

## Disclosure of Third Party Complaints Received by the adidas Group in 2014

Complainant*	Factory name	Complaint	Outcome	Status
Not disclosed	Not disclosed	It was alleged that factory development in a government managed SEZ had undermined the right to food and impacted livelihood of a tribal group and others.	Information was shared on the findings from the investigations conducted 6 years earlier on the same topic that had not substantiated these claims. The complainant was invited to provide further information and local contacts for follow-up. No response was received.	Closed
Community Legal Education Center (CLEC) – a Cambodian NGO	Bowker (Cambodia) Ltd., Cambodia	It was alleged that four union officials had been dismissed in retaliation for strike action	adidas Group investigated and concluded that the grounds for dismissal breached the Labour Law. The four union officials were reinstated, with back-pay.	Closed
Community Legal Education Center (CLEC) – a Cambodian NGO	Elite (Cambodia) Co. Ltd., Cambodia	It was alleged that a female worker had lost her job for voicing an interest in forming a trade union.	adidas Group investigated. The allegation was not substantiated. Nevertheless the worker was offered re-employment by the factory, but decided to take a job elsewhere.	Closed
Garment and Textiles Workers Union (GATWU) - an Indian trade union	Gokaldas India Ltd., Bangalore, India	A complaint was lodged with the Fair Wear Foundation, who referred the case to the Fair Labor Association. It was alleged that a child in the factory's daycare facility had been poisoned and had died before receiving emergency treatment. However a police investigations and autopsy found no evidence of foul play. Subsequent	The FLA appointed a medical doctor to conduct an independent investigation, under its 3 <sup>rd</sup> party complaint mechanism. The FLA published their findings <sup>1</sup> in May 2015. The WRC published their own assessment in a separate report, <sup>2</sup> calling for Gokaldas to pay compensation for the child's death. In July 2015, the adidas Group	Ongoing

<sup>1</sup> <http://www.fairlabor.org/report/gokaldas-india-bangalore>

<sup>2</sup> <http://workersrights.org/freports/WRC%20Report%20re%20Gokaldas%2006.22.15.pdf>

		allegations focused on the factory's duty of care and legal breaches: there was no ambulance or doctor on site to immediately treat and convey the child to hospital. The Worker Rights Consortium (WRC) took up GATWU's claims, writing directly to Gokaldas in October, 2014 and issuing an advisory to US collegiate licensees in December 2014.	advised WRC and FLA that it had ended its business relationship with Gokaldas India and had reached out to other brands to become involved in the case.	
SBTGS - an Indonesian trade union	PT Panarub Dwikarya Bena, Indonesia (Former sub-contractor of one of the adidas Group's contract footwear supplier).	The complaint relates to a dispute, which began in July 2012, when workers were treated as having "resigned" following an 8 day strike over back wages, and other demands. <sup>3</sup> The union requires the workers to be reinstated, compensated for losses and paid out redundancy, given the factory has now closed. The supplier has countered that they acted lawfully and that the strike took place without the required legal notice, i.e. was illegal, and the striking workers failed to return to work within the time period stipulated under the law.	Despite having no business with this factory at the time of the dispute, adidas Group offered to help the two parties. In 2013 the union and the factory management agreed to independent mediation, but could not reach agreement. We therefore recommended that the complainant either continue with direct negotiations, or take the matter to court. No settlement has been reached by the parties.	Unresolved
TEKSIF - a Turkish trade union	Imteks (Turkey)	It was alleged that a supervisor in the factory had asked workers why they had become union members and had suggested that they resign from the union.	adidas Group met with the workers and the factory management. As a result, all middle manager and supervisors were given additional training on adidas Group's Freedom of Association and non-harassment policies. The supervisor received a warning letter from the employer.	Closed

<sup>3</sup> <http://www.adidas-group.com/en/media/news-archive/sustainability-news/2012/update-current-status-workers-dismissals-factory-pt-panarub-dwikarya-bena-indonesia/>

TEKSIF – a Turkish trade union	Imteks (Turkey)	Having secured more than 50% of the workforce as members, the trade union applied to the Labour Ministry to represent the workers in a collective bargaining process. TEKSIF subsequently complained to adidas Group that Imteks had objected to their representational rights.	adidas Group met with the factory management and reviewed their submission to government. We concluded that their objections had no validity. Imteks withdrawn their objection and began negotiating a CBA with TEKSIF.	Closed
Worker Rights Consortium (WRC) – a US labour advocacy group	Yue Yuen Footwear Factory China	On May 16, 2014 the WRC published an assessment following a major strike at Yue Yuen (Holdings) Limited in China. <sup>4</sup> The report sets out a number of allegations, as well as recommendations to collegiate licensees who source product from Yue Yuen (YY), regarding the remediation of social insurance and other freedom of association issues arising out of the strike.	adidas Group provided a lengthy response to the WRC and shared updates on the remedial actions underway at the Yue Yuen’s Y6 plant, which makes adidas Group product. <sup>5</sup> The Y6 plant accounts for approximately 15 percent of the YY workforce. adidas Group continues to track the payment of arrears for social insurance contributions, as well as a validate the annual payment of social insurance and housing fund contributions in line with central government requirements. An independent review of Yue Yuen’s remedial actions is being undertaken by the Fair Labor Association and will be published in 2015.	Ongoing

Note\* Third parties are only named where their cases have already been disclosed publicly (usually by international advocacy or labour rights groups, or by the complainant themselves). The names of all other complainants are treated as confidential, as is the supplier’s name where investigations are ongoing. For third party complaints managed by the Fair Labor Association, please go to: <http://www.fairlabor.org/transparency/safeguards>

<sup>4</sup> [http://www.workersrights.org/freports/WRC%20Assessment%20re%20Yue%20Yuen%20\(China\)%205.16.14.pdf](http://www.workersrights.org/freports/WRC%20Assessment%20re%20Yue%20Yuen%20(China)%205.16.14.pdf)

<sup>5</sup> <http://www.adidas-group.com/en/sustainability/partnerships/civil-society/#/further-examples/>