

# REPORT FROM THE ADIDAS GROUP SUPPLIERS' STAKEHOLDER DIALOGUE

Hong Kong  
30 October 2007

Facilitated by:  
**CSR** **ASIA**  
[www.csr-asia.com](http://www.csr-asia.com)

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## Executive Summary

On October 30<sup>th</sup>, 2007 the adidas Group held a one-day workshop in Hong Kong with its key vendors in the region to reach out and obtain stakeholder feedback from a broad base of suppliers and transportation and logistic partners. Over the past years, adidas has deepened its approach to stakeholder dialogue and this workshop was an opportunity to engage with key vendors on CSR related topics. The day was facilitated by CSR Asia.

The first half of the day focused more on information sharing from the perspective of adidas on their approach to CSR and why it is an important part of their relationship with their vendors. The second half of the day enabled adidas vendors to look more in-depth at specific issues related to: the environment; the changing Chinese labour law; community investment as well as one broader session on vendor perspectives on CSR in China and to feedback to adidas on these issues.

In relation to the changing labour law in China, there are numerous vendor concerns such as: lack of preparation time, staffing and employee relations (including contracts, retirement and social insurance, employee motivation and satisfaction, building effective relationships with employees, unions) costs of change, concern over uncertainties and an explicit desire to better understand adidas' interpretation. Actions which adidas and vendors could take which were suggested by participants included:

- Clear communication from adidas regarding their 'stance', interpretation and expectations in relation to the new law
- Establishment of a network for information sharing and dialogue
- Support for cost analysis to better understand the implications of the new law
- Developing a coordinated approach with other brands
- Capacity building

Key concerns from vendors in relation to the environment revolved around issues related to: water, energy usage, noise, wastage and packaging, designs, capacity and government regulations. Suggested actions from participants which adidas and vendors could take (depending on companies, sectors, etc....) included:

- Consider factoring environmental issues into prices
- Work with other brands to achieve change
- Educate consumers
- Develop environmentally friendly and 'fair trade' products
- Reduce excess packaging and hangtags
- Build capacity in the supply chain through workshops and other forums
- Consider approaches to deal with excess stock such as buying back
- Continue and further develop stakeholder dialogue
- Maximise orders, minimise samples and recycle where appropriate

CSR, by its nature is understood differently by different people and companies. For adidas vendors issues such as: employee well being, motivation and retention, relationship with the community, the law, environmental concerns, safety and health and benefits were noted. Actions adidas and vendors could take which participants suggested included:

- Continuing to build a partnership approach (as opposed to a policing approach)
- Support for measurement, monitoring and evaluation to demonstrate costs vs. benefits of CSR

Similarly, in relation to community investment as an aspect of CSR, there were varying degrees of interest and understanding of how to address this from the perspective of adidas vendors. Issues which were discussed included: different levels of awareness and understanding, uncertainty over benefits, need for management buy-in and top level support, lack of experience in working with the community, ad hoc versus systematic approaches, uncertainty over definitions, need to focus on labour issues and how to involve government. Actions which adidas and vendors could take which were suggested by participants included:

- Leadership and encouragement
- Matching funds
- Training and capacity building
- Make available other resources on community investment
- Continued and increased stakeholder dialogue

In all of the sessions there was a deep interest from the participants of what the follow-up might be. Details of each of the sessions follow in the sections below.

## **Background**

Stakeholder dialogues have been held on an annual basis to help inform the Social & Environmental Affairs (SEA) programme of stakeholder concerns and interests. The outcome and response to those dialogues have been reported in the annual Social & Environmental Report and also online on the adidas Group website. In previous years adidas had focused on other critical stakeholder groups, such as non-governmental organisations and the financial analysts and social responsibly investment funds for such dialogue. However, given that the vendor base is also a critical stakeholder group, this workshop provided an opportunity to hear their voice. Traditionally, for the majority of the suppliers, their dealings with adidas Group SEA department have been in relation to code of conduct and compliance.

The purpose of the adidas Group suppliers' stakeholder dialogue was varied. Principally, adidas Group wanted to reach out and obtain stakeholder feedback from a broad base of suppliers. Invitations were extended to major Tier 1 product suppliers with operations in China, Tier 2 material suppliers (primarily from Taiwan) and Hong Kong based transportation and logistic partners. The characteristics of these groups were also varied: some were multinationals in their own right, others single large-scale suppliers with one or more factories in the PRC, many of those participating were senior managers or Directors of public listed companies in Asia, either in Hong Kong or Taiwan. Through the meeting, a clearer understanding of corporate social responsibility (CSR) as understood by the adidas Group was developed.

