



A SPORTING CHANCE FOR WORKERS

Mr. Frank Henke
Global Director
Social and Environmental Affairs
Frank.henke@adidas-group.com

Dear Mr. Henke,

We are writing to express our great concern at a serious deterioration in the industrial relations between your Honduran supplier Pinehurst and the union SITRAPINEHURST, a member of CGT which is affiliated to the ITUC. Following lengthy negotiations and the recent arbitrary dismissals of workers, industrial relations are extreme precarious and we fear that it may not be possible to successfully conclude the CBA negotiations currently underway at the plant.

More than one year and six months have elapsed since the negotiations began and we have not seen any progress due to the fact that the company has refused to engage in a constructive manner. For months the company sent representatives to the negotiations who had no real mandate to make concrete proposals. More recently, the company suggested a minimal pay increase of 1 Lempira (five U.S. cents). The proposed wage remains absolutely insufficient to meet the worker's basic needs and provide some discretionary income due to the high cost of living in Honduras. Although the union has made every effort to reach a compromise, and reduced its demands to a minimum, Pinehurst has made no real effort to reach an agreement.

Earlier this month, the company dismissed several workers with years of service, and replaced them with new workers without any consultation with the union. Given the history of anti-union discrimination against SITRAPINEHURST, as detailed in the complaint filed earlier this year with the U.S. administration under CAFTA, we take very seriously this breakdown of industrial relations, and the possible impact on the union and the CBA negotiations.

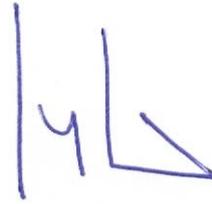
The Director of Pinehurst has alleged that the company can not make proposals during the CBA negotiations as a result of a reduction in orders from adidas. Therefore, we would ask that adidas assure the company that orders will at least remain stable for the lifetime of the CBA, and take steps to support the meaningful engagement of the company in the negotiations. We also request your intervention in ensuring that the wrongfully dismissed workers are reinstated with full back pay from the date of dismissal while the company must respect the practice of systematic union consultation.

We look forward to your reply.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'S. Burrow', with a large, stylized flourish at the end.

Sharan Burrow
General Secretary
ITUC

A handwritten signature in blue ink, appearing to read 'J. Raina', with a large, stylized flourish at the end.

Jyrki Raina
General Secretary
IndustriALL Global Union

CC: Mr. Felicito Avila, Minister of Labour and Social Security,
email: despacho_1@trabajo.gov.hn