

Rejoinder of CCC, 18th May 2022.

We take note of the company responses of Uniqlo and s.Oliver on BHRRC website on 20th April and 21st April respectively.

Despite a clear and desperate plea from the former Jaba Garmino garment workers, and the incontestable amount legally owed to them (\$5.5 million), both brands continue to fail in providing remedy for a serious violation within their supply chains.

Uniqlo's response is a callous and inadequate attempt to divert attention and avoid any responsibility towards the workers who made their products. Their response focuses on the FLA report, which states that Uniqlo, under parent company Fast Retailing, did not contribute to the bankruptcy of PT Jaba Garmino. However, the key issue is that Uniqlo failed to mitigate against a known human rights risk in the Indonesian garment industry, that of severance theft. Having failed in their due diligence to take adequate measures to mitigate this risk, they have now spent seven years failing to provide any remedy for the workers affected.

The FLA report concludes with the clear recommendation that the brands 'come together under the leadership of an impartial organization and create an account for providing financial relief to the ex-Jaba Garmino workers. Such an effort would be a huge benefit, even several years later, for the workers and their families and would at the same time demonstrate the brands' willingness to assist.'

The responsibilities of brands towards the workers in their supply chains are set out in globally-recognised standards, such as the UN Guiding Principles on Business and Human Rights. The UNGPs uphold values which state that, for business enterprises, 'addressing adverse human rights impacts requires taking adequate measures for their prevention, mitigation and, where appropriate, remediation.' The UNGPs also state that businesses should seek to 'prevent or mitigate adverse human rights impacts...even if they have not contributed to those impacts.' A lack of liability for the factory bankruptcy does not absolve Uniqlo or s.Oliver from responsibility towards the workers, and we find that both brands have failed in their due diligence requirements. Brands, as the indirect employer, have a responsibility to remedy violations in their supply chains. This case also highlights the limitations of non-judicial grievance mechanisms to provide remedy.

Uniqlo's response to the letter from former Jaba Garmino workers wholly ignores the growing precedent for brands to pay up in multi-million dollar cases of wage and severance theft, as well as the global move towards legislation on Human Rights Due Diligence. It is notable that the Japanese government has recognised the need for HRDD legislation in order to better protect workers.

We dispute the point raised by both brands that neither Uniqlo nor s.Oliver were major buyers from the factory. If, as the FLA report states, there were 18 additional brands sourcing from the factory, then respective production volumes of 10% and 13% (as determined by the FLA investigator) places these brands as dominant buyers. With such a role comes power and responsibility. We remain disappointed that both Uniqlo and s.Oliver appear unwilling to provide remedy for an inarguable violation within their supply chains.

s.Oliver's response states that the brand 'recognizes a general responsibility towards everyone in its value chain, including in this particular case.' We welcome this acknowledgement, but have yet to see it turned into meaningful action. 2,000 former Jaba Garmino workers are legally owed \$5.5 million in severance pay (a figure which does not take into account any interest accrued during the past 7 years, even though the workers themselves face high interest on the loans they have taken out in order to survive over this period). Any move must be significant in light of the amount owed.

Fast Retailing became the world's most valuable clothing company in 2021, according to share price. s.Oliver state in their response that they have 'developed into one of Europe's leading fashion companies'. Such positions place these brands as potential leaders of the industry, and yet this case shows that they lag behind in terms of human rights as, seven years on, they still refuse to provide anything close to remedy for these workers.