

Company Name Fast Retailing
Industry Apparel (Supply Chain only)
UNGP Core Score (*) 19.5 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
2	2	A.1.1 Commitment to respect human rights
1.5	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
2	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
2	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
1.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
2	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
2	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
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
2	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
2	2	C.7 Remedying adverse impacts and incorporating lessons learned
19.5	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	2	<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: General HRs commitment: The Code of Conduct (CoC) states that 'Based on the Universal Declaration of Human Rights, International Covenants on Human Rights and other international human rights standards, we shall respect the human rights of each and every person' [Code of Conduct Guidelines, 03/2018: fastretailing.com] • Met: UNGC principles 1 & 2: The Company indicates that 'Fast Retailing supports the UNGC 10 principles under the categories of Human Rights, Labour, Environment and Anti-Corruption and strives to implement them'. [Code of Conduct - Basic Principle, 03/2018: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: UNGPs: The Company indicates in its human rights policy that 'The Fast Retailing Group promotes activities that respect human rights following the "United Nations (UN) Guiding Principles on Business and Human Rights"'. [Human Rights Policy, 06/2018: fastretailing.com]
A.1.2	Commitment to respect the human rights of workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: ILO Core: The Company has an explicit commitment to each ILO core element, including discrimination, forced labour, child labour, freedom of association and the right to collective bargaining. In addition, the Company states that 'we respect human rights described in the [...] International Labor Organization's (ILO) "Declaration on Fundamental Principles and Rights at Work" as minimum standards'. [Code of Conduct Guidelines, 03/2018: fastretailing.com & Human Rights Policy, 06/2018: fastretailing.com] • Met: Explicitly list ALL four ILO for AP suppliers: The Code of Conduct for production partners contains requirements regarding each ILO core standard. Particularly on relation to worker participation it states: 'Production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively' [Code of conduct for production partners, N/A: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: Explicit mention to each ILO core both in the Code of conduct Guideline and the Global Compact commitment on its website. With respect the rights to freedom of association and collective bargaining, the Code says: 'We shall respect freedom of association, right to collective bargaining and other basic human rights of employees.' [Code of Conduct Guidelines, 03/2018: fastretailing.com & UN Global Compact on website, 14/11/2018] • Met: Respect H&S of workers: The CoC contains a specific commitment on maintaining a safe work environment [Code of Conduct Guidelines, 03/2018: fastretailing.com] • Met: H&S applies to AP suppliers: The Code for production partners contains requirements on health and safety [Code of conduct for production partners, N/A: fastretailing.com] • Not met: working hours for workers: The Company states on its website under 'Reducing Working Hours': 'Fast Retailing respects international standards and national laws and regulations concerning maximum working hours, minimum breaks and rest periods. Team leaders in each division manage employees' working hours on a monthly base. Fast Retailing pursues work styles that do not rely on overtime.' This statement is followed by a list of 'Monitoring and Corrective actions for Work-Hour Reduction at the Fast Retailing Group in Japan'. However, it is unclear if these include a commitment to ILO standards on working hours, or whether it is committed to a maximum of 48 hours of standard working week hours. [Positive work environment, 31/01/2020: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Working hours for AP suppliers: On this, the code for suppliers contains requirements on regular working hours, maximum and overtime hours, and time for rest: 'Production partners shall comply with working hour limits established by applicable laws, but under no circumstances shall regular weekly working hours exceed 48 hours per week. The sum of regular and overtime hours in a week shall not exceed 60 hours. Production partners shall provide workers with at 24 consecutive hours of rest in every seven day period. Production partners shall also maintain accurate time-in/out records of each worker. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate.' [Code of conduct for production partners, N/A: fastretailing.com]
