

Company Name Fast Retailing
Industry Apparel (Supply Chain only)
Overall Score (*) 47.1 out of 100

Theme Score	Out of	For Theme
5.5	10	A. Governance and Policies
14.2	25	B. Embedding Respect and Human Rights Due Diligence
5.4	15	C. Remedies and Grievance Mechanisms
6.7	20	D. Performance: Company Human Rights Practices
9.4	20	E. Performance: Responses to Serious Allegations
5.9	10	F. Transparency

(*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also 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 2019 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

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <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 Guid, 03/2018: https://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'. [UN Global Compact on website, 14/11/2018: fastretailing.com] Score 2 <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	The individual elements of the assessment are met or not as follows: Score 1 <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

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			<p>minimum standards'. [Code of Conduct Guid, 03/2018: https://fastretailing.com & Human Rights Policy, 06/2018: fastretailing.com]</p> <ul style="list-style-type: none"> • Met: UNGC principles 3-6: 'Fast Retailing supports the UNGC 10 principles under the categories of Human Rights, Labour, Environment and Anti-Corruption and strives to implement them'. [UN Global Compact on website, 14/11/2018: 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: 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 Guid, 03/2018: https://fastretailing.com & UN Global Compact on website, 14/11/2018: fastretailing.com] • Met: Respect H&S of workers: The CoC contains a specific commitment on maintaining a safe work environment [Code of Conduct Guid, 03/2018: https://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: 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. [A Positive Work Environment, 17.05.2019: fastretailing.com] • 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 work on a regular basis and shall compensate all overtime work at a premium rate.' [Code of conduct for production partners: fastretailing.com]
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	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: Women's Rights: The Company states in its human rights policy that 'we respect children's and women's rights based on the "Children's Rights and Business Principles" and the 'Convention on the Elimination of all Forms of Discrimination Against Women''. [Human Rights Policy, 06/2018: fastretailing.com] • Met: Children's Rights: See above, the Company is committed to respect children's rights. [Human Rights Policy, 06/2018: fastretailing.com] <p>• Not met: Expecting suppliers to respect these rights: Although suppliers are encouraged to support the Human rights policy, relationships are managed by the principles established in the Code of Conduct for production partners which does not specifically commit to women's rights. The Code of conduct contains commitments against child labour and slavery & human trafficking, referring to different protocols and conventions. However, no specific explicit commitment requirement in relation to women, children or migrants' rights. [Human Rights Policy, 06/2018: fastretailing.com & Code of conduct for production partners: fastretailing.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: CEDAW/Women's Empowerment Principles: Commitment on women's rights is based on the Convention on the Elimination of all Forms of Discrimination Against Women. [Human Rights Policy, 06/2018: fastretailing.com]

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			<ul style="list-style-type: none"> • Met: Child Rights Convention/Business principles: We respect children’s rights based on the “Children’s Rights and Business Principles”. • Not met: Respecting the right to water: The Company states that: 'To protect the environment at every stage of the product life cycle [...] Fast Retailing strives to prevent and reduce water pollution and reduce water usage. Policies for Water Resource Management: Water is an essential component when making Fast Retailing apparel. Growing cotton used as raw material for apparel requires significant amounts of water. Fabric dyeing and other parts of the production process also require large volumes of water. We aim to protect the environment at every stage of the product life cycle--from raw materials sourcing to manufacturing, sale, and consumer use--Fast Retailing strives to prevent and reduce water pollution and reduce water usage. A single company can only contribute so much to solving environmental problems. This is why Fast Retailing partners with companies, organizations, and NPOs to protect water resources.' However, no specific commitment found to respect the right to water (access to safe water) for local communities (other users in the vicinity) [Water Resource Management, 19.02.2019: fastretailing.com] • Not met: Expecting suppliers to respect these rights: The Company states in its Code of conduct for production partners 'Health and Safety: Production partners shall provide all workers with a safe and healthy environment, ensuring [...] access to potable water and suitable sanitary facilities [...].The same standards shall also apply to housing for workers.' However, no evidence found of commitment to respect right to water (safe access to water) including local communities surrounding suppliers' corporations. [Code of conduct for production partners: 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 plenty of 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, 19/02/2019: 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
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: Collaborating with other remedy initiatives: The Company reports, through a FLA assessment for accreditation report, how it works with this initiative in remediation in Turkey: 'Fast Retailing was notified of violations to freedom of association that have been raised through various unions at its facilities. Fast Retailing engaged with the unions' federation to further understand the issue and support remediation efforts to allegations of violations to freedom of association. However, the remediation demand of the union federation would conflict the Turkey's law. With the support from the FLA, Fast Retailing and other brands better understood the risks of union favouritism and supported improving the involvement of all unions within the facility'. [FLA assessment for accreditation, 02/2019: fairlabor.org] • 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