A detailed agenda is included in appendix A.

***Morning session***

The morning presentations were intended to present a broader picture of CSR and how this is managed within the Group, including governance and the role of the supervisory board, as well as environmental initiatives and corporate citizenship programmes. The morning session included keynote addresses by senior representatives from the adidas Group. Information on CSR, as it is understood by the adidas Group, was provided and this was linked to the importance of vendor CSR in the adidas Group's strategic plans. The morning presentation used the Dow Jones Sustainability Index (DJSI) assessment of adidas Group, to explain the various elements of sustainability and corporate responsibility. A presentation by the Workers Council representative from the adidas Group discussed how the adidas Group and the Workers Council relate to each other and noted various concerns which arise in Germany in regards to workplace issues in China. This aimed to raise awareness of vendors of how stakeholder dialogue occurs in Germany and that the dialogue between the adidas Group and its vendors in Asia is part of a global process. A presentation by CSR Asia updated participants on the changing CSR environment in China (including the shift towards legislating for CSR in the region), with a focus on key issues resulting in growing risk such as labour shortages, governance, reporting, greater Asia stakeholder participation in CSR debates in Asia, land acquisition, contract labour law in China, and hepatitis B.

During this session, it was also explained to those present, that because of the Reebok integration in 2006, SEA was unable to commit the resources and time for an annual stakeholder dialogue during that year.

60 people participated in the morning session, including the adidas Global Director of Sourcing and the Global Head of Apparel.

***Afternoon session***

The afternoon sessions provided an opportunity for a facilitated dialogue with adidas Group vendors. It also provided an opportunity for exchanging practical knowledge and tools in relation to environmental issues, community investment and contract labour law in China so that vendors could understand opportunities available and take ownership of the solutions for dealing with these issues.

The schedule for the afternoon was originally for three concurrent sessions on environmental issues, labour law issues, and community investment. However, in light of the needs and expressed interests of the vendors in the morning session, it was decided to only run one community investment session and to run one session related to CSR in China and one session focused on the Chinese labour law.

So as to free up the dialogue in the afternoon, no director from the adidas Group SEA or Sourcing organisation was present in the dialogue. However, three adidas Group staff members (an operations manager, an environmental manager and a senior logistics manager) attended the afternoon sessions as observers. To guarantee anonymity, comments from stakeholders were not attributed to individual participants.

The following sections provide feedback on each of the sessions.

## A: Environmental Issues

Dr. Richard Welford, a founder and Director of CSR Asia and a Professor at the University of Hong Kong facilitated two concurrent sessions with vendors on environmental issues. Richard opened by giving a brief overview of environmental issues in the region in the context of both risks and opportunities presented to companies. Participants worked in small groups to feedback on questions posed by the facilitator.

### **What are the major concerns for you in terms of environmental issues?**

**Air Pollution:** Air pollution is a priority concern for vendors who witness deteriorating air quality in the region which will affect employee health and impact sustainable development. Issues related to transportation were noted, including the role of adidas in terms of transportation of its materials and products.

#### **Water:**

- Wastewater Treatment: Many participants noted issues related to water resources and wastewater treatment. One group noted the challenges of working within the Chinese policy environment where regulations are changed frequently and more time is needed to keep up to speed.
- Water Storage: This issue was discussed by participants with concerns over the recent droughts in China and the uneven rainfall. Some noted factories in Southern China who have already had to close down due to lack of water. The Government has tried to export water from water surplus areas to water drought areas but the cost is too high. Some suppliers use diesel burning generators to make up for this shortfall.

#### **Energy Resources and Shortfalls:**

- The high consumption of energy was discussed particularly in relation to shipping companies who need to use vast amounts of fuel. If transport companies switch to cleaner fuels, their operating costs will increase substantially. The idea of shifting the cost to consumers was discussed. For other participants the issue of heat usage for production was noted as well and in order to save costs some have used low quality fuel, coal and garbage to generate this heat.
- The electricity shortfall in China, on the national grid, particularly in the summer months was discussed. Large factories fill the gap by generating electricity through burning low quality fuel, coal or garbage on their premises creating both high financial and environmental costs.