A.1.4	Commitment to engage with stakeholders	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"> • Met: Regular stakeholder engagement: The Company provides evidence related with stakeholder engagement. However, engagement seems to focus in dialogue with civil society entities and not affected stakeholders including workers, workers in the supply chain, worker representatives (although there's dialogue with trade unions, it's in the context of grievances), local communities or any other group directly affected by the Company's activities. In The FLA accreditation report, however, it is indicated that the monitoring programme includes 'inviting union and/or worker representatives to the opening and closing meetings, including representatives in the interview process' (and this is an ongoing process in the Company's supply chain). [Stakeholder engagement, 12/06/2020: fastretailing.com & FLA assessment for accreditation, 02/2019: fairlabor.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement: The Company indicates that 'Fast Retailing stakeholders include company employees, workers and their representatives at our partner factories, community members around our stores and supply chains, and organizations everywhere that work to protect human and worker rights and the environment. We regularly consult key stakeholders proactively to understand emerging issues and to devise informed solutions that address risk or mitigate impact on vulnerable people'. Also on its website: 'We place great value on the independent insight and input of stakeholders to improve our strategies and programs. The frequency of our dialogue with each stakeholder depends on the nature of the issue we are addressing together.' In addition, on its 'Monitoring and evaluation of Production Partner Factories' website, the Company states: '[...] analyzing worker grievances made through the Fast Retailing Hotline helps us improve our monitoring program and strengthen our partner factories' own grievance mechanisms, helping factory management to detect, investigate and rectify issues. We also analyze labor violation trends by country and individual brands, including how many facilities are passing or failing the Fast Retailing audit. We have developed specific country strategies for Bangladesh, Cambodia, China, Indonesia, Myanmar, and Vietnam. Countries priorities have been defined through stakeholder engagement and aligned with business strategies'. However, this indicator looks for proactive consultation with affected stakeholders in the design or the active monitoring of the human rights approach. The Company has provided additional evidence including comprehensive engagement with different stakeholders in relation to human rights, but no evidence found of these including workers, worker representatives, communities or other directly affected stakeholder being involved in the design or monitoring of the strategy. Although the Company indicates that they consult key stakeholders proactively to understand emerging issues and to devise informed solutions, it is not clear in cases found, how directly affected stakeholders are involved. [Stakeholder engagement, 12/06/2020: fastretailing.com & Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com]
A.1.5	Commitment to remedy	2	<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 remedy: The Human Rights policy states that 'We never accept or ignore violations of human rights in any part of our business and supply chain, and take any statement that human rights are not appropriately respected very seriously. We will take appropriate and effective remedies should we discover a human rights issue'. [Human Rights Policy, 06/2018: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Not obstructing access to other remedies: The Company states on its website: '[...] we do not obstruct affected stakeholders to access to other remedies and we are open to collaboration that provides remedy.' [Human rights, 12/06/2020: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Work with AP suppliers to remedy impacts: In addition to the commitment mentioned above, the policy also states that 'we also request and will insist our suppliers effectively remedy any human rights issue on their part'. On its website, it reports three cases of reports received from factory workers related to wages, working hours and union members dismissed in the context of strikes. For all three cases the Company describes the work it carried out with factory management to remedy each case. For this last case: 'we were contacted by the trade union after seven trade unions members were dismissed. Fast Retailing worked with factory management and the trade union to re-establish a dialogue and together built solutions such as the reinstatement of dismissed workers and payment of allowances. Since then, other workers' concerns were negotiated successfully especially around wages and benefits. The factory management is now enrolled in a social dialogue program'. [Human Rights Policy, 06/2018: fastretailing.com & Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com]

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	2	<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: See indicator A.1.2. The Company is signatory to the UN Global Compact. • Met: Senior responsibility for HR: The Human rights Committee includes outside directors and auditors, along with executive officers in charge of different department including the Sustainability department. In addition, in its Sustainability Report 2020, the Company states that it established a Human Rights Committee 'The Human Rights Committee provides counsel and oversight to the Fast Retailing Group for fulfilling its obligations and conducting business appropriately in accordance with its Human Rights Policy.' For example, the committee provides advice and recommendations on investigations and remedial action when a human rights