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			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, 17/05/2019: fastretailing.com]
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 • Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	1	The individual elements of the assessment are met or not as follows: Score 1 • Met: CEO or Board approves policy: The Code of Conduct is prefaced and signed by the CEO. The Fast Retailing Group Human Rights Policy is also signed by the CEO. [Code on website, 15/11/2018: fastretailing.com & Human Rights Policy, 06/2018: fastretailing.com] • Met: Board level responsibility for HRs: The Company has a Human Rights Committee that includes two board directors, two statutory auditors and 6 corporate officers and other external professionals. It indicates that 'The Committee is responsible for ensuring human rights are upheld according to the 2018 Fast Retailing Group human rights policy'. However, according to the website chart, the Committee does not report to the Board but to Chief executives. The Company's business ethics committee, however, reports and consults with the board, and its members are elected by the board, and its duties include to review issues related to partner factories, including responsible procurement and social rating (which varies from A to E and is affected by human rights performance). [Corporate governance on website, 28/02/2019: fastretailing.com & Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] Score 2 • Not met: Speeches/letters by Board members or CEO: The website states: 'we believe we have an increasingly important duty to protect worker conditions and rights' 'consider the impact of our operations on local communities' 'encouraging women in the workplace, employing people with disabilities, and supporting refugees' This is a general message from the CEO describing, among others, the company's work ethics. However, it is not a specific speech, or a speech that puts the focus on human rights, or a presentation or other communication setting out the Company's approach to human rights or discussing its business importance. [CEO Message, 13.05.2019: fastretailing.com]
A.2.2	Board discussions	2	The individual elements of the assessment are met or not as follows: Score 1 • Met: Board/Committee review of salient HRs: Although the Company describes the activities of the Human Rights Committee in the context of corporate governance, the Chart disclosed in this site shows that it reports at executive officer level, and not to the board of directors. The business ethics committee, reports and consult with the Board of directors, and it reviews issues related to responsible procurement 'any serious problems between Fast retailing and partner factories [...] are escalated to the Business Ethics Committee'. 'The Fast Retailing Business Ethics Committee includes external Audit & Supervisory Board Members'. [Corporate governance on website, 28/02/2019: fastretailing.com & Responsible procurement, 28/02/2019: fastretailing.com] • Met: Examples or trends re HR discussion: The Company indicates that 'during fiscal 2018 we took steps to reduce our volume of business with any partners assessed a grade of D (major violations) and did not show any improvement after for whom follow-up monitoring. Our Business Ethics Committee discussed the management and employment situation of several production partners assigned a grade of E due to serious violations. Based on these discussions, Fast Retailing revised or terminated business relationships with these partners'. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com & Corporate governance on website, 28/02/2019: fastretailing.com] Score 2 • Met: Both examples and process: See above

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A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Incentives for at least one board member: The Company provided a source to CHRB for this indicator. However, it was not material. [Human Rights on website, 28.06.2019: fastretailing.com] Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> Not met: Performance criteria made public

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Commits to ILO core conventions 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. The website states that 'the role of the committee is to provide recommendations and supervision to ensure that we fulfil our obligations to respect human rights based on the Human Rights Policy and that business and operations are conducted appropriately. For example, the committee provides advice and recommendations on investigations and remedial action when a human rights violation is reported by any stakeholder'. [Human rights on website, 28/02/2019: fastretailing.com] Score 2 <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. [Know the Chain 2016, 2016 & Promotional framework, 25/04/2018: fastretailing.com] 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'. [Responsible procurement, 28/02/2019: fastretailing.com]
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Senior manager incentives for human rights: The two sources provided by the Company in its feedback (website statements about Monitoring and Evaluation of Production Partner Factories and Human Rights) inform about the monitoring of working hours and the establishment of a Human Rights Committee. However, no evidence found where the Company indicates that it has an incentive or performance management scheme linked to aspects of its human rights policy commitment(s) for at least one senior manager. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com & Human Rights on website, 28.06.2019: fastretailing.com] Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: HR risks is integrated as part of enterprise risk system: On its 'Human Rights' website the Company states that it has developed and continually implements human rights due diligence and that they have formulated a human rights due diligence plan. Further, the same source also states that the Company has established a Risk Management Committee which is under the direct jurisdiction of the Board of Directors. Human rights has been recognized as one of the potential risks by the Committee. The executive officer in charge of sustainability is member

