

Allegations of Forced Labour involving Uyghur People in China –
Brand responses to Baptist World Aid Australia (as of 25 March)

Adidas

As noted by ASPI, we had already taken action with respect to Huafu. With regards to the two other suppliers named in their report we have investigated and can confirm that neither of them are authorized to make for adidas and have no orders from us. They are not part of our approved supply chain.

In terms of concerns over the dispatch of Uighur workers to other parts of China. For more than a decade we have had a policy in place that prohibits the employment of Uighur or other ethnic minority populations through government-mandated scheme. We continue to enforce that policy and monitor closely our supply chain.

Inditex (Zara)

We take the information published in the report very seriously. Inditex strictly prohibits forced labour in its supply chain and strives to uphold the best international labour standards by fully committing to the respect and promotion of human rights. In order to secure the sustainability of Inditex's supply chain, we conduct comprehensive due diligence and remediation and continuously update these processes to set best practice in all of our sourcing markets.

Furthermore, as established in the UN Guiding Principles on Business and Human Rights, we go further by collaborating with expert stakeholders to develop solutions to maintain a sustainable supply chain. With regards to the issues highlighted in the report, we have taken the following actions across three levels:

- Actions taken at the Workplace level
 - We continue to conduct thorough due diligence across our supply chain in China through our internal teams and expert external partners to ensure the absence of forced labour and compliance with our Code of Conduct and international labour standards.
 - Furthermore – and while we recognize this report doesn't relate to facilities in Xinjiang itself – it is worth being aware that Inditex does not have commercial relations with any factory located in Xinjiang.

- Actions at Community level
 - Since 2017, we have been working on a Public Private Partnership with the International Labour Organization to enhance human and labour rights covering the fundamental rights and principles at work – including the prevention of Forced Labour. China is among the four countries involved in this collaboration, with the project running in different provinces such as Hebei, Shandong, Hubei and Anhui, where different stakeholders (such as employers and workers' organisations) have been involved.

- **Actions at Industry Level**

- This is an industry-wide issue and we continue to engage on this issue with relevant stakeholders, predominantly other fashion retailers and industry associations, to further understand the issues highlighted in the report to create leverage and develop the best solutions for workers.

A commitment to the highest international labour standards is of the utmost importance to Inditex, and we will continue to strive both individually and collectively to promote the human and labour rights of workers within the global textile supply chain, including for workers in China.

L Brands (Victoria's Secret)

L Brands has a strict policy against the use of forced labor of any kind and will only work with suppliers that share our commitment to ethical and responsible business practices. We recently required all suppliers to certify that they have received, read and understand our no forced labor policy, including the prohibition on the use of cotton from Xinjiang Uyghur Autonomous Region, and any other form of forced labor.

We obtain a de minimis amount of cotton from Huafu in Zhejiang Province, China. As required, Huafu has certified their compliance with our no forced labor policy as well as provided a 2019 audit report from third-party inspector Elevate confirming their adherence to our policies. As recently as January of 2019, L Brands met with Huafu leadership who acknowledged their commitment to these requirements.

PVH (Calvin Klein and Tommy Hilfiger)

Our longstanding pledge to support workers' rights is captured in our "A Shared Commitment" code of conduct, which requires our business partners to comply with International Labor Organization Standards, including the elimination of all forms of forced labor. We regularly monitor our business partners to verify that they adhere to this requirement. While our identified suppliers have assured us that no violations exist, we take seriously recent reports about mistreatment and/or coercive labor practices involving Uighur and other minorities inside and outside of Xinjiang Province. This situation is extremely complex, and feasible, comprehensive, and sustainable solutions will require industry, civil society and government to participate willingly in open and honest dialogue. PVH takes its role in addressing this issue seriously.

H&M

H&M Group strictly prohibits forced labour in our supply chain and we are deeply concerned by reports from civil society organisations and media that include accusations of involuntary labour from ethnoreligious minorities in Western China. All our direct suppliers sign our Sustainability Commitment that clearly spells out our expectations with regards to forced

labour and discrimination linked to religion or ethnicity. We have a due diligence process in place that aims to identify and address any risks in our supply chain. Being well aware of the complexity of the situation, we are in close dialogue with human rights experts, other brands, and stakeholders, to evaluate how we can further strengthen our due diligence. While we take the accusations seriously, it's crucial that any decisions and actions are based on input from human rights experts and with consideration to those affected.