**Noise Pollution from Air Transport:** This is a big concern for people who live in close proximity to airports particularly at night. Some noted the fact that shippers of adidas' products often have night flights.

#### **Wastage:**

- Excessive Labels and Hangtags: Concern was expressed over the numbers of labels and hangtags (i.e. one swimming suit with five hangtags) which seem unnecessary since consumers will simply remove them after purchase.

- **Excessive Packaging:** Although there was discussion about changes to reduce packaging, one vendor stressed that they still needed to put all products in individual bags and a lot of excess packaging was being used.
- **Excessive Stock:** One group noted how adidas have a one-hundred percent rule whereby they won't accept anything under or anything over what they have ordered. Factories often have an excess of products due to production issues and have had to construct additional warehouses just to store these products (includes not only garments but also fabric). Concern was expressed that adidas won't permit them to donate to charities or to sell on to others.
- **Small and piecemeal orders:** adidas often places numerous small orders from the same suppliers. Neither production or shipping resources are maximised and in reality are wasted to deal with many small orders.
- **Numbers of samples:** To ensure the best product, adidas often requests large numbers of samples with different designs and colours. This greatly increases the burden of suppliers and the excess samples are wasted and not put to any further use. One participant noted that adidas Sourcing is piloting a trial usage of a software to mix & match design colour, therefore minimising the actual numbers of samples to be produced. However, there was an expressed desire to speed up the trial process and implement the software.

**Designer's choice of materials:** The issue of environmental awareness of the designers in terms of products chosen was raised and discussed. It was felt that if there was more awareness of the environmental implications of various choices that different decisions might be made.

**Displacement and migration of pollution:** Some participants were concerned that the Government wants to move factories to outlying areas, which only displaces the problem.

**Capacity to deal with changing regulations:** The Chinese Government is paying much more attention to environmental issues. While this is very positive, companies noted the challenge in terms of adjustment and implementation and the need for support to deal with these changes.

**Capacity of supply chain:** Companies faced challenges in asking their own sub-contractors to be socially responsible. Factors included the small size of companies and lack of awareness and concern on their environmental footprint and the challenges in understanding what is really happening. They believed that adidas should take the lead for the nominated/shared Tier 2 vendors.

**Seeing initiatives through?** One vendor noted that adidas had previously worked with them to set up an environmental accounting system but had never received feedback following the submission of proposal and all materials. However, the concerned vendor has stated that they will continue to roll out the system on their own as they see economic benefit in doing so.

**Age of facilities:** Participants discussed the age of facilities which are not as efficient and use large amounts of energy.

**Possible actions that can be taken by adidas and vendors to address these issues?**

- Price adjustment: Participants noted the increasing cost of raw materials and that in order to select the most environmentally friendly products, adidas could support price changes. Vendors noted their willingness to share the cost of minimising environmental effects with adidas. Participants felt that if adidas could increase the sourcing price then suppliers could afford to do more on this issue. However, if money was saved through energy efficiencies it was not clear whether the cost savings would be shared with adidas as well.
- Working with others to achieve change: It was noted that in order to affect real change, adidas could work with other big brands on key environmental issues. A small conference was suggested as a first step to bring together relevant players to identify a plan of action.
- Consumer education: Given the capacity of adidas to influence people's attitudes and ideas, participants noted that adidas should invest more on consumer education to choose environmental issues and consumption.
- Environmentally friendly and 'fair trade' products: There was general enthusiasm for adidas to pursue the production of 'fair trade shoes', green and other products. Participants noted that this could also be a good publicity opportunity if it was managed well. People felt consumers would be willing to pay a higher price for such products. In line with this, it was suggested to launch simplified designs with simplified packaging (such as less packaging or brown paper rather than poly bags for products).
- Reduction in hangtags: While bearing in mind the requirements of different jurisdictions, there was a request for adidas to look to reduce the numbers of hangtags. Fabric printing with hangtag information was one suggested alternative.
- Energy saving workshops for key suppliers: Some vendors noted how adidas had supported this previously in both Guangzhou and Vietnam. However, some noted the high cost of both participating and corresponding consulting fees. It was suggested that adidas could invest in such support for key suppliers or offer affordable on the ground consultations such as the pilot programme in Ho Chi Minh City.
- Buying back excess stock: It was suggested that adidas could use a discount rate (i.e. 20 percent) to buy back excess stock or samples.
- Regular stakeholder dialogue: There was general enthusiasm for more platforms and events for stakeholder dialogue for adidas and suppliers to sit together and find solutions for problems.
- Internal communication, training and capacity building: In light of some of the issues discussed, participants noted that adidas should focus on building internal capacity on environmental issues. For example, adidas could educate designers about the importance of choosing environmentally friendly materials and try to bring out environmentally friendly concepts in their products.