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			<p>of the Risk Management Committee. [Human Rights on website, 28.06.2019: fastretailing.com & Materiality on website, 30/11/2018: fastretailing.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment: On the Company's website under 'Risk Management Framework' it states: 'Risk Management Framework 'Fast Retailing has established a Risk Management Committee under the direct jurisdiction of the Board of Directors. The Risk Management Committee, chaired by the Group CFO, is responsible for the central management of group-wide risks. The Committee analyses and evaluates the frequency and impact of any risk on operations, debates countermeasures in the order of risk priority and seeks to contain any risk before it occurs. The Committee also submits reports on significant risks to the Board of Directors, and provides concrete support to individual departments on risk management and countermeasures.' A chart then explains how the Human Rights Committee communicates with the Risk Management Committee and subsequently with the Board of Directors. However, there is no evidence of how the Company assesses the adequacy of the enterprise risk management systems in managing human rights during the company's last reporting year. [Risk Management, 15.11.2018: fastretailing.com]
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	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: Commits to ILO core conventions: See indicator A.1.2 • Met: Communicates its policy to all workers in own operations: In the Sustainability report the Company states that 'to ensure that the Code of Conduct is fully understood and put into practice group-wide, FR provides training programs to all employees of the Group. After receiving training, each employee is requested to sign a pledge declaring his or her intention to comply with the code'. The Code is available in more than ten languages. [Sustainability report 2018, 02/2018 & Code on website, 15/11/2018: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder: The Human Rights website states that the Company 'promotes human rights education [...] among its employees.' However, no evidence found that shows that the Company communicates its policy commitments to stakeholders, including local communities and potentially affected stakeholders. [Human Rights on website, 28.06.2019: fastretailing.com] • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	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 all 4 ILO core conventions for suppliers • Met: Communicating policy down the whole AP supply chain: the Company includes the code for partners in its contracts for suppliers [Sustainability report 2018, 02/2018] • Met: Requiring AP suppliers to communicate policy down the chain: The code for partners states 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: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: The Sustainability report indicates that 'contracts between FR and partner factories include a provision requiring the factories to agree to and comply with this code'. [Know the Chain 2016, 2016] • Met: Including on AP suppliers: The code for partners also states that 'In the event that production partners will use any subcontractors [...] the consent of FAST RETAILING shall be obtained prior to engaging such third party. In the event that FAST RETAILING wishes to confirm that the business activities of subcontractors [...] are in compliance with this code of conduct, the production partner shall address such requests in good faith and cooperate as required by FAST RETAILING. [Code of conduct for production partners: fastretailing.com]
B.1.5	Training on Human Rights	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: Scores at least 1 on A.1.2 • Met: Trains all workers on HR policy commitments: The Company provides training programs on the code to all employees. After receiving training, each employee is requested to sign a pledge declaring his or her intention is to comply with the code. It also states that 'at training sessions [on the code] we use

