

**Corporate Human Rights Benchmark
2023 Company Scorecard**

Company name Fast Retailing
Sector Apparel (supply chain only)
Overall score 41.3 out of 100

Theme score	Out of	For theme
3.9	10	A. Governance and Policy Commitments
14.7	25	B. Embedding Respect and Human Rights Due Diligence
9.0	20	C. Remedies and Grievance Mechanisms
8.1	25	D. Performance: Company Human Rights Practices
5.6	20	E. Performance: Responses to Serious Allegations

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 2022 Methodology document for the sector concerned. 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 Policy Commitments (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	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: General HRs commitment: The Company in its Code of Conduct- Principles states: 'we shall respect the basic human rights of all people and shall not commit acts of discrimination or harassment that may undermine a person's dignity'. [Code of Conduct - Basic Principle, 03/2018: CoC-BasicPrinciple_eng.pdf (fastretailing.com)] Met: International Bill of Human Rights: The Company's Human Rights Policy states: 'We respect human rights as described in the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work as minimum standards'. [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] <p>Score 2</p> <ul style="list-style-type: none"> Met: Commitment to UNGPs: The Company's Human Rights Policy declares: 'Fast Retailing promotes activities that respect human rights in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights. [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)]
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental	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: Commitment to ILO core principles: The Company's Human Rights Policy states: 'We respect human rights as described in the International Bill of Human Rights and the International Labor Organization's (ILO) Declaration of Fundamental Principles and Rights at Work as minimum standards'. [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)]

Indicator Code	Indicator name	Score (out of 2)	Explanation
	Principles and Rights at Work		<ul style="list-style-type: none"> • Met: Explicitly lists all four ILO core principles: The Company's CoC declares: 'we shall value diversity, and each and every person, and shall not discriminate against anyone for any reason, including on the basis of race, ethnicity, nationality, birthplace, age, gender, religion, sexual orientation or disability, or any other unlawful reason; under no circumstances shall we tolerate the labor of children under the minimum working age or forced labor against a person's will; we shall respect freedom of association, right to collective bargaining and other basic human rights of employees'. [Code of Conduct Guidelines, 01/03/2018: CoC-guideline_eng.pdf (fastretailing.com)] Score 2 • Met: Expects suppliers to commit to ILO core principles: The Human Rights Policy states: 'this policy specifies our position on respecting human rights and is applied to all Fast Retailing Group companies. Through our documents that detail our human rights standards (Code of Conduct for Officers and Employees, Code of Conduct for Production Partners, or other policies or guidelines), we ensure that human rights are respected across all our business activities'. See below details of code of conduct for partners, including all ILO core areas. [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] • Met: Explicitly lists all four ILO core principles for suppliers: In its Code of Conduct for Production Partners, the Company states the following requirements to its suppliers: 'no person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher; production partners shall not use any bonded, indentured, forced, or slave labor, labor conducted by prisoners, labor similar to slavery, or labor engaged through human trafficking; [...] Production partners shall employ workers on the basis of their ability to do the job; production partners shall not discriminate against workers on the basis of [...]. Production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively. In addition, all 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 and provide effective means remedy such grievances'. [Code of conduct for production partners, N/A: Fast Retailing Co]
A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	0.5	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> • Met: Commitment to respect H&S of workers: The Company's CoC states: 'we shall strictly obey all laws concerning workplace safety and health and pay attention to the physical and mental health of each and every person and shall make every effort to establish and maintain a healthy, safe and hygienic work environment'. [Code of Conduct Guidelines, 01/03/2018: CoC-guideline_eng.pdf (fastretailing.com)] • Not Met: Commitment to ILO working hours standards or 48 hour regular work week: The Company's Human Rights Policy affirms: 'we manage employment conditions such as working hours, overtime and wages in accordance with local laws and regulation and/or international standards'. However, no evidence was found of the Company explicitly committing to respect ILO conventions on working hours or that publicly states that workers are not required to work more than 48 hours as a regular working week and that overtime is consensual and paid at a premium rate. [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Expects suppliers to commit to H&S of workers: Fast Retailing Code of Conduct for Production Partners states: 'production partners 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 also apply to housing for workers'. [Code of conduct for production partners, N/A: Fast Retailing Co] • Met: Expects suppliers to commit to ILO working hours standards or 48 hour regular work week: The Company's CoC for Production Partners declares: '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 [...] All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate'. [Code of conduct for production partners, N/A: Fast Retailing Co]

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.3.AP	Commitment to respect human rights particularly relevant to the sector – vulnerable groups (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: Commitment to women's rights: The Company's Human Rights Policy declares that 'respect[s] 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, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] • Not Met: Expects suppliers to respect these rights: The Company's website indicates that 'In 2020, with the support of the IOM, FLA and ASSC, we adopted the Fast Retailing Standards and Guidelines on Responsible Recruitment of Migrant Workers for Production Partners (the Guidelines) and the methodology to assess compliance with the Guidelines by factories. The Guidelines stipulate the following principles: No workers pay for their jobs; Workers are informed of the basic terms of their employment before signing employment contracts; Workers retain control of their identity, travel and any other documents. The Guidelines also stipulate the requirements of factories and provide detailed guidance on how to comply [...] Policies and procedures: Factories shall establish policies and procedures to respect migrant workers' human and labor rights, including those that prohibit charging workers any recruitment fees or employment-related costs directly or indirectly. Production partners shall designate teams to be responsible for implementing and monitoring these policies and procedures'. However, this subindicator explicitly looks for policy documents affecting suppliers requiring them to respect migrant rights. Current evidence states that the Company adopted a set of Guidelines, but is not clear if these are part of actual formal policies applying to suppliers, or a monitoring requirement. In addition, the same website states that 'Fast Retailing has clarified in its Code of Conduct for Production Partners to specify that there is zero-tolerance for forced labor including human trafficking. In the supply chain, migrant workers are especially vulnerable to discrimination in the recruitment process. Committing to respect the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, we monitor carefully to ensure workers are treated fairly during the recruitment process and during employment'. However, no such expectation in relation to migrant workers and the convention was found. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment refers to CEDAW/Women's Empowerment Principles: The Company declares on its website that 'is committed to respecting women's rights under the "Convention on the Elimination of all Forms of Discrimination Against Women" in our Human Rights Policy. We prohibit harassment, intimidation and violence against women' However, general website content is not considered a suitable source for policy statements under CHRB's revised approach, which requires formal policy statements to be placed in policy documents. The actual commitment placed in the human rights policy, as stated above, includes respect women's rights but, in relation to the CEDAW, the commitment is 'based on' it, which is not considered a formal statement of commitment according to CHRB wording criteria. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Not Met: Commitment refers to Child Rights Convention/Business Principles: The Company states in different parts of its website that 'Child labor is a serious social issue that impedes the healthy growth of children and deprives them of educational opportunities. Fast Retailing is committed to abolishing and preventing child labor and uphold the rights described in the international guidelines such as "Children's Rights and Business Principles"'. However, general website content is not considered a suitable source for policy statements under CHRB's revised approach, which expects policy statements to be placed in formal policy sources. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] & [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Commitment refers to Convention on migrant workers: The Company on its websites states: 'Fast Retailing has clarified in its Code of Conduct for Production Partners to specify that there is zero-tolerance for forced labor including human trafficking. In the supply chain, migrant workers are especially vulnerable to discrimination in the recruitment process. Committing to respect the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, we monitor carefully to ensure workers are treated fairly during the recruitment process and during employment. We also enforce trainings to primary employers of migrant worker in apparel sector such as garment factories and fabric mills'. However, general website content is not considered a suitable source for policy statements under CHRB's revised approach,

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>which expects policy statements to be placed in formal policy sources. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]</p> <ul style="list-style-type: none"> • Not Met: Expects suppliers to respect these rights: Regarding the code of business conduct for partners, the Company states: 'We require every production partner to comply with this code of conduct and start doing business with them only after they sign the code of conduct. We also require our production partner signatories to our Code of Conduct for Production Partners to cascade its rules upstream to any of its own suppliers involved in a process within our supply chain'. However, this sub-indicator seeks evidence that the Company expects its suppliers to commit to respecting either women's rights by specifically referring to CEDAW or WEPs, or children's rights by mentioning the Convention on the Rights of the Child or the Children's Rights and Business Principles, or finally, that suppliers making commitments to respect the rights of migrant workers refer explicitly to the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. No further evidence of the aforementioned was found in the code for partners. [Website: Code of Conduct for Production Partners, 01/03/2022: fastretailing.com]
A.1.4	Commitment to remedy	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: Commitment to remedy adverse HRs impacts: The Company's Human Rights Policy declares: 'Fast Retailing never accepts or ignores violations of human rights in any part of our business or supply chain and take very seriously any allegation that human rights are not appropriately respected. We will take prompt and effective remedy should we discover any human rights issue, and will insist that our suppliers also effectively remedy any human rights issue, as required'. [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] • Met: Expects suppliers to make this commitment: See above. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to collaborate with judicial or non-judicial mechanisms: Fast Retailing's website states: 'we do not obstruct affected stakeholders to access to other remedies and we are open to collaboration that provides remedy'. However, this subindicator looks for policy commitment to collaborate with judicial and non-judicial remedies, which are expected to be placed in policy documents. General website communications are not considered suitable sources for policy indicators under CHRB revised approach. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Not Met: Commitment to work with suppliers on remedy: The Company's CoC for Production Partners states: 'our company has confirmed the FAST RETAILING CSR factory monitoring evaluation system and we understand that failure to comply with the code of conduct may result in immediate cancellation of orders and/or termination of business with all FAST RETAILING group companies. In the event that violations are found, we pledge to actively contribute to any subsequent remedial activities'. However, no evidence found of a formal policy statement from the Company committing to work with suppliers in remedy provision. [Code of conduct for production partners, N/A: Fast Retailing Co]
A.1.5	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 of threats/attacks on HRDs • Not Met: Expects suppliers to make this commitment <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to working with HRDs to create safe and enabling environment

