

Ethibel selects adidas-Salomon for its SRI register.
26/08/03

Ethibel decided to select adidas-Salomon for the Ethibel Investment Register. The final decision of the board of directors was based on two independent surveys prepared by Stock at Stake, Ethibel's research arm. Ethibel is well aware of the criticism expressed by several NGOs, mainly concerning the social policy of this company. Still, both the survey of the global sport shoe industry and the sector study of the European textile, apparel and luxury goods industry, clearly indicated adidas-Salomon as 'best in class' in all fields of corporate social responsibility.

Strong points

adidas-Salomon has excellent industrial relations and well-developed policies and programs for its employees. It is leading in external environmental certification of production sites and achieved a significant reduction of the number and volumes of hazardous substances in its products, in particular PVC. In addition, the company has a pioneering initiative going to oblige subcontractors to report standardised quantitative environmental indicators. The company is not only open towards dialogue with stakeholders, it actively reaches out to them in a regular stakeholder consultation process.

Convincing control systems

Communication with stakeholders is a key instrument in the Stock at Stake research process. During six months, Stock at Stake researchers constantly talked with trade unions, critical consumer organisations, human rights groups and the company itself. As an independent observer, Stock at Stake concludes that some of the criticism that is still disseminated by some NGOs, is outdated and no longer matches the actual CSR performance of adidas-Salomon.

However, Ethibel is aware of the fact that the apparel industry is a very opaque one, as most production of global brands is outsourced to subcontractors in developing countries where labour standards are low. Ethibel decided to select adidas-Salomon because the company has put in place convincing control systems and support for suppliers to help them achieve compliance with its far-reaching standards of engagement. These measures have improved working conditions at subcontractors' production sites continuously during the last years. For example, the annual company overview of the German Clean Clothes Campaign cites fewer concerns of labour rights each year. The number of suppliers complying with adidas' standards increases, as does the number of suppliers screened by external experts.

Room for improvement

"We are proud to have reached this decision", says Ethibel's CEO Bert Van Thienen. "With this step we hope to encourage adidas-Salomon and its competitors to further improve their CSR performance. In the light of the specific problems of the apparel sector, we will, of course, follow up further developments very closely and continue the dialogue with all stakeholders."