

Company Name Macy's
Industry Apparel (Supply Chain only)
Overall Score (*) 18.9 out of 100

Theme Score	Out of	For Theme
1.9	10	A. Governance and Policies
2.7	25	B. Embedding Respect and Human Rights Due Diligence
1.3	15	C. Remedies and Grievance Mechanisms
1.7	20	D. Performance: Company Human Rights Practices
10.0	20	E. Performance: Responses to Serious Allegations
1.3	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	1	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 company indicates that they have been a long-time corporate sponsor of the Human Rights Campaign (HRC). "In addition to supporting annual galas and auctions, this April we hosted the HRC's Workplace Equality Summit at our Cincinnati headquarters. Again this year, HRC awarded us a perfect score of 100 percent on the HRC 2017 Corporate Equality Index". In addition, in its Vendor and Supplier Code, the Company indicates: 'we operate with integrity and are committed to creating a more sustainable future. This includes protecting human rights and ensuring the safe and ethical treatment of workers throughout our supply chain [statement from the CEO].[...] The Code enforces Macy's commitment to the core ILO Conventions and Principles 1-6 of the UN Global Compact.' [Report on Social Responsibility, 2017: macysinc.com & Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] Not met: UDHR Not met: International Bill of Rights Score 2 <ul style="list-style-type: none"> Not met: UNGPs Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: ILO Core: In its Vendor and Supplier Code, the Company states: 'The [Supplier] Code enforces Macy's commitment to the core ILO Conventions and Principles 1-6 of the UN Global Compact.' However, despite this reference, no

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>actual formal statement of commitment found in relation to ILO conventions (or ILO Declaration), or the UN Global Compact. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net]</p> <ul style="list-style-type: none"> • Not met: UNGC principles 3-6: As above. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Met: Explicitly list ALL four ILO for AP suppliers: Macy's does require that suppliers commit to all four ILOs, health and safety and working hours. The vendor & supplier code of conduct lists 12 general principles that their suppliers must comply with, among them Child Labour, Forced Labour, Freedom of association and collective bargaining and non-discrimination. With respect the last two, the Supplier Code says: 'Employers shall recognize and respect the right of workers to freedom of association, organization, and collective bargaining.' [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core: Although the Company commits to respect the core ILO conventions, there is no explicit commitment to each one of the ILO core for its own operations. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Not met: Respect H&S of workers: In its Code of Conduct, the Company states: 'Our company strives to create workplaces that are safe, healthy and secure.' However, 'strive to' is not consider a commitment statement. [Code of Conduct, 2019: content-az.equisolve.net] • Met: H&S applies to AP suppliers: Macy's requires suppliers to comply with the Supplier and Vendor Code of Conduct. The code contains a health and safety section where it indicates all the requisites suppliers must follow. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Not met: working hours for workers • Met: Working hours for AP suppliers: The Supplier and Vendor Code of Conduct states that 'The regular work week shall not exceed 48 hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. 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. For Macy's private label brands, Employers shall not ask or require workers to take work home or off premises unless prior consent is obtained from Macy's. [ILO Conventions No. 1 and 30]' [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net]
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	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: Women's Rights: Although supplier audits cover pregnancy testing, maternity leave and other benefit to which pregnant women are legally entitled, no evidence found of a formal commitment to respect women's rights generally. [Audit Tool, Jun 2019: business-humanrights.org] • Not met: Children's Rights • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business principles • Not met: Convention on migrant workers • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights: The Supplier code of conduct indicates that free potable water should be reasonably accessible to all workers throughout the working day. However no evidence has been found of a commitment to respect the rest of the rights. [Vendor and Supplier Code of Conduct: macysinc.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: Commits to stakeholder engagement: On its website, 'Compliance Ethics' section, the Company states: 'We encourage and are committed to stakeholder and shareholder engagement and dialogue.' [Compliance Ethics, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to remedy: In its Report on Social Responsibility, the company indicates that they are part of the "Alliance for Bangladesh worker safety" that has made notable accomplishments in the areas of inspection, remediation, worker training and empowerment and finance. Moreover the company states that factories new to Macy's are encouraged to carry a third party audits, and those in need of remediation are asked to arrange additional consultation services. However no evidence has been found of a policy statement of commitment to remedy adverse impacts caused by the Company or to which it has contributed. [Report on Social Responsibility, 2017: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	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: Zero tolerance attacks on HRs Defenders (HRDs) <p>Score 2</p> <ul style="list-style-type: none"> • 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	<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: CEO or Board approves policy: The CEO signed and introduced its Vendor and Supplier Code of Conduct, which include the Company's general human rights commitment: 'At Macy's, Inc. We operate with integrity and are committed to creating a more sustainable future. This includes protecting human rights and ensuring the safe and ethical treatment of workers throughout our supply chain'. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Met: Board level responsibility for HRs: The Company indicates on its website that: 'The Macy's, Inc. Sustainability Working Group reports to the Macy's, Inc. Corporate Strategy Group (CSG). The CSG is led by the chairman and chief executive officer and comprises the 14 senior-most executives of Macy's, Inc. And is overseen by the Board of Directors. Additionally, the Nominating and Corporate Governance Committee of the Macy's, Inc. Board of Directors oversees policies and practices related to charitable, political, social human rights and environmental issues, initiatives and reporting.' [Sustainability, Jul 2019: macysinc.com & Nominating and Corporate Governance Charter, Oct 2018: content-az.equisolve.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	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: Board/Committee review of salient HRs: The Company states that The Macy's, Inc. Sustainability Working Group reports to the Macy's, Inc. Corporate Strategy Group (CSG). The CSG is led by the chairman and chief executive officer and comprises the 14 senior-most executives of Macy's, Inc. and is overseen by the Board of Directors. Additionally, the Nominating and Corporate Governance Committee of the Macy's, Inc. Board of Directors oversees policies and practices related to charitable, political, social human rights and environmental issues, initiatives and reporting.' However, no further details found on how this is oversight is articulated. [Sustainability, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion • Not met: Both examples and process
A.2.3	Incentives and performance management	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: Incentives for at least one board member: According to its website, Macy's, Inc. Sustainability Working Group is 'led by the senior vice president of Corporate Communications, this group includes leaders in merchandising, legal, supply chain, facilities and communications. [...] The [...] Group is supported by the Macy's Private Brand Sustainability Committee, which includes those members of our Macy's Private Brand organization who are accountable for responsible sourcing, social compliance and other sustainability initiatives for our private brands. These individuals have sustainability and human rights policies and risks

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>built in to their performance goals and compensation.' However, it is not clear whether any of these individuals is a Board member. [Sustainability, Jul 2019: macysinc.com]</p> <ul style="list-style-type: none"> • Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <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	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions: See indicator A.1.2 • Met: Senior responsibility for HR: 'The Company's sustainability working group, led by the Senior VP of Corporate Communications governs sustainability practices. This group includes leaders in merchandising, legal, supply chain, facilities and communications. These members provide direct insight into all areas of our business and have the responsibility to set sustainability goals and drive progress toward them'. It is supported by Private Brand Sustainability Committee (supply chain). It reports to the Corporate Strategy Group led by the CEO and comprises the 14 senior-most executives of Macy's. Sustainability includes human rights: 'these individuals have sustainability and human rights policies and risks built in to their performance goals and compensation'. [Sustainability, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: See above the work of sustainability working group. [Sustainability, Jul 2019: macysinc.com] • Met: Day-to-day responsibility for AP in supply chain: The Sustainability working group 'is supported by the Macy's Private Brand Sustainability Committee, which includes those members of our Macy's Private brand organization who are accountable for responsible sourcing, social compliance and other sustainability initiatives for our private brands'. In addition, the 'social compliance team continuously communicates expectations, encourages robust internal compliance policies, and partners with suppliers on continuous improvement at manufacturing facilities'. [Sustainability, Jul 2019: macysinc.com & Product Sourcing, Jul 2019: macysinc.com]