violation is reported by a stakeholder through a hotline: 'Serious cases are brought to the Human Rights Committee, which provides counsel and recommendation on possible measures. [...] The Human Rights Committee advises business administration sections to ensure all business is conducted appropriately in accordance with our Human Rights Policy and to provide educational activities'. [Human rights, 12/06/2020: fastretailing.com & Sustainability Report 2020 - FY 2018/2019, 02/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: In the Know the chain response from 2016, it indicates that the CSR Department (sustainability department) 'is managed from the Global Headquarters and we have CSR managers and team members located in our other major regions. The Company's website discloses a chart showing that the Sustainability department, which head participates in the Board Sustainability Committee, Code of conduct committee and business ethics committee, is located in the Tokyo head office with overseas offices in China, South Korea, Singapore, Indonesia, Vietnam, Bangladesh, United States and the EU. This disclosure is from 2016 and no equivalent information has been found for the last three reporting years. To alleviate the reporting burden for companies during the Covid-19 crisis, the CHRB will (on an exceptional basis) relax the three-year timeframe and include information from 2016 in the 2020 assessment. In the Know the chain response from 2018, it indicates that the Sustainability department 'provides regular training to its suppliers to ensure they understand its supplier code of conduct "properly" and are aware of any new requirements.' The Company's website indicates that 'The head of the Sustainability Department chairs the Sustainability and the Business Ethics Committees, the head of the Legal Department chairs the Code of Conduct Committee, and an external expert chairs the Human Rights Committee.' However, no evidence found describing how day-to day responsibility is allocated across the range of relevant functions and geographies of the Company in public documents from the last 3 years. [Know the Chain 2018, 2018 & Corporate Governance, 14/02/2020: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Day-to-day responsibility for AP in supply chain: The Company indicates that it works 'closely with our production partners to pursue production activities in line with responsible procurement, including proper labor conditions and correct manufacturing processes. We station nearly 500 Fast Retailing production department employees responsible for quality and production progress management at production offices in Shanghai, Ho Chi Min City, Dhaka, Jakarta, Istanbul, and Bangalore. Those employees responsible for factories, visit production partners on a weekly basis'. In addition, in its Monitoring and evaluation of business partners website, the Company indicates: 'The Supply Chain Labor Management Team from our Sustainability Department (hereinafter Sustainability Department) leads a workplace monitoring program and other supply chain social initiatives across all Fast Retailing brands. The managers of the Sustainability Department manage the programs and work plans, and report to the Executive team, who oversees the strategic direction of the Sustainability Department. The Supply Chain Labor Management Team members are based in Japan, where our headquarters are located, as well as in key production countries such as China, Vietnam, Indonesia, Bangladesh and Turkey.' [Responsible Procurement - Supply Chain, 29/02/2019: fastretailing.com & Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com]
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: The Company states on its website: 'To respect the human rights of people affected throughout the entire business and supply chain in accordance with the UNGP, we have developed and continually implement human rights due diligence (identifying and assessing the scope of human rights violation risks in our corporate activities, and developing improvement measures and educational systems). The due diligence process also includes assessing new circumstances such as new business relationships and production countries through our regular workplace monitoring program, stakeholder mapping and engagement.' This is followed by a chart showing the Human Rights Due Diligence Process, including: 'Identify potential risks through internal interviews, data analysis, stakeholder engagement and reference to OECD and other international guidelines'. [Human rights, 12/06/2020: fastretailing.com] • Met: Identifying risks in AP suppliers: The Company states that it performs 'continuous risk assessments of our supply chain to identify human trafficking, slave labor, or 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 promise to society, 17/01/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Ongoing global risk identification: As indicated above, the process refers to an ongoing due diligence [Human rights, 12/06/2020: fastretailing.com & Our promise to society, 17/01/2020: fastretailing.com] • Met: In consultation with stakeholders: The Human Rights website states: 'We engage with stakeholders in order to not only understand human rights issues in detail and plan and take countermeasures but also execute preventive measures. Collaborating with relevant experts, we are taking concrete initiatives on some important human rights issues in supply chain [...]' The