

EMPOWERING PEOPLE FOR CHANGE



11 September 2008

Mr. FITRI PURBA

Area Manager
West Asia Region
Group SEA
Adidas Group

*Cc:
The Global Director
Adidas Social and Environmental Affairs Team (SEA)
Social & Environmental Affairs
Adidas World of Sports
Email: sustainability@adidas-group.com*

Dear Mr. Purba,

We are writing as a response to your letter dated 14 July 2008. Please see attached email (PDF file).

We have consulted with the affected community in Andhra Pradesh and also with the local support group. I validated with them the points that you have raised in your letter.

You mentioned in your letter (2nd paragraph) that the land provided to Apache is government property, and is barren and uncultivated.

According to the communities, there is no land in the area that can be considered as waste. All uncultivated lands are used as grazing lands by the communities for the cattle/sheep.

Moreover, the tribes in the affected villages have depended on the collection of fire wood from the lands in question. These can be considered as their basic economic resource.

In response to the points in the 3rd paragraph of your letter, the land allotted to Apache comprises 70 acres of temple land and 120 acres of private land which has been used and cultivated by the farmers. While the farmers are given compensation, the landless labourers' or agricultural workers' (which are predominately from the different tribes) employment has been halted.

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As a response to the last point which you raised (last paragraph) regarding the water source in the area, we were informed by the community that there is a traditional water tank called "Mambattu Cheruvu" which has provided irrigation to the neighboring villages and in which the tribes fish between December and March every year. However, now, due to the effluent from Apache's tank, the water has become highly polluted as is evident from the change in the colour of water is red. Moreover, the fish is no more available in this water body.

Besides, due to the wall constructed by the Apache Factory, people of 12 villages now cannot reach Pulicot Lake on foot from their usual path but those from NM Kandriga and Peddamambattu have to take a 10km detour by bus. This has resulted in their loss of livelihood.

Lastly, the locals were promised employment, but none from among the Dalits and tribals is currently employed in the factory. There were two sweepers who used to work there but on a salary way below the minimum wage. Subsequently, they left the company because of its unfair overtime work practices.

We trust that Adidas will look into the matter and that you will see that the violations to the socio-economic cultural rights of the communities in AP are clearly misaligned to your corporate social responsibility.

We would highly appreciate being informed of the future actions of Adidas on this matter.

Sincerely,

Mr. Teh Chun Hong
PAN AP

Cc:
Mr. Poguri Chennaiah
APVVU
Andra Pradesh, India