B.1.2	Incentives and performance management	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: Senior manager incentives for human rights: According to its website, Macy's, Inc. Sustainability Working Group is 'led by the senior vice president of Corporate Communications, this group includes leaders in merchandising, legal, supply chain, facilities and communications. [...] The [...] Group is supported by the Macy's Private Brand Sustainability Committee, which includes those members of our Macy's Private Brand organization who are accountable for responsible sourcing, social compliance and other sustainability initiatives for our private brands. These individuals have sustainability and human rights policies and risks built in to their performance goals and compensation.' However, it is not clear if this includes at least one senior executive. [Sustainability, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	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: HR risks is integrated as part of enterprise risk system: Although the Company provides comments, no evidence found of human rights risks included in its Risk's Factors identified in its Annual Report. [Annual Report - 10K, May 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions: See A.1.2 • Not met: Communicates its policy to all workers in own operations: The Company states that 'To ensure that our entire organization behaves in a legal and ethical manner, we provide annual training, alternating between our Code of Conduct and General Legal Compliance Training to all colleagues in the support business functions, central offices, as well as our digital operations. In Macy's Logistics, all

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			<p>exempt and salaried overtime-eligible colleagues received training. In Bloomingdale’s and Macy’s Stores, all executives, supervisors and cosmetic counter managers receive training.’</p> <p>In addition, in another website section, 'Product Sourcing', the Company declares: ' Internally, the [social compliance] team trains product development professionals on Code of Conduct standards, high risk violations such as child and forced labor, human trafficking, and illegal subcontracting, and MMG engagement with industry initiatives.' The Code of Conduct says: 'Our company requires our Vendors to comply with our Vendor Code of Conduct which includes a prohibition against child labor, slavery and human trafficking.', no other reference to human rights commitments is included. However, it is not clear whether the training activities or other communication activities cover all workers or whether all training activities cover human rights commitments. [Policies, Jul 2019: macysinc.com & Product Sourcing, Jul 2019: macysinc.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder: The Company states: 'All Macy’s Merchandising Group (MMG) suppliers are trained on Macy’s Code, audit protocols and terms of engagement. The social compliance team continuously communicates expectations, encourages robust internal compliance policies, and partners with suppliers on continuous improvement at manufacturing facilities.' In addition, in its Verification Standards and Methods Guide to Supplier Code, the Company indicates: 'MMG requires that a copy of the Code of Conduct, translated into the native languages of the workforce, be prominently displayed in each facility where Macy’s private brands products are manufactured.' However, CHRB could not find evidence describing how the Company communicates its policy commitment to other stakeholders, including local communities and potentially affected stakeholders. [Product Sourcing, Jul 2019: macysinc.com & Verification Standards and Methods Guide, Jul 2019: content-az.equisolve.net] • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	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: Commits to all 4 ILO core conventions for suppliers: See indicator A.1.2 • Not met: Communicating policy down the whole AP supply chain • Met: Requiring AP suppliers to communicate policy down the chain: In its Vendor and Supplier Code, the Company indicates: 'Signed agreements, acceptance of Macy’s purchase orders, and shipment of merchandise to Macy’s represent continuing affirmation of compliance.[to the Supplier Code]'. In addition, in its website about 'Product Sourcing', the Company states: 'All Macy’s Merchandising Group (MMG) suppliers are trained on Macy’s Code, audit protocols and terms of engagement. The social compliance team continuously communicates expectations, encourages robust internal compliance policies, and partners with suppliers on continuous improvement at manufacturing facilities.' On the other hand, its Supplier Code also indicates: 'Any subcontractor retained by a Macy’s supplier shall comply with this Code, and each of Macy’s suppliers is responsible for ensuring its subcontractor’s compliance. For Macy’s private label brands, all subcontractors must be disclosed to Macy’s prior to production, and all subcontractors and facilities must be pre-approved by Macy’s.' [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net & Product Sourcing, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: How HR commitments made binding/contractual: The Verification Standards and Method Guide to Supplier Code indicates that 'Each of Macy’s suppliers must sign and return Macy’s Terms of Engagement Letter acknowledging that they have received a copy of Macy’s Statement of Corporate Policy and the Code of Conduct and are in compliance. Acceptance of Macy’s purchase orders and shipment of merchandise to Macy’s represents a continuing affirmation of compliance.' [Verification Standards and Methods Guide, Jul 2019: content-az.equisolve.net] • Not met: Including on AP suppliers: Its Supplier Code indicates: 'For Macy’s private label brands, all subcontractors must be disclosed to Macy’s prior to production, and all subcontractors and facilities must be pre-approved by Macy’s.' However, not all subcontractors have to be approved by the Company. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net]
