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President: Berthold Huber General Secretary: Jyrki Raina

To: Mr. Budi Kusmarwoto
Managing Director
PT KERTAS LECES (PERSERO)
JI, Raya Leces, Leces - Probolinggo 67202
Via e-mail: leces@kertasleces.co.id
jakarta@kertasleces.co.id

January 30, 2013

SUBJECT: CRIMINALIZATION OF TRADE UNION WORK AT KERTAS LECES LTD.

Dear Mr. Kusmarwoto.

IndustriALL Global Union, representing over 50 million workers in mining, energy and manufacturing sectors in more than 140 countries across the world, is seriously concerned over the situation at your company and the attempts of your company to criminalize trade union work.

According to the reports we received from our affiliate Federation of Indonesian Pulp and Paper (FSP2KI), on 28 November 2012 management of your company announced termination of the working contract of Djody Soegiharto, chairman of the Paper Workers Union SPKL, member of FSP2KI, which is also an affiliate of IndustriALL Global Union.

The only reason was Soegiharto's active involvement in protection of workers' legitimate rights. In November 2011 your company paid only 50 per cent of wages to its workers. Besides, the company paid only 25 per cent of the agreed education allowances for employees' children.

At the end of February 2012 Djody Soegiharto organized protests and displayed banners and billboards inside and outside the factory premises of Kertas Leces company with statements demanding immediate pay off of all arrears in wages and benefits to the workers. Your company, instead of fulfilling its obligations versus your employees accused the union leader of defamation and contempt towards its directorship. We believe it is an attempt of union busting and is in clear violation of freedom of association principles set forth in the International Labour Organization (ILO) Convention 87 on Freedom of Association and Protection of the Right to Organise and 98 on the Right to Organise and Collective Bargaining, both ratified by Indonesia.

We strongly condemn the outrageous behaviour of the management of your company and urge you to take all immediate steps to resolve the conflict and restore justice at your enterprise, to pay out all the arrears in workers' wages and benefits, to reinstate Djody Soegiharto as well as other SPKL activists fired earlier and to start negotiations with the union based on principles of good faith and transparency.

If the interests of the Paper Workers Union SPKL are ignored, IndustriALL Global Union will use the international mechanisms for defending union rights and will also call the affiliates in different countries for help.

Yours faithfully, Jyrki Raina,

General Secretary IndustriALL Global Union