



23 September 2022

(By Email)

Attn: Business Human Rights Resource Centre

Dear BHRRC,

**Response to case cited in Research Report – Freedom of Association in Southeast Asia**

Thank you for your recent email and for sharing an extract from your upcoming report on freedom of association (FOA) and collective bargaining in Southeast Asia during the Covid-19 pandemic.

As we do not have visibility into the full content of your report, we would draw your attention to our third-party human rights complaints system, and the [case summaries](#) we have published for 2020 and 2021. These span the peak of the Covid period. In the link you will find a summary of specific allegations raised by local and global unions on FOA and other related topics, and details of the investigations and remedial actions taken by adidas to resolve such cases. This includes a good number of supplier cases in Southeast Asia.

With respect to the extract you have shared, the union official is referring to a worker furlough that took place at a footwear supplier in Indonesia in 2020. In brief, the factory concerned has multiple trade unions and prior to applying for a temporary furlough for workers, it negotiated and reached agreement with its 3 existing unions that held representational rights under its CBA, i.e., those trade unions that held membership levels greater than 10% of the workforce. Shortly after that agreement was reached, a fourth union was formed, which complained that it had not been consulted on the worker furlough program. The newly formed union membership represented less than 1% of the workforce and, by law, it did not qualify as a consultee. This was confirmed by the local labor authority. Nevertheless, to resolve the complaint the supplier conducted a retrospective meeting in early 2021 to share the details of the agreement reached with the other representative unions. The supplier provided the fourth union with the context and particulars related to the decision to pursue a temporary furlough, including the ongoing Covid restrictions, data on worker leave entitlements, planned order volumes, the non-financial support being offered to workers, as well as the cash-assistance program that was provided by BPJS, the government's social insurance provider.

We shared the results of our investigation into the above case with the Asia Floor Wage, who had acted as an intermediary for the fourth union.

We understood that the union was satisfied with the disclosure and the reasons given for the worker furlough.



Reference is also made in your report to Covid-19 deaths.

From the very outset of the pandemic adidas provided our business partners with comprehensive guidelines on worker hygiene and infectious disease control, aligned with WHO standards, and these were strictly followed by the suppliers' factory, as was the testing and vaccine requirements subsequently rolled-out by the local health authorities in each country.

We trust the above answers your question, and we look forward to receiving and reviewing your full report, once this is published.

Sincerely,

A handwritten signature in black ink, appearing to read "William Anderson", with a long horizontal flourish extending to the right.

William Anderson  
Vice President, Global  
Social & Environmental Affairs