



Rt Hon Tom Tugendhat MP
Chair, Foreign Affairs Committee
House of Commons
London SW1A 0AA

Rt Hon Nusrat Ghani MP
Business, Energy and
Industrial Strategy Committee
House of Commons
London SW1A 0AA

Rt Hon Darren Jones MP
Chair, Business, Energy and
Industrial Strategy Committee
House of Commons
London SW1A 0AA

23 November 2020

Dear Mr Tugendhat, Ms Ghani and Mr Jones,

Thank you for your letter dated 9 November 2020 regarding UNIQLO supply chain which reportedly includes materials and labour sourced from the Xinjiang Uyghur Autonomous Region of China.

UNIQLO appreciate your enquiry as we take matters of human rights and ethical responsibilities seriously. We have worked closely with the relevant sections of our business including our parent company Fast Retailing based in Japan to provide detailed responses to your questions, as follows:

1. What is the nature and extent of your company's operations in Xinjiang?

UNIQLO does not own or directly operate any factories as part of its business. Additionally, no UNIQLO product is manufactured in the Xinjiang region by any of our production partners, and none of our production partners subcontract to fabric mills or spinning mills in the region.

2. What specific raw materials arriving in UK markets are sourced from Xinjiang?

UNIQLO sources sustainable cotton^{*1}, and this includes cotton originating in China. By definition, sustainable cotton is that which ensures human rights and good working environments, in accordance with international standards. Sustainable cotton forbids the use of both forced labour and child labour at farms.

^{*1} Sustainable cotton refers to Better Cotton^{*2} sources; cotton sourced from the United States or Australia, recycled cotton^{*3}; organic cotton^{*4}; Fair Trade cotton; and Cotton made in Africa (CmiA). At all stages of production, sustainable cotton sources reduce the use of water, agricultural chemicals and chemical fertilizer, protect soil fertility and biodiversity, and ensure decent working environments for cotton workers.

^{*2} Better Cotton Initiative: Fast Retailing, UNIQLO's parent company, became an affiliate member of the Better Cotton Initiative (BCI) in January 2018. BCI is a non-government organization dedicated to the sustainable production of cotton. BCI promotes better cotton cultivation, educating farmers on the proper use of water, pesticides and other agricultural chemicals, and more. Farmers meeting standards set by BCI are certified as Better Cotton producers.

^{*3} Cotton certified by GRS (Global Recycled Standard)

^{*4} Cotton certified by GOTS (Global Organic Textile Standard) or OCS (Organic Content Standard)



3. Are any of your products assembled in factories deemed to be at risk of using forced labour?

UNIQLO has a policy of zero-tolerance for human rights violations and strictly prohibits all forms of forced labour. Our policy is clearly detailed in the Fast Retailing Group Code of Conduct for Production Partners, established in 2004 in accordance with standards set out by the International Labour Organization. All production partners must commit to our Code of Conduct, which covers human and worker rights, and we require all production partners to uphold these same standards with any of their upstream partners.

We regularly communicate with our production partners about the workforce in their supply chains to ensure our products are being manufactured in ethical environments.

To verify that our partners comply with our Code of Conduct, we arrange regular audits to be carried out by third-party organisations and install hotlines for workers to contact us directly and anonymously. Through these and other mechanisms we have in place to identify and prevent potential violations of human and worker rights, we have not learned of any violations.

We confirm that no UNIQLO product is manufactured in the Xinjiang region. This includes factories identified in media reports as being at risk of using forced labour.

4. Which Chinese companies are involved in your supply chains?

China is an important sourcing location for many major apparel brands. Accordingly, UNIQLO has existing business relationships with several Chinese companies. In the interests of a more transparent industry, and to ensure proper labour conditions exist throughout our supply chain, we publish a list of our core partner factories. This list is available here:

<https://www.fastretailing.com/eng/sustainability/labor/list.html>

5. How do you ensure that companies at every stage of your supply chain meet their contractual obligations regarding anti-slavery and anti-human trafficking laws?

Please refer to answer number 3.

6. What is Uniqlo's approach to assessing and scrutinising its supply chains to ensure that materials are ethically sourced?

For our approach to sourcing ethical cotton, please refer to answer number 2. A more general description of our policy and approach to responsible procurement, including other raw materials, is available at our website: www.fastretailing.com/eng/sustainability/products/procurement.html



7. Where materials from unethical sources are identified, how does your company respond and what steps are taken to mitigate the risk of future occurrences?