due diligence chart, includes stakeholder engagement along the whole process. And is explicitly included in the process for risk identification. [Human rights, 12/06/2020: fastretailing.com] • Not met: In consultation with HR experts: The Company reports on its website: 'In July 2018, Fast Retailing established a Human Rights Committee to promote initiatives aimed at respecting human rights. We appointed an outside expert, who has experience working as the head of the Human Rights Bureau in the Ministry of Justice in Japan, to head the committee, [...]' Although, the role of the committee is to provide recommendations and supervision to ensure that we fulfill our obligations to respect human rights based on the Human Rights Policy, and that business operations are conducted appropriately, it is not clear how experts are consulted as part of the due diligence process in carrying out human rights risks identification and assessment processes. [Human rights, 12/06/2020: fastretailing.com] • Met: Triggered by new circumstances: As indicated above, the Company indicates that 'the due diligence process also includes assessing new circumstances such as new business relationships and production countries through our regular workplace monitoring program, stakeholder mapping and engagement'. [Human rights, 12/06/2020: fastretailing.com]

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)	2	<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: Salient risk assessment (and context): The Company describes the second stage of its due diligence in the chart of the website: 'analyze severity and likelihood of identified risks. Identify risks for which urgent measures are required'. As indicated in the previous indicator, the due diligence processes includes 'assessing new circumstances such as new business relationships and production countries (geographical factor) through our regular workplace monitoring program, stakeholder mapping and engagement'. [Human rights, 12/06/2020: fastretailing.com & Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com] • Met: Public disclosure of salient risks: The Company indicates that, 'through our risk assessment and workplace monitoring, we have defined the following as salient human rights risks in the supply chain: child labor, forced labor, coercion and harassment, discrimination, unsafe workplaces, freedom of association breaches, illegal or unjustified dismissal of workers on strike, retaliation on workers who have submitted grievances, non-payment of wages, transparency issues such as false records and unauthorized subcontracting. We assess the impact and likelihood of these risks to prevent them and take appropriate countermeasures in case they happen'. [Human rights, 12/06/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	2	<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: Action Plans to mitigate risks: The Chart on the website describing the due diligence process, states, in relation to action plans: 'classify measures by main divisions of the company, evaluate their effectiveness and create the action plans'; 'Implement action plan and monitor progress and effectiveness'. In addition, on its website section 'Monitoring and evaluation of Production partners', the Company indicates: 'Fast Retailing takes preventive measures and variety of actions for solving human rights issues identified through our due diligence processes and stakeholder engagement, involving local and global experts.' The Company summarizes in this section the actions put in place in the following areas: Prevention of Child labour, Responsible Recruitment, Coercion and Harassment and Wages and Benefits & Living Wage. Examples of actions put in place: 'In Myanmar, we partnered with SMART Myanmar to conduct supplier training on child labor risk and prevention, and young worker labour laws in 2018. It provided guidance on proper age verification and recruitment processes as well as on remedial actions to take if an issue is found. Following the training, partner factories developed or reinforced their internal rules and procedures and they are establishing recruiting process to check workers' age carefully. [...] In February 2020, IOM provided the Sustainability Department with training in supplier mapping. The purpose of the training was to strengthen the capacity of Fast Retailing to enhance labor supply chain integrity and build foundational technical skills and knowledge on ethical recruitment and on the vulnerabilities of foreign migrant workers. The training helped prepare the Fast Retailing Sustainability Department for engagement with suppliers in Thailand, Japan and Malaysia, and to identify and address key risks of exploitative recruitment practices and labor conditions.' [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com & Human rights, 12/06/2020: fastretailing.com] • Met: Including in AP supply chain: As indicated above, the Action Plans to mitigate human rights risk cover supply chain. [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Example of Actions decided: The Company states that: 'As we continue to grow our business internationally, issues such as harassment and discrimination present as potential Human Rights risks. Fast Retailing commissioned an independent assessment in fiscal 2019, which confirmed that these issues represent a risk to our business, and more broadly to the apparel industry. Accordingly, we have put measures in place to safeguard