

Our Ref: CLD-CSR-285

October 30, 2015

Mrs. Tessel Pauli

Urgent Appeals Coordinator

Clean Clothes Campaign International Secretariat

Mr. Pak Esfari

HR Group Director

Panarub Group

Dear Sirs,

We refer to our letter dated October 23, 2015 (Ref. CLD-CSR-283) on the dispute between P.T. Panarub Industry, P.T. Panarub Dwikarya Benua, P.T. Panarub Dwikarya Cikupa, ("Panarub Group") and GSBI-SBGTS PT Panarub Dwikarya ("GSBI-SBGTS") and will start Pleadings under the following our rule:

1. All arguments, assertions and claims in the all correspondences among Panarub Group, GSBI-SBGTS, Clean Clothes Campaign International Secretariat ("CCC"), and us, as defined and stipulated in the attached 1 ("Arguments"), are considered as genuine under estoppel principle;
2. The procedure will be made basically based on the Open Letter of Inquiry system which we have used from August to November 2012;
3. Arguments will be classified into facts which no party disputes ("Undisputed Facts"), Arguments with evidence, Arguments without evidence; and
4. With respect to Arguments with evidence and Arguments without evidence, we will go forward to "proceeding for arranging Issues and evidence".

We refer to the following code, charts and other materials, and show Undisputed Facts (From January 2012 to July 12, 2012) to avoid doing that all over again:

Attached 1: Code of letters (revised)

Attached 2: Inquiry & answer PDK

Attached 3: Inquiry & answer GSBI
Attached 4: Inquiry, answer & comment PDK
Attached 5: Inquiry, answer & comment GSBI
Attached 6: M164, 264 vs CCC15-7
Attached 7: M264 vs CCC15-7
Attached 8: CCC15-7

Undisputed Facts Proposed (From January 2012 to July 12, 2012)

1. January 2012

1.1 Labor department settled increment of wages to IDR 1.381.000 from previous IDR 1.290.000 or equivalent 7% increment. P.T. Panarub Dwikarya Benua ("PDK") follows the regulation (Ref. PDK12-0 Page 1).

1.2 Strikes from labor union starts to get big and bigger, all over Jakarta area, include Tangerang and Bekasi, the two main industrial areas. Demonstration aiming for more increment and approach Tangerang Major (Ref. PDK12-0 Page 1).

1.3 Mayor of Tangerang city approved the increment IDR1.529 million or 18% increment from 2011 basic wages (Ref. PDK12-0 Page 1).

1.4 Governor of Banten province approved the proposal from the Mayor, even add "sector wages" to some specific industry, shoe manufacturer wages become IDR1.682 million or equivalent 30% from 2011 basic wages (Ref. PDK12-0 Page 1).

2. February 2012

2.1 PDK negotiates with employee representative and decides to give increment IDR 1.529.000 and agreed by both side with the effective date starts from February to end of Year (Ref. PDK12-0 Page 1).

2.2 All of SBGTS leader involved in a wage dispute in January 2012 (G12-1 Page 1).

2.3 Djamal Fikri along with 7 other person (and founder of SBGTS), except

Kokom Komalawati, were part of the 50 labor representatives who participate in negotiations with management to discuss the postponement of minimum wage implementation in PDK (Ref. G-12 Page 1).

2.4 On February 10, 2012 Mr. Guan An (production manager of PDK), Ms.Kokom Komalawati, and Mr. Bernard, a senior manager of Panarub industry who is currently a Judge of Ad-Hoc in the Supreme Court, had a meeting (Ref. G-12 Page 2 modified).

2.5 In a meeting of the above Mr. Bernard were also attended by Mr. Nicko Vizano (Director of PDK) (Ref. G-12 Page 2 modified).

2.6 The preparation of the establishment of SBGTS PDK has been prepared since January 2012, and declared and established on February 23, 2012 by PDK workers, with democratically both in the election the leader of SBGTS, name of the union, and decided to be affiliated to GSBI (Ref. G12-1 Page 1).

2.7 On February 24, 2012 the Leader of SBGTS who elected apply for registration to the office of Manpower in Tangerang, this is in accordance with the provisions set forth in article 18 of Law 21 of 2000 on Trade Unions (Ref. G12-1 Page 1).

2.8 On February 24, 2012 the leader of SBGTS also notify the establishment of SBGTS to PDK management. It is not contrary to the provisions of article 23 of Law 21 of 2000 concerning the Trade Union, although SBGTS still have no yet a registration number (Ref. G12-1 Page 1).

2.9 On February 24, 2012, the day when established and the declaration of SBGTS-GSBI, Kokom Komalawati (who later was elected as chairperson of SBGTS-GSBI) got a call from Mr. Bernard (Ref. G-12 Page 3 modified).

2.10 On February 24, 2012 after notice to the management that SBGTS-GSBI has been established and declaration, then 9 person leader of SBGTS-GSBI (and founder) began to be called by the company (Ref. G-12 Page 3 modified).

2.11 On 24 February, one by one leader of SBGTS-GSBI called by HRD

management and the management issued a letter of suspension because the all SBGTS-GSBI's Leader refused to sign the letter of termination (Ref. G-12 Page 3 modified).

2.12 On 27 February 2012 Frengko was recalled by the HRD, and HRD management still gave the suspension to Frengko (Ref. G-12 Page 3 modified).

2.13 At 9.00 pm on 27 February 2012 Aan Kurniawan was recalled by HRD manager, and Aan Kurniawan finally agreed to sign a letter of termination (Ref. G-12 Page 3 modified).

2.14 PDK reduced head count of 69 people due efficiency purpose, 67 agreed and 2 (Kokom and Jamal) were going to industrial relation court of law (Ref. PDK12-0 Page 1).

3. March 2012

3.1 On March 2, 2012 Djamal Fikri was recalled by HRD manager and the company gives suspension to Djamal Fikri (Ref. G-12 Page 3 modified).

3.2 On March 5, 2012 Harta was recalled by the HRD manager (Ref. G-12 Page 3 modified).

3.3 On March 7, 2012 Mr. Fredy (Unit Head General Affairs) came to Harta (Ref. G-12 Page 3 modified).

3.4 Consideration to inform early despite registration numbers released by Manpower on March 18, 2012, it is based on Article 5 of Law 21 of 2000 on the SP / SB and Article 104 paragraph (1) of the Manpower Act No.13 of 2003 (Ref. G12-1 Page 1).

3.5 The new union (SGBTS) was created by PDK employee including the 2 person out of the 69 persons PDK fired in February (Kokom and Jamal) (Ref. PDK12-0 Page 1).

3.6 On March 22, 2012 briefing to workers was made at the supporting

department (Ref. G-12 Page 3 modified).

3.7 On March 22, 2012 briefing to workers was made by supervisor at Sewing 1 A (Ref. G-12 Page 3 modified).

3.8 On March 29, 2012: briefing to workers was made by supervisor at Sewing 1 B (Ref. G-12 Page 3 modified).

3.9 On March 29, 2012 Briefing to workers was made as individual at Department of stock Fitting (Ref. G-12 Page 3 modified).

3.10 On March 29, 2012 briefing to workers was made in Cell 3 (Assembling) (Ref. G-12 Page 3 modified).

3.11 Governor responded PDK, and requested and allowed PDK to postpone the increment, but only to end of March (Ref. PDK12-0 Page 1).

4. April 2012

4.1 PDK decided to give increment (according) to government suggestions to IDR 1.682.000, effective on April (Ref. PDK12-0 Page 1).

4.2 On 2 and 5 April 2012 briefing to workers was made in Cell 3 (sewing) (Ref. G-12 Page 3 modified).

4.3 On 2 and 5 April 2012 briefing of workers was made in Cell 8 (assembling) (Ref. G-12 Page 3 modified).

5. May 2012

5.1 Union went on strike, requested PDK to re-hire the 2 person that PDK fired (Kokom and Jamal) (Ref. PDK12-0 Page 1).

6. June 2012

6.1 SGBT Union started to approach PDK for the wages gap (Ref. PDK12-0

Page 1).

7. July 2012

7.1 Tuesday, July 10

7.1.1 The first bipartite meeting was agreed on 10th July 2012, and agreed that the next bipartite meeting will be held on 11th July 2012 (Ref. PDK12_N-1 Page 1).

7.1.2 On July 10, 2012 the both side (SBGTS and PDK) agreed to continue the meeting on July 12, 2012. At the talks, the negotiations have made treatise but had not signed by both side (Ref. G-12 Page 4).

7.1.3 On July 10, 2012, there were negotiations between SBGTS and PDK management, where the meeting took place on letter propose by SBGTS to the management, but the only issue of back payment (minimum wage and sector wage) had discussed, even do not any agreement by the both side (Ref. G-12 Page 4).

7.1.4 However, since on the agreed date HR Department have urgent issue to follow up, then agreed to postpone the meeting to July 16th 2012 (Ref. PDK12_N-1 Page 1).

7.2 Wednesday, July 11

7.2.1 Total number of employee of PDK dated July 11, 2012 is 2608 persons and a detail of association is SGBT-GSBI: 620, SPN: 253, SPI: 0, non-member: 1735 (Ref. PDK12-2 Page 1).

7.2.2 On July 11th, 2012 SPI was not formed yet (Ref. PDK12-2 Page 1).

7.2.3 On July 11, 2012, the leader of SBGTS (Ayunda and Lina) visited and met with HRD manager (Ref. G-12 Page 4 modified).

7.2.4 But because in treatises written negotiations will resume on July 16, 2012 (the date change by management without notice to leader of SBGTS), SBGTS is not willing to sign the treatise, and asked the HRD management to change the

contents of the minutes in accordance with the agreement on July 10, that negotiations will resume on July 12, 2012 (Ref. G-12 Page 4).

7.2.5 Several meeting conducted to cover the issue, no decision yet, PDK planned to finalize the issue on July 16th, invitation were sent to SGBT on 11th July (Ref. PDK12-0 Page 1).

