

Clean Clothes Campaign

International Secretariat



Yukihiro Nitta
Group Senior Vice President
Corporate Social Responsibility
FAST RETAILING CO., LTD.

Date: 22nd of July 2015

Regarding: Closure Artigas Clothing & Leatherware Co., Ltd.

Dear Yukihiro Nitta

We refer to your letter dated 16th of July 2015, in response to our letter dated 9th of July 2015, in which we expressed our serious concerns concerning the closure of your supplier Artigas Clothing & Leatherware Co., Ltd. (hereafter Artigas), and the refusal of Lever Style to negotiate with the Artigas workers about the closure and resettlement scheme, which should include back payments of social security and other dues.

We are disappointed in the lack of progress to achieve a negotiated resettlement scheme with the workers, and consider your response unsatisfactory, for the following reasons:

1. The key issue concerns the refusal of management to enter a collective negotiation with the workers concerning the closure and the resettlement scheme. **It is not sufficient for Fast Retailing to request Lever Style to engage in a dialogue, and accepting the establishment of a telephone hotline as a replacement of a proper collective negotiation process.** We have learned that since the 5th of June, Lever Style has been rejecting the worker's request for collective negotiation. Despite a meeting that was held between the management and the workers' representatives on the first and second of July, no agreement was reached. Subsequently it is reported that Lever Style unilaterally terminated any further negotiation and announced that they would only communicate with the workers individually. In an open letter to UNIQLO on the 9th of July, Artigas workers demanded the management to return to negotiation on equal terms, and denounced the means of dialogue proposed by the management.

2) **Fast Retailing only adopted the Lever Style's side of argument without taking the justifications and complaints from the workers in consideration.** According to a workers' statement released on the 28th of June, the management should consult all employees regarding plans for plant relocation and changes of employment contract.

Improving working conditions in the global garment industry



P.O. Box 11584
1001 GN Amsterdam
The Netherlands

Tel + 31 20 412 2785
Fax + 31 20 412 2786
Email info@cleanclothes.org
www.cleanclothes.org

Bank ING 392 7802
IBAN NL83 INGB 000392 7802
BIC/Swift code INGB NL2A

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Such consultation should be conducted on equal terms and the management shall not refuse collective consultation with employee representatives. Moreover, we have learned that the workers have repeatedly stressed that issues such as social security contributions, overtime and high temperature allowances arrears have yet to be resolved and complaints have been put forward to government officials twice. However, from your answers presented in your letter dated 16th of July, Fast Retailing only provides the answers from Lever Style and have failed to engage with the workers directly to investigate in a transparent and objective manner the complaints put forward with respect to unpaid social pensions insurance premiums, overtimes wages etc.

3) Although you state in your letter that Lever Style claims no worker has been dismissed because of the relocation, we have learned that **Artigas management has already dismissed workers' representative Wu Weihua on the 8th of June who proposed the collective negotiation**, and prevented her from entering the factory. To our serious concerns she has been detained since.

We expect from Fast Retailing to take its Corporate Social Responsibility seriously, and take immediate action to:

- 1) solicit and arrange collective negotiation meeting between Lever Style management and workers on equal terms, and send representatives to attend the meeting;
- 2) carefully examine the complaints which are put forward by the Artigas workers, conduct an independent investigation, and contact workers directly;
- 3) instruct Lever Style management to repay all severance and social security contribution arrears according to law;
- 4) assist to release Wu Weihua from detention.

Sincerely yours,

Tessel Pauli
Urgent Appeals Coordinator
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