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			<p>examples to show how human rights, work safety and environmental initiatives are integral to employees' daily work '. The website also states that it has an e-learning course for all employees worldwide, including store staff. 'This course serves as one important way to deepen employee understanding about the global environment, labor conditions, human rights and other sustainability issues across the entire supply chain'. [Sustainability report 2018, 02/2018 & Education and development, 28/02/2019: fastretailing.com]</p> <ul style="list-style-type: none"> • Met: Trains relevant AP managers including procurement: The Responsible procurement policy contains three principles including, among them, protecting health, safety and human rights, and growth of partner factories by expanding transaction volume steadily over time. In this context it provides 'regular training to employees in our procurement-related departments, covering these guidelines and other matters. In 2018, we conducted training sessions for a total of 480 relevant representatives from the merchandising, marketing, R&D, and production departments of each Fast Retailing Group brand'. It also indicates that operates a program of regular of regular training that covers the code of conduct for production partners and other topics. [Responsible procurement, 28/02/2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Met: Both requirements under score 1 met: See above
B.1.6	Monitoring and corrective actions	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: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments: On its Human Rights website the company states 'Human rights due diligence process: To respect and protect 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). We have formulated a human rights due diligence plan, which is executed by each operating division.' However, it is not clear how it specifically monitors policy compliance within its own activities. [Sustainability report 2018, 02/2018 & Human Rights on website, 28.06.2019: fastretailing.com] • Met: Monitoring AP suppliers: Since 2015, partner factory monitoring has been carried out in cooperation with Better Work': To ensure compliance 'we regularly monitor supply chain labor conditions. We generally engage third-party entities to perform monitoring activities, the results of which we provide as feedback to our production partners. We ask factory management to resolve any issues identified, providing support for improvement'. [Sustainability report 2018, 02/2018 & Supply chain policy, 30/11/2018: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Score of 2 on A.1.2 • Not met: Describes corrective action process: When improvements are required following factory audits, 'we send Fast Retailing personnel to visit the site in person, helping our partners implement measures for improvement'. Follow up monitoring is carried out for partners that have committed C or D grade violations. The Company discloses a chart explaining the process of follow up inspections, and periods within audits and follow-up. Although the Company discloses number factories that have each grade of compliance, and the percentage of violations by topic, no evidence found on the amount of breaches/incidents. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] • Met: Example of corrective action: On its website 'News & Updates-Progress with Working Hours Improvements at UNIQLO Production Partner Pacific Textiles in China' the company gives an example of corrective action related to long working hours at a factory. [News & Updates-Progress with Working Hours Improvements at UNIQLO Production Partner, 25.01.2019: fastretailing.com] • Not met: Discloses % of AP supply chain monitored: The Company discloses the number of factories that have each grade for the last three years, and also indicates that evaluates all partners sewing factories and "key" fabric mills. However, no evidence found on the actual figures indicating the percentage of supply chain monitored, as is not clear what key fabric mills represents. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com]
B.1.7	Engaging business relationships	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: HR affects AP selection of suppliers: The Company indicates that 'we conduct due diligence of operations at any potential new partner prior to

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			<p>commencing business with them. This process ensures potential partners comply with our Code [...]. We only do business with those partners confirmed to meet standards for commencing new business relationships'. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com]</p> <ul style="list-style-type: none"> • Met: HR affects on-going AP supplier relationships: The code for partners states that 'When violations are found, Fast Retailing and the production partner will agree on a corrective action plan that eliminates the problem within a reasonable timeframe. If it is found that a production partner is in violation of this code of conduct, Fast Retailing will take action, which may include immediate cancellation of orders and/or termination of business with the production partner'. [Code of conduct for production partners: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirement under score 1 met • Met: Working with AP suppliers to improve performance: The Company conducts regular training to 'ensure' partner factories understand the code and 'the latest in labor standards, etc. For example, we offer programs that cover revisions to workplace standards (e.g. requiring partners to establish grievance systems in fiscal 2018), fire prevention safety standards, correct pay calculations for overtime work, and other matters. During fiscal 2018, we conducted training for a total of 636 factories across nine different countries'. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com]
B.1.8	Approach to engagement with potentially affected 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: Stakeholder process or systems: The document Assessment for Accreditation states 'Civil Society Engagement Strategy Fast Retailing developed an Engagement Strategy and analysis tool to collect and review civil society organizations within labor and human rights. The FLA reviewed this strategy and tool and verified that Fast Retailing's strategy considers the current challenges Fast Retailing faces in upholding its commitment to labor rights. Fast Retailing developed a rating matrix to prioritize its mapped civil society organizations that Fast Retailing could engage with to address specific labor or programmatic challenges. Fast Retailing then developed specific country strategies for Bangladesh, Cambodia, China, Indonesia, Myanmar, and Vietnam. The FLA reviewed the strategies and mapping, and the FLA's Chief of Engagement provided further feedback on areas for Fast Retailing to consider.' However, it is not clear whether affected and potentially affected stakeholders are included within this map (workers, workers in the supply chains, their representatives, local communities, etc.) There is evidence of engagement with unions, but in the context of grievances. [FLA assessment for accreditation, 02/2019: fairlabor.org] • Not met: Frequency and triggers for engagement: On the website section 'Stakeholder engagement' the Company gives information about how it engages with stakeholders and how they it is committed to helping solve apparel industry issues. Further, there is information about Fast Retailing's participation in "ILO-Sweden Regional Meeting on Promoting Decent Work in Garment Sector Supply Chains in Asia" in October 2017 and that from November 2017 to June 2018, the Company conducted country sustainability risk assessments on certain countries. However, no evidence found of the frequency and triggers for engagement on human rights issues with affected stakeholders. [Stakeholder engagement, 29.06.2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Workers in AP SC engaged • Not met: Communities in the AP SC engaged <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
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 'Due Diligence process: To respect and protect 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). We have formulated a human rights due diligence plan, which is executed by each operating division. 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. According to the website, in 2018 the Human Rights Committee advised on a due diligence for 13 key departments (Logistics, Store development, IT, Procurement, R&D, Marketing, Customer Center, Sales, Store operations support, HR, Legal, PR, Sustainability) [Human Rights on website, 28.06.2019: fastretailing.com] • Met: Identifying risks in AP suppliers: The Company carried out a materiality assessment to identify material issue categories, map issues and prioritise them. One of the six material sustainability issues is 'respect for human rights in our supply chain'. It indicates that 'we perform continuous risk assessments of our supply chain to identify human trafficking, slave labor, or other human rights issues'. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com & Our promise to society, 30/11/2018: 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 on website, 28.06.2019: fastretailing.com & Our promise to society, 30/11/2018: fastretailing.com] • Met: In consultation with stakeholders: The Human Rights website states 'Stakeholder Engagement to Address Human Rights Issues: We engage with stakeholders in order to understand human rights issues in detail and take proper countermeasures. Collaborating with relevant stakeholders, we are taking concrete initiatives on some important human rights issues in supply chain as below:' The due diligence chart, includes stakeholder engagement along the whole process. And is explicitly included in the process for risk identification. [Human Rights on website, 28.06.2019: fastretailing.com & Stakeholder engagement, 29.06.2019: fastretailing.com] • Not met: In consultation with HR experts [Human Rights on website, 28.06.2019: fastretailing.com] • Met: Triggered by new circumstances: As indicated above, the Company says 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 on website, 28.06.2019: fastretailing.com]
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. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com & Human Rights on website, 28.06.2019: 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, unsafe building, freedom of association breach, illegal or unjustified dismissal of workers on strikes, retaliation on workers who 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 on website, 28.06.2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirements under score 1 met

