



24 July, 2019  
(By email)

Dear Business & Human Rights Resource Centre

## **Response to Media Reports related to Xinjiang, China**

Thank you for providing adidas with an opportunity to respond to recent media reports.

We can confirm that Xinjiang Uyghur Autonomous Region in northwest China does feature in adidas' global supply chain.

Xinjiang is China's largest cotton growing area and through the Better Cotton Initiative (BCI) adidas is supplied cotton from that region, among other sourcing locations. Through its field level partners, BCI has trained nearly 9,500 farmers in Xinjiang since 2012. Decent Work principles are embedded in the Better Cotton Standard and in six years of third-party verification visits in Xinjiang, there have been no reported cases of forced labour or child labour on BCI licensed farms.

Xinjiang cotton is processed into yarn in various parts of China, including in the region itself. adidas holds no direct relationship with the spinning mills that produce the yarn. Our manufacturing partners buy the finished materials that go into our products from fabric mills, who in turn are supplied yarn from spinning mills around the world, including China.

There were media reports claiming that a yarn producer, Huafu, which has spinning operations in Aksu, was linked to re-education programs in Xinjiang. Our position on forced labour is very clear and is well known to our business partners and to their subordinate suppliers. We strictly prohibit forced labour, including all forms of prison labour, in our own operations and in our supply chain.

Huafu operates 5 spinning plants in various locations across China and Vietnam and, indirectly, supplies yarn to many international apparel brands. On learning of these allegations, we asked our materials suppliers to immediately suspend any sourcing of yarn from Huafu Aksu, to allow us time to investigate.

Although we have no direct contractual relationship with Huafu, we asked for access to audit their spinning facilities in Aksu. They obliged. Our investigations found no evidence of forced labour, or of government involvement in the hiring of their workforce.

Despite these findings our suspension of Huafu Aksu continues pending receipt of a third-party assessment by an independent consultancy specializing in forced labour. We are hopeful that those investigations will verify our own preliminary audit results.



It is important that brands engage with concerned stakeholders to discuss the human rights situation in the region and the impact this has on employment and the workplace. This requires open and informed dialogue and the development of appropriate industry level assurance models. We are currently engaged with the Fair Labor Association, the Better Cotton Initiative and others, to strengthen assurance processes and map a way forward.

Sincerely,

A handwritten signature in black ink, appearing to read "William Anderson".

William Anderson  
Vice President  
Social & Environmental Affairs  
Asia Pacific