the rights of all stakeholders, proactively working to prevent any kind of harassment or discrimination occurring in our business. For example, we provide employee training, evaluate employee approaches to work, and have implemented anonymous employee hotlines worldwide. We continue to pursue various other preventive measures.' In addition, in relation to prevention of child labour: 'We engage with relevant experts such as CCR CSR in Myanmar, a social enterprise that consults businesses' projects on child rights to understand country-specific issues relating to child labor and take concrete action to prevent child labor in our partner factories.'; and with respect Responsible Recruitment: 'In February 2019, Fast Retailing signed the commitment to Responsible Recruitment as defined by the Fair Labor Association (FLA) and the American Apparel & Footwear Association (AAFA) in October 2018. Driven by the commitment, in September 2019 we have launched a new initiative with International Organization for Migration (IOM) to study the recruitment and employment conditions of migrant workers in our supply chains as well as develop our capacity to respond to identified challenges related to the human and labor rights of migrant workers.' [Human rights, 12/06/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • 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	<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: System to check if Actions are effective: The FLA report states that 'the remediation process includes engagement with union and/or worker representatives, especially findings specific to strikes, worker disputes, delay of payment, decrease in payment, unpaid severance, unpaid annual leave, mental or physical pain, harassment, forced labor, excessive working hours, and violations of the collective bargaining agreement or freedom of association.' However, no evidence found that describes system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective. In addition, the website 'Monitoring and Evaluation of Production Partner Factories' states ' We commit to engage with any impacted people and reply to them in a prompt and consistent manner. We regularly confirm that our hotline is functioning effectively. For example, Sustainability Department members confirm that Fast Retailing contacts all complainants promptly once they raise a concern and that grievances are closed within an acceptable time frame for them.' However, no evidence found on whether actions have been effective. [FLA assessment for accreditation, 02/2019: fairlabor.org & Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com] • Not met: Lessons learnt from checking effectiveness: The Company reports on its website: 'We evaluated the functionality of our hotline against the eight criteria defined in the UN Guiding Principles on functional grievance mechanism, using the assessment tool we developed in fall 2019. Results will be further verified by conducting worker interviews in 2020. Assessment results showed lower scores in "Accessible" and "Equitable" compared to other criteria, and we have implemented initiatives to improve the functionality of our hotline in these areas. To improve accessibility, we have invested in an IT platform with translation services so workers can send us SMS messages in their native language. We also provide multi-language posters so migrant workers can obtain information on how to access our hotline in their native language. The evaluation also revealed that we need to facilitate access to local expertise or counsel for workers who have raised concerns to us. With the support of International Organization for Migration (IOM), we are mapping and screening local NGOs which can support foreign migrant workers while employed at our partner factories, or when they return to their home countries, in cases where a concern is raised via our anonymous hotline that requires specialist expertise'. However, this indicator looks for lessons learnt while tracking effectiveness of measures as a response to a specific salient issue. Current evidence refers to effectiveness of grievance procedure, which is evaluated in its specific indicator. [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.5	Communicating : Accounting for how human rights impacts are addressed	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"> • Met: Comms plan re identifying risks: See indicator B.2.1 • Met: Comms plan re assessing risks: See indicator B.2.2 • Met: Comms plan re action plans for risks: See indicator B.2.3. • Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4 • Met: Including AP suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1 <p>Score 2</p> <ul style="list-style-type: none"> • Met: Responding to affected stakeholders concerns: The Company describes a case where an advocacy group from Hong Kong and a Charity based in London reported a case of long hours working at a production partner factory, which 'had set a working week target of 63 hours'. The factory undertook four key initiatives to improve working hours, including 'improved production planning techniques', 'upgraded manufacturing machinery', 'better managed working hours and raised in-house awareness of that effort' and 'increased base salaries to maintain employee incomes as working hours went down'. [Progress with Working Hours Improvements at UNIQLO Production Partner, 25/01/2019: fastretailing.com] • Not met: Ensuring affected stakeholders can