Lacoste

We would like to start by expressing that Lacoste condemns every breach of human rights and international agreements and takes very seriously any kind of human rights or labour rights abuses. Our Partners' Charter of Ethics thus states that Lacoste prohibits the use of forced, mandatory, or unpaid labor of any type, including prison labor other than in the manner provided for in ILO Convention No. 29.

Our whole list of tier 1 factories is public and available on our website ([link](#)). 100% of these factories have been socially audited. Audits are performed semi-announced by external 3rd party well recognized audit firms.

Non-conformities identified during audits are addressed through an action plan with each concerned factory in order to help them to improve.

We're currently conducting an intensive traceability work beyond tier 1 factories that will allow us to be more transparent about our supply chain once completed.

Regarding the gloves order you mention, we have been contacted by the Workers Rights Consortium and have answered their questions with transparency.

The order of gloves was given to a French supplier called "POUJADE - SEGAP SARL" (20 rue Paul Painlevé 30000 NIMES FRANCE). As usual, factory details were requested.

Poujade shared the name of the factory he intended to place the order into: "Yili ZhuoWan Garment Manufacturing Co., Ltd" (Home Textile Park, No5, Yining County, Yili, Xinjiang province, China). Then:

- A third party social compliance audit was conducted by Bureau Veritas at the factory from July 24 to 26th 2019 to verify working conditions. No forced labor, discrimination or disciplinary practices non-conformities have been identified either during the documents verification or workers' interviews.
- An auditor from Lacoste performed a technical audit of the factory on September 17th 2019 assessing quality conformity to Lacoste Standard.
- Order (410 pcs of gloves) was manufactured in September 2019.
- 95 gloves manufactured by this unit were sold in Europe through our stores and e-commerce. The other 315 pairs are currently located in our warehouse in Troyes, France. We suspended their commercialization as soon as we were alerted by the WRC.

Relationship with Poujade and Yili ZhuoWan Garment only took place for this specific product and ended with its completion.

As a company whose Ethics principles and audit processes are very rigorous and structured, we are of course investigating the details of this case. At this stage, we have requested more

information from Bureau Veritas – the company in charge of this third party social compliance audit - and are working closely with them in order to clarify the situation. We are also working constantly on our due diligence processes in order to make them even stricter, to ensure the respect of our core principles of human dignity and Human rights.

Regarding the ASPI report, 3 factories were mentioned as being part of Lacoste supply chain.

1. **Youngor Textile Holdings Co. Ltd** : Smart Shirt is indeed one of our suppliers and this factory is connected to this supplier. But this factory is not involved in the supply chain used by Smart Shirt to manufacture products for Lacoste.
2. **Huafu Top Dyed Melange Yarn Co. Ltd** : As mentioned, we're working on traceability beyond tier 1. This factory has not been identified in our supply chain and, at this stage of our investigation we have not found any link between this factory and one of our suppliers.
3. **Changji Esquel Textile Co. Ltd** : This spinning mill is connected to one of our supplier: Esquel. This factory has been identified last year and socially audited. No non-conformities regarding forced labor has been raised during this audit and wages paid to workers are well above minimum wage. We're conducting an investigation with the audit firm that conducted the audit of this spinning mill. We've also asked our supplier to provide proof that no forced labor has occurred in this factory.

Even if the factories linked to our supply chain have been socially audited and no situation of forced labor has been identified, we are committed to reinforcing our compliance process regarding the countries/regions where the situation of migrant workers might be linked to an increased risk of labor potential violations.

We are also overviewing the situation globally with all our suppliers in China and will conduct further investigations when required.

PUMA

PUMA has no direct relationship with Huafu Top Dyed Melange Yarn Co. Ltd. However, as they are one of the world's largest cotton yarn suppliers, some of our fabric suppliers buy yarns from them.

The allegations are severe and we are closely monitoring the situation. We had already raised this issue with partners who we collaborate with in terms of monitoring Tier 3 suppliers (yarn suppliers). We continue to observe the case and conduct further investigations.