A.2 Board Level Accountability (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: Board level responsibility for HRs: Fast Retailing's Human Rights Committee 'advises and supervises the company so that it complies with the Fast Retailing Group human rights policy and conducts all business appropriately. It investigates human rights violations reported by stakeholders through hotlines and provides advice and recommendations on remedial measures. It also provides advice and recommendations to individual business divisions on education and awareness-building activities, and the implementation of human rights due diligence'. [Integrated Report 2022, 2022: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Describes HRs expertise of Board member: The Company's website shares: 'In July 2018, Fast Retailing established a Human Rights Committee to promote initiatives aimed at respecting human rights. We appointed an outside expert, who has experience working as the head of the Human Rights Bureau in the Ministry of Justice in Japan, to head the committee'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Board member/CEO signal importance of HRs in their communications: The Fast Retailing Future Business Outlook document, drafted and signed by the Chairman, President and CEO, states: 'We also intend to strengthen our earnest drive to help solve social issues, including protecting human rights and working environments across our supply chain, addressing climate change and other global environmental issues, employing people with disabilities, and supporting refugees. [...] However, these efforts are still not sufficient. We are only at the starting point. We will continue to channel even more effort into making further progress in these areas going forward'. However, this subindicator looks for a statement showing specific focus on human rights, devoting space to discussing why it's important for business or describing specific challenges that the Company has faced to respect human rights. [Fast Retailing Future Business Outlook, 14/04/2022: fastretailing.com]
A.2.2	Board responsibility	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: Process to review HRs strategy at board level: On its website the Company states the following regarding its Human Rights Committee: 'chaired by an external professional, this committee debates and advises on the execution of human rights due diligence. The committee is responsible for ensuring human rights are upheld according to the 2018 Fast Retailing Group human rights policy. It provides various educational activities and advises business administration sections to ensure all business is conducted appropriately. As part of its counselling and supervisory responsibilities, the committee also investigates human rights violations and implements relief measures. The committee met five times in FY2022'. [Website: Corporate Governance, 01/03/2023: fastretailing.com] • Met: Example of HRs issues/trends discussed in last reporting period: The Company's website discloses: 'the main outcomes of the [Human Rights] committee in fiscal 2022 include: advised business departments on implementing measures such as alerts and training based on results of a human rights survey of Fast Retailing employees in Japan. In addition, it advised business departments in some countries outside of Japan where human rights surveys have been conducted; discussed policies on harassment of employees by customers and advised related departments in each country and region on strengthening countermeasures through introducing guideline and establishing in-house consulting service specified for this type of harassment; advised business departments to improve the effectiveness of grievance mechanisms, through providing in-house consulting service (Fast Retailing Group Hotline), based on investigating the actual situation in each country and region; [and] advised business departments to establish systems and training to prevent human rights risks in product design, marketing and advertising'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Meets both requirements under score 1 • Not Met: Describes how affected stakeholders / HRs experts inform board discussions
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: At least one board member incentive linked to HRs commitments • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other board incentives for coherence with HRs policies
A.2.4	Business model strategy and risks	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 process to review business model and strategy for HRs risks • Not Met: Describes frequency and triggers for reviewing business model <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1 • Not Met: Example of actions resulting from reviews

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	<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: Score of 1 on A.1.2.a • Met: Senior responsibility for HRs implementation and decision making: The Company's website states: At Fast Retailing, the company president and CEO, as the executive officer with overall responsibility for sustainability, appoints directors and an executive officer in charge of sustainability. We have also set up a Sustainability Committee which consists of executive directors, statutory auditors, an external expert, and executive officers. The committee is tasked with promoting sustainability activities based on pertinent judgement and ensuring sustainability efforts are closely integrated with overall management strategy and direction. The Sustainability Committee debates all manner of sustainability-related policies and measures, and advises, counsels, and supervises the departments that execute sustainability measures. Committee members determine the direction of corporate activities and corporate policy from a variety of sustainability-related perspectives, including environmental protection, respecting human rights, contributing to society, compliance, and diversity'. [Website: Sustainability Governance, 30/11/2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes day-to-day responsibility for implementing HRs commitments: On its website, the Company discloses: 'Sustainability Committee decisions are then integrated into our sales, marketing, production, purchasing, human resources and other relevant departments. The Company also states that 'The managers of the Sustainability Department manage the programs and work plans, and report to the Executive team, who oversees the strategic direction of the Sustainability Department'. [Website: Sustainability Governance, 30/11/2022: fastretailing.com] & [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Met: Day-to-day resources and expertise allocation in own operations: The website also indicates that 'To promote sustainability activities across the Fast Retailing Group, the Sustainability Department has strengthened our management framework, cooperating daily with relevant departments and executives responsible for global operations, and also appointing sustainability personnel in all major international offices. In addition to regular communications, we hold a global conference every six months, where sustainability personnel from all over the world convene in Tokyo to discuss sustainability issues and activities in individual markets'. [Website: Sustainability Governance, 30/11/2022: fastretailing.com] • Met: Resources and expertise allocation in supply chain: On its website, the Company shares: 'the Supply Chain Labor Management Team from our Sustainability Department (hereinafter Sustainability Department) leads a workplace monitoring program and other supply chain social initiatives across all Fast Retailing brands. The managers of the Sustainability Department manage the programs and work plans, and report to the Executive team, who oversees the strategic direction of the Sustainability Department. The Supply Chain Labor Management Team members are based in Japan, where our headquarters are located, as well as in key production countries such as China, Vietnam, Indonesia and Bangladesh. This is to ensure proper communication with not only our production partners' management and workers, but also local individuals and groups in their local languages.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.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 linked to HRs commitments: The Company's website discloses: 'twice a year as part of the company's evaluation system, Group Executive Officers, managers and team members are appraised on their performance of supply chain-related social initiatives as part of our efforts to promote our human rights policy commitments. This evaluation is a factor used to determine remuneration of these individuals.' However, it is not clear what metrics regarding human rights issues the Company includes within the scope of 'social initiatives'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other senior management incentives for coherence with HRs policies
B.1.3	Integration with enterprise risk management	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: HRs risks integrated as part of enterprise risk system: The Company on its website discloses: 'the Group has established a Risk Management Committee directly under the Board of Directors to serve as an organization to regularly identify potential risks in business activities, pinpoint critical risks, and establish and strengthen its risk management structure. Chaired by the Group CFO, the Committee centrally manages risk for the entire company'. Various committees - including the Human Rights Committee- 'report on risks in their relevant field [and] provides specific direction to each department regarding risk countermeasures'. The Company while disclosing its Risk Factors addresses Human Rights risks and shares: 'within the Group or its supply chain, deterioration in working environment or in health and safety, human rights violations such as forced labor, child labor, harassment or discriminatory behavior, or other such acts that significantly infringe on the human rights of those affected may result in the Group losing the trust of our customers and suppliers, and may negatively impact the supply and sale of our products. In Europe, the United States, and other countries and regions, tighter regulations and legislation aimed at protecting human rights in the supply chain may have a negative impact on the production, transportation and sales systems for the Group's products'. [Website: Risk Factors, 30/11/2021: Risk Factors FAST RETAILING CO., LTD.] • Met: Provides an example: The Company shares its main initiative in place to tackle human rights risks: 'our supply chain policy is based on our view that our most important responsibility is to respect the basic human rights of all people working in the supply chain of Group businesses, whether they are employees of the Group or of our business partners, and to ensure those employees' physical and mental health, safety, and peace of mind. We have developed human rights guidelines, provide code of conduct (COC) training, operate an employee hotline, and conduct regular reviews in order prevent human rights violations from occurring. Led by our Sustainability Department, we are committed to maintaining and improving suitable working environments through monitoring work environments at supplier factories, and operating hotlines for the employees of those factories. We are also promoting the procurement of raw materials for which the production processes have been confirmed to properly protect human rights and working conditions, in accordance with international standards. Going forward, we will establish traceability down to the raw materials for all countries and regions, and we will build a system that allows us to confirm for ourselves that there are no issues with human rights or working conditions throughout the entire supply chain. In addition, we will make use of third-party certification to objectively verify that human rights and working conditions are being properly protected. In the event that a human rights violation does occur, in addition to the Human Rights Committee investigating and deliberating on the matter, we also have in place a framework for providing mental healthcare for the victim'. [Website: Risk Factors, 30/11/2021: Risk Factors FAST RETAILING CO., LTD.] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Risk assesment by Audit Committee or independent third party
B.1.4.a	Communication /dissemination of policy commitment(s) to workers and external 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: Score of 1 on A.1.2.a • Met: Communicates HRs policies to all workers in own operations: The Company's Human Rights Policy: 'Fast Retailing educates and develops its officers and employees so that this policy is incorporated in every activity across our business. Each year, our people are trained on the Code of Conduct so that all employees understand they must carry out their work in our business to high ethical standards'. Moreover, the Company's 2022 Annual Report shares: 'we seek to nurture a deep understanding of, and respect for, our Fast Retailing Group Code of Conduct by requiring all employees to take an annual online refresher course.' [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] & [Integrated Report 2022, 2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Communicates HRs policies to stakeholders • Not Met: Example of how HRs policies are accessible for intended audience

