

ARIKBAY TEKSTIL AND BEYBO BOYA (TURKIYE)

SUMMARY REPORT

August 4, 2022

Updated: September 12, 2022

On April 13, 2022, Fair Labor Association (FLA) initiated a Third Party Complaint (TPC) investigation under its long-established procedures concerning allegations of violations of freedom of association (FOA) rights of union members working in two production facilities in Turkiye from which its affiliated Participating Company adidas sources.

FLA first learned of these issues through a TPC filed by the TEKSIF union on March 30, 2022.

The alleged FOA violations included:

- Union members being subject to discriminatory treatment and factory management communicating to workers in the factories in opposition to the presence of the union.
- The unfair dismissal of nine pioneer members of the TEKSIF union from the Arikbey Tekstil factory due to their union membership.
- The refusal by factory management to initiate a social dialogue with the union in good faith despite union efforts to discuss issues related to the dismissals and other alleged anti-union practices.
- Claims about harassment and abuse of union members and their relatives working in other workplaces in the area due to the owners' influence in the locations where the two factories are located.

After a careful vetting process, FLA secured the services of Mr. Sudi Sinan Doven from ARCHE Advisors to conduct a detailed investigation of all allegations, consistent with its standards for independent third party investigations.

FLA thanks Mr. Doven for his excellent work in conducting the investigation in an objective manner and producing a comprehensive, carefully organized report, and appreciates the support of ARCHE throughout that process. The Investigator met with all relevant stakeholders, including officials from the complainant union, adidas, management of both factories, and the dismissed workers. He also conducted a large-scale worker survey in both factories to receive important feedback on a confidential basis.

At the same time, it is important to clarify that that while FLA has reviewed the content of the investigator's report (his analysis, findings, and recommendations), it has not independently validated those, including as they incorporate information gathered and perspectives provided by the different parties with whom he engaged during the investigation. The report is the work product of the independent investigator, including observations and conclusions reached made concerning the information shared with him.

As explained in detail in his report, the investigator concluded that it was not possible to accept the dismissal of the union members based on any objective criteria; this core finding was buttressed by the information he obtained through interviews and the survey (as set out at pages 21-24 and 36-41 of the report) that a significant portion of the workforce in both factories indicated that they would lose their jobs if they registered with a union.

The Investigator has recommended a series of specific action items for management of both factories, as well as additional steps for adidas, the union and FLA, all against the backdrop of his underlining the importance of moving quickly to establish a healthy social dialogue between factory management and the union – with adidas playing an important role in working with the parties to address the set of report findings and recommendations.

FLA looks forward to following up and monitoring the process of implementing the investigator's recommendations directed at the supplier factories through a detailed corrective action plan (CAP) over the coming weeks and months. Notwithstanding the clear challenges ahead, FLA is confident that the carefully developed recommendations in the report focusing on those production facilities can lead to substantial improvements that will benefit the workers in both factories.