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	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: 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'. However, no description found of a general system in place covering these processes. The Company, however, describes some examples of action plans. In addition, it provides the FLA accreditation report, in which it indicates how it tracks action plans implemented for non-compliances found. However, this indicator looks for proactive measures carried out to mitigate human rights salient issues/risks. [FLA assessment for accreditation, 02/2019: fairlabor.org & Human Rights on website, 28.06.2019: fastretailing.com] • Not met: Including in AP supply chain: In the document 'Assessment for Accreditation' of the FLA it is indicated that 'Prior to the implementation of the CR360 platform, Fast Retailing managed and analyzed its data for labor violation trends through Excel spreadsheets; with the implementation of the platform, Fast Retailing is now able to pull the data from the platform and analyze it to identify trends in labor violations and remediation.' However, it is not clear how it then develops broader action plans in a systemic way to mitigate those risks. [FLA assessment for accreditation, 02/2019: fairlabor.org] • Met: Example of Actions decided: In relation to prevention of child labour, in addition of having policies in place and guidelines that are monitored, the Company indicates that ' In Myanmar, we partnered with a local organization 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 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. We aim to develop further partnerships to support our partner factories in their recruitment practices and to respect legal requirements on young workers'. [Human Rights on website, 28.06.2019: fastretailing.com] <p>Score 2</p> <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	<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 closely monitor that our hotline functions efficiently. For example, responsible persons in the Sustainability department track that Fast Retailing contacts all workers promptly once they raise a concern and that grievances are closed within an acceptable time frame for the workers.' However, no evidence found whether the actions have been effective. [FLA assessment for accreditation, 02/2019: fairlabor.org & Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] • Not met: Lessons learnt from checking effectiveness <p>Score 2</p> <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	0.5	<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 • Not met: Comms plan re action plans for risks: See indicator B.2.3. Although the Company describes some examples, no description found of a general system to follow the assessments of all salient issues into action plans to mitigate them (beyond the context of correcting specific non-compliances by specific suppliers). • Not met: Comms plan re reviewing action plans: See indicator B.2.4

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Including AP suppliers: Evidence for the due diligence process focuses mainly in supply chain, including identification, assessment, and examples of action plans. Score 2 • 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'. [working hours at UNIQLO Production partner, 25/01/2'19: fastretailing.com] • Not met: Ensuring affected stakeholders can access communications: The description of the case is available on the website. 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 the case. [working hours at UNIQLO Production partner, 25/01/2'19: fastretailing.com]