Indicator Code	Indicator name	Score (out of 2)	Explanation
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: Meets ILO requirement for suppliers on A.1.2.a • Met: Requires suppliers to communicate HRs policies: The CoC for Production Partners states: 'production partners shall establish and maintain management systems and internal rules that ensure compliance with all the requirements in this code of conduct. Such rules shall be communicated to all management and workers. The management systems may include policies and procedures for risk assessments, training, performance measurement, accountability and documentation'. Also, 'this document shall be made available to factory workers in written form and relevant languages'. The Company indicates that the code is part of contractual requirements. In addition, The Company's website affirms: 'we also require our production partner signatories to our Code of Conduct for Production Partners to cascade its rules upstream to any of its own suppliers involved in a process within our supply chain'. [Code of conduct for production partners, N/A: Fast Retailing Co] & [Website: Code of Conduct for Production Partners, 01/03/2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes how HRs policies are contractual/binding for suppliers: The Company's 2022 Sustainability Report states: 'Fast Retailing contracts only with partners who pledge to comply with our CoC, which formally stipulates labor standards such as working hours and prohibits against child labor, forced labor and harassment. In some cases and regions, the terms of our CoC go beyond minimum local legal requirements in accordance with international labor standards.' [Sustainability Report 2022, 2022: sustainability2022_en_print.pdf (fastretailing.com)] • Met: Requires suppliers to cascade contractual/binding HRs policies to its suppliers: The Company's Code of Conduct for Partners states '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.' Additionally, the Company's website declares: 'Fast Retailing strictly prohibits production at unauthorized subcontractors in our Code of Conduct for Production Partners. Our garment factories are required to audit subcontracted processing factories to which they have outsourced a part of their production processes and receive approval from Fast Retailing'. [Code of conduct for production partners, N/A: Fast Retailing Co] & [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]
B.1.5	Training on Human Rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Score of at least 1 on A.1.2.a • Met: Describes how workers are trained on HRs policy commitments: The Company's website discloses: 'Fast Retailing Code of Conduct defines our corporate philosophy and basic principles of respect which all employees must observe. We provide regular training through video content, e-learning courses, and other channels to encourage a better understanding and acceptance of this Code of Conduct. Our employees personally sign their commitment to uphold this code when they join the company and also annually sign the renewed commitment'. Code of conduct includes different documents with basic principles and guidelines that include human rights. [Website: Employee Engagement Policy, 23/12/2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Trains relevant managers including procurement on HRs: Fast Retailing's website shares: 'we provide training and guidance to employees and managers responsible for procuring goods and materials on the outcome of our workplace monitoring. We also provide training to raise awareness of the importance of human rights and the environment in the supply chain. Our partner factories receive similar training on a regular basis.' [Website: Our Promise to Society, 31/01/2022: fastretailing.com] • Met: Score of 2 on A.1.2.a • Met: Meets both requirements under score 1 • Met: Trains suppliers to meet HRs commitments: Fast Retailing's website declares: 'we conduct regular training to ensure production partners understand the Fast Retailing Code of Conduct for Production Partners and the latest in labor standards, etc. For example, we offer programs that cover any revisions and updates to the code of conduct, fire prevention safety standards, correct pay calculations for overtime work, and other matters.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Discloses % suppliers trained: Fast Retailing's website states: 'During fiscal 2022, we conducted training for a total of 465 factories across 19 different countries and regions, representing 85% of the total of 546 factories.' [Monitoring and evaluation of business partners, 13/12/2019: fastretailing.com]
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: Score of at least 1 on A.1.2.a • Not Met: Monitors implementation of HRs policy commitments across global ops and supply chain: The Company's website shares: 'Fast Retailing monitors the compliance status of all garment factories and core fabric mills through workplace monitoring. As part of this monitoring, we have implemented unannounced audits by third-party entities and assessments using frameworks common to the apparel and footwear industry. Using both methods, we evaluate working environments at factories, and engage in improvement activities appropriate to existing risks.' At the Company level, there is in place the initiative 'Monitoring and Corrective actions for Work-Hour Reduction at the Fast Retailing Group in Japan'. No evidence found, however, of how it monitors compliance with human rights within own operations beyond working hours. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] & [Website: A Positive Work Environment, 14/02/2023: fastretailing.com] • Not Met: Discloses % of supply chain monitored: The Company's 2022 Sustainability Report disclosed the number of factories monitored. However, this sub-indicator is looking for the proportion of the supply chain monitored. [Sustainability Report 2022, 2022: sustainability2022_en_print.pdf (fastretailing.com)] • Met: Describes how workers are involved in monitoring: The Sustainability department monitors the factories' implementation of their improvement plans and at times will verify working hours' data on site. Regular internal meetings are held to follow-up on the progress of core factories. At the same time, our Sustainability department supports factories through close follow up, sharing best-practice guidelines to improve the compliance with local laws on worker wages and benefits, and to secure worker income in times when working hours are reduced. We have also established a responsible procurement policy to ensure the placement of orders according to procedures that protect the working environment of factories and which emphasize human and worker rights [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Score of 2 on A.1.2.a • Met: Describes corrective actions process: The Company states that it 'has a zero-tolerance policy for issues that seriously violate human rights. The issues that fall under the zero-tolerance standard are child labor, forced labor, coercion and harassment, discrimination, serious violation of freedom of association, underpayment of minimum wages and falsification of records. When any such violations are found, factories are required to remedy the matter immediately. In addition, matters resulting from inadequate management of working environments are categorized as serious issues. If a serious issue is identified, we urge the factory to make early improvement. Fast Retailing employees visit the factory within a certain timeframe, dependent on the severity of issues, to urge the factory to implement systems that prevent the issue from recurring. We confirm such preventive systems have been established in the next annual assessment. If a zero-tolerance issue is found, or a serious issue is again found after a previous assessment, the matter is escalated to the Business Ethics Committee, which determines whether to terminate or modify our business relationship. In parallel, we discuss measures with the factory and monitor them until improvement is completed'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Discloses findings and number of correction action processes: The results of fiscal 2022 workplace monitoring are as [follows]: Zero-tolerance issues found in G5 factories [defined as factories that present 'major violations of human rights and the Code of Conduct for Production Partners [...] The major serious issues confirmed at G4 factories [...] are: no statutory leave provided, excessive working hours, underpayment or insufficient severance payment, no or insufficient employment contracts [...] The most frequent violations of the Code of Conduct for Production Partners found in audits during fiscal 2022 are categorized in the areas of health and safety and working hours [...] We have found several issues that violate the basic principles such as the payment of recruitment fees (e.g. travel costs, passport renewal fees) by migrant workers, and the fact that migrant workers sometimes do not fully understand the terms and conditions of their

Indicator Code	Indicator name	Score (out of 2)	Explanation
			contracts before they leave their countries. We have agreed on improvement plans for these issues with factories and monitor progress until the planned improvements are completed.' However, no evidence of the number of corrective actions and/or improvement plans was found. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]
B.1.7	Engaging and terminating 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: HRs performance affects selection suppliers: The Company's website discloses: 'we conduct due diligence on any potential new partner prior to commencing business with them. This process ensures potential partners comply with our Code of Conduct for Production Partners. We only do business with those partners confirmed to meet standards for commencing new business relationships. Factories that had a zero-tolerance issue are eligible to start business with us only once corrections are confirmed in a follow-up audit. During fiscal 2022, we initiated business relationships with 91.2 percent of potential partners.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Met: HRs performance affects continuation supplier relationships: On its website, the Company affirms: 'If a zero-tolerance issue is found, or a serious issue is again found after a previous assessment, the matter is escalated to the Business Ethics Committee, which determines whether to terminate or modify our business relationship. In parallel, we discuss measures with the factory and monitor them until improvement is completed. The Business Ethics Committee considers the potential financial impacts to the factory and to worker employment, and makes recommendation on business contract review to the Production Department. We may terminate business when remediation of a serious issue is not validated in a follow-up audit. Fast Retailing strives to avoid such scenarios by closely monitoring factories and preventing serious issues that may lead to contract review or business termination.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Works with suppliers to meet HRs requirements: The Company's website shares: 'our Sustainability Department supports factories through close follow up, sharing best-practice guidelines to improve the compliance with local laws on worker wages and benefits, and to secure worker income in times when working hours are reduced [...]. Also, the Company informs: 'for factories which had many grievances, we provided training to strengthen the processing system of grievances operated by the factory and supported them to establish procedures to plan and execute improvement actions'. Also, the website declares: 'we conduct regular training to ensure production partners understand the Fast Retailing Code of Conduct for Production Partners and the latest in labor standards, etc. For example, we offer programs that cover any revisions and updates to the code of conduct, fire prevention safety standards, correct pay calculations for overtime work, and other matters. During fiscal 2022, we conducted training for a total of 465 factories across 19 different countries and regions'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]
B.1.8	Approach to engagement with affected 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: Discloses stakeholders whose HRs may be affected: The Company states, in a human rights context that 'Fast Retailing stakeholders include company employees, workers and their representatives at our partner factories, community members around our stores and supply chains, and organizations everywhere that work to protect human and worker rights and the environment. It also adds that 'Fast Retailing conducts dialogue with stakeholders through a variety of opportunities: [1.-] Employees: employee engagement surveys, employee education and training, fair performance evaluations and individual consultations, internal portal and newsletters for employees, employee hotline [2.-] Suppliers: partner factory conference, supplier surveys, workplace monitoring and training, high-level dialogue with partner factories, [3.-] Global/Local Communities: participation in local activities, support for refugees, emergency Disaster Relief, social business, support for sports and cultural activities'. [Website: Stakeholder Engagement, 23/12/2022: fastretailing.com] • Met: Provides two examples of engagement with stakeholders: As part of supplier audits, the verifier 'interviews workers, trade union members, worker representatives and factory management'. The Company reports on different stakeholder engagement, although it seems to focus in multi-stakeholder initiatives. While monitoring its own operations the Company 'conduct[s] employee satisfaction surveys to cover all companies in the Group as one measure to improve satisfaction' also 'Wellness Centers and Human Resource division conducts work

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>style surveys and stress checks to identify any issues in working hours. In addition, the Company 'ask[ed] all Fast Retailing Group regular employees to take part in employee engagement surveys to help foster an environment that motivates all staff in their work and inspires long-term growth. The FY2022 survey targeted 18,278 employees and received responses from 14,582 employees (response rate: 80%). Based on the survey results, [FR] decided to initially pursue measures to improve working environments in each business segment. [FR] intend to conduct an annual employee survey from FY2023 onwards.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] & [Positive work environment, 31/01/2020: fastretailing.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Analysis of stakeholder views on company's HRs issues • Not Met: Describes how stakeholders views influenced company's HRs approach

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	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: Describes process of identifying risks in own operations: The Company's website discloses: 'to respect the human rights of people affected throughout the entire business and supply chain in accordance with the UNGP, we have developed and continually implement human rights due diligence (identifying and assessing the scope of human rights violation risks in our corporate activities and developing improvement measures and educational systems). The due diligence process also includes assessing new circumstances such as new business relationships and production countries through our regular workplace monitoring program, stakeholder mapping and engagement'. The process for risk identification includes internal interviews, data analysis, stakeholder engagement and reference to OECD and other international guidelines'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Met: Describes process for identifying risks in business relationships: The Company's website discloses: 'we perform due diligence throughout our supply chain to identify human trafficking, slave labor, or other human rights issues, and ensure that our products are manufactured ethically within the whole process. To remain abreast of the latest knowledge and information related to these issues, we seek out the opinions of audit firms, consultants, and other industry experts. At the same time, we regularly review materials published by groups engaged in human rights issues'. [Website: Our Promise to Society, 31/01/2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes global risk identification system incl. stakeholder consultation: The Company's website states: 'Fast Retailing stakeholders include company employees, workers and their representatives at our partner factories, community members around our stores and supply chains, and organizations everywhere that work to protect human and worker rights and the environment. We regularly consult key stakeholders proactively to understand emerging issues and to devise informed solutions that address risk or mitigate impact on vulnerable peoples.' On the Company's website was also found the following statement: 'Fast Retailing takes preventive measures and variety of actions for solving human rights issues identified through our due diligence processes and stakeholder engagement, involving local and global experts'. However, no further details found on experts consulted as part of the due diligence process. [Website: Stakeholder Engagement (Supply Chain), 16/12/2022: fastretailing.com] • Met: Describes how risk identification system is triggered by new circumstances: As indicated above, the Company indicates that 'the due diligence process also includes assessing new circumstances such as new business relationships and production countries through our regular workplace monitoring program, stakeholder mapping and engagement'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Not Met: Describes risks identified in relation to new circumstances
B.2.2	Assessing human rights risks and impacts	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: Describes assessment process and discloses salient HRs risks: The Company describes the second stage of its due diligence in the chart on its website: 'Classify and Evaluate Risks: analyze severity and likelihood of identified risks. Identify risks for which urgent measures are required'. Subsequently, the Company's website shares: 'As we continue to grow our business internationally, issues such as harassment and discrimination present as potential Human Rights risks. Fast Retailing commissioned an independent assessment in fiscal 2019, which

