

# Clean Clothes Campaign

International Office 

To Yukihiro Nitta,  
Fast Retailing  
Via e-mail

21 February 2017

We are writing to follow-up on previous conversations you have had with our colleagues Jessica Champagne from Workers Rights Consortium (WRC) and Anna McMullen from Labour Behind the Label in 2015 and 2016 respectively.

There remains an urgent need to compensate 4000 former factory workers of your bankrupt supplier PT Jaba Garmino in Indonesia for unpaid wages and severance in total IDR 141 billion (US\$10.8 million) that they are legally entitled to.

In a letter dated 9<sup>th</sup> August 2016, the workers' union GSBI requested that you intervene in the matter and contribute to a solution for the desperate situation of the PT Jaba Garmino workers. Both GSBI and FSPMI unions expressed their concern that many of the workers have no alternative source to secure their livelihood and some of them are not even able to pay for basic amenities such as housing for their families and education of their children anymore.

It is not only appalling that workers have been left in this dire condition since March 2015, it is at the same time a violation of your own code of conduct for your supply chain which requires that "production partners shall furnish wages and benefits ... in compliance with all applicable laws."

In your last communication to Ms. Champagne from WRC (December 28<sup>th</sup> 2015) you assured that your company will "keep monitoring closely the legal proceeding around and will determine if any further actions are required".

As you may know, the recent auction of assets of the former PT Jaba Garmino can cover only approximately 45% of the unpaid wages due to workers. Workers are still waiting for their severance claims and other dues to be paid to them.

Both trade unions FSPMI and GSBI have reported that many of the workers are indebted due to loans they had to take when they were not compensated by the factory, having lost their homes, unable to pay for their children's school fees, permanently harming the latter's education and future earning potential. Their situation has deteriorated since the first notification of the case to you as one of the principle buyers of the factory.

We urge Fast Retailing to take action now and to fulfil its corporate responsibility to respect human rights by contributing to severance payments to the former PT Jaba Garmino workers like other clients of PT Jaba Garmino have already undertaken voluntarily. As a regular client of PT Jaba Garmino your company has an obligation to mitigate any negative impact on workers in its supply chain and therefore must financially contribute to the settlement.

The organizations signing the present letter request a response outlining the next steps that Fast Retailing is planning to take by February 27<sup>th</sup>. We are ready to report publicly on this case, so it is important to us to understand the measures your company will be taking to remediate the situation of the defrauded workers that have produced apparel for your brand.

Sincerely yours,



Laura Ceresna-Chaturvedi, Urgent Appeals Coordinator Clean Clothes Campaign Germany

Clean Clothes Campaign International Office  
Clean Clothes Campaign East Asian Coalition  
People & Planet  
War on Want  
Workers Rights Consortium



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