access communications: The description of the case is available on the website. In addition, the Company indicates on its 'Monitoring and Evaluation' website section: 'We evaluated the functionality of our hotline against the eight criteria defined in the UN Guiding Principles on functional grievance mechanism, using the assessment tool we developed in fall 2019. Results will be further verified by conducting worker interviews in 2020. Assessment results showed lower scores in "Accessible" and "Equitable" compared to other criteria, and we have implemented initiatives to improve the functionality of our hotline in these areas. To improve accessibility, we have invested in an IT platform with translation services so workers can send us SMS messages in their native language. We also provide multi-language posters so migrant workers can obtain information on how to access our hotline in their native language. The evaluation also revealed that we need to facilitate access to local expertise or counsel for workers who have raised concerns to us.' However, no evidence found on how specifically the Company ensured that affected stakeholders and their representatives are able to access to the communications related to specific cases. [Progress with Working Hours Improvements at UNIQLO Production Partner, 25/01/2019: fastretailing.com]

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	2	<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: Channel accessible to all workers: The Company states on its website: We have established a hotline for employees to freely report violations of our Code of Conduct or call regarding workplace complaints. Contact information is posted in staff lounges and offices and is also located on the company intranet site'. [Employee engagement policy, 23/03/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Number grievances filed, addressed or resolved: On its website the company states 'Among grievances raised to the Fast Retailing Hotline in fiscal 2019, 63 cases were assessed as violations of ILO core conventions, local labor laws or the Code of Conduct for Production Partners. Out of 63 cases, 53 cases were related to human rights violations such as wages and working hours' issues, harassment etc. 43 of 63 cases were closed during fiscal 2019.' [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com] • Met: Channel is available in all appropriate languages: The Company also indicates: 'Employees are able to contact the hotline anonymously via phone, email, mail or fax in languages of the country or region where they are located'. [Employee engagement policy, 23/03/2020: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Expect AP supplier to have equivalent grievance systems: The code for partners states that 'all production partners shall implement grievance mechanisms to allow all workers confidentially communicate concerns to the production partner's management and the worker representative without the risk of retaliation and provide effective means remedy such grievances'. This code also requires that 'when production partners subcontract production orders submitted by any FAST RETAILING group company to subcontractors, production partners shall ensure that all business activities by such subcontractors are in compliance with this code of conduct'. [Code of conduct for production partners, N/A: fastretailing.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	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"> • Met: Grievance mechanism for community: The Company indicates that it 'has set up a hotline not only for employees but also for all stakeholders including customers, local communities, business partners and people working in core partner sewing factories and fabric manufacturers. The hotline is available in local languages in locations in which we operate. When a report is received, the department in charge of the hotline conducts an investigation, and considers remedial measures. Serious matters are brought up to the Human Rights Committee'. [Human rights, 12/06/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages: Although the Company indicates that 'The hotline is available in local languages in locations in which we operate', no details given on how it ensures the channel is accessible to all in local languages. In its updated Employment engagement policy the Company states: 'We have established a hotline for employees to freely report violations of our Code of Conduct or call regarding workplace complaints. Contact information is posted in staff lounges and offices and is also located on the company intranet site. Employees are able to contact the hotline anonymously via phone, email, mail or fax in languages of the country or region where they are located.' No evidence found that these languages are available to everyone including local communities/external stakeholders. This paragraph refers to employees. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Human rights, 12/06/2020: fastretailing.com & Employee engagement policy, 23/03/2020: fastretailing.com] • Not met: Expects AP supplier to have community grievance systems: Although the source states 'For facilities not included on Fast Retailing's public list, auditors provide workers hotline cards during worker interviews to safeguard workers from retaliation and to voice further concerns to the auditor, if needed. Hotline cards are in local language' However, this seems to refer to suppliers' employees, not suppliers' communities [FLA assessment for accreditation, 02/2019: fairlabor.org] • Not met: AP supplier communities use global system: Although the human rights hotline is available for 'local communities', it is not clear if this commitment is extensive to all external stakeholders of the Company's supply chain. The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Human rights, 12/06/2020: fastretailing.com]
