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Dear Mr. Anderson,

Thank you for your email 4 June correspondence with the information about the recruitment process into your supplier factory Ching Luh (CLI).

You reported that 870 ex-Spotec workers have now been hired at CLI. This represents a positive step forward for the some of the 10,500 Spotec and Dong Joe workers who were left without work in December 2006 when adidas withdrew orders from the two factories.

We encourage adidas to build on this positive step by actively ensuring that all ex-workers from Spotec and Dong Joe who want employment are given it in adidas supplier factories and that the Dong Joe workers receive their full outstanding entitlements.

#### **Jobs for workers from Spotec and Dong Joe**

We understand that CLI will not have capacity to hire all the 10,500 workers who lost their jobs. Considering this, adidas should provide opportunities for the ex-Spotec and Dong Joe workers, who are still seeking work, to find jobs in other adidas suppliers in a location close to where they are now living in Indonesia. We understand that some of the current workers, hired at Cing Luh have no experience in sportswear, whereas many highly skilled ex-Spotec workers with years of experience making Reebok remain unemployed.

#### **Protecting union officials job opportunities**

As you will be aware adidas have repeatedly promised to protect the employment opportunities of union officials. To date, adidas has so far failed to protect these opportunities. None of the SBGTS ex-Spotec officials have found work in any adidas supplier factories, despite applying to several suppliers. Six former Spotec SBGTS union officials, who applied for jobs at CLI in December 2007, have still not received interviews despite putting in applications.

After almost a year without work some of the SBGTS ex-Spotec officials have been forced to take on precarious, contract work. In one instance an official has had to take on a three month contract, in another case an official, in desperation, took a contract for just two months. A female SBGTS official has applied to both CLI and Panarub unsuccessfully and has remained unemployed.

We request that adidas should uphold its stated commitment to protect the employment opportunities of union officials by:

- Providing these highly skilled workers/union officials with recommendation letters and permanent employment opportunities in adidas supplier factories
- Ensuring the applications of union leaders are processed fairly and transparently at CLI and other adidas suppliers.

#### **Prioritisation of Spotec workers into CLI**

Adidas mentioned in your 4 June correspondence that CLI is now in the process of completing the data entry for 700 applications from ex-Spotec workers. Given your own stated concerns about the weaknesses of the CLI Human Resources Team, we sincerely hope that these applications will be processed in a transparent and fair manner that maximizes the opportunity for ex-Spotec workers to be hired. We also expect that the next and

more intensive rounds of hiring will be more successful than the first rounds that saw many ex-Spotec workers miss out on interviews.

We continue to hear reports of workers that were not contacted at all about their interview time, despite putting working mobile numbers on their application forms. We also understand that a number of ex-Spotec workers who got jobs at Cing Luh did not get jobs because they were ex-Spotec workers, but because they were ex-Spotec workers, who recorded a local address and paid middlemen between 700,000 and 1.5 million rupiah to get a job.

### **Transparency and Fairness in recruitment**

Your previous letter mentioned that we will soon be receiving the updated tracking chart from CLI based on May 2008 hiring. We look forward to this and to receiving regular tracking charts on the progress of recruitment into CLI and into other adidas supplier factories.

In the interest of fairness and transparency and as a courtesy, each of the unions from the ex-Spotec factory could be provided a list of all new interview times at CLI well in advance of the interviews. The list should be shared with the unions without any expectation from CLI or adidas that it is the unions responsibility to contact their members about these interview times. 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. Previously adidas only emailed this list, which meant an unemployed union official was forced to download the list at a cost of 50,000 IDR. This is equivalent to almost two days wages for a sportswear workers in Indonesia.

### **New interviews for the 150+ ex-Spotec workers who were not contacted in first round of interviews**

We understand CLI have still not contacted the 150+ workers about their new interview times. Since January adidas have promised a 'make-up session' for the 150 plus workers who were not informed about their first interview times at CLI. In your recent June email, you wrote that these 150 plus workers were contacted in the second round of hiring. However, we understand this process has been ineffectual, because many of these workers have still not been contacted. We request that adidas should communicate a clear plan to each of the unions from the ex-Spotec factory detailing how and when these workers will be contacted about their new times.

### **Outstanding Entitlements**

The ex-Dong Joe workers have now been without their entitlements for more than 18 months. Adidas should work to ensure these workers receive their full legal entitlements.

### **Freedom of Association and the Right to Organise at Ching Luh**

We remain concerned about the implications of CLI's track record of treatment of workers who are organising to improve their wages and conditions in Vietnam and China. We expect that adidas will ensure that CLI follows adidas' own workplace standards and respects Freedom of Association and the Right to Organise in the factory. We will be watching CLI closely on these issues given the company's history with regard to unions.

Whilst we are encouraged that some Spotec workers have been hired into CLI, thousands of Spotec and Dong Joe workers still waiting for their jobs back. We look forward to receiving regular updates about the ongoing recruitment of Spotec and Dong Joe workers into adidas supplier factories.

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)

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Federasi Serikat Buruh Karya Utama (Karya Utama workers union)

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Adidas' Jakarta Social & Environmental Affairs Team

Clean Clothes Campaign