- Recycling: Shoe recycling was noted as a possibility for consumers. Possibilities included bringing back shoes for a discount on new shoes and for adidas to try to reuse some of the materials in the production process. Other suggestions included repair services to increase the life of the shoe and donation schemes to poor countries.
- Maximising orders: Orders could be combined together to maximise resources and minimise wastage. Some participants noted that better planning could help to achieve this.
- Minimise samples: Participants suggested minimising numbers of samples and choosing the best design layout for production to prevent excess waste.
- Waste collection: Another suggestion was for adidas to introduce production waste collection agents for suppliers.
- Nominated/shared Tier 2 / Tier 3: adidas Group should take the initiative instead of individual Tier 1 suppliers to work on any environmental issues with T2 and T3 suppliers.

*Note:* One person after the session noted concern over the participation of adidas in the session and confidentiality and the ability for vendors to 'speak freely'. However, as previously indicated the adidas Group staff members participated as observers and, to guarantee anonymity, comments from stakeholders were not attributed to individual participants.

## **B: Contract Labour Law in China**

Dr. Stephen Frost, a founder and Director of CSR Asia and an associate professor at City University in Hong Kong facilitated this session. Participants were given the opportunity to reflect on major issues and concerns for them regarding the new labour law in China and what role adidas might be able to play in supporting this transition.

### **What are the major issues and concerns surrounding the new labour law in China?**

***Lack of preparation time:*** With the new law, in principle, coming into effect on January 1<sup>st</sup>, 2008, many participants felt they weren't prepared to have adjustments in place by this time, given the large numbers of employees.

***Staffing and employee relations:*** Participants discussed numerous issues related to staff and the desire for adidas to offer support. Specific questions and topics include:

- Contracts: Participants are expecting provincial government to help with detailed employee contracts but uncertain if this would happen in reality.
- Retirement and social insurance: Challenges for dealing with both of these issues were noted in relation to cost and managing processes related to retirement and social insurance
- Employee motivation and satisfaction: A desire to improve this but uncertainty over how for some participants was noted.
- Building effective relationships with employees: Participants were concerned with *how* to build effective relationships with employees and see this as one of the most important issues. However, many struggle with finding appropriate approaches.

- **Unions:** Participants recognised the increasing role that unions will have. Participants noted concerns regarding capacity of ACFTU to effectively follow up and ongoing concerns regarding what the union dues contribute to. It was noted that it takes time for unions to grow and become effective and that there are only 2 months before the new law becomes applicable. Again, participants felt more time was needed.

**Costs:** Participants were also concerned who would bear the cost of managing the change and how to budget and factor in associated costs for the new labour contract.

**Clear and practical or too many 'gray' areas?** While some participants noted the new law as being clear and practical and good for long term development, others felt there were too many uncertainties. There was hope for local follow-up from provincial government bodies. Although the law is universal, the fact that there may be considerable differences between various sectors was discussed and people were concerned about how the law will play out in practice.

**Uncertainty over adidas "stance" in relation to the changes:** One of the biggest issues noted was an explicit desire for adidas to be clearer on its perspective of the law and its expectations in relation to the law. Participants varied in their understanding of adidas' stance in relation to the new law and whether a grace period would be considered even though there was training in September. Others noted that everything depends on the 'attitude of adidas' towards this change.