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2: See indicator A.1.2

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Trains all workers on HR policy commitments: The Company indicates: 'To ensure that our entire organization behaves in a legal and ethical manner, we provide annual training, alternating between our Code of Conduct and General Legal Compliance Training to all colleagues in the support business functions, central offices, as well as our digital operations. In Macy's Logistics, all exempt and salaried overtime-eligible colleagues received training. In Bloomingdale's and Macy's Stores, all executives, supervisors and cosmetic counter managers receive training.' The Code of Conduct says: 'Our company requires our Vendors to comply with our Vendor Code of Conduct which includes a prohibition against child labor, slavery and human trafficking.', no other reference to human rights commitments is included. However, it is not clear whether the training activities cover all workers or whether all company's employees are trained on human rights. [Policies, Jul 2019: macysinc.com & Code of Conduct, 2019: content-az.equisolve.net] • Met: Trains relevant AP managers including procurement: The social responsibility report indicates that: "The social compliance team trains all new product development hires on Vendor Code standards and principles [which include all ILO], supplier and factory approval processes, supply chain risks such as human trafficking and child labor, and Macy's Private Brand engagement with industry initiatives." [Report on Social Responsibility, 2017: macysinc.com & Product Sourcing, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2: See indicator A.1.2 • Not met: Both requirements under score 1 met
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"> • Not met: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments • Met: Monitoring AP suppliers: On its website section 'Product Sourcing', the Company indicates: 'To ensure compliance, MMG uses an independent third party to conduct unannounced social compliance audits at all factories producing private label goods. A comprehensive audit protocol covers all Code principles and local country laws related to working hours, wages and benefits, health and safety, harassment and abuse, discrimination, subcontracting, environment, freedom of association, child labor, and forced labor. We require that all factories are subject to annual social compliance audits.' [Product Sourcing, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Describes corrective action process: It also indicates: 'More frequent audits occur at factories where corrective actions have been required. If high-risk violations are found, immediate action is taken to investigate and remediate, and the supplier and/or factory relationship may be terminated. [...] In fiscal 2017, the company conducted 865 factory audits. Eleven factories fell under the High Risk category. Of those, 10 were terminated and are no longer used for production. One factory was allowed to remain active pending remediation, follow-up audits and specialized training.' No details found, however, in relation to the number of non-compliances. [Product Sourcing, Jul 2019: macysinc.com] • Not met: Example of corrective action [Product Sourcing, Jul 2019: macysinc.com] • Not met: Discloses % of AP supply chain monitored
B.1.7	Engaging business relationships	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: HR affects AP selection of suppliers: The company indicates that the Vendor/Supplier Code of Conduct sets forth the commitment of Macy's to do business only with those manufacturers and suppliers that share its commitment to fair and safe labor practices. The report on social responsibility states that "Before conducting business with a new factory, our independent third-party monitor performs thorough audits. Free On Board (FOB) suppliers – those with whom we directly contract – undergo a combined Vendor Code and Security audit. Landed Duty Paid (LPD) suppliers – typically U.S.-based companies that source overseas or in the United States – undergo Vendor Code audit. In every case, suppliers must meet or exceed our minimum standards before being approved for production and enrolled in our merchandise order system'. [Report on Social Responsibility, 2017: macysinc.com & Product Sourcing, Jul 2019: macysinc.com] • Met: HR affects on-going AP supplier relationships: The social responsibility report indicates that "if our auditors identify a High Risk violation at a factory, the response may include removing the factory and/or supplier from our data base or some other type of immediate response". The Company discloses the number of factories terminated and that fell under the "the High Risk category". [Report on Social Responsibility, 2017: macysinc.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Met: Both requirement under score 1 met • Not met: Working with AP suppliers to improve performance