C. Remedies and Grievance Mechanisms (15% of Total)

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 that 'Fast Retailing has set up hotlines that enable employees to discuss workplace issues or report violations of the CoC via phone or email (operations outside Japan: email only). The hotline number and address are posted on the Company intranet and listed on posters in employee lounges to encourage our employees to speak out'. [Compliance on website] <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 2018, 19 cases were assessed as violations of ILO core conventions, local labor laws or the Code of Conduct for Production Partners. Out of 19 cases, 13 cases were related to human rights violations such as wages and working hours' issues, harassment etc. Nine of 13 cases were closed during fiscal 2018.' [Sustainability report 2018, 02/2018 & Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] • Met: Channel is available in all appropriate languages: Although no details given, the Company states that 'the hotline is available in local languages in the countries and regions in which we operate'. [Human rights on website, 28/02/2019: fastretailing.com] • 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'. [Code of conduct for production partners: 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 human rights hotline not only for employees but also for all stakeholders including customers, local communities, business partners and people working in the supply chain'. It states that 'when a report is received, the Human Rights Committee Administrative Office conducts an investigation, considers remedial measures and asks related departments to take corrective action. Serious matters are taken up by the Human Rights Committee'. [Human rights on website, 28/02/2019: 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 the countries and regions 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

Indicator Code	Indicator name	Score (out of 2)	Explanation
			located.' No evidence found that these languages are available to everyone including local communities/external stakeholders. This paragraph only refers to employees. [Human rights on website, 28/02/2019: fastretailing.com & Employee engagement policy, 17/05/2019: fastretailing.com] <ul style="list-style-type: none"> • 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. [Human rights on website, 28/02/2019: fastretailing.com]
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Engages users to create or assess system • Not met: Description of how they do this Score 2 <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Response timescales: On its website the Company states 'We commit to engage with any impacted people and reply to them in a prompt and consistent manner. We closely monitor that our hotline functions efficiently. For example, responsible persons in the Sustainability department track that Fast Retailing contacts all workers promptly once they raise a concern and that grievances are closed within an acceptable time frame for the workers.' This is followed by a chart of the Factory Hotline Operational Process. However, no clear evidence of response timescales found. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] • Not met: How complainants will be informed: No evidence found. Score 2 <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level: The Company indicates that 'we escalate any suspected violations of our Code of Conduct to the Code of Conduct Committee for proper response. When necessary, the matter is also referred to the Disciplinary Committee. No evidence found, however, on whether external individuals can use the grievance mechanisms. In addition, the two websites describe the role and the composition of the Human rights committee. However, no evidence found on how complainants will be informed or whether external individuals can use the grievance mechanisms. [Human Rights on website, 28.06.2019: fastretailing.com & Corporate governance on website, 28/02/2019: fastretailing.com]
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Public statement prohibiting retaliation: The Code of conduct states that 'Fast Retailing Group companies shall fully ensure the protection of privacy of a consulting individual. Moreover, they shall absolutely prohibit any retaliation against a reporting or consulting individual and shall not allow any adverse treatment as a result'. However, no evidence found of the hotline being open to other stakeholders. In addition, on the Employee engagement policy website the Company states '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' and that 'Retaliation is prohibited in the Fast Retailing Code of Conduct and all employees are required to sign the Code of Conduct when they join the company'. However, this only refers to employees. No evidence found of this applying to other stakeholders. In addition, on the website 'Monitoring and Evaluation of Production Partner Factories' the Company states 'We established the Fast Retailing Hotline that provides a channel for employees and organizations representing a group of individuals at key sewing factories and fabric manufacturers to contact us directly. These programs exist in Shanghai, Ho Chi Minh City, Dhaka, Jakarta, Tokyo, and other locations.' However, this is only limited to key sewing factories and fabric manufacturers in certain locations. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com & Employee engagement policy, 17/05/2019: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Practical measures to prevent retaliation: The Company indicates on its website that 'hotline personnel investigate each report while protecting the reporter's anonymity'. On its website, it also states that 'we protect the privacy of individuals involved, prohibit retaliation, and do not allow discriminatory treatment in any form'. In addition, the Code of conduct prohibits retaliation, and it implemented an e-learning program for all employees. [Compliance on website & Employee engagement policy, 17/05/2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation: The Code of Conduct for Production Partners states that 'production partners shall implement grievance mechanisms to allow all workers to confidentially communicate concerns to the production partner's management and the worker representative without the risk of retaliation'. No evidence found, however, on whether this requirement is extensive to other stakeholders. [Code of conduct for production partners: fastretailing.com]
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	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: Won't impede state based mechanisms: CHRB has not identified any documents in the public domain which provide all the information required to meet this indicator. • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms: CHRB has not identified any documents in the public domain which provide all the information required to meet this indicator. • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	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: Describes how remedy has been provided: The Company discloses some grievance cases and how it was addressed: 'In 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 is now enrolled in a social dialogue program'. [Monitoring and evaluation of production partner factories, 17/05/2019: 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, 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] • Not met: Evaluation of the channel/mechanism: No evidence.

