

FILA

Headquarters:	New York/USA, home of Sport Brands International
Branch of trade:	Sportswear, athletic and leisure footwear
Turnover 2002:	US\$ 955 million
CEO:	Steve Wynne (President and CEO of SBI International Ltd.)
Owned by:	Sport Brands International (private U.S. corporation)
Employees:	approx. 2,300
WEF-Participant 2006:	not officially enrolled

Summary

FILA, a subsidiary of New York-based holding company Sport Brands International, is not willing to work to improve the labor rights situation at its suppliers facilities. Particularly disturbing is the case of the company PT Tae Hwa in Indonesia, where a union member was fired, and later the entire factory was closed. Labour Behind the Label calls on FILA to resolve labor rights violations in its factories, and to work together with NGOs and local labor unions.

Information on the case and characteristics of irresponsible corporate behavior

FILA, originally an Italian sportswear company, was purchased by the New York-based holding company Sport Brands International in 2003. The factories for most of FILA's suppliers are located in Southeast Asia (Thailand, Indonesia, Cambodia and China), and these factories have a history of repeated labor rights violations. The workers are subjected to extremely long work shifts, sometimes for less than existence wages; unpaid and forced overtime; and intimidation if they take part in labor union activities.

Labor rights violations are not uncommon in the sportswear industry. What sets FILA apart is its refusal to cooperate to resolve the problem. For example, the Play Fair at the Olympics Campaign recommended that the international sportswear firm develop and implement a credible policy aimed at the improvement of labor rights. But as of August 2005, FILA has given no assurances that it is prepared to ensure a modified company policy that protects labor rights.

FILA also does nothing to improve the situation of the former workers of the firm PT Tae Hwa in Tangerang, Indonesia. For 10 years, the factory produced athletic shoes almost exclusively for FILA. In April 1999, one of the employees, Ms. Parkati, was dismissed due to her involvement in labor union activities. The factory refused to reinstate Ms. Parkati and successfully appealed official judgments in her favor.

In 2004, investigations by the Play Fair at the Olympics coalition brought further grievances in the factory to light, including sexual harassment, inadequate wages, compulsory overtime, unrealistic production targets, and the denial of labor union rights. The Clean Clothes Campaign increased its pressure on FILA to eliminate the abuses at PT Tae Hwa. The employees who came to work after the Chinese New Year in February 2005 found the factory closed.

Consequences

The workers in the PT Tae Hwa factory in Indonesia found themselves from one minute to the next unemployed. They have yet to receive their back wages and legitimate compensation.

Current status and demands

In May 2005, the Indonesian courts reaffirmed the worker's rights to back pay and compensation. As of August 2005, FILA had not yet carried out the court's mandate. As a member of the Playfair Alliance, Labour Behind the Label calls on FILA to:

1. take labor issues seriously and resolve outstanding labor rights violations, particularly in the case of PT Tae Hwa in Indonesia;
2. update its corporate code and develop a credible labor policy;
3. immediately seek to work constructively with the organizations of the Play Fair Alliance;
4. work together with the local labor unions and NGOs at the production facilities.

Detailed nomination: www.publiceye.ch/nominierungen

Further information and links:

- www.cleanclothes.org/publications/olympic-profiles.htm
- www.labourbehindthelabel.org/campaigning/fila.htm
- www.cleanclothes.org/companies/fila.htm
- www.cleanclothes.org/publications/04-olymp-report.htm
- www.cleanclothes.org/campaign/olympics2004-eval-company-response.htm
- www.cleanclothes.org/publications/04-08-tae-w-ha-case-study.htm