



14 June 2007

Mr Jacques Rogge
President,
International Olympic Committee
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Dear Mr Rogge,

Violations of Labour Standards in Production of Olympics-Licensed Products

Thank you for the letter of 8 June signed by IOC Chief of Staff Mr Christophe De Kepper in response to our correspondence of 29 May, with which we enclosed a copy of our report on violations of fundamental workers' rights in four Chinese factories producing Olympics merchandise. We appreciate the stated commitment of the IOC to social responsibility and ethical sourcing.

Nevertheless, as our report reveals, very serious violations of fundamental labour rights are still taking place in the production of Olympics branded merchandise, four years since we first approached you on this issue. Unfortunately your letter does not contain any concrete information as to what measures the IOC has in place, or may be planning to put in place, to ensure that such violations are no longer a feature of Olympics merchandise.

We are particularly concerned that the IOC does not seem to accept responsibility for merchandise which is not directly managed by the IOC itself but which is nevertheless Olympics merchandise, despite the fact that this merchandise generates revenue for the Olympics movement and ultimately engages the responsibility of the IOC as the proprietor of the Olympic symbol. This is all the more important given that the Beijing Organising Committee (BOCOG) has threatened to terminate contracts with the four factories mentioned in the report, a step which would mean possible loss of employment for the workers concerned in addition to the hardship they have already endured. We call upon the IOC to help bring about a reversal of the BOCOG's stated intention and to take the necessary steps to ensure that the factories cease violating workers' rights. All the violations detailed in the report must be remedied, including compensation for the workers for wages and entitlements which they have been denied.

The companies mentioned in the report immediately issued outright denials that there have been any violations at all in their operations. We note that subsequent to these denials, one of the factories included in the report (Lekit) publicly admitted that it has used child labour in its operations, although at this stage still denying that this was in a building where the Olympics merchandise was being produced. Since our report includes photographs of children working in the Lekit facility which actually produces Olympics merchandise, even this partial acknowledgement from the Lekit owners does not tell the full story.

Concerning merchandise directly managed by the IOC, your letter does not provide any detail or even general information on the contents of clauses in contracts. We note with interest the reference to discussions with the Fair Labor Association (FLA) in relation to helping the IOC "create a vision and strategy for ethical sourcing". We understand from a representative of the FLA that they are unaware of any agreement between the FLA and the IOC.

Your letter of 8 June also requests us to share our research methodology. The methodology used in the research is set out in the report – interviews were conducted by competent and experienced interviewers with workers from each of the factories, in a manner which ensured the

workers would not be exposed to possible reprisals by their employers. In one case a researcher was able to obtain employment in one of the factories. We are confident of the methodology and stand by the contents of the report. Experience in monitoring and verification of labour standards compliance by factories in China and elsewhere shows that fraudulent behaviour and intimidation of workers by factory owners is common. Because of this, we are concerned that the BOCOG may not be able to obtain full and objective information in the course of any investigation in the coming days. We are sure you will appreciate that proper protection is necessary for both researchers and respondents in a case like this.

We would like to remind the IOC that since we first approached you in 2003, the PlayFair organisations have repeatedly offered, as part of the proposals we have put to you, to jointly develop and implement methodology and mechanisms to ensure compliance with fundamental labour rights. Credible workplace assessment, transparency, worker involvement, an effective complaints and remediation mechanism and independent verification would be the cornerstones of this. Our proposals, which would apply throughout supply chains for merchandise directly or indirectly licensed by the IOC, are practical, feasible and most importantly involve the range of relevant stakeholders rather than the path which the IOC alludes to in your letter to us, which would rely exclusively on a company-based approach.

We believe that as the world's peak sports body, the IOC has both a duty and the authority to take the lead and set a global standard for the sports sector by including a reference in the Olympic Charter to respect for fundamental labour rights in Olympics employment and production, and by taking up our offer to jointly develop and implement effective mechanisms for the entire sporting-goods sector. In this context, we wish to stress that the types of violations revealed in our report are by no means limited to production in China, or to the four factories mentioned in our report. This is a global problem throughout the sports merchandise sector, and only a global approach will bring the necessary changes and results.

We remain available to engage with the IOC in concrete and practical discussions to achieve the implementation of the proposals which we have put forward and which, once implemented, would provide the necessary basis for fair and equitable treatment of the workers who are producing Olympics merchandise around the world.

We look forward to your response.

Yours sincerely,

Guy Ryder



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