B.1.8	Approach to engagement with potentially affected stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Stakeholder process or systems: The Company indicates that it is 'committed to stakeholder and shareholder engagement and dialogue.' However, CHRB could not find further information describing how it identifies its affected or potentially affected stakeholders or the system put in place to engage with identified stakeholders. [Compliance Ethics, Jul 2019: macysinc.com] • Not met: Frequency and triggers for engagement • Not met: Workers in AP SC engaged • Not met: Communities in the AP SC engaged Score 2 <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	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: The Company has provided comments to CHRB. However, no evidences found in public sources and/or not sufficient. • Not met: Identifying risks in AP suppliers: Although the Company conducts due diligence prior to production with each factory, no evidence found of the Company carrying out a general due diligence process to identify which are the general human rights risks that it faces on a general basis in relation to its supply chain. [Report on Social Responsibility, 2017: macysinc.com] Score 2 <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): The Company has provided comments to CHRB. However, evidence provided was not sufficient. • Not met: Public disclosure of salient risks Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: The Company has provided comments to CHRB. However, evidence provided was not sufficient. • Not met: Including in AP supply chain • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Including AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

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	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: On its website, 'Compliance Ethics', the Company indicates: 'We make it easy for our colleagues to report suspected misconduct through our confidential, third-party Compliance Connection toll-free telephone line and web reporting service.' [Compliance Ethics, Jul 2019: macysinc.com] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages • Not met: Expect AP supplier to have equivalent grievance systems • Not met: Opens own system to AP supplier workers: It also indicates: 'We also offer a separate hotline for our suppliers to report their concerns.' However, it is not clear whether supplier workers have access to this hotline. [Compliance Ethics, Jul 2019: macysinc.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Grievance mechanism for community Score 2 <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems • Not met: AP supplier communities use global system
C.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 • Not met: How complainants will be informed Score 2 <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level
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 Company's Code of Conduct says: 'We are committed to maintaining a safe and positive work environment. All colleagues can speak freely and honestly without fear of retaliation. To ensure trust in this, we provide multiple channels for reporting concerns including some that are anonymous.' It is not clear, however, whether other stakeholders can report and whether the commitment to non-retaliation is extensive to them. [Code of Conduct, 2019: content-az.equisolve.net] • Met: Practical measures to prevent retaliation: See above (some channels are anonymous). In addition, on its website section, the Company indicates: 'We make it easy for our colleagues to report suspected misconduct through our confidential, third-party Compliance Connection toll-free telephone line and web reporting service.' [Compliance Ethics, Jul 2019: macysinc.com & Code of Conduct, 2019: content-az.equisolve.net] Score 2 <ul style="list-style-type: none"> • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation: Although the Company's Audit tool, includes question related to the existence of a grievance mechanism, no evidence found requirement to prohibit retaliation in its Supplier Code. [Audit Tool,

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Jun 2019: business-humanrights.org & Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net]
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights Score 2 <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks Score 2 <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Living wage in supplier code or contracts: The Company indicates that 'Employers should recognize that wages are essential to meeting their workers' basic needs. Employers shall pay workers for all work completed and shall pay at least the minimum wage required by law, the prevailing industry wage, or the wage negotiated in a collective agreement, whichever is higher. Employers shall provide any benefits required by law or contract.' However, this indicator looks for a living wage commitment that covers basic needs for employee and his/her family or dependents, and provides some discretionary income. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] Score 2 <ul style="list-style-type: none"> • Not met: Improving living wage practices of suppliers • 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	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Avoids business model pressure on HRs • Not met: Positive incentives to respect human rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.2.3	Mapping and disclosing 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: Identifies suppliers back to product source: In its website section 'Product Sourcing', the Company indicates: 'To help us get closer to end-to-end traceability of our products, Macy's Private Brands is introducing a new online information system, Transparency-One, that will enable the direct exchange of technical information and data with our suppliers. We will use this system to map our supply chain, make our training materials and resources more accessible to our suppliers, help us to more efficiently track working conditions, ensure compliance and better manage business risks.' However, it is not clear whether the Platform is operational and if the system will include indirect suppliers. [Product Sourcing, Jul 2019: macy.sinc.com] Score 2 <ul style="list-style-type: none"> • Not met: Discloses significant parts of supply chain and why