Since 1997, we have been working on implementing and ensuring working standards in our suppliers' facilities. Through our longstanding supply chain monitoring program, which was just re-accredited by the Fair Labor Association in 2019, we monitor all manufacturers of PUMA products (so-called Tier 1 suppliers) on a frequent basis, typically at least once per year. In the last three years, we have extended our supply chain monitoring program to cover our most important fabric and component suppliers (so-called Tier 2 suppliers). For the lower levels of the cotton supply chain, we rely on industry partners in terms of ethical business conduct.

Our Code of Conduct sets strict regulations for our suppliers to ensure an ethical business conduct. Both in our Code of Conduct and our Supply Chain monitoring program, we clearly ban Forced Labor in any form. Our Sustainability Handbook for Social Standards lists proven cases of Forced Labor as a Zero Tolerance

Issue. <https://about.puma.com/en/sustainability/codes-and-handbooks>

PUMA has NO DIRECT OR INDIRECT business relations with Haoyuanpeng Garment Group or Kashgar Haoyuanp Garment Co. Ltd.

UNIQLO

As you know, UNIQLO production partners must commit to our strict company code of conduct, which covers human and worker rights. Additionally, we require all production partners to uphold the same standards set out in our code of conduct with any of their own upstream suppliers.

While we are aware of claims made in a recent report by the Australian Strategic Policy Institute (ASPI), we do not have any business with the two factories linked to UNIQLO in the report. We can also confirm that no UNIQLO product is made in Xinjiang. In addition, through the company's factory monitoring program, which includes a hotline for workers to contact us directly, we have not learned of any of the issues raised in the report.

Nike

Nike remains dedicated to ethical and responsible manufacturing and we are deeply committed to ensuring the people who make our product are respected and valued.

While Nike does not directly source products from the Xinjiang Uighur Autonomous Region (XUAR), and does not have relationships with the Haoyuanpeng Clothing Manufacturing, Qingdao Jifa Group, or Esquel facilities in XUAR, we have been conducting ongoing diligence with our suppliers in China to identify and assess potential risks related to employment of people from XUAR.

Since last year, Taekwang's Qingdao facility has not recruited new employees from XUAR and is currently seeking expert advice on the best and most responsible approach to conclude the employment of remaining employees from XUAR. Taekwang has confirmed that their employees from XUAR have the ability to end their contracts at any time without repercussion, and historically many have chosen to do so.

Nike is committed to upholding international labor standards and we are continuing to evaluate how to best monitor our compliance standards in light of the complexity of this situation. The Nike Code of Conduct and Code Leadership Standards have requirements prohibiting any type of prison, forced, bonded or indentured labor, including detailed provisions for freedom of movement and prohibitions on discrimination based on ethnic background or religion. We continue to engage with all of our suppliers to evaluate compliance with Nike's Code of Conduct and Code Leadership Standards.

Given this dynamic situation, we are also drawing on expert guidance and working with brands and other stakeholders to consider all available approaches to responsibly address this situation. We have been collaborating with industry associations such as Retail Industry Leaders Association, American Apparel & Footwear Association, National Retail Federation and U.S. Fashion Industry Association and are supportive of the statement released by these organizations on this matter. We will continue to actively collaborate with our partners, stakeholders and other organizations on this issue.

VF Corp

We, too, are deeply disturbed by any report of human rights violations. VF is committed to upholding internationally recognized human rights throughout our global supply chain, including prohibiting any forced labor or modern slavery.

We continuously work to improve supply chain transparency. Over the past several years, we enhanced our cotton traceability efforts to better identify third party suppliers that may be complicit in human rights abuses. We have ended, and will continue to end, all business relationships with any company that refuses to remediate human rights violations when they occur.

We believe that VF, in partnership with others in our industry, plays an important role in protecting human rights and eradicating forced labor of all kinds from global apparel supply chains. Comprehensive and sustainable solutions require engagement and cooperation across our industry, along with civil society and governments who are willing to engage. VF is and will remain committed to working on solutions.

Additionally, you can read our full [Anti-Forced Labor & Responsible Recruitment Commitment here](#) to learn more about our policies, standards, efforts and compliance underpinning our commitment.