

“UNIQLO’s Response”, 20 April 2022

A thorough and independent investigation into this matter has already been concluded by the FLA in response to a formal complaint by the Clean Clothes Campaign and a labor union representing workers of PT Jaba Garmino. A report of the investigation is published on the FLA website.

The FLA report finds unequivocally that the actions of UNIQLO, and its parent company Fast Retailing, did not contribute in any way to the PT Jaba Garmino bankruptcy. Additionally, the investigation concluded that neither UNIQLO, nor Fast Retailing, has an obligation of any kind pertaining to this matter, including the responsibility to financially compensate former PT Jaba Garmino employees.

The key findings of the report are as follows:

- PT Jaba Garmino's bankruptcy was caused by financial mismanagement of the factory, including irregular and irresponsible use of credit.
- In view of its order volume relative to factory production capacity, UNIQLO was not a dominant buyer from the factory. UNIQLO's order volume was approximately 10% of factory capacity in 2014, the year prior to bankruptcy.
- UNIQLO suspended its business relationship with the factory appropriately, primarily due to production quality issues.
- During its relationship with PT Jaba Garmino, UNIQLO handled all ordering and payment appropriately. The investigation found no examples of late payments or return of completed products.
- Neither UNIQLO nor Fast Retailing is responsible for unpaid wages or severance pay to former employees of PT Jaba Garmino. In 2015, and as of today, no national or international regulation, or other widely recognized standard, holds companies sourcing from Indonesia responsible for unpaid wages or for termination payouts, including severance pay.

The detailed facts and final findings from the FLA investigation are available in the full report on its website: [www.fairlabor.org/report/jaba-garmino-indonesia](http://www.fairlabor.org/report/jaba-garmino-indonesia)