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (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: Child Labour rules in codes or contracts: The Company's Supplier Code indicates: 'No person shall be employed under the age of 15 (or 14 where the governing law allows) or younger than the age for completing compulsory education, whichever is higher. Persons under the age of 18 shall not be employed in work that is hazardous or likely to jeopardize their health, safety, or morals. Suppliers must comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the ILO regarding age-appropriate work. [ILO Convention No. 138]'. In addition, in its Guide to Supplier Code, it states: '1. Age and Wage Verification Manual or electronic time cards should be used for hourly workers. For "piecework" workers, an industry recognized system, capable of audit verification, should be used.' However, there is no reference to remediation programmes. <p>The Company provides child labour guidelines in relation to age verification: "All facilities are required to maintain official documentation in order to verify each worker's date of birth, as well as appropriate records documenting that the employer adheres to all restrictions under local laws that apply to juvenile workers'. However, no evidence found in relation to remediation programmes. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net & Verification Standards and Methods Guide, Jul 2019: content-az.equisolve.net]</p> <ul style="list-style-type: none"> • Not met: How working with suppliers on child labour <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)	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: Debt and fees rules in codes or contracts: Although the Company has signed the AAFA/Fla Apparel & Footwear Industry Commitment to Responsible Recruitment, the recruitment provisions are still not included in its Supplier Code. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net & AAFA/FLA Apparel & Footwear Industry Commitment to Responsible Recruitment, Oct 2018: aafaglobal.org] • Not met: How working with suppliers on debt & fees <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)	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: Free movement rules in codes or contracts: Although the Company has signed the AAFA/Fla Apparel & Footwear Industry Commitment to Responsible Recruitment, the recruitment provisions are still not included in its Supplier Code. On the other hand, its Audit tools include question about passport withholding or freedom of movement, the Supplier Code or the Guide to Supplier Code do not include such provisions. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net & Audit Tool, Jun 2019: business-humanrights.org] • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters <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 company indicates in the S&VCoC that is to be signed by all suppliers that 'Employers shall recognize and respect the right of workers to freedom of association, organization, and collective bargaining. Employers shall not discipline or discriminate against workers who peacefully and lawfully associate, organize, or collectively bargain. [ILO Convention Nos. 87, 98, and 135]'. However, there is no reference to union members or representatives. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Not met: How working with suppliers on FoA and CB <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

Indicator Code	Indicator name	Score (out of 2)	Explanation
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 Company indicates in its Supplier Code: 'Employers shall provide a safe and healthy workplace setting to prevent accidents and injury to health arising out of, linked with, or occurring during work, or because of the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment. Where residential housing is provided for workers, Employers will provide safe and healthy housing.' In addition, its Verification Standard and Methods for Supplier Code sets out health and safety requirements, such as: 'Factories should have adequate circulation and ventilation; Free potable water should be reasonably accessible to all workers throughout the working day; Work areas should be sufficiently lit so that manufacturing tasks may be safely performed; All equipment should be tested regularly and properly maintained; Operational safety devices should be installed on equipment where appropriate; Where appropriate, factories should make available personal protective equipment to workers performing hazardous tasks. [...]' [Verification Standards and Methods Guide, Jul 2019: content-az.equisolve.net & Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Not met: Injury rate disclosures • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • 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 • 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 V&SCoC that is to be signed by suppliers indicates that 'Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. 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. For Macy's private label brands, Employers shall not ask or require workers to take work home or off premises unless prior consent is obtained from Macy's. [ILO Conventions No. 1 and 30]' [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Not met: How working with suppliers on working hours 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

