sent an application to CLI on the 1st round in November 2007, but never heard back from the factory.

We ask that Adidas follow up Hamdani's application and find out whether or not it has been processed, and the outcome of this process. If CLI cannot locate Hamdani's application, we ask that adidas ensure that Hamdani is given another opportunity for an interview at the factory.

Lastly on the ex-Panarub SBGTS union officials, we are concerned that Adidas is not being consistent with your treatment of these workers.

We understand that Harry Nurmansyah of adidas recently wrote to Moh Ali of the SBGTS union in the following terms (this is a translation from Harry's original Indonesian):

'Adidas supported the recommendation of Komnas HAM at the time. Adidas had approached and put pressure on Panarub management to solve the case. But, SBGTS decided to settle the dispute bi-partite manner, instead of taking the case further (after P4P final decision). So it's not relevant to keep referring to the dismissal to make us get new job for you. Adidas will not give any commitment to make sure that the dismissed workers get new job in Adidas suppliers.'

This appears to be a reversal of adidas' previous efforts to assist the ex-Panarub SBGTS officials. In October 2007, adidas indicated you were launching a job placement program for the dismissed officials. Ali, as the representative of the ex-Panarub union leaders, has been in regular contact with adidas since then and continues to ask adidas to assist with job placement. Adidas did once send a list of openings in some adidas supplier factories. We also understand Harry also sent a list of suppliers and contact people in factories to Ali last year. This list is useful for the purpose of knowing who to contact within your suppliers. However, it is costly for the dismissed Panarub officials to send numerous applications to suppliers without knowing which jobs are available. As Ali outlined in a recent email to Harry, it would be very useful if adidas could provide a monthly list of openings at specific adidas suppliers.

In summary, we ask that adidas uphold your commitment to assisting the ex-Panarub SBGTS officials in a job placement program and once again send SBGTS a monthly list of factory based openings – ensuring these include openings that are relevant to the qualifications of the dismissed officials.

Adidas' communication with union leaders

We ask that adidas improve your communication with union leaders to enhance their chances at finding employment. There have been several occasions over the past year where communication has been less than ideal. We ask that adidas acknowledge correspondence from union leaders and provide these leaders with appropriate information to help them to find work.

One example of poor communication was recent contact with an ex-Spotec leader regarding recruitment into CLI. Agus (an SBGTS ex-Spotec union official) was sent in April 2009 a message in English by an adidas staff member with a spreadsheet regarding recruitment interviews into CLI. We appreciate that adidas is attempting to communicate with ex-Spotec SBGTS officials by email about the recruitment process. These emails are appreciated and go some way towards transparency in the CLI recruitment process. However, emails in English are not an appropriate language for workers with little English language skill. The email and spreadsheet were also very unclear. There were no interview times given on the spreadsheet and the email was sent on the day that 'vacancies' were opening, and only three days before they closed. This did not give SBGTS enough time to contact their members, even if they could read English. Lastly, none of the SBGTS or FSBKU ex-Spotec or ex-Panarub union leaders were listed on the interview spreadsheet.

We have previously outlined our concerns about factory postings being the basis for informing workers about job openings. Last time a similar list was posted at CLI it was immediately torn down. Adidas conceded in May 2008 that "If there is a disappointment, then it is with CLI's HR department and their inability to manage the recruitment process in way that matches all our expectations."

We ask that adidas uphold your commitment towards a fair and transparent process of prioritisation of ex-Spotec workers into Ching Luh.

adidas' job placement scheme for ex-Panarub officials

adidas has previously claimed in an online statement that SBGTS were unresponsive to proposals about a job placement scheme. Contrary to this statement, we have evidence that SBGTS emailed adidas' SEA Regional Manager West Asia, as well as adidas' Indonesian staff Adelina Simanjuntak and Harry Nurmansyah on October 29th 2007. This letter thanked adidas for your previous letter to them; informed adidas that ex-Perbupas officials were having difficulties applying to adidas suppliers (for example at the Nikomas factory); and asked adidas to provide SBGTS with a list of adidas suppliers and contact people in those suppliers so they could apply for jobs. In adidas' November 2008 letter you requested a copy of the email from Ali (SBGTS). Please find this email correspondence you requested in Annex 1.

In summary, we ask that adidas improve your communication with union leaders to enhance their chances of finding employment. It would be most useful if both the factory openings for the ex-Panarub officials and the list of interviews for the ex-Spotec workers into CLI should be sent in Bahasa Indonesia two weeks in advance of the openings, and be accompanied by a phone call or text message, so the union leader knows they need to check their emails immediately. Additionally this list of new interview times should be couriered or posted to each of the unions from the ex-Spotec factory secretariat with a phone call from adidas to say its been sent. We also repeat our request that adidas amends adidas' misleading April 14 2008 online statement, which states that "To date, we still not received a response from SBGTS to our offer. This is regrettable, as it is not viable for us to move forward with any job placement, without the direct support and cooperation of the union and the dismissed workers."

Encouraging respect for FOA in addias supplier factories

Lastly, in you November 2008 letter, you mentioned that adidas is continuing to test the applicability and effectiveness of the current KPI tool. You wrote that adidas has concluded you might need to review and change how your company measures FOA. We would appreciate being kept informed about this review process and its outcomes.

We look forward to hearing back from you about how adidas is concretely supporting the fair and transparent treatment of union officials who have faced such difficulties finding work in adidas suppliers.

Yours Sincerely,



Tim Connor
Labour Rights
Advocacy Coordinator
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Daisy Gardener
Economic Justice
Advocacy Officer
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Cc:

Serikat Pekerja Nasional (National workers union)

Perkumpulan buruh-Buruh Pabrik Sepatu (Shoe workers union)

Federasi Serikat Buruh Karya Utama (Karya Utama workers union)

Adidas' Jakarta Social & Environmental Affairs Team

Clean Clothes Campaign

Mimmy Kowel

Chris Wangkay

APPENDIX

Email from Ali

- Thanking Adidas for their letter
- Telling Adelina and Harry that the ex-Perbupas officials are trying to apply to Adidas supplier, but met difficulties (he gave Nikomas as an example, but not specify what kind of difficulties).
- Therefore, Ali asked Adidas a favor, to provide them with the list of suppliers and contact persons, to where they can apply.

From: alie alien [mailto:alie_in@yahoo.com]

Sent: Monday, 29 October 2007 4:34 PM

To: adelina.simanjuntak@adidas.com.hk; harry.nurmansyah@adidas.com.hk; harry.nurmansyah@adidas-grup.com

Cc: GSBI Pusat; Kelly Dent ; Daisy Gardener

Subject: permohonan data perusahaan pemasok adidas

salam hormat,

Sebelumnya saya menyampaikan semoga anda sehat dan slalu bersemangat dalam pekerjaan.

Terimakasih atas surat yang telah dikirimkan kepada kami, dan kami saat ini sedang mencoba untuk memasukan lamaran di perusahaan pemasok adidas, beberapa kami telah menjoba tetapi masih belum dapat di terima, bahkan kami agak kesulitan untuk memasukkan lamaran ke perusahaan yang kami coba (nikomas).

Berkaitan dengan masalah ini kami berharap kepada adidas untuk dapat memberikan data kepada kami nama perusahaan dan alamat pemasok adidas yang memungkinkan untuk kami dapat mengajukan lamaran kerja.

Terimakasih sebelumnya dan kami berharap dapat sebisa mungkin anda mengirimkan data yang kami maksdu.

wassalam

Ali