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>confirmed that these issues represent a risk to our business, and more broadly to the apparel industry'. As described 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'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com]</p> <ul style="list-style-type: none"> • Met: Describes how process applies to supply chain: In addition, to above, the Company also states that 'Our business also carries a risk that workers operating outside our own company, but connected to our supply chain, may be vulnerable due to economic or social factors in locations where we have manufacturing bases. To help manage human rights risks in our supply chain, we maintain close dialogue and partnerships with international organizations and groups with deep knowledge and experience of the issues. We work to clearly define potential human rights issues, monitor factories and operate anonymous hotlines. In 2020, we conducted human rights due diligence on our supply chain and have taken preventative measures for the salient risks we identified. This includes strengthening factory workplace monitoring programs and grievance mechanisms and collaboration with expert organizations'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Met: Public disclosure of results of HRs risk assessment: The Company's website discloses: 'through our risk assessment and workplace monitoring, we have defined the following as salient human rights risks in the supply chain: child labor, illegal employment of young workers, forced labor, coercion and harassment, discrimination, serious health and safety violations, serious violation of freedom of association, insufficient wage payment, excessive working hours, transparency issues such as false records and unauthorized subcontracting. We assess the impact and likelihood of these risks to prevent them from occurring and take appropriate countermeasures if they do.' [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Meets all requirements under score 1 • Not Met: Describes how assessment involved affected stakeholders
B.2.3	Integrating and acting on human rights risks and impact assessments	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: Describes system to prevent, mitigate and remediate HRs issues: The Chart on the website describing the due diligence process, states, in relation to action plans: 'classify measures by main divisions of the company, evaluate their effectiveness and create the action plans'; 'Implement action plan and monitor progress and effectiveness'. In addition, on its website section 'Monitoring and evaluation of Production partners', the Company indicates: 'Fast Retailing takes preventive measures and variety of actions for solving human rights issues identified through our due diligence processes and stakeholder engagement, involving local and global experts.' The Company summarizes in this section the actions put in place in the following areas: Prevention of Child labour, Responsible Recruitment, Coercion and Harassment and Wages and Benefits & Living Wage. Examples of actions put in place: [1.-] Child Labour: 'Fast Retailing is working to abolish and prevent child labor based on the international guidelines such as "Children's Rights and Business Principles". Fast Retailing has been mandating production partners to have preventive measures against child labor in the supply chain [...] in workplace monitoring, auditors check if factories validate the ages of workers with proper identification in recruitment; Responsible Recruitment: 'in 2020, with the support of the IOM, FLA and ASSC, we adopted the Fast Retailing Standards and Guidelines on Responsible Recruitment of Migrant Workers for Production Partners (the Guidelines) and the methodology to assess compliance with the Guidelines by factories [...] In 2022, in partnership with IOM, training was conducted to enable production partners to effectively implement the guidelines [...] In January 2022, we launched workplace monitoring focused on foreign migrant workers' recruitment and employment in line with the Guidelines.' [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] & [Website: Monitoring and Evaluation of Production Partners, 01/03/2023: fastretailing.com] • Met: Describes how global system applies to supply chain: As indicated above, the Action Plans to mitigate human rights risk cover supply chain. The website also states that 'In 2020, we conducted human rights due diligence on our supply chain and have taken preventative measures for the salient risks we identified. This includes strengthening factory workplace monitoring programs and grievance mechanisms and collaboration with expert organizations'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] & [Website: Respect for Human Rights, 07/07/2023: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Example of actions decided on at least 1 salient HRs issue: The Company on its website shares the preventive actions taken against 'Coercion and Harassment' risk in its supply chain: 'as a result of grievances and country risk analysis, we found that remedies and preventive measures against harassment issues were required in factories in Bangladesh [...] In fiscal 2022, Fast Retailing provided training to management, workers, and complaint committee members in eight factories that we started doing business with. In 29 factories where we conducted training in fiscal 2021, we provided additional training focused on problem solving for two trainers per factory. These trainers provided training on gender equality and complaint committees to middle management and all employees in their factories. By the end of fiscal 2022, all garment factories in Bangladesh established policies and guidelines on harassment prohibition, procedures to manage a Complaints Committee and established such committees. Fast Retailing developed audio clips, aiming at raising employees' awareness of harassment in factories, and conducted checks that they are played onsite during factory visits. The audio clips provide a simple, easy-to-understand definition of harassment, including who employees should report their grievances to and what action can be expected from the committee. Fast Retailing also assessed the functionalities of the committees. The assessment evaluated policies, guidelines, mechanisms and operations of management systems for training and grievances in the factories.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Meets all requirements under score 1 • Not Met: Describes how stakeholders involved in decisions about actions taken: The Company has provided feedback to CHRB regarding this indicator. However, evidence was not material. This subindicator looks for evidence of how, as part of the Company's due diligence process, once it identifies salient issues, engages with affected stakeholders to determine actions to be taken to address salient issues. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	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: Describes system for evaluation effectiveness of actions: On its website, the Company shares its Due diligence process fourth step: 'Implement and Monitor actions: Implement action plan and monitor progress and effectiveness'. Additionally, it discloses how it evaluates the effectiveness of its supply chain monitoring program: 'We evaluate the effectiveness of our monitoring program by analyzing the results of annual assessments. Based on this analysis, we set clear goals to reduce issues and improve scores in key focus areas such as health and safety, wages and benefits, and working hours. The Fast Retailing Hotline for factory workers is an important tool to identify any potential new issues in between these assessments. At least twice a year, trends and risks identified through the monitoring program and other initiatives, including critical issues relating to salient risks, country and region-specific risks. Follow-up assessments of high-risk factories are reported to management. These matters are escalated to the Human Rights Committee and/or Sustainability Committee as required. In addition, we work to improve our program through third-party expertise and input. This includes FLA accreditation, plus learnings from independent industry programs, such as Better Work. For example, analyzing worker grievances made through the Fast Retailing Hotline helps us improve our monitoring program and strengthen our production partners' own grievance mechanisms, assisting factory management to detect, investigate and rectify issues. We also analyze labor violation trends by country and individual brands, including how many facilities are passing or failing their annual assessments. We have developed country-specific strategies for Bangladesh, Cambodia, China, Indonesia, India, and Vietnam. Countries priorities have been defined through stakeholder engagement and aligned with business strategies'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] & [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Example of lessons learned from evaluation effectiveness of actions: The Company describes its preventive measures and actions taken in relation to industry-wide human rights issues. However, no evidence found of examples of how it explains lessons learned while tracking effectiveness of the action plans implemented on at least one salient issue. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Involves stakeholders in evaluation effectiveness of actions: The Company has provided comments to CHRB regarding this subindicator. However, evidence was not material. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]
B.2.5	Communicating on human rights impacts	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: Provides two examples of comms with stakeholders: The Company's website discloses three 'Grievance remediation cases' which serve to highlight how the Company communicates with affected stakeholders: 'Case 2 (Vietnam) In 2022, Fast Retailing received a grievance from a worker who was told to continue working for a few more months by the supervisor when the worker tendered her resignation. Fast Retailing conducted an onsite investigation and found that the factory was facing labor shortage due to the COVID-19 pandemic, and as a countermeasure, the production line leaders did not allow workers to freely resign. We requested the factory not to violate the legal rights of its employees and to rectify its practices that restricted resignation. In the end, the worker resigned from the factory at the desired time. The worker left the factory at the desired time eventually. The factory management and the human resource department reviewed their practices and updated internal procedures to process resignation, and introduced it to their employees through training. Case 3 (Bangladesh) In 2022, a worker raised a grievance to Fast Retailing, reporting that a production line leader verbally abuses and touches female workers inappropriately when giving them instructions in the department. Fast Retailing verified this case during an onsite investigation, and requested the factory to set up an investigation committee and submit an investigation report. After confirming the facts, the investigation committee had the line leader submit a detailed report and pledged to make improvements. We informed the worker of the factory's actions and received a response that the result was satisfactory. The committee will keep monitoring the leader's behavior closely.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes challenges to effective comms and how it is working to address them

C. Remedies and Grievance Mechanisms (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance mechanism(s) for 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: Grievance mechanism accessible to all workers: On its website the Company shares: 'we have established a hotline for employees to freely report violations of our Code of Conduct or call regarding workplace complaints'. [Website: Employee Engagement Policy, 23/12/2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Grievance mechanism available in appropriate languages and workers made aware: Contact information is posted in staff lounges and offices and is also located on the company intranet site. Employees are able to contact the hotline anonymously via phone, email, mail or fax in languages of the country or region where they are located'. [Website: Employee Engagement Policy, 23/12/2022: fastretailing.com] • Met: Describes how workers in supply chain access grievance mechanism: Fast Retailing's CoC for Production Partners states: 'all 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 and provide effective means remedy such grievances.' [Code of conduct for production partners, N/A: Fast Retailing Co] • Met: Expects suppliers to convey expectation to their suppliers: The Company's website affirms: 'we also require our production partner signatories to our Code of Conduct for Production Partners to cascade its rules upstream to any of its own suppliers involved in a process within our supply chain'. This code also requires that 'when production partners subcontract production orders submitted by any FAST RETAILING group company to subcontractors, production partners shall ensure that all business activities by such subcontractors are in compliance with this code of conduct'. [Website: Code of Conduct for Production Partners, 01/03/2022: fastretailing.com] & [Code of conduct for production partners, N/A: Fast Retailing Co]