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		<ul style="list-style-type: none"> • Headline: Apex Tannery and Bay Tanneries linked to child labor, safety hazards, and other violations • Area: Child labour • Story: A report by Transparentem alleges children as young as 14 are made to work at the Apex and Bay Tanneries in Bangladesh, both of which supply leather that has been traced to luxury brand labels including Macy's. The allegations focus on the Hazaribagh neighborhood, a hub of Bangladesh's leather industry which has over 150 tanneries. Attorneys representing Apex Footwear and Macy's, Steven Madden and Genesco signed an agreement last month that says Apex will verify that all tannery workers are adults using protective gear, and that independent auditors would oversee longer-term improvements. • Sources: [Associated Press - 25/03/2017: apnews.com][PBS - 29/03/2017: pbs.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
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: The Company stated that while they weren't getting leather from the tanneries, they saw an opportunity to use their company's leverage at the related factories to bring improvements, with some using threats, others offering auditors and support. [AP article on Child Labour, 2017: apnews.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Response goes into detail
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: While the company does not express a commitment to prohibit child labour in its Code of Conduct, in its Vendor Code of Conduct it states "This Vendor and Supplier Code of Conduct ("Code") sets forth the commitment of Macy's, Inc. including Macy's, Bloomingdale's, Bluemercury, and all other subsidiaries of Macy's Inc. (collectively Macy's), to partner with businesses that share Macy's commitment to fair and safe labor practices. The Code applies to anyone -- including suppliers, vendors, contractors, licensees, and agents (collectively "suppliers") -- that supplies merchandise to Macy's. The Code enforces Macy's commitment to the core ILO Conventions and Principles 1-6 of the UN Global Compact." [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] • Met: Policies apply to the type of business relationships involved: Macy's does require that suppliers commit to all four ILOs, health and safety and working hours. The vendor & supplier code of conduct lists 12 general principles that their suppliers must comply with, among them Child Labour, Forced Labour, Freedom of association and collective bargaining and non-discrimination. [Vendor and Supplier Code of Conduct, Jun 2019: content-az.equisolve.net] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Policies address the specific rights in question: n the Macy's document 'Verification Standards and Methods Guide to the Macy's Vendor and Supplier Code of Conduct' the company says "Macy's will use the following standards in its evaluations...Age and Wage Verification Manual or electronic time cards should be used for hourly workers... All facilities are required to maintain official documentation in order to verify each worker's date of birth, as well as appropriate records documenting that the employer adheres to all restrictions under local labor laws that apply to juvenile workers". [Verification Standards and Methods Guide, Jul 2019: content-az.equisolve.net]
E(1).3	The Company has taken appropriate action	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: Denies allegations, but has engaged affected stakeholders: The original Associated Press article notes that "Attorney's representing Apex Footwear and Macy's, Steven Madden and Genesco signed an agreement last month that says Apex will verify that all tannery workers are adults using protective gear, and that independent auditors would oversee longer-term improvements." [AP article on Child Labour, 2017: apnews.com] • Not met: Denies allegations, but reviewed systems to prevent such impacts: On its website the company says "In 2017, Macy's Merchandising Group (MMG) became a member of the Leather Working Group, an independent organization that assesses the environmental compliance and performance capabilities of tanneries, and promotes sustainable business practices within the leather industry." However it is not clear whether the Leather Working Group addresses Human Rights issues through its audits, nor is there evidence that Macy's has reviewed its systems to prevent occurrences of child labour in its supply chains. [Product Sourcing, Jul 2019: macysinc.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Denies allegations, but implements review recommendations: While the company says its Attorney's "signed an agreement last month that says Apex will verify that all tannery workers are adults using protective gear", There is no evidence that the company has undertaken a review into its systems to prevent child labour in its sourcing tanneries, nor is evidence provided as to how Apex will verify the workers are adults. [AP article on Child Labour, 2017: apnews.com & Product Sourcing, Jul 2019: macysinc.com] • Not met: Denies allegations, and ensures systems prevent such impacts: There is no evidence that the company has ensured that its systems prevent child labour being used in its supply chains.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.3 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Macy's made data public that met one or more elements of the methodology in 13 cases, leading to a disclosure score of 1.3 out of 4 points.
F.2	Recognised Reporting Initiatives	0 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Not met: Company reports on GRI • Not met: Company reports on SASB • Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0 out of 4	Macy's met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not 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.