#### **Possible actions that can be taken by adidas and vendors to address these issues?**

- **Communication on law, expectations and interpretation:** The law is clear, but it is not clear how/if it will be enforced. More importantly it is not clear to vendors what adidas expects in relation to the law. Participants would like a clear statement from adidas on this. adidas could:
  - communicate how they have interpreted the law, and what is expected
  - communicate what the cost implications are and who is expected to bear this cost
  - help explain the gray areas of the law
  - work with local government to ensure the law is being communicated properly
- **Network for information sharing and dialogue:** Participants expressed a desire for sharing of information regarding how the new law will be implemented and people's responses and experiences both amongst companies but also between companies and government representatives. Both 'face to face' and 'online' approaches were discussed with participants seeing value in both. Vendors noted that face to face meetings through adidas liaison office and with appropriate government representatives would be helpful as would an online forum for sharing information to review internally before discussing face to face.
- **Cost analysis:** It has been difficult to calculate unexpected costs that will come as a result of the new law. Participants wondered if adidas could help in cost analysis breakdowns and build understanding of who would need to bear these costs.

- Coordinated approach with other brands: adidas could help to facilitate a dialogue with other brands to make sure everyone is 'on the same page' and starts with a basis of common understanding.
- Capacity building: Vendors expressed hope that adidas could help to facilitate capacity building for:
  - Building communication and effective relationships between managers and workers. It was acknowledged that what has been made available to date has been very helpful and participants hoped for more.
  - Employee motivation. Some participants noted the need to find ways to build up employee motivation.
  - Implementation of the new contracts.

It was felt that adidas had built up a large body of experience in these areas and could look to find ways to support their vendors through this transition.

## C: CSR in China

In follow-up to the morning's presentation on CSR in China, Dr. Stephen Frost also facilitated a session with interested vendors to enable vendors to reflect on the changing environment, what it means for them and for their relationship with adidas. Key issues were discussed as well as the role of different actors such as adidas and the government.

**CSR Issues for adidas vendors:** Participants see CSR in a different light depending on their own perspectives. Key issues which were noted included:

- Employee well-being, motivation and retention: This was noted by many as a top issue in relation to CSR.
- Relationship with the community: Some participants noted charitable activities while others noted deeper investments in the community.
- The law: This was noted in relation to CSR that companies must first obey related laws.
- Environmental: Concerns over the environment and the increasing public awareness were noted.
- Safety and Health were seen as a priority in relation to CSR.
- Benefits: Some participants expressed concern over the cost vs. benefits of CSR and that they did not know how to measure a return on their investment. A few noted that they were seeing returns on their investment in the short and medium term in relation to labour retention in an increasingly competitive market.

**Vendors' perspective on the role of adidas?** Participants noted a variety of issues in relation to adidas' role and responsibility such as:

- Cost: Some participants felt that adidas was demanding higher and higher standards but not willing to share the cost with producers.
- High standards and quality: Others noted positively that adidas has helped to raise standards in the region and helped to improve quality.

- Too much “telling” and too little “dialogue”: One participant noted that there is a lot of ‘pressure’, ‘finger pointing’ and ‘one-sidedness’ to the issue. Concern was expressed on ‘by-the-book’ approval of third party auditors; some not experience enough, no chance for discussion and understanding of underlying problem before issuing non-compliance/warning letter.
- Supportive partner: Others noted that they had support from adidas to get through tough issues and create a better production line.
- Trust at the centre: A few commented on the fact that the relationship needs to be built on trust.

**Vendors’ perspective on the role of government?** Some participants noted how government has made things easier, while others have seen no government involvement at all. Although there may be increased involvement there is still so much more to do. It was noted that if the government would increase its standards to the standards of adidas, then there would be more competitiveness in the market.

**Possible actions that can be taken by adidas and vendors to address these issues?**

- Building a partnership approach: While vendors noted that adidas was often ‘much better than others’, they wanted to see a more thorough shift from ‘policing’ to ‘partnering’. Stakeholder dialogue is an important tool in this regard.
- Support for measurement, monitoring and evaluation tools: In light of the challenges expressed by participants in understanding the return on investment for CSR, adidas could work with vendors and support monitoring, measuring and evaluation.

## **D: Community Investment**

Michelle Brown, Community Investment Advisor at CSR Asia worked with participants to look at current understanding of community investment and the value of it and to build understanding of some approaches to community investment. Participants were given the opportunity to reflect on what community investment means for them and for their business as well as approaches and tools to develop a strategic approach that can bring benefits for companies and for communities.

**Issues discussed in relation to community investment:**

Different levels of awareness and understanding: Over half the participants noted that they had no idea or understanding of community investment. In light of this the facilitator walked through some definitions, examples, approaches, and tools for community investment with participants.