7.3 Thursday, July 12

7:45 am

7.3.1 The visiting of the leader of SBGTS to HRD office at 7:45 am, intended to ask the PDK management's willingness to re-negotiate as the agreement on the last negotiations on July 10, 2012 (Ref. G12-1 Page 4 modified).

7.3.2 The PDK management is not willing to negotiate with the SBGTS (Ref. G12-1 Page 4 modified).

8.00 am

7.3.3 Demonstration started. Most of workers left their working positions, being coordinated by supervisor from SBGTS union team leader (Ref. PDK12-0 Page 2).

10.00 am

7.3.4 PDK requested everybody to return to work. Negotiation started (Ref. PDK12-0 Page 2).

7.3.5 Demonstrators did not agree. Demonstration was continuing (Ref. PDK12-0 Page 2).

3.00 pm

7.3.6 Employees left the factory building (Ref. PDK12-0 Page 2).

7.00 pm

7.3.7 Demonstrators left the factory after persuasively approached by the police (Ref. PDK12-0 Page 2).

7.3.8 Although the strike (spontaneous) until 19:00 the night, look no intention of management to bring negotiations, on this situation the workers agreed to continue the strike until the management fulfill the workers demands (Ref. G12-1 Page 5).

7.3.9 Total employees who were working: 400 person(s) (Ref. PDK12-0 Page 2).

The above is the Undisputed Facts (from January 2012 to July 12, 2012) proposed. Please note that we have made modifications in case that the parties have different opinions and/or views at that points.

If you need the original documents of Arguments to check details, please do not hesitate to request us.

If you find any mistypes or misunderstanding on "your own part", please let us know. If we do not receive any objection or response on "your own part" by November 14, 2015, we will construe "your own part" as Undisputed Facts.

We will send the Undisputed Facts (from July 13, 2012 to August 2012) as soon as possible.

Yours sincerely,



Yasushi TAKAHASHI
Special Staff to General Manager
Corporate Legal Department

Attached:

1. Code of letters (revised)
6. M164, 264 vs CCC15-7
7. M264 vs CCC15-7
8. CCC15-7

Cc:



Mr. Toshiaki MIZUNO, Deputy Senior Manager of President Office

Mr. Tadashi BEPPU, Deputy Senior Manager for CSR

Ms. Akiko Gono, Director of International Affairs Bureau, UA Zensen

Attached 1 Code of letters (revised)

PDK12-0: AUG 8, 2012 received, Chronology of Strike

IA12-1: AUG 25, 2012 IndustriALL Letter

M164_P: AUG 27, 2012 CLD-CSR-164, OLI to PDK 1

M165_G: AUG 27, 2012 CLD-CSR-165, OLI to GSBI 1

M167_I: AUG 31, 2012 CLD-GNL-167, Letter to IA12-1

PDK12-1: SEP 5, 2012 PDK Answer 1 to M164

G12-1: SEP10, 2012 GSBI Answer 1 to M165

PDK12_2: SEP14, 2012 PDK Answer 2 to M164

PDK12_N-1: OCT 3, 2012 PDK Answer 1 to NHRC 1,799/K/PMT/IX/2012

G12_2: OCT17, 2012 GSBI Answer 2

M173_G: OCT18, 2012 CLD-CSR-173, OLO to G12-2

M172_P: OCT19, 2012 CLD-CSR-172, OLO to PDK 12-1 and 12-2

M177_G: OCT19, 2012 CLD-CSR-177, OLO to G12-1

M178_P: OCT26, 2012 CLD-CSR-178, OLI to PDK 3

M179_I: OCT31, 2012 CLD-GNL-179, Letter to IA12-1

PDK12-3: NOV 2, 2012 PDK Answer 3 to M178

PDK15-1: FEB26, 2015 received, Chronology

CCC15-1: JUN11, 2015 CCC Letter

CCC15-2: JUN16, 2015 CCC Email

CCC15-3: JUN19, 2015 CCC Email

CCC15-4: JUN22, 2015 CCC Email

CCC15-5: JUN29, 2015 CCC Email

CCC15-6: JUL16, 2015 CCC Email

CCC15-7: AUG20, 2015 CCC Letter

M260_C: JUN11, 2015 CLD-CSR-260 Letter to CCC

M262_C: JUN19, 2015 CLD-CSR-262 Letter to CCC

M263_C: JUN26, 2015 CLD-CSR-263 Letter to CCC

M264_C: JUL10, 2015 CLD-CSR-264 Letter to CCC

M267_C: JUL24, 2015 CLD-CSR-267 Letter to CCC

M270_C: AUG21, 2015 CLD-CSR-270 Email to CCC

M271_C: AUG31, 2015 CLD-CSR-271 Letter to CCC

M276_P: SEP30, 2015 CLD-CSR-276 Letter to PDK

IA15-1: SEP29, 2015 IndustriALL Letter

M277_I: SEP30, 2015 CLD-CSR-277 Letter to IA15-1

M280_I: OCT13, 2015 CLD-CSR-280 Letter to IA15-1