



A SPORTING CHANCE
FOR WORKERS

20 December 2011

Mr. Robert DeMartini
President and Chief Executive Officer
New Balance

Re: Public reporting on the Indonesian Freedom of Association Protocol

Dear Mr. DeMartini

Play Fair would like to welcome New Balance's decision to sign the Freedom of Association Protocol in Indonesia. The Protocol presents a significant opportunity New Balance to ensure that the right to freedom of association and the right to organize are implemented throughout your Indonesian supply chain.

A significant factor in the successful implementation of the Protocol will be the extent to which New Balance supports and encourages the implementation of the Protocol at the factory level. In the lead up to the 2012 London Olympics and beyond, Play Fair will publicly report on the implementation of the Protocol in New Balance's supplier factories and how New Balance is supporting this implementation.

Attached are the full details of the six reporting steps and what is expected from New Balance. We understand that New Balance will have already taken some steps towards implementation, but would appreciate a full report on all steps to ensure accuracy.

Some information about New Balance's Indonesian suppliers has now been made publicly available through corporate databases. In order to assess progress made towards implementation of the Protocol across New Balance's supply chain in Indonesia, the company needs to disclose names and addresses of all supplier factories.

Please provide information on each step by 13th January 2012 so that we can accurately report on New Balance's efforts. Company responses will be posted on the Play Fair website.

Yours sincerely

Dr. Jeroen Merk
Campaign Coordinator
Clean Clothes Campaign

Alexia Huxley
Acting Executive Director
Oxfam Australia

Klaus Priegnitz
General Secretary
International Textile, Garment
and Leather Workers Federation

Sharan Burrow
General Secretary
International Trade Union
Confederation

CC: *Christine Madigan, Vice President, Responsible Leadership*
Lary Brown, Corporate Compliance Manager Lary.Brown@newbalance.com

REPORTING STEPS ON PROTOCOL IMPLEMENTATION

1. Sign the Protocol

(the version in the original Protocol language, Bahasa Indonesian)

When: immediately

2. Provide a copy of the signed Protocol to the Indonesian trade unions and the Play Fair Alliance

When the FOA Protocol Supervision and Dispute Settlement Committee (National Protocol Committee) is set up, signed copies of the Protocol will also be shared with the members of the Committee.

When: immediately upon signing

3. Provide a copy of Protocol as signed by *suppliers* to the Indonesian trade unions, the Play Fair Alliance and the National Protocol Committee (It is expected that all supplier factories in Indonesia will sign the Protocol.)

Brands to provide updates as suppliers sign onto the Protocol. This includes providing a copy of the Protocol as signed by each supplier management to Play Fair, the National Protocol Committee and Indonesian unions who have signed.

In order to assess progress made towards implementation of the Protocol across the whole supply chain in Indonesia brands need to disclose names and addresses of all supplier factories.

How often: Immediately upon suppliers signing

4. Include the implementation of the Protocol into contracts with suppliers.

Report to the National Protocol Committee, Indonesian unions and Play Fair on how the Protocol has been incorporated into contracts/agreements with suppliers. Brands should provide quarterly updates about any renewed contracts to report on this step.

How often: Quarterly

5. Report on number of suppliers who have a Collective Bargaining Agreement on the basis of, or stronger than, the provisions of the Protocol

Parties are obliged to negotiate a CBA within six months of signing. Where there is already a CBA in place in supplier factories, brands can report on any new CBAs that are negotiated and whether they are as strong as the provisions in the Protocol. Play Fair, the National Protocol Committee and Indonesian Unions should be updated about new CBA's every 3 months.

How often: Quarterly

6. Report on engagement in the National Protocol Committee and support for FOA Protocol committees at the factory level.

Include information about meetings attended – issues resolved at the National Protocol Committee meetings. This should include how the brand has participated in resolving violations of the Protocol. This step will be reported on once the National Protocol Committee and associated Standard Operating Procedure has been established. Brands should report on how they have supported the establishment and running of FOA Protocol Committees at the supplier factory level and how they are supporting factory level dispute resolution processes.

How often: Every six months