Uncertainty about benefits to company: One participant felt they were confident in their understanding of community investment and how it is important for their business. They noted business needs to give something back to the community which in turn helps improve reputation. One participant felt that their boss would not understand the business benefits although they might perceive emotional benefits. Three participants noted that they had some idea of community investment and why it is important for business but that they wanted to learn more.

Need for management 'buy-in' and support 'at the top': Where community investment was seen to be successful participants noted that it demanded senior level buy-in.

Lack of or varying experience in how to work with/approach 'community': Some participants noted that it was not their expertise to develop work in this area even if they did see it as important. Participants felt that if they were to get involved it might mean committing additional resources and they were not sure if their boss would be supportive of this. The facilitator gave some examples of community investment strategies that brought benefits to communities and to the company and that community investment did not require sacrificing profits but could actually add value to business. The facilitator noted research which showed that a good community investment programme aligned business strengths with community priorities, formally encouraged community-company dialogue and explored use of partnerships.

Ad hoc vs. systematic approach to help identify priorities: Some participants noted charitable initiatives and activities their company has supported whereby there was no clear strategy or direction related to community investment. Others noted experiences of companies with very clear strategies in this area. In relation to this, the session provided participants with an opportunity to role-play a 'mini stakeholder dialogue' as an approach to identifying and responding to community priorities. Examples were given of where companies in the region had taken a 'risk' and made it into an opportunity and how investing in training, capacity building, healthcare, new businesses and policy advocacy could bring returns for business and communities.

Uncertainty over definitions: Participants noted the need for clarity in terms of what is community/what is community investment. The facilitator noted that 'community' can be about a group of people or about geographic locations and it is about how people define their relationships to one another. One participant noted that since their operations are in China, they see the whole of China as 'the community'. The facilitator noted that community investment is about how companies manage their activities in the community which can create a positive impact for the business and for the community. Community investment involves invested or donated resources such as time, money, products, services, influence, management knowledge and other resources to address community problems and turn risks into opportunities. While traditionally a company's 'community investment' was seen as its philanthropic work it is now part of core business for leading companies.

Labour is a pressing issue: Participants were asked to reflect on pressing community issues for their own business. Both groups noted issues in relation to labour and in particular migrant labour. One group noted that in Taiwan the acceptance of migrant workers is a big issue and there are payment issues as well as poor living conditions. The participant noted that they would hope that they could get 'buy-in' to address some pressing issues. Others noted that in mainland China adidas has more experience in community investment and could provide more training. In terms of priorities participants noted that issues relating to workers were the most pressing issues and would put these as top priorities for community investment.

How to involve government: In relation to one example, participants discussed whether it was beneficial or not to involve government representatives. One group felt that they would chose not to involve the government when discussing and understanding issues related to community investment as they felt there was not concern or care from the government on these issues even though it may be their responsibility.

**A case study: who benefits?** Participants looked at a case study in relation to adidas community investment in factories in Vietnam with regards to reproductive health and HIV and AIDS.

The benefits of this community investment were discussed and defined by participants as:

- ⇒ improved reputation for adidas
- ⇒ improved reputation for factory
- ⇒ less worker turnover
- ⇒ improved productivity
- ⇒ less incidence of health problems and improved access for health related resources
- ⇒ increased knowledge of female workers on how to protect themselves
- ⇒ wider benefits to communities workers may go back to during holidays, etc.
- ⇒ improved government relations

Participants were given the opportunity to participate and role-play a 'mini stakeholder dialogue' based on a fictional story provided by the facilitator.

### **Possible actions that can be taken by adidas and vendors to address these issues?**

- Leadership and encouragement: Given the recognised need for senior management buy-in, adidas can help to encourage action by playing a leadership role and engaging on this topic with suppliers. To further look at these issues adidas could support an additional workshop with vendors.
- Matching funds: adidas could look at a scheme to provide matching funds to encourage community investment.
- Availability of resources on community investment: Through the discussions some participants noted that adidas could help to provide resources to support vendors to be strategic about their community investment.
- Training and Capacity Building: Given the experience of adidas in this area, it could provide training to vendors to help address community issues in the region.
- Increased and ongoing stakeholder dialogue: It was noted that additional opportunities for stakeholder dialogue within and around factories that adidas works with would enable improved community engagement and a deeper understanding of local issues to inform action.

