

“Fast Retailing’s response”, 7 July 2022

We have obtained details of both cases through a combination of interviews with factory management and through a review of relevant documentation each factory provided.

Due to ongoing safety concerns, it remains difficult to send our staff directly to Myanmar. However, we confirm we have not received any worker/representative reports relating to either of these cases made through our anonymous hotline service, installed at each factory.

Regarding the factory involved in a fire, our current understanding is that in March 2021, the factory and its equipment were badly damaged in a fire, and it was unable to continue doing business. The matter of worker compensation was subject to a national dispute resolution process. In April 2022, the supreme arbitration tribunal ruled:

- Terminations resulted from force majeure, and the employer was therefore not liable for compensation.
- As a contribution to relieve financial strain on workers, the employer should pay one half of a month’s salary to workers, based on the specified minimum daily wage (4,800 Kyat).

Arbitration records also note that the factory did not receive any insurance payout. We have since verified that the factory has now completed the worker payments ordered by the tribunal.

Regarding the other case, we have received assurances from the factory that terminations were made in full accordance with Myanmar’s labor laws. We are working to verify the information we received. Though we have not yet had any worker reports via our anonymous hotline at the factory, we will also take into consideration any new information we receive there.