C.7	Remedying adverse impacts and incorporating lessons learned	2	<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: Describes how remedy has been provided: The Company discloses some grievance cases and how it was addressed: 'Myanmar. Workers went on strike in one of Fast Retailing's partner factories in fall 2017. We were contacted by the trade union after seven trade unions members were dismissed. Fast Retailing worked with factory management and the trade union to re-establish a dialogue and together built resolutions such as the reinstatement of dismissed workers and payment of allowances. Since then, other workers' concerns were negotiated successfully especially around wages and benefits. The factory management has been enrolled in a social dialogue program'. [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Changes introduced to stop repetition: in the context of grievances related to human rights violations, the Company indicates the following: 'Fast Retailing has also analyzed the received grievances in order to put in place preventive measures. As a result of grievances and country risk analysis, we found that remedies and preventive measures on harassment issues were required in partner factories in Bangladesh. Subsequently, in 2019, we launched a pilot project to put in place a complaints committee in some of our partner factories partnering with two local NGOs in Bangladesh. The committee will establish anti-harassment policies and guidelines, investigate issues and conciliate harassment cases. Management,

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>workers and committee members will be trained by the NGOs. We aim to establish complaint committees to prevent and remedy harassment in all our partner factories in Bangladesh'. [FLA assessment for accreditation, 02/2019: fairlabor.org]</p> <ul style="list-style-type: none"> • Met: Evaluation of the channel/mechanism: The Company indicates on its website: 'We evaluated the functionality of our hotline against the eight criteria defined in the UN Guiding Principles on functional grievance mechanism, using the assessment tool we developed in fall 2019. Results will be further verified by conducting worker interviews in 2020. Assessment results showed lower scores in "Accessible" and "Equitable" compared to other criteria, and we have implemented initiatives to improve the functionality of our hotline in these areas. To improve accessibility, we have invested in an IT platform with translation services so workers can send us SMS messages in their native language. We also provide multi-language posters so migrant workers can obtain information on how to access our hotline in their native language. The evaluation also revealed that we need to facilitate access to local expertise or counsel for workers who have raised concerns to us.' [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com]

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: Supply chains of Kraft Heinz and others criticized for forced labor and discrimination linked to China's political assimilation ethnic Uighurs and Muslims • Area: Forced labour • Story: 16 May 2019, An investigation by the Wall Street Journal (WSJ) has identified forced labour in supply chains linked to major western brands, including apparel and food manufacturers. The article cites interviews with a number of workers of Uyghur ethnicity, who have been 'recruited' from their villages and forced to work in factories as part of the Chinese government's 're-education' program focused in the Xinjiang region, which many NGO and human rights groups have criticised as amounting to situations of discrimination and coercion. In early 2017, the Communist Party began a new incarceration campaign, rounding up, detaining and forcibly indoctrinating Uyghurs and other Muslim minority ethnic groups in the far-western region. Islam has effectively been outlawed in the far-western region, with people routinely labelled as extremists and imprisoned for practising their religion. A UN committee describes the province as resembling a "mass internment camp", with estimates more than 1 million Uyghurs have been sent to prison or re-education camps. Another article by the ABC observes that Uniqlo, a subsidiary of Fast Retailing, was advertising the use of Xinjiang cotton in its products, saying "Made from Xinjian Cotton famous for its superb quality". The article notes that in a statement Uniqlo said it "sources cotton from a number of locations around the world, including Australia, the US and China...Uniqlo does not have any production partners located in the Xinjiang area...Our China-based manufacturing partners source cotton from multiple cotton-producing areas around the country." the statement read. • Sources: [Wall Street Journal - 16/05/2019: wsj.com][ABC - 04/11/2019: abc.net.au]
E(1).1	The Company has responded publicly to the allegation	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"> • Met: Public response available: In a statement to the ABC, Fast Retailing's subsidiary Uniqlo, said it "sources cotton from a number of locations around the world, including Australia, the US and China...Uniqlo does not have any production partners located in the Xinjiang area...Our China-based manufacturing partners source cotton from multiple cotton-producing areas around the country." In a subsequent communication to the Business and Human Rights Resource Centre the company said "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." [Uniqlo response to Uyghur treatment allegations, 15/03/2020: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail: The responses provided by the company do not provide sufficient detail in relation to the allegations. [Uniqlo response to Uyghur treatment allegations, 15/03/2020: business-humanrights.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).2	The Company has appropriate policies in place	2	<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: Company policies address the general issues raised: Fast Retailing's Human Rights Policy states "The Fast Retailing Group does its utmost to avoid the violation of human rights of people affected by our business activities, and will take corrective measures to appropriately deal with negative effects on human rights should they occur in our business activities, with a policy that our Group rejects any violation of human rights (especially child labor or forced labor, oppression or harassment, discrimination or violence) in our business and supply chain." Additionally the Groups 'Code of Conduct for Production Partners' states "Production partners shall not use any bonded, indentured, forced, or slave labor, labor conducted by prisoners, labor similar to slavery, or labor engaged through human trafficking." [Code of conduct for production partners, N/A: fastretailing.com & Human Rights Policy, 06/2018: fastretailing.com] • Met: Policies apply to the type of business relationships involved: The Code of Conduct for Production Partners states "This code sets the following minimum standards to be met by all manufacturers involved in manufacturing FAST RETAILING Group companies' products, accessories of our products and items related to our products, i.e. our production partners." Additionally in the 'Group Human Rights Policy' it states "This policy specifies our basic stance regarding respecting human rights and is applied to all Fast Retailing Group companies... The Code of Conduct for Production Partners covers minimum standards about child labor, forced labor, oppression and harassment, discrimination, ensuring of health and security, freedom of association, wages and other benefits, labor time management and environmental protection, and is reviewed based on international standards from time to time. We ask and expect our business partners and other associated people or businesses that may be impacted by our Group to respect human rights and not to violate them." [Code of conduct for production partners, N/A: fastretailing.com & Human Rights Policy, 06/2018: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: The Code of Conduct for Production Partners states prohibitions on restriction of movement and retention of wages, stating "Production partners shall not use any bonded, indentured, forced, or slave labor, labor conducted by prisoners, labor similar to slavery, or labor engaged through human trafficking. Workers shall not be required to submit original personal legal documents or make deposits of any kind at any time during the recruitment and employment process. Workers' freedom of movement shall not be restricted in either their workplace or living quarters." [Code of conduct for production partners, N/A: fastretailing.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: Denies allegations, but has engaged affected stakeholders: Uniqlo said in correspondence to the BHRRC that "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." However its not clear how the company has engaged with the affected stakeholders. [Uniqlo response to Uyghur treatment allegations, 15/03/2020: business-humanrights.org] • Not met: Denies allegations, but reviewed systems to prevent such impacts: Uniqlo said in correspondence to the BHRRC that "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." However its not clear how the company has reviewed its management systems. [Uniqlo response to Uyghur treatment allegations, 15/03/2020: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but implements review recommendations: Uniqlo said in correspondence to the BHRRC that "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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>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." However its not clear how the company has reviewed its management systems or implemented changes as a result. [Uniqlo response to Uyghur treatment allegations, 15/03/2020: business-humanrights.org]</p> <ul style="list-style-type: none"> • Not met: Denies allegations, and ensures systems prevent such impacts: Uniqlo said in correspondence to the BHRRC that "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." However its not clear how the company has reviewed its management systems or implemented changes to ensure systems prevent similar occurrences in the future. [Uniqlo response to Uyghur treatment allegations, 15/03/2020: business-humanrights.org]

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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