In all of the sessions there was a deep interest from the participants of what the follow-up might be.

**Appendix A: Workshop Agenda**

**adidas Group Stakeholder Dialogue  
30 October, 2007  
Langham Hotel, TST, Hong Kong**

**Meeting Venue: Ball Room A, 2/F**

<b>Time</b>	<b>Topic</b>	<b>Facilitator</b>
08:45 – 09:00	Registration	
09:00 – 09:15	Welcome and introductions	Bill Anderson / Stephen Frost
09:15 – 10:30	<ul style="list-style-type: none"> <li>▪ CSR – what it means to the adidas Group</li> </ul>	Bill Anderson
	<ul style="list-style-type: none"> <li>▪ Co-Determination/Governance Model at adidas AG</li> </ul>	Sabine Bauer
	<ul style="list-style-type: none"> <li>▪ Environmental Challenges for adidas Group</li> </ul>	Lyn Ip
	<ul style="list-style-type: none"> <li>▪ Adi Dassler Fund</li> </ul>	Sabrina Cheung
<b>10:30 – 11:00</b>	<b>Coffee Break</b>	
11:00 – 11:45	The Changing CSR environment in Asia	Stephen Frost
11:45 – 12:00	Wrap-up	Stephen Frost
<b>12:00 – 13:15</b>	<b>Lunch</b>	
13:15 – 14:45	Session I	
	<ul style="list-style-type: none"> <li>▪ Breakout session 1: Environmental issues</li> </ul>	Richard Welford
	<ul style="list-style-type: none"> <li>▪ Breakout session 2: Contract labour law in China</li> </ul>	Stephen Frost
<b>14:45 – 15:15</b>	<b>Coffee Break</b>	
15:15 – 16:45	Session II (repeat of Session I)	
	<ul style="list-style-type: none"> <li>▪ Breakout session 1: Environmental issues</li> </ul>	Richard Welford
	<ul style="list-style-type: none"> <li>▪ Breakout session 2: Community investment</li> </ul>	Michelle Brown
	<ul style="list-style-type: none"> <li>▪ Breakout session 3: CSR in China</li> </ul>	Stephen Frost
16:45 – 17:00	Wrap-up	Stephen Frost / Bill Anderson
<b>17:00</b>	<b>End of Day</b>	

## Appendix B: Participants List

<b>Apparel Suppliers</b>	<b>Location</b>
Ningbo Shenzhou	China
Bowker Asia Ltd	Hong Kong
Fook Wah Kun Kee Knitting Fty Ltd	Hong Kong
Tien Sung Sporting Goods Co Ltd	Hong Kong
Liphone Enterprise Co Ltd	Taiwan
Promax Textile Co Ltd	Taiwan
Quint Major Industrial Co Ltd	Taiwan
Sintex International Ltd	Taiwan
Sues International Ltd	Taiwan
Wa Up International Enterprises Inc	Taiwan
<b>Accessories Suppliers</b>	<b>Location</b>
Dongguan KuanHo Sporting Goods Co Ltd	China
<b>Footwear Suppliers</b>	<b>Location</b>
Apache Footwear Ltd	China
Ching Luh Shoes Co Ltd	China
Evervan Footwear Co Ltd	China
Evervan (Saigon Jim Brother's Corp)	Vietnam
Stella International Ltd	China
Yue Yuen Industrial (Holdings) Ltd	Hong Kong
<b>TaylorMade Suppliers</b>	<b>Location</b>
Advanced International Multitech Co Ltd	Taiwan
<b>Textile Suppliers</b>	<b>Location</b>
Fountain Set (Holdings) Ltd	Hong Kong
Formosa Taffeta Co Ltd	Taiwan
<b>Transport &amp; Logistics Suppliers</b>	<b>Location</b>
DHL Logistics (HK ) Ltd	Hong Kong
FedEx Express	Hong Kong
Kuehne & Nagel (Asia Pacific) Management Ltd	Hong Kong
Maersk Hong Kong Ltd	Hong Kong
Panalpina China Ltd	Hong Kong

<b>CSR Asia</b>	Stephen Frost, Richard Welford, Michelle Brown
<b>adidas Group</b>	Bob Shorrocks, Maureen Vickers, Neill Ferguson, Sabine Bauer, Sabrina Cheung, Bill Anderson, Vincent Tse, Lyn Ip