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.2	Grievance mechanism(s) for 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 accessible to all external individuals and communities: The Company's website discloses: 'Fast Retailing has set up a hotline not only for employees, but also for all stakeholders including customers, local communities, business partners and people working in core partner sewing factories and fabric manufacturers. The hotline is available in local languages in the locations in which we operate.' [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware: As indicated above, the hotline is available in local languages 'in the locations in which we operate'. However, no evidence was found on how external stakeholders are made aware of the grievance mechanism. The Company has provided feedback to CHRB regarding this indicator, showing how grievance mechanisms are available to external stakeholders. Nevertheless, this subindicator looks for evidence of how the Company actively reaches external stakeholders to make them aware of the channels. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Not Met: Describes how external individuals/communities access grievance mechanism: The Company's website shows that customers and local communities can raise their grievances to customer centers, and that business partners can also raise grievances to the business partner opinion and request desk. However, this subindicator looks for evidence that suppliers' external stakeholders (suppliers' affected external stakeholders such as local communities at suppliers' operations) can raise grievances in relation to the suppliers' behaviour. Also, according to this website, Business partner opinion and request desk is set up in Japan only. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Not Met: Expects supplier to convey expectation to their suppliers
C.3	Users are involved in the design and performance of the mechanism(s)	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: Describes how users engaged on design and performance • Not Met: Provides user engagement examples (at least two) on design and performance <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes how users engaged on improvement of mechanism: The Company's website discloses: 'we evaluated the functionality of our hotline against the eight criteria defined in the UN Guiding Principles on operational-level grievance mechanism. Assessment results showed challenges in "Accessible" and "Equitable" compared to other criteria. To make the hotline more recognizable and accessible, we provide multi-language posters so migrant workers can obtain information on how to use the system in their native language [...] To improve our hotline from 2020, we sought the views of factory workers, consisting mainly of employee representatives such as union members. So far, we have received feedback that regular explanations by factory management and posters are effective ways to ensure more workers recognize the Fast Retailing hotline. We will continue to raise worker awareness of our hotline by requesting that factories plan explanation sessions and will reconfirm that posters are placed on-site' [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] • Not Met: Provides user engagement examples (at least two) on improvement: The Company has provided additional comments to CHRB regarding this indicator. However, the evidence was not material. This subindicator looks for evidence of examples of engagement with actual or potential users in relation to how improve the grievance mechanism. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]
C.4	Procedures related to the mechanism(s) are equitable, publicly available and explained	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: Describes procedure and timescales for managing complaints or concerns: The Company's website discloses: 'once we receive a concern from the Fast Retailing Hotline, we aim to respond to each complainant within 24 hours. The communication can be via SMS, email, phone or other tools, depending on the technology situation in the region. Fast Retailing investigates the grievance to identify the underlying issue and takes appropriate remedial action. When we identify a human rights violation, our Sustainability and Production departments ask factories to make improvements and corrections in line with International Labor Organization Fundamental Conventions, local labor laws and our Code of Conduct for Production Partners. After investigation and agreement with the factory, we inform the complainants of the action and agreement with the factory

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>on how to address the issue raised. We also ask the complainants to inform us if the actions are not implemented or if the issues reoccur. In addition, Fast Retailing verifies that agreed actions are implemented by the factory through third-party audits or through site visits by our Sustainability Department. Grievances are also reported to the Human Rights Committee. For cases involving egregious grievances, the Human Rights Committee will give advice or suggestions on countermeasures'. However, no evidence was found on the estimated timescales for addressing concerns. The Company indicates that aims to respond within 24 hours, however, this is understood to be referring to the acknowledgement of receipt. The Company has provided feedback to CHRB regarding this indicator. However, evidence was not material, as it referred to access to mechanisms, not estimated timescales for addressing complaints or concerns. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]</p> <ul style="list-style-type: none"> • Not Met: Describes technical, financial, advisory support to enable equal access <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describe types of outcome to complainant through use of mechanism: In a chart on its website the company shows the two types of outcomes for complainants through the use of the grievance mechanism: 1.- if there is no remediation confirmed by the complainants the case is referred to Business Ethics Committee and/or Human Rights Committee; [2.-] if it is confirmed by the complainants that the remediation took place then the case is closed. However, no evidence was found in relation to what type of outcomes can be expected. The Company provided feedback to CHRB regarding this indicator : '... After investigation and agreement with the factory, we inform the complainants of the action and agreement with the factory on how to address the issue raised. We also ask the complainants to inform us if the actions are not implemented or if the issues reoccur. In addition, Fast Retailing verifies that agreed actions are implemented by the factory through third-party audits or through site visits by our Sustainability Department...' However, in this sub-indicator, the Company is expected to describe the outcomes that the complainant can expect when filing a complaint, through the grievance mechanism. It is not clear if the evidence provided by the Company applies to concerns raised by all stakeholders. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Describes escalation to senior levels / independent adjudicators: The Company states the following 'We escalate any suspected violations of employees' human rights or our Code of Conduct to the Code of Conduct Committee in which the head of the Legal and Compliance Department and an external lawyer seat as members. When a case is determined to violate employment regulations or our Code of Conduct, the matter is also referred to the Disciplinary Committee. 'However, this sub-indicator seeks evidence that the complainant, whether an employee of the Company, external individual, or local community, has the opportunity to escalate the complaint to a senior level when they deem it necessary (if not conformant with the outcome). The evidence provided informs that the possibility of escalating the complaint lies with the Company itself, and furthermore, this possibility appears to be available exclusively for complaints filed by the Company's employees. [Website: Employee Engagement Policy, 23/12/2022: fastretailing.com] & [Website: Corporate Governance, 01/03/2023: fastretailing.com]
C.5	Prohibition of retaliation for raising complaints or concerns	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: Public statement prohibiting retaliation against workers/stakeholders: The Company's website declares: 'Fast Retailing has set up a hotline not only for employees, but also for all stakeholders including customers, local communities, business partners and people working in core partner sewing factories and fabric manufacturers. [...] Throughout the course of each hotline case, we protect the privacy of individuals involved, prohibit retaliation, and do not allow discriminatory treatment in any form.' Additionally, the Fast Retailing Group Human Rights Policy declares: 'employees can report any issues through various channels including an anonymous telephone or email to the company hotline. Complaints are investigated and dealt with appropriately, and retaliation against an employee for making a report is strictly prohibited'. [Website: Respect for Human Rights, 07/07/2023: fastretailing.com] & [Human Rights Policy, 06/2020: HumanRightsPolicy_eng.pdf (fastretailing.com)] • Not Met: Describes practical measures to prevent retaliation: The Company's CoC General Rules states: 'Fast Retailing Group companies shall fully ensure the protection of privacy of a reporting or 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.' Moreover, the Company's

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>website states: 'Fast Retailing will ensure that reports are dealt with confidentially. The Factory Hotline is handled by Fast Retailing employees and all employees are required to strictly follow the Fast Retailing Group Code of Conduct which covers the handling of confidential information and data. We protect the privacy of people who raise concerns and strictly prohibit retaliation and disadvantageous treatment against them'. However, it is not clear what are the practical measures to prevent retaliation, as evidence found refers to commitments rather than specific measures in place (i.e. anonymous reporting, specific measures for those who break the rules and people being made aware of this, etc.). There is one anonymous telephone, but seems to be available only for employees. [Code of Conduct- General Rules, 01/03/2018: fastretailing.com] & [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Specifies no legal action, firing or violence • Not Met: Expects suppliers to prohibit retaliation against workers/stakeholders: The Company's website states: 'the factory shall establish written procedures and clear processes for grievance handling, including an organizational structure, responsible persons, guidelines on how to handle grievances, and antiretaliation policies'. Moreover, the Company's CoC for Production Partners declares: 'all 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 and provide effective means remedy such grievances'. However, no evidence found that this includes suppliers' external stakeholders. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] & [Code of conduct for production partners, N/A: Fast Retailing Co]
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: Complainants not asked to waive legal rights • Not Met: Does not require confidentiality provisions <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Cooperates with state based non judicial mechanisms • Not Met: Example of issue resolved (if applicable)
C.7	Remedying adverse 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: Describes approach taken to remedy adverse HRs impacts: The Company's website discloses some grievance cases and how they were remediated: 'Case 1 (Cambodia): In 2021, when a partner factory registered a part of its facilities as a new company, worker representatives raised concerns that workers working at the facilities would be dismissed. Fast Retailing coordinated with the assistance of an arbitral body, a dialogue between the trade union, worker representatives and factory management. The factory management explained that the workers would not be dismissed and that the new company would still uphold the rights of workers as before, and the workers understood the situation. Since then, the factory management has held weekly meetings with the trade union to discuss working conditions and other matters; Case 2 (Vietnam): In 2022, Fast Retailing received a grievance from a worker who was told to continue working for a few more months by the supervisor when the worker tendered her resignation. Fast Retailing conducted an onsite investigation and found that the factory was facing labor shortage due to the COVID-19 pandemic, and as a countermeasure, the production line leaders did not allow workers to freely resign. We requested the factory not to violate the legal rights of its employees and to rectify its practices that restricted resignation. In the end, the worker resigned from the factory at the desired time. The worker left the factory at the desired time eventually. The factory management and the human resource department reviewed their practices and updated internal procedures to process resignation, and introduced it to their employees through training; Case 3 (Bangladesh): In 2022, a worker raised a grievance to Fast Retailing, reporting that a production line leader verbally abuses and touches female workers inappropriately when giving them instructions in the department. Fast Retailing verified this case during an onsite investigation, and requested the factory to set up an investigation committee and submit an investigation report. After confirming the facts, the investigation committee had the line leader submit a detailed report and pledged to make improvements. We informed the worker of the factory's actions and received a response that the result was satisfactory. The committee will keep monitoring the leader's behavior

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>closely.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes changes to systems, processes and practices to prevent future impacts • Met: Describes approach to monitoring/implementing agreed remedy: While explaining how remedy is provided, the Company shares: 'After investigation and agreement with the factory, we inform the complainants of the action and agreement with the factory on how to address the issue raised. We also ask the complainants to inform us if the actions are not implemented or if the issues reoccur. In addition, Fast Retailing verifies that agreed actions are implemented by the factory through third-party audits or through site visits by our Sustainability Department. Grievances are also reported to the Human Rights Committee. For cases involving egregious grievances, the Human Rights Committee will give advice or suggestions on countermeasures'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Describes approach to learning from incidents if no adverse impacts identified
C.8	Communication on the effectiveness of grievance mechanism(s) 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: Discloses number of grievances filed, addressed or resolved and outcomes achieved: The Company's website discloses the following in relation to production partners: 'among grievances raised to the Fast Retailing Hotline in fiscal 2022, 33 cases were assessed as violations of ILO core conventions, local labor laws or the Code of Conduct for Production Partners. We closed 28 cases out of 33 during fiscal 2022'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Met: Example of how lessons from mechanism improved HRs management system: The Company's website shares: 'for example, analyzing worker grievances made through the Fast Retailing Hotline helps us improve our monitoring program and strengthen our production partners' own grievance mechanisms, assisting factory management to detect, investigate and rectify issues'. The Company's website shares: 'Fast Retailing has also analyzed grievances received to put in place preventive measures. For example, we found that most grievances related to wages and benefits were brought up due to worker misunderstandings of wage systems, wage calculation methods, procedures to pay and receive severance pay. In response, we urged factories to explain these to employees in more detail. For factories which had many grievances, we provided training to strengthen the processing system of grievances operated by the factory and supported them to establish procedures to plan and execute improvement actions. As a result, the number of grievances reduced'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes process to evaluate mechanism and changes made as a result: The Company's website discloses: 'we evaluated the functionality of our hotline against the eight criteria defined in the UN Guiding Principles on operational-level grievance mechanism. Assessment results showed challenges in "Accessible" and "Equitable" compared to other criteria. To make the hotline more recognizable and accessible, we provide multi-language posters so migrant workers can obtain information on how to use the system in their native language. The evaluation also revealed that we need to facilitate access to local expertise or counsel for workers who have raised concerns to us. With the support of International Organization for Migration (IOM), we are mapping and screening local NGOs which can support foreign migrant workers while employed at factories, or when they return to their home countries, in cases where a concern is raised via our anonymous hotline that requires specialist expertise.' [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Describes procedures to address delays of outcomes agreed with stakeholders: The Company's website shares: 'If factories are unable to correct Code of Conduct violations, we escalate these matters to the Fast Retailing Business Ethics Committee, which conducts a review including the management and employment situation of the production partner in question. The Committee then determines the termination of or change to the business relationship'. Also discloses: 'In January 2022, we launched workplace monitoring focused on foreign migrant workers' recruitment and employment in line with the Guidelines. If a zero-tolerance issue arises, such as, where fees and costs paid by foreign migrant workers are not reimbursed, or we find no validated improvement of a previously identified serious issue, the matter is escalated to the Business Ethics Committee.'

Indicator Code	Indicator name	Score (out of 2)	Explanation
			However, the aforementioned evidence is related to audit findings that need to be remediated. This sub-indicator seeks evidence that the Company has in motion a procedure to address delays or non-implementation of outcomes agreed upon. [Website: Our Promise to Society, 31/01/2022: fastretailing.com] & [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]