D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	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: Living wage in supplier code or contracts: The code for partners state that 'production partners shall recognize that each worker has a right to wages that meet the worker's basic needs and provide some discretionary income. Such wages shall be equal or better than the higher of minimum wage or the prevailing industry wage'. However, in order to award this indicator, living wage definition needs to include worker's and his/her family (or dependents) basic needs plus provide some discretionary income. [Code of conduct for production partners: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Improving living wage practices of suppliers: The Company indicates that it is working with the FLA methodology gathering and analysing compensation data to understand how solutions can be implemented. However, no details found of specific work carried out with suppliers to improve practices. The FLA report, does describe how the Company's 'supply chain labor management team worked with 48 facilities to collect wage data. However, no further details found on the work is carrying out, which seems to be in early steps not directly involving suppliers yet. [FLA assessment for accreditation, 02/2019: fairlabor.org & Human Rights on website, 28.06.2019: fastretailing.com] Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.2	Aligning purchasing decisions with human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Avoids business model pressure on HRs: The Company indicates that 'we protect the labor conditions and human rights of workers at partner factories by establishing procurement policies and placing orders via proper procedures. For example, we maintain appropriate order schedules and volumes to avoid sudden increases in production volume that would result in excessive overtime hours at our production partner factories. Our Production and Sustainability departments are responsible for staying up to date on factory labor hours, revising orders when necessary'. [Supply chain policy, 30/11/2018: fastretailing.com] • Met: Positive incentives to respect human rights: The FLA accreditation report states that for UNIQLO and GU (main Company brands), the audit grade is integrated into a supplier scorecard that also include metrics on quality and on-time delivery [...] strategic supplier who perform well are prioritized for a potential increase in business and they strive to keep carry-over or repeat product programs with the same strategic supplier'. [FLA assessment for accreditation, 02/2019: fairlabor.org] Score 2 <ul style="list-style-type: none"> • Met: Both requirements under score 1 met
D.2.3	Mapping and disclosing the supply chain	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifies suppliers back to product source: The Company discloses lists of core partner factories for two brands, GU and UNIQLO. For UNIQLO it includes core sewing factories and core fabric mills, and for GU, core sewing factories. However, no evidence found on whether the Company is mapping all manufacturing sites, including other company brands. The Company indicates that it is 'increasing mapping and traceability of the supply chain', which does not make clear whether they have already traced all manufacturing factories (direct and indirect suppliers that produce garments). On its 'workplace monitoring' website, it indicates that 'evaluates all partner sewing factories'. However, as indicated above, is not clear if this includes also indirect suppliers (garment manufacturing factories). [Partner factory list 2019, 17/05/2019: fastretailing.com & Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] Score 2 <ul style="list-style-type: none"> • Met: Discloses significant parts of supply chain and why: The Company discloses a list of 'core partner factories' of UNIQLO and GU. It includes UNIQLO core fabric mill list, and core sewing factory list, and GU Core sewing Factory list. According to the Company's website, UNIQLO represents more than 80% of the Company's sales. [Partner factory list 2019, 17/05/2019: fastretailing.com]
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Child Labour rules in codes or contracts: The Code for partners states that 'no person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher'. Although this is not in the code for partners (and no evidence found of being in contracts), the Company states on its website that 'in workplace monitoring, auditors check if partner factories validate the ages of workers with proper identification in recruitment'. Although below it is indicated that it is providing guidance on age verification and remedial actions, no evidence found of remediation programmes being included as contractual requirement or supplier code'. [Code of conduct for production partners: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: How working with suppliers on child labour: The Company describes the following work carried out: 'In Myanmar, we partnered with a local organization 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 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. We aim to develop further partnerships to support our partner factories in their recruitment practices and to respect legal requirements on young workers'. [Human Rights on website, 28.06.2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	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: Debt and fees rules in codes or contracts: The Code for partners, in its forced labour statement states that workers shall not be required to 'make deposits of any kind at any time during the recruitment and employment process'. [Code of conduct for production partners: fastretailing.com] • Not met: How working with suppliers on debt & fees: The Company indicates on its website that 'we will strengthen initiatives and actions such as training for partner factories on the employment side to avoid this [unfair treatment in the recruitment process and employment]'. It adds that 'we will work with our global partner factories to create conditions so that: no workers pay for their jobs, workers retain control of their travel documents and have full freedom of movement, all workers are informed of the basic terms of their employment before leaving home'. No details, found, however, of the actual work carried out with suppliers in these matters to improve their practices. [Human Rights on website, 28.06.2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	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: Free movement rules in codes or contracts: The Code of Conduct for Production Partners states that '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: fastretailing.com] • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The Company indicates on its website that 'we will strengthen initiatives and actions such as training for partner factories on the employment side to avoid this [unfair treatment in the recruitment process and employment]'. It adds that 'we will work with our global partner factories to create conditions so that: no workers pay for their jobs, workers retain control of their travel documents and have full freedom of movement, all workers are informed of the basic terms of their employment before leaving home'. No details, found, however, of the actual work carried out with suppliers in these matters to improve their practices. [Human Rights on website, 28.06.2019: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	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: FoA & CB rules in codes or contracts: The code for partners indicates that 'production partners shall recognize and respect the right of workers to associate, organize and bargain collectively'. However, no further guidelines found. The Company provides the FLA accreditation report where it is indicated that remediated 50% of cases of interference with union operations and 45% of cases of interference with union organizing. However, is not clear if the Company formally introduces collective bargaining requirement, including prohibition of intimidation and retaliation against union members or representatives in supplier code or other binding arrangements. [Code of conduct for production partners: fastretailing.com & FLA assessment for accreditation, 02/2019: fairlabor.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: How working with suppliers on FoA and CB: The Company reports some cases of conflicts in factories. However, no details found of how the Company proactively works with suppliers to improve their practices on freedom of association and collective bargaining. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com & FLA assessment for accreditation, 02/2019: fairlabor.org] Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The code for partners states that they 'shall provide all workers with a safe and healthy environment, ensuring proper health and safety management; building and fire safety; safety of machinery and equipment; access to potable water and suitable sanitary facilities; and safe handling of chemicals. The same standards shall apply to housing for workers' [Code of conduct for production partners: fastretailing.com] • Not met: Injury rate disclosures: CHRB has not identified any documents in the public domain which provide all the information required to meet this indicator. • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures Score 2 <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: The Company indicates that 'in order to secure health and safety in partner factories, Fast Retailing conducts regular training for suppliers on local fire safety standards, new local law requirements, and good practices of health and safety management'. [Monitoring and evaluation of production partner factories, 17/05/2019: fastretailing.com] • Not met: Provide analysis of trends in progress made
D.2.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts: The code for suppliers states that production partners shall employ workers on the basis of their ability to do the job and don't discriminate on the basis of race, gender, colour, etc. However, no further details found (like equal pay for equal work, eliminating safety concerns and measures to ensure equal opportunities). [Code of conduct for production partners: fastretailing.com] • Not met: How working with suppliers on women's rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
D.2.9.b	Working hours (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Working hours in codes or contracts: The code for partners states that these '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 also maintain accurate time-in/out records of each worker'. [Code of conduct for production partners: fastretailing.com] • Not met: How working with suppliers on working hours: The Company reports improvement plans for those suppliers that had excessive working hours. The Company also provides the public FLA accreditation report in which it states that carries out training with suppliers in the code of conduct, audit program, etc including excessive working hours among other different topics. However, no details found on work carried out with suppliers to improve practices in working hours. The Company also provides evidence of a improvement plan for a factory following issues highlighted by a third party. However, as indicated above, this indicator looks for details of general work carried out to improve supplier practices (rather than specific corrective actions when non-compliances are found). [FLA assessment for accreditation, 02/2019: fairlabor.org & News & Updates-Progress with Working Hours Improvements at UNIQLO Production Partner, 25.01.2019: fastretailing.com] Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made: Although the Company provides the FLA accreditation report which indicates the percentage of remediation in this matter, no details found on trends.

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 37.66 out of 80 points scored in themes A-D & F has been applied to produce a score of 9.41 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	2.9 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Fast Retailing made data public that met one or more elements of the methodology in 29 cases, leading to a disclosure score of 2.9 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> Met: Company reports on GRI: On its website the Company discloses a GRI index [GRI Table, 25/04/2018: fastretailing.com]
F.3	Key, High Quality Disclosures	1 out of 4	Fast Retailing met 2 of the 8 thresholds listed below and therefore gets 1 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> Met: Score 2 for A.2.2 : Board discussions Not met: Score 2 for B.1.6 : Monitoring and corrective actions Met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> Not met: Score 2 for A.2.3 : Incentives and performance management Not met: Score 2 for B.1.2 : Incentives and performance management

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

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As CHRB Ltd, 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.