If any unethical source is identified, we require our production partners to provide immediate remedy, or we suspend business with that supplier.

Ongoing, we identify salient risks in the supply chain through risk assessment, monitoring of production partners, and through factory visits by Fast Retailing personnel. When risks or issues are identified, we address these promptly and definitively. We categorise the factory concerned as high-risk and engage a third-party entity to conduct an independent audit. We also increase the frequency of site visits by Fast Retailing personnel to fully understand the causes of any issues and how best to address them.

Simultaneously, we engage trade unions, worker representatives and industry associations, such as Textile Exchange, Better Cotton Initiative, Fair Labor Association, and Sustainable Apparel Coalition, to proactively identify potential risks and to obtain up-to-date, best-practice information.

8. What is your information-gathering process for your Modern Slavery statements, and how do you verify this information? What is your process for acting on the findings of your Modern Slavery statements?

We perform continuous risk assessment of our supply chain to safeguard against human trafficking, slave labour, and other human rights issues. To remain abreast of the latest knowledge and information related to these issues, we seek out the opinions of audit firms, consultants, and other industry experts. At the same time, we regularly review materials published by groups engaged in human rights issues.

Our Code of Conduct for Production Partners reflects our steadfast commitment to ethical business activities and to the safeguarding of human rights. Our Code of Conduct prohibits child labour, forced labour, human trafficking, oppression, or harassment. We require all business partners to comply with related laws and statutes, and we engage third-party auditing firms to assess whether partner factories are compliant with our Code of Conduct.

Where determined by an audit, we require factories to immediately adopt improvement measures and or corrective action for any non-compliance. We are committed to identifying the root cause of issues, and to working continuously with partners to rectify any problems. If factories are unable to correct Code of Conduct violations, we escalate the matter to the Fast Retailing Business Ethics Committee, which discusses the management and employment situation of the partner in question. The Committee then determines whether to terminate or modify our business relationship.

(Reference) Statement on California Transparency in Supply Chains Act (SB 657) and UK Modern Slavery Act of 2015

www.fastretailing.com/eng/sustainability/labor/statement.html



Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Taku Morikawa', is written over a light grey background.

Taku Morikawa
CEO
UNIQLO EUROPE LTD

A handwritten signature in black ink, appearing to read 'Yukihiro Nitta', is written over a light grey background.

Yukihiro Nitta
GROUP SENIOR VICE PRESIDENT, SUSTAINABILITY
FAST RETAILING CO., LTD.



Foreign Affairs Committee

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From the Chair
Tom Tugendhat MP

Taku Morikawa
CEO
Uniqlo EU
Letter by email: arianne.constantinou@uniqlo.eu

9 November 2020

Dear Mr Morikawa,

We are writing to you following recent reports that parts of Uniqlo's supply chains include materials and/or labour sourced from the Xinjiang Uyghur Autonomous Region of China. As part of the Foreign Affairs and Business, Energy and Industrial Strategy Committees' inquiries into the Xinjiang detention camps, we are reaching out to a number of businesses to establish a clearer understanding of commercial activity in the region, and what private companies perceive their ethical responsibilities to be in this area.

We would be grateful if you could address the following questions:

1. What is the nature and extent of your company's operations in Xinjiang?
2. What specific raw materials arriving in UK markets are sourced from Xinjiang?
3. Are any of your products assembled in factories deemed to be at risk of using forced labour?
4. Which Chinese companies are involved in your supply chains?
5. How do you ensure that companies at every stage of your supply chain meet their contractual obligations regarding anti-slavery and anti-human trafficking laws?
6. What is Uniqlo's approach to assessing and scrutinising its supply chains to ensure that materials are ethically sourced?
7. Where materials from unethical sources are identified, how does your company respond and what steps are taken to mitigate the risk of future occurrences?
8. What is your information-gathering process for your Modern Slavery statements, and how do you verify this information? What is your process for acting on the findings of your Modern Slavery statements?

It would be helpful to have a response to this letter by 23 November. We intend to place your response in the public domain.

Best wishes,

TOM TUGENDHAT MP
CHAIR, FOREIGN AFFAIRS COMMITTEE

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NUSRAT GHANI MP
BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE

Handwritten signature of Darren Jones in black ink.

DARREN JONES MP
CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE