

Company Name Capri Holdings
Industry Apparel (Supply Chain only)
UNGP Core Score (*) 4.0 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
1	2	A.1.1 Commitment to respect human rights
0.5	2	A.1.2 Commitment to respect the human rights of workers
0	2	A.1.4 Commitment to engage with stakeholders
0	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
0	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
0	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
0	2	C.7 Remedying adverse impacts and incorporating lessons learned
4.0	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: General HRs commitment: The Company states on its website that it is 'committed to principles of ethical business practice and recognition of the dignity of others, including responsible labor practices' and on its Code of Business Conduct and Ethics that indicates that it is 'committed to a work environment in which all individuals are treated with respect, that we prohibit discriminatory practices and that we are committed to providing a safe, healthy and comfortable workplace for all employees'. However, there is no explicit mention to human rights. [Supply Chain Disclosure, N/A: capriholdings.com & Code of Business Conduct and Ethics, 01/08/2019: s22.q4cdn.com] • Met: UNGC principles 1 & 2: The Company states that 'Capri Commits to Implement the Ten Principles of the UN Global Compact' as a part of the Company's CSR strategy. [Corporate Social Responsibility Strategy, 22/04/2020: s22.q4cdn.com] • Not met: International Bill of Rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: UNGPs • Not met: OECD: Although the Company refers that adopts policies and procedures with respect to conflict minerals consistent with Capri's policy and practices set forth herein and the OECD Guidance, it does not mention about the OECD Guidelines for Multinational Enterprises and Human Rights. [Company website, Conflict Mineral Policy, N/A: capriholdings.com]
A.1.2	Commitment to respect the human rights of workers	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: ILO Core: The Company states in its Code of Conduct for Business Partner that in its own operation and business partners should respect the legal rights of employees to freely and without harassment participate in worker organizations, shall not use any form of slave, forced or prison labor, must not use child labor and do not allow any form of improper discrimination. However, there is no evidence to respect the right to collective bargaining and also does not mention ILO, including own operations. [Code of Conduct for Business Partners, 01/01/2019: s22.q4cdn.com] • Met: UNGC principles 3-6: The Company states that 'Capri Commits to Implement the Ten Principles of the UN Global Compact'. [Corporate Social Responsibility Strategy, 22/04/2020: s22.q4cdn.com] • Not met: Explicitly list ALL four ILO for AP suppliers: Although the Company states in its Code of Conduct for Business Partners that they should not allow prison or forced labor and child labor, should respect freedom of association and to do not allow any kind of discrimination, it is not explicitly described the right of collective bargaining. [Code of Conduct for Business Partners, 01/01/2019: s22.q4cdn.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core • Met: Respect H&S of workers: On its Code of Business Conduct and Ethics, the Company has a topic to describe that respect the H&S of workers by saying that "the Company is committed to providing a safe, healthy and comfortable workplace for all employees. The Company will not knowingly permit unsafe conditions to exist, nor will it permit employees to engage in unsafe acts." [Code of Business Conduct and Ethics, 01/08/2019: s22.q4cdn.com] • Met: H&S applies to AP suppliers: According to the Company's Code of Conduct for Business Partners, its "business partners must ensure that their workers are provided a safe and healthy work environment, and are not subject to unsanitary or hazardous conditions". [Code of Conduct for Business Partners, 01/01/2019: s22.q4cdn.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: working hours for workers • Not met: Working hours for AP suppliers: Although the Company states: 'Our business partners must comply with all laws regulating local wages, work hours and benefits. Wage and benefit policies must be consistent with prevailing national standards, and also be acceptable under a broader international understanding as to the basic needs of workers and their families. We will not work with companies whose wage structure violates local law or prevailing industry practice', there is no mention to ILO convention on working hours, or to regular working week hours and breaks. [Code of Conduct for Business Partners, 01/01/2019: s22.q4cdn.com]
A.1.4	Commitment to engage with stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to stakeholder engagement • Not met: Regular stakeholder engagement <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to remedy: Although the Company states on the Supply Chain Disclosure that it requires corrective action to remedy deficiencies, there is no commitment from the Company to remedy the adverse impacts on individuals, workers and communities caused by its own operation. [Supply Chain Disclosure, N/A: capriholdings.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives: The Company states on the Annual Report that: 'If one of our manufacturing contractors violates applicable labor or other laws, rules or regulations or implements labor or other business practices that are generally regarded as unethical in the United States, the shipment of finished products to us could be interrupted, orders could be cancelled, relationships could be terminated and our reputation could be damaged.' However, it does not describe that the Company work with business relationship to remedy adverse impacts. [Annual Report 2019, 2019: s22.q4cdn.com] • Not met: Work with AP suppliers to remedy impacts

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions • Not met: Senior responsibility for HR: The Company indicates in its Code of Business Conduct and Ethics that any issue or conflict involving the employees must be reported to the Chief Human Resources Officer and Head of Internal Audit. However, no details found in relation to being responsible for human right-related policies or strategies. [Code of Business Conduct and Ethics, 01/08/2019: s22.q4cdn.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Not met: Day-to-day responsibility for AP in supply chain
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Not met: Identifying risks in AP suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Salient risk assessment (and context): Although the Company discloses that it fails to comply with labor laws or collective bargaining agreements, or if its manufacturing contractors fails to use acceptable, ethical business practices, the business and reputation could suffer, it does not specify what it considers to be salient HR issues. [Annual Report 2019, 2019: s22.q4cdn.com] Not met: Public disclosure of salient risks Score 2 <ul style="list-style-type: none"> Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Action Plans to mitigate risks: The Company communicate on its supply chain disclosure that it has established compliance and other procedures to mitigate the risks of slavery and human trafficking in its supply chains. However, there is no description of a global system to take action to mitigate salient human rights issues. [Supply Chain Disclosure, 06/2019: s22.q4cdn.com] Not met: Including in AP supply chain Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: System to check if Actions are effective Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Comms plan re identifying risks Not met: Comms plan re assessing risks Not met: Comms plan re action plans for risks Not met: Comms plan re reviewing action plans Not met: Including AP suppliers Score 2 <ul style="list-style-type: none"> Not met: Responding to affected stakeholders concerns Not met: Ensuring affected stakeholders can access communications

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Channel accessible to all workers: The Company explicitly states that if workers have any concern about the Company's Ethical Code and are not comfortable to contact the supervisor, Human Resources or Legal Department, the workers can call Company's confidential hotline. This ethics hotline is also available for external stakeholders. [Code of Business Conduct and Ethics, 01/08/2019: s22.q4cdn.com & Supply Chain Disclosure, 06/2019: s22.q4cdn.com] Score 2 <ul style="list-style-type: none"> Not met: Number grievances filed, addressed or resolved Met: Channel is available in all appropriate languages: On the Code of Business Conduct and Ethics there is an annex with 32 country-specific Ethics Hotline numbers that workers can call to raise a complaint. [Code of Business Conduct and Ethics, 01/08/2019: s22.q4cdn.com] Not met: Expect AP supplier to have equivalent grievance systems Met: Opens own system to AP supplier workers: The Company discloses on its Website that 'Company's ethics hotline is also made available for external stakeholders'. [Supply Chain Disclosure, 06/2019: s22.q4cdn.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Grievance mechanism for community: Capri Holdings discloses in its Supply Chain Disclosure that the Company's ethics hotline is available for external stakeholders. [Supply Chain Disclosure, 06/2019: s22.q4cdn.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
	concerns from external individuals and communities		Score 2 <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems • Not met: AP supplier communities use global system
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Headline: Apex Tannery and Bay Tanneries linked to child labor, safety hazards, and other violations • Area: Child labour • Story: A report by Transparentem alleges children as young as 14 are made to work at the Apex and Bay Tanneries in Bangladesh, both of which supply leather that has been traced to luxury brand labels including Michael Kors. Transparentem didn't say that the leather from the tanneries ends up in the products of American or European companies, only that the manufacturers of some of those goods receive the leather. The allegations focus on the Hazaribagh neighbourhood, a hub of Bangladesh's leather industry which has over 150 tanneries. The report claims to show video footage from 2015 of a mother confirming her 14 year old son was working in one of the tanneries, footage from 2016 then shows the same child still working there. In another video a 17 year old boy confirms his age to the videographer, two other workers agree that there are also a number of 15 year old children who are working on site. The organisation doesn't publish any of the footage or its findings to protect investigators whose work is still ongoing. Using customs records and business documents, they found those factories make shoes and purses for Clarks, Coach, Kate Spade, Macy's, Michael Kors, Sears, Steven Madden and Timberland. The organisation said that no one followed a piece of leather produced by a child to a particular purse or shoe. The managing director of Apex Footwear said report was a 'smear campaign' whose claims of child labour were 'baseless'. Bay Footwear's technical advisor also disputed the claims of child workers in the their operations, calling the findings 'absolutely baseless'. The sales director at White Industry Co., said the South Korean company stopped using raw materials from Bangladesh late last year after U.S. clients such as Coach, Michael Kors and Kate Spade informed them about environmental problems and child labor issues. Now they use American, Brazilian and Pakistani suppliers. • Sources: [Associated Press - 25/03/2017: apnews.com][PBS News - 29/03/2017: pbs.org]
E(1).1	The Company has responded publicly to the allegation	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Public response available: The company provides a brief response to allegations it sourced leather from tanneries using child labour, claiming that they were a few steps removed from the Hazaribagh tanneries, hadn't knowingly sourced leather there, and would make sure not to. [Associate Press article, 25/03/2017: apnews.com] Score 2 <ul style="list-style-type: none"> • Not met: Response goes into detail: The response doesn't provide sufficient detail.
E(1).2	The Company has appropriate policies in place	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The company in its 'Code of Conduct for Business Partners' says "Our business partners must not use child labor, defined as school-age children. Our business partners will not employ workers under the age of 15 or under the legal minimum age for employment in the applicable country, whichever is greatest. This provision extends to all partner facilities. In addition, workers under the age of 18 should not be exposed to hazardous working conditions." [Code of Conduct for Business Partners, 01/01/2019: s22.q4cdn.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Policies apply to the type of business relationships involved: On its 'Supply Chain Disclosure' page the company says "We also have a Code of Conduct that is applicable to all of the Company's suppliers (including our third-party manufacturers and product licensees)". Regarding the risks of slave labour in its supply chain, the company says "Our approach is to focus on our direct (tier 1) suppliers, since this is the level of the supply chain where we believe that we have the most influence and can therefore be the most effective." [Supply Chain Disclosure, N/A: capriholdings.com & Code of Conduct for Business Partners, 01/01/2019: s22.q4cdn.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question: The company says it has an Audit program where third party manufacturers and manufacturers are subjected to announced audits at least every 3 years, which cover issues including "a manufacturer's compliance with wage, hour and labor laws and health, safety and environmental regulations, as well as the working and other conditions within the facility". However there is no specific mention of ensuring the manufacturers have an age verification process as part of their agreement with Capri Holdings. This is not sufficient. [Supply Chain Disclosure, N/A: capriholdings.com]
E(1).3	The Company has taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Engages with affected stakeholders: The company has not provided any evidence or indication it has engaged with affected stakeholders, instead the company claims "they were a few steps removed from the Hazaribagh tanneries, hadn't knowingly sourced leather there, and would make sure not to." [Associate Press article, 25/03/2017: apnews.com] • Not met: Encourages linked business to engage affected stakeholders: The company claims "they were a few steps removed from the Hazaribagh tanneries, hadn't knowingly sourced leather there, and would make sure not to." however it does not provide any evidence of engaging its linked suppliers and manufacturers to ensure that they didn't source leather from those tanneries. [Associate Press article, 25/03/2017: apnews.com] • Not met: Provides remedies to affected stakeholders: The company, whilst claiming not to have knowingly sources leather from the affected tanneries, has not provided evidence of offering any form of remedy to the affected stakeholders. • Not met: Has reviewed management systems to prevent recurrence: The company states simply that it "hadn't knowingly sourced leather from the affected tanneries and would make sure not to". However this doesn't provide any evidence of a review being conducted into the company's management systems to prevent recurrence. [Associate Press article, 25/03/2017: apnews.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims: The company has not provided any evidence of remedy being given to the children working in the tanneries. • Not met: Has improved systems and engaged affected stakeholders: The company has not provided any evidence it has improved its systems since the allegations we made, it simply says that it would make sure not to source leather from the affected tanneries in the future. [Associate Press article, 25/03/2017: apnews.com]

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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