

No Sweat Apparel
Response to Primary Recommendations
as outlined in "Final Report - PT Bata Audit - April 16, 2005"

Below is a summary of the Primary Recommendations for No Sweat Apparel and the status of the actions that No Sweat Apparel is taking to address these issues. This audit raises concerns that No Sweat Apparel is addressing very seriously. No Sweat Apparel has a great responsibility and is looking forward to working with all stakeholders and organizations involved in workers rights to affect real positive change in this factory. Please keep in mind that this formal response is a work-in-progress as certain issues continuously change. We will continue to revise this response as needed.

No. Audit Recommendation	Status
1 Hold discussions immediately with management at PT Bata regarding the primary recommendations.	<p>No Sweat forwarded to the management of PT Sepatu Bata Tbk a copy of the audit. The management team formally responded to the report on May 28, 2005. In all areas where the management falls short of the audit standards, No Sweat is demanding that management work with the union to rectify the situation, as well as provide evidence that the recommendations are being addressed in an appropriate manner. No Sweat will work with Bata management to the best of its ability to ensure that each issue is addressed and resolved in a timely fashion. Management has thus far been amenable to working towards a full resolution of all the issues raised by the audit. No Sweat is hopeful that all issues will be rectified, however if they are not, No Sweat will be forced to discontinue its business with PT Sepatu Bata. In all areas where there is a discrepancy between the audit report and the management response, No Sweat will request that Bata Management (if they have not already done so) submit independent verifiable evidence to the audit team in order to support their claims.</p> <p>Tom Bata, CEO of Bata International and Laurence Boulet, Director of Communications (who work out of the Bata headquarters in Switzerland) have both been contacted by Adam Neiman, CEO No Sweat Apparel regarding this issue and extensive phone conversations have taken place with both parties. An in-person meeting with Tom Bata is tentatively scheduled to take place by the end of the summer.</p>
2 Begin discussions as soon as possible with central board of SPSI-TSK about monitoring the upcoming union election, third-party training for workers, and third-party training for union leaders.	<p>The central board of SPSI-TSK have been asked whether they would allow an independent monitoring team to observe the next plant-level union election in order to verify that it is democratic. The national union board has guaranteed that the next election will be democratic but they have yet to decide whether they are willing to allow independent election observers. The election has been delayed while this possibility is considered. The Trade Union Rights Centre in Jakarta have indicated their willingness to act as election observers, should the union agree to it. A proposal for training in trade union rights was put to the central union board, but they have decided not to take up that particular proposal. Other options for training are still being considered.</p>
3 Work with management and the union to develop a plan for addressing the issues raised in this report.	<p>No Sweat has held extensive discussions with both local PT Sepatu Bata management and top level Bata International management regarding the issues raised in the audit report. No Sweat has demanded that, in order to keep No Sweat's business, management must work diligently with the union to improve their factory standards for the workers in all areas where the audit report has shown that the factory falls short of international and national labor standards. No Sweat will also request additional factual evidence that can be independently verified for the areas that the management is disputing the accuracy of the audit report's findings.</p>
4 Translate this report into Indonesian and assure that it is distributed widely among workers.	<p>The report has been translated into Indonesian. The translation is posted with the original English version on the No Sweat website and is also included in the official audit "package". No Sweat is currently seeking the most appropriate independent organization to distribute the report properly to the workers.</p>
5 Make the report publicly available on No Sweat's website.	<p>The official audit report is posted on the No Sweat website as part of the complete audit package, including the translated report, this formal response from No Sweat, and Bata management's formal response.</p>
6 Given the number of concerns raised in this report, it is vital that No Sweat develop a relationship with an independent third party, preferably Indonesian, to monitor progress in the short- and medium-term. Audit teams working on a purely voluntary basis cannot provide the sustained attention required.	<p>No Sweat is currently seeking the most appropriate independent organization to fulfill this task. A number of credible local NGO's have been identified to implement and carry out this recommendation and we are now working on contacting each of them with a formal request of assistance.</p>