D. Performance: Company Human Rights Practices (25% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	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: Requirements on living wage in supplier codes and contracts: The Company's CoC for Production Partners states: '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. Where compensation does not meet workers' basic needs and provide some discretionary income, each employer shall work with Fast Retailing and other organizations to take appropriate actions that seek to progressively realize a level of compensation that does. (ILO Conventions 26 and 131)'. Nevertheless, no evidence found of a requirement to pay living wage (which also covers family/dependents). [Code of conduct for production partners, N/A: Fast Retailing Co] • Met: Describes work with suppliers on living wage: The Company's Living Wage Approach discloses: 'While understanding the challenge of those suppliers in defining and guaranteeing workers' living wage, we are committed to the following actions towards a living wage, in collaboration with our production partners and stakeholders: By engaging with production partners, we comply with legal requirements and strive to build sound industrial relations, enhance human resource management capacity and improve performance and efficiency of factory and individual workers, and share best practices; Pursuing responsible procurement practices; Advocating improved social security systems in sourcing countries to mitigate the impact of unexpected worker circumstances such as illness, injury, unemployment etc. [...] Since 2018, we have collected wage data from a representative sample of production partner's factories using the FLA's Fair Compensation tools, which tracks wages paid by factories globally [...] to identify barriers and areas where we might be able to provide support that helps increase wages of their workers. Based on this data sampling, including through dialogue with factories, we have initiated programs at factories where we identify a wide gap to living wage exists'. About "Building sound Industrial relations" the document states: 'to help build sound industrial relations at the factory level, we became a global partner of Better Work [...] in 2015, and we encourage partner factories to participate in the program [...] To further expand this approach, in 2020 we enrolled in the Better Work Academy and have provided the same support at factories where Better Work is not operating. These programs engage union members based on guidance from Better Work, rather than by-passing union activities and collective bargaining. To date seven factories in China, Vietnam, Bangladesh and Indonesia have completed the program and another 12 factories will enroll in 2023'. [Living Wage Approach, N/A: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of payment below living wage in supply chain • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.2	Aligning purchasing decisions with 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"> • Met: Describes practices to avoid price or short notice requirements that undermine HRs: The Company's website discloses: 'The Fast Retailing Responsible Purchasing Policy stipulates matters that must be taken into consideration when production departments or other purchasing-related departments placing orders to factory. For example, when placing orders, those departments are required to plan their orders based on the production equipment and capacity of a specific factory, place orders whereby product volumes and delivery dates agreed in advance with the factory, and only change the quantity or delivery date with prior consent of the factory. Departments are also prohibited from exploiting any superior bargaining power when negotiating order prices or period of payments. When negotiating order prices, purchasing-related departments must consider various factors such as the statutory minimum wage and rising raw materials costs'. Moreover, the Company states: 'we protect the labor conditions and human rights of workers at production partners 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'. [Website: Responsible Purchasing, 09/12/2022: fastretailing.com] & [Website: Human Rights and Working Environments in our Supply Chain, 24/12/2021: fastretailing.com] • Not Met: Describes practices to pay suppliers in line with agreed timeframes: The Company's CoC stipulates: 'we shall meet all terms and conditions of business deals with business partners as well as all applicable laws, and make all payments on time'. The Purchasing policy states that 'Departments are also prohibited from exploiting any superior bargaining power when negotiating order prices or period of payments'. However, no details found on steps or processes in place to pay suppliers within agreed timeframes and the agreed amounts. [Code of Conduct Guidelines, 01/03/2018: CoC-guideline_eng.pdf (fastretailing.com)] & [Website: Responsible Purchasing, 09/12/2022: fastretailing.com] • Not Met: Reviews own operations to mitigate negative impact of purchasing practices: The Company's website shares: 'Fast Retailing sends an annual questionnaire to our major business partners to ensure we engage in fair business practices. For key garment factories and fabric mills, since fiscal 2022, we have switched the survey to an anonymous questionnaire by Better Buying, a global NPO that promotes responsible purchasing by brands, initiated by suppliers in the apparel industry. Questions include whether we place orders in a way that supports the labor conditions and human rights of our partner factories. When questionnaire results indicate a need for improvement, our Sustainability Department conducts interviews of both Fast Retailing and our business partners. When issues are identified, they are escalated to the Business Ethics Committee'. However, it is not clear if somehow it helps the Company reviewing planning, merchandising or costing. [Website: Responsible Purchasing, 09/12/2022: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Example of assessing and changing of purchasing practices: The Company's website states: 'to promote responsible procurement, we have formulated guidelines that are in line with the procurement operations of our core brands. We conduct a yearly survey to collect feedback from core suppliers, and conduct hearing sessions to understand if our procurement practices could hinder factory efforts to reduce overtime hours. Supplier feedback is evaluated by our Production and Sustainability departments to agree on actions that will address the root cause of overtime hours in factories experiencing difficulties. Even though we have noticed improvement at the majority of core garment factories, we will continue to monitor and provide support when necessary'. However, no example found of actual changes made. [Monitoring and evaluation of production partner factories, 18/06/2020: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.3	Mapping and disclosing the supply chain	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: Identifies direct and indirect suppliers including manufacturing sites: The Company's website declares: 'To increase the transparency of our entire supply chain and improve labor conditions, human rights and environmental protection, Fast Retailing has been publishing a list of production partners since 2017. We have been increasing the disclosure scope and the list includes all garment factories with whom we expect to continue business relationships, fabric mills that have been continuously producing materials for our products as well as the factories that garment factories outsource some processes to (washing, printing, etc.). We update the list every six months.' [Website: Our Promise to Society, 31/01/2022: fastretailing.com] & [Fast Retailing Garment Factory and Processing Factory List, 01/03/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Discloses names and locations of significant parts of supply chain and how significance was defined: As indicated above, 'We have been increasing the disclosure scope and the list includes all garment factories with whom we expect to continue business relationships, fabric mills that have been continuously producing materials for our products as well as the factories that garment factories outsource some processes to (washing, printing, etc.). We update the list every six months'. [Fast Retailing Garment Factory and Processing Factory List, 01/03/2023: fastretailing.com] & [Fast Retailing Core Fabric Mill List, 01/03/2023: fastretailing.com] • Not Met: Discloses direct or indirect suppliers involved in higher-risk activities
D.2.4.b	Prohibition of 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: Requirements on child labour in supplier codes and contracts: The Company states that 'Child labor is a serious social issue that impedes the healthy growth of children and deprives them of educational opportunities. Fast Retailing is working to abolish and prevent child labor based on the international guidelines such as "Children's Rights and Business Principles". Fast Retailing has been mandating production partners to have preventive measures against child labor in the supply chain, this is clearly stipulated in our Code of Conduct for Production Partners. In workplace monitoring, auditors check if factories validate the ages of workers with proper identification in recruitment'. However, no evidence found of a requirement for suppliers to have remediation programmes in place for whenever a case of child labour emerges. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Describes work with suppliers on eliminating child labour <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of child labour in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.b	Prohibition of forced labour: Recruitment fees and 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: Requirements on debt/fees in supplier codes and contracts: The Company's website states: 'factories shall establish policies and procedures to respect migrant workers' human and labor rights, including those that prohibit charging workers any recruitment fees or employment-related costs directly or indirectly. Production partners shall designate teams to be responsible for implementing and monitoring these policies and procedures'. However, no evidence found of a requirement for suppliers (code or contract) to not charge any fees to any worker (migrant or not), including those recruited through agencies or intermediaries. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes work with suppliers on debt/fees for job seekers/workers: The Company's websites subsequently shares: 'since March 2020, we have held explanatory sessions for garment factories and key fabric mills that employed foreign migrant workers located in Japan, Malaysia, and Thailand to explain and increase their understanding of the Guidelines. Factories have enhanced their management systems and made efforts to operate in accordance with the Guidelines and they also have been proactively conducting training on related laws and regulations. In January 2022, we launched workplace monitoring focused on foreign migrant workers' recruitment and employment in line with the Guidelines [...] In August 2022, Fast Retailing conducted training with the support of IOM on how to implement the guidelines for production partners in Japan. The training helped factories better understand how to identify human rights risks of migrant workers in the recruitment process and how to assess internal recruiters' practices for compliance. In August to September 2022, IOM provided basic training of responsible recruitment to recruitment agencies in Sri Lanka and Nepal, countries where many migrant workers come from. Through the training, we confirmed that the recruitment agencies understood and complied with Fast Retailing's standards and guidelines of responsible recruitment. Towards the end of 2022, we will work with IOM to engage in dialogues with civil society and community based organizations in Nepal and Vietnam to better understand the situation of migrant workers'. However, it is not clear whether these includes work on debt/fees issues. See above, it is not clear if the Company has requirements on this topic beyond migrant workers. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment scope of payment of recruitment fees in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.d	Prohibition of forced labour: Wage practices (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: Requirements on paying in full and on time in supplier codes and contracts: The Company's CoC for production Partners states: 'production partners shall furnish wages and benefits, make monetary deductions, and provide workers with employment contracts in compliance with all applicable Law. Production partners shall also maintain wage-related documentation. No monetary deductions shall be permitted for disciplinary action'. However, no further evidence found, including explicit requirements to pay both in full and on time [Code of conduct for production partners, N/A: Fast Retailing Co] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes work with suppliers on paying workers regularly, in full and on time • Not Met: Assessment scope of failure to pay workers in full and on time in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.f	Prohibition of 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: Requirements on free movement in supplier codes and contracts: The Company's CoC for Production Partners states: 'production partners shall not use any bonded, indentured, forced, or slave labor, labor conducted by prisoners, labor similar to slavery, or labor engaged through human trafficking. Workers shall not be required to submit original personal legal documents or make deposits of any kind at any time during the recruitment and employment process. Workers' freedom of movement shall not be restricted in either their workplace or living quarters'. [Code of conduct for production partners, N/A: Fast Retailing Co]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Describes working with suppliers on free movement of workers: The Company's website discloses: 'in 2020, with the support of the IOM, FLA and ASSC, we adopted the Fast Retailing Standards and Guidelines on Responsible Recruitment of Migrant Workers for Production Partners (the Guidelines) and the methodology to assess compliance with the Guidelines by factories [...] In 2022, in partnership with IOM, training was conducted to enable production partners to effectively implement the guidelines. We have also started to reach out to recruitment agencies in the countries of origin of migrant workers. In August 2022, Fast Retailing conducted training with the support of IOM on how to implement the guidelines for production partners in Japan. The training helped factories better understand how to identify human rights risks of migrant workers in the recruitment process and how to assess internal recruiters' practices for compliance. In August to September 2022, IOM provided basic training of responsible recruitment to recruitment agencies in Sri Lanka and Nepal, countries where many migrant workers come from. Through the training, we confirmed that the recruitment agencies understood and complied with Fast Retailing's standards and guidelines of responsible recruitment. Towards the end of 2022, we will work with IOM to engage in dialogues with civil society and community based organizations in Nepal and Vietnam to better understand the situation of migrant workers'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of movement in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.6.b	Freedom of association and collective bargaining (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: Requirements on FoA/CB in suppliers codes and contracts: The Company's CoC for Production Partners declares: 'Production partners shall recognize and respect the right of workers to associate, organize, and bargain collectively. In addition, all 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 and provide effective means remedy such grievances'. [Code of conduct for production partners, N/A: Fast Retailing Co] • Met: Describes work with suppliers on FoA/CB: The Company's Living Wage Approach states: 'To help build sound industrial relations at the factory level, we became a global partner of Better Work, a collaboration between the United Nations' International Labour Organization (ILO) and the International Finance Corporation (IFC) in 2015, and we encourage partner factories to participate in the program. Better Work establishes bipartite (worker-management) committees that are a stepping stone to meaningful social dialogue at the factory level. As of December 2022, there are 90 partner factories under the Better Work program. This represents 69% of our sewing factories where Better Work operates and an increase by 6% from last year. To further expand this approach, in 2020 we enrolled in the Better Work Academy and have provided the same support at factories where Better Work is not operating. These programs engage union members based on guidance from Better Work, rather than by-passing union activities and collective bargaining. To date seven factories in China, Vietnam, Bangladesh and Indonesia have completed the program and another 12 factories will enroll in 2023.' [Living Wage Approach, N/A: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of FoA/CB in supply chain: The Company states that during FY 2022 0,2% of found violations were related to collective bargaining issues and 0,8% to the selection of worker representatives. However, this sub-indicator looks for the number of suppliers' workers affected by restrictions on freedom of association and collective bargaining. It is not clear these percentage of violations found what percentage of the supply chain and people represent. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.7.b	Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)	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: Requirements on H&S in supplier codes and contracts: The Company's CoC for Production Partners states: 'Production partners 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 also apply to housing for workers'. The Code of conduct Guideline document contains additional specific requirements regarding health and safety. [Code of conduct for production partners, N/A: Fast Retailing Co] & [Code of Conduct Guidelines, 01/03/2018: CoC-guideline_eng.pdf (fastretailing.com)] • Not Met: Discloses injury rate or lost days in supply chain in last reporting period • Not Met: Discloses fatalities for workers in supply chain in last reporting period • Not Met: Discloses occupational disease rate in supply chain in last reporting period <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes work with suppliers of H&S: The Company's website discloses: 'In order to secure health and safety at production partners, Fast Retailing conducts regular training for suppliers on local fire safety standards, new local law requirements, and good practices of health and safety management etc. When the Sustainability department visits a factory, we always check onsite if proper fire protection is in place and require immediate improvement when an issue is found. Issues in health and safety vary and include fire safety, occupational safety and chemical management. We require factories not only to address individual issues, but also to establish preventive systems such as designated teams to manage occupational health and safety and to perform regular check-ups of fire safety and building safety. Fast Retailing signed the International Accord for Health and Safety in the Textile and Garment Industry (formally Accord on Fire and Building Safety in Bangladesh), aimed at protecting workers in garment factories from building collapse and fire.' [Website: Monitoring and Evaluation of Production Partners, 01/03/2023: fastretailing.com] • Not Met: Assessment of scope of H&S issues in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.8.b	Women's rights (in the supply chain)	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: Requirements on women's rights in contracts/codes with suppliers • Met: Describes work with suppliers on women's rights: The Company on its website shares the preventive actions taken against 'Coercion and Harassment' risk in its supply chain: 'as a result of grievances and country risk analysis, we found that remedies and preventive measures against harassment issues were required in factories in Bangladesh [...] In fiscal 2022, Fast Retailing provided training to management, workers, and complaint committee members in eight factories that we started doing business with. In 29 factories where we conducted training in fiscal 2021, we provided additional training focused on problem solving for two trainers per factory. These trainers provided training on gender equality and complaint committees to middle management and all employees in their factories. By the end of fiscal 2022, all garment factories in Bangladesh established policies and guidelines on harassment prohibition, procedures to manage a Complaints Committee and established such committees. Fast Retailing developed audio clips, aiming at raising employees' awareness of harassment in factories, and conducted checks that they are played onsite during factory visits. The audio clips provide a simple, easy-to-understand definition of harassment, including who employees should report their grievances to and what action can be expected from the committee. Fast Retailing also assessed the functionalities of the committees. The assessment evaluated policies, guidelines, mechanisms and operations of management systems for training and grievances in the factories'. [Website: Human Rights and Working Environments in our Supply Chain, 24/12/2021: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of unsafe working conditions/discrimination against women in supply chain • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.9.b	Working hours (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: Requirements on working hours in codes/contracts with suppliers: The Company's CoC for Production Partners states: 'Production partners shall comply with working hour limits established by applicable laws, but under no circumstances shall regular weekly working hours exceed 48 hours per week. The sum of regular and overtime hours in a week shall not exceed 60 hours. Production partners shall provide workers with at 24 consecutive hours of rest in every seven day period. Production partners shall also maintain accurate time-in/out records of each worker. All overtime work shall be consensual. Employers shall not request overtime on a regular basis and shall compensate all overtime work at a premium rate'. [Code of conduct for production partners, N/A: Fast Retailing Co] • Met: Describes work with suppliers on working hours: The Company's website shares: 'Fast Retailing addresses improvement of transparency in the supply chain and strictly prohibits factories from submitting falsified documents. We not only monitor working hours during audits and follow-up audits, but also have strengthened internal, cross-department collaboration among the Sustainability and Production departments to address the working hours issue at our core garment factories under our clear policy to prevent excessive working hours. The Production department follows up with factories to identify the root causes and creates an improvement plan. The Production department then collects the actual weekly working hours of all employees in those factories every month so as to monitor the situation. In order to reduce working hours, we noticed that factories took various actions to increase productivity: investing in factory automation, optimizing production planning, training workers so they can be more skilled and adapting the compensation scheme to worker efficiency. The Production department also requests factories to forecast excessive working hours and inform us so that our production planning can be adjusted when possible'. [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assesment of scope of excessive working hours in supply chain: The Company states that during FY 2022 20,4% of found violations were related to working hours issues. However, it is not clear the scope of the problem in the supply chain, as it is not clear the people affected by these issues (not clear the percentage of supply chain that is covered by the monitoring of working hours). [Website: Monitoring and evaluation of production partner, 07/07/2023: fastretailing.com] • Not Met: Analysis of trends demonstrating progress

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
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E(1).0

Serious
allegation No 1

• Area: Forced Labour; Discrimination

• **Headline:** Fast Retailing subsidiary Uniqlo implicated in Uyghur forced labour cases

• **Story:** On March 1st., 2020, the Australian Strategic Policy Institute (ASPI) released a report that named Uniqlo, a Fast Retailing subsidiary, among 83 other companies benefiting from the use of potentially abuse labour transfer programs. According to the report, more than 80,000 Uighur residents and former detainees from the north-western region of Xinjiang, China have been transferred to factories, implicating global supply chains. It is alleged that Muslim minorities are thought to be working in forced labour conditions across the country. The ASPI report said that workers live in segregated dormitories, are required to study Mandarin and undergo ideological training. The workers were transferred out of Xinjiang between 2017 and 2019, claiming that people are being effectively "bought" and "sold" by local governments and commercial brokers. ASPI used open-source public documents, satellite imagery, and media reports and identified 27 factories in nine Chinese provinces that have used labourers. According to the ASPI's research, the companies named in the report are directly or indirectly benefiting from the use of Uyghur workers outside Xinjiang through potentially abusive labour transfer programs as recently as 2019. ASPI researchers stated: "This report exposes a new phase in China's social re-engineering campaign targeting minority citizens, revealing new evidence that some factories across China are using forced Uighur labour under a state-sponsored labour transfer scheme that is tainting the global supply chain". Uniqlo was found to be sourcing from a supplier factory in the Xinjiang region.

