



Women's Environment & Development Organization

WEDO letter to Nike (October 2007)

October 16, 2007

Nike
Erin Dobson
CC: Ursula Wynhoven, UN Global Compact Office

Dear Ms. Dobson,

Thank you for your quick response to our August 15th letter regarding Nike's violation of the United Nation's Global Compact through practices that disregard the rights of Nike garment workers, the majority of whom are women. We offer our apologies for this late response to your request for more specific information, but look forward to our dialogue.

In our previous letter, we referenced several groups that document Nike's labor abuses in its supply chain factories. These allegations, which include union-busting, underpaying employees, and high incidences of discrimination and sexual harassment of women, have occurred despite recent initiatives by Nike to systematically address labor violations.

For examples,

* According to the Fair Labor Association's 2006 "Tracking Report" and under the Independent External Monitoring (IEM) on the conditions of the supply factories of Nike in China, several factories were found to have been violating workers rights and their own company codes of conduct (e.g. Factory: 070015436E, Factory: 07001582BV, Factory: 080215438E, and Factory: 070015437E in the report). The FLA reports that women workers of these supply chains are subjected to underpayment, verbal abuse, harassment, health risks, pregnancy discrimination (forced pregnancy tests before being hired in the factory), no overtime compensations, monetary fines and penalties if they are three times late or perform poorly, and receive no sick leave. It was also reported that there was no evacuation procedure due to the locking of the doors during work hours, and extremely poor or non-existent (in two factories) safety equipments such as fire alarms or first aid kits.

* Nike has also been a primary target of the Clean Clothes Campaign, an international group working to end labor abuses in the garment industry and calling for living wages and fair working conditions in accordance with standards set by the International Labor Organization. CCC is running an ongoing campaign to support Hermosa workers at an El Salvador Nike-supply chain factory, which was closed after they attempted to organize a union.

* United Students Against Sweatshops report 150 workers at the BJ&B garment factory in the Dominican Republic were suspended from their jobs due to a lack of orders. USAS states that "Nike is slowly but surely cutting and running from this factory that had an historic

victory in 2003 and was the first factory with an independent union in the Caribbean basin. It is imperative that Nike make a commitment to factories where workers have improved conditions and provide steady orders at fair prices to the factory."

* Oxfam International examined how twelve international sports brands are confronting worker rights issues in factories, particularly the right to form and join trade unions. The report highlights several case studies, including Jaqalanka (Sri Lanka), Doson (Indonesia), and MSP Sportswear (Thailand), all of which supply Nike products. While Nike expressed a commitment to ensure respect for trade union rights in its supply chain, Oxfam International expressed concerns about Nike's commitment to tackling such a challenge. Oxfam notes that even where there has been progress in particular factories, actions by Nike have led to a reduced presence of "unionized factories in its supply chain and given other suppliers little incentive to comply with Nike's code of conduct and allow workers to organize trade unions and bargain collectively."

WEDO considers the allegations made by these independent watchdog groups specific and pervasive enough to warrant a substantive response from Nike.

WEDO would also like to hear your thoughts on the recommendations to Nike we provided in our original letter, as our objective in this complaint is to alert Nike to these ongoing abuses and encourage a meaningful dialogue that will culminate in improved conditions for all Nike workers, particularly women workers. WEDO will post our letters to Nike on our MisFortune 500 website and would also include Nike's reply.

We look forward to a Nike response to these ongoing violations, including specific actions that Nike plans to take to ensure that the rights of its women workers are protected.

Sincerely,

June Zeitlin
Executive Director