On April 8, 2021, Media sources reported that an aid group for Uighurs and other parties have filed a complaint in a Paris Court against Uniqlo, a Fast Retailing Group subsidiary, Inditex, SMCP and Skechers, over alleged forced labour of Uighurs in China. The lawsuit brought by the associations Sherpa, Collectif Éthique sur l'Étiquette (ESE) and Institute Uighour d'Europe (IODE), accuses the four retailing brands of profiting from the forced labour of Uighurs, a Chinese ethnic minority, and concealing crimes against humanity by the continued sourcing and selling of products that use cotton made in China's Xinjiang Uighur autonomous region. Under the lawsuit, Uniqlo and Skechers USA France were accused respectively of sourcing textile from Anhui Province and producing footwear in Guangdong Province, regions where millions of Uighur workers were potentially forcefully transferred. Inditex was accused of holding a significant link with Xinjiang fabric and thread producers. SMCP was also involved as the group has Topsoho as a major shareholder, which is owned in return by the Chinese Group Shandong Ruyi, a company owning a production plant in Xinjiang since 2010.

On May 19, 2021, The US seized a shipment from Fast Retailing's Uniqlo brand over concerns that its supply chain has ties to forced labour in Xinjiang, China. A Customs and Border Protection (CBP) document dated May 10, 2021, showed that the agency confiscated the shirts at the Port of Los Angeles, suspecting they were allegedly made by Xinjiang Production and Construction Corps (XPCC). The seizure highlighted how allegations of Chinese human rights abuses against the Uyghur ethnic minority in Xinjiang have become a risk for Japanese companies. According to the customs document, Uniqlo claimed the raw cotton used in the shirts was produced in Australia, the U.S. and Brazil, with no connections to Uyghur labour. The CBP prohibits the importation of all cotton and cotton products produced by the XPCC, and its subordinate and affiliated entities, as well as any products that are made in whole or in part with, or derived from, that cotton, such as apparel, garments, and textiles. In February 2021, the US had passed a new Withhold Release Order (WRO) under which it could ban the import of products produced anywhere in the world that had links to forced labour in Xinjiang.

On July 02, 2021, French magistrates have opened an inquiry into allegations that four fashion groups, including Inditex, Fast Retailing's Uniqlo, French brand SMCP and Sketchers, profited from being complicit in crimes against humanity, namely forced labour of the Uighur minority in China. The case is based on a complaint lodged in April by the anti-corruption group Sherpa, the French branch of the Clean Clothes Campaign, and the Uighur Institute of Europe, as well as by a Uighur woman who had been held in a camp in Xinjiang, China. They accused Inditex, the Spanish owner of Zara and other top brands, Uniqlo, the French fashion group SMCP, and the footwear manufacturer Skechers of using cotton produced in the Xinjiang region. Rights groups believe at least one million Uighurs and other mostly

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Muslim minorities have been incarcerated in camps in the Xinjiang region, where China is also accused of forcibly sterilising women and imposing forced labour. [Australian Strategic Policy Institute, 01/03/2020, "Uyghurs for sale: ad-aspi.s3.ap-southeast-2.amazonaws.com] [Just Style, 15/04/2021, "France NGOs file complaint against apparel firms for Uyghur links": just-style.com] [Nikkei Asia, 19/05/2021, "Uniqlo shirts blocked by US customs over Xinjiang labor suspicions": asia.nikkei.com] [Business & Human Rights Resource Centre, 02/07/2021, "French launch probe into Uniqlo, Zara owner and others over forced Uighur labour": business-humanrights.org]
E(1).1	The company has responded publicly to the allegation	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Public response: In March 2020, Uniqlo (a subsidiary of the Fast Retailing Group) responded to the enquiry of the Business and Human Rights Resources regarding the ASPI report, the company stated that "[w]hile we are aware of claims made in a recent report by the Australian Strategic Policy Institute (ASPI), we do not have any business with the two factories linked to UNIQLO in the report. We can also confirm that no UNIQLO product is made in Xinjiang." In August 2020, the company released a more detailed response on the allegations. [Business & Human Rights Resource Center, 15/03/2020, "Uniqlo's response": business-humanrights.org] [Regarding recent reports about Xinjiang Region, 17/08/2020: fastretailing.com] Score 2 <ul style="list-style-type: none"> Met: Detailed response: In August 2020, the Fast Retailing Group released a statement addressing the allegations presented in the ASPI report and stated that it "has a zero-tolerance policy for human rights violation and strictly prohibits all forms of forced labor." Additionally, the company shared that all its production partners must commit to its Code of Conduct and require any of their upstream partners to abide by the same standards. Fast Retailing also emphasized that none of Uniqlo's products are manufactured in Xinjiang. It added that its production partners do not subcontract fabric mills or spinning mills in the region. Fast Retailing also directly addressed the claims made in the ASPI report, confirming that it has no business relationship with any of the factories identified in the report. To ensure that its partners comply to its Code of Conduct, Fast Retailing commissions regular third party audits and has grievance mechanisms in place which workers can use to contact them directly and report any wrongdoing. [Regarding recent reports about Xinjiang Region, 17/08/2020: fastretailing.com]
E(1).2	The company has investigated and taken 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: Engaged with stakeholders: Although Fast Retailing has comprehensive policies and programs which facilitate stakeholder engagement, including with workers from its supply chain, there is no evidence that the company has directly engaged with workers in Xinjiang. [Stakeholder engagement, 22/12/2022: fastretailing.com] Not Met: Identified cause Score 2 <ul style="list-style-type: none"> Not Met: Identified and implemented improvements: The company has a comprehensive policies and initiatives which include a group human rights policy, a code of conduct for production partners, stakeholder engagement initiatives, etc. Fast Retailing also makes available on their website its list of production partners worldwide. However, it is not clear whether those were implemented in response to the allegation. Furthermore, the Company provided feedback for this indicator. However, it was not material for the assessment. <ul style="list-style-type: none"> Not Met: Stakeholder input to steps taken
E(1).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not Met: Provided remedy Not Met: Evidence for lack of Impact or link: While Fast Retailing has stated that it does not outsource the manufacturing of its products in Xinjiang, the company has not shared any evidence of any investigations or audits it has commissioned to validate this. Furthermore, the US Customs and Border Protection seized shipments containing Uniqlo items and the Company has not been able to provide sufficient evidence that those were not shipped from the Xinjiang region. Furthermore, the Company provided feedback for this indicator. However, it was not material for the assessment as it did not provide evidence of a lack of link

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>between the Company and the issue of forced labour in China. [Nikkei Asia, 19/05/2021: asia.nikkei.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Remedy satisfactory to stakeholders • Not Met: Remedy delivered • Not Met: Independent remedy process used
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> • Area: FoA/CB; Working Hours; Forced Labour; Right to Security of Persons • Headline: Lidl, H&M, and other fashion brands accused of human rights and labour abuses in their supply chain in Myanmar • Story: A study by NGO Business & Human Rights Resource Centre has revealed alleged systematic and widespread human rights and labour abuse in the supply chain of global fashion brands since the military coup in Myanmar. Allegedly, brands and retailers, including Adidas, Fast Retailing, and Primark, have ignored abusive practices in factories, such as sexual harassment, gender-based violence, wage theft, unjust work rates, forced overtime, and anti-union activities. The study has also mentioned specific cases of sexual harassment, physical, and verbal abuse of female workers by factory managers and supervisors, including punching in the chest and head, being yelled at, and kicking. Inditex's Zara and Bershka, Bestseller Fashion Group, Lidl, and H&M, were among the companies implicated in most abuse allegations. The alleged abuses were committed by factory suppliers or the military in connivance with the suppliers. The NGO claimed that efforts by brands such as Inditex and Mango, which cut ties with their suppliers following abuse allegations, had been inadequate and called for brands to leverage their efforts to ensure workers' safety. <p>[SCMP, 26/07/2022, "Fashion brands from Zara to H&M urged to make 'responsible exit' from Myanmar": scmp.com] [Business & Human Rights Resource Centre, 26/07/2022, "Resistance, harassment and intimidation: Garment worker abuse under Myanmar's military rule": business-humanrights.org] [The Guardian, 22/05/2022, "Murder, rape and abuse in Asia's factories: the true price of fast fashion": theguardian.com]</p>
E(2).1	The Company has responded publicly to the allegation	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: Public response: In July 2022, Fast Retailing directly responded to the reports published by the Business and Human Rights Resource Centre (BHRRC). The company addressed the allegations of abuse in its supply chain and the reports regarding the impact to workers compensation brought about by a fire in March 2021 at a factory operated by the Solamoda Group, a supplier of Fast Retailing. According to the BHRRC, "Approximately 1,300 factory employees are entitled to wages, severance and related terminal benefits amounting to MMK 2.409 billion (US \$1.1 million). Solamoda has refused to pay this, citing financial hardship. Arbitration bodies sided with the factory over the workers, who have received only a token payment of MMK 77,000 (\$37), less than 5% of what they are legally due." [Business and Human Rights Resource Centre, 23/012023, "Fashion brands failing to protect workers from labour abuse in Myanmar": business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Detailed response: On 7 July 2022, Fast Retailing responded directly to the reports of the BHRRC and stated that they "have obtained details of both cases through a combination of interviews with factory management and through a review of relevant documentation each factory provided." The company confirmed through its statement that it has not received any direct reports of abuse from its supply chain workers or their representatives through its anonymous hotline services available in its factories. Additionally, Fast Retailing shared that "[t]he matter of worker compensation [in relation to the Solamoda factory fire] was subject to a national dispute resolution process." In April 2022, the supreme arbitration tribunal ruled: "[1.] Terminations resulted from force majeure, and the employer was therefore not liable for compensation. [2.] As a contribution to relieve financial strain on workers, the employer should pay one half of a month's salary to workers, based on the specified minimum daily wage (4,800 Kyat)." Since then, Fast Retailing has reportedly verified that Solamoda has completed the payments to its workers and is verifying the information it has received on whether the Solamoda has carried out termination of its factory workers in accordance with Myanmar's labor laws. [Fast Retailings's response, 07/07/2022: media.business-humanrights.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(2).2	The company has investigated and 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"> • Not Met: Engaged with stakeholders: In its statement released in July 2022, Fast Retailing shared that it conducted interviews with factory management to obtain first hand details about the allegations made in the BHRRC report. No information was found on whether the Company also engaged with affected workers. [Fast Retailings's response, 07/07/2022: media.business-humanrights.org] • Not Met: Identified cause <p>Score 2</p> <ul style="list-style-type: none"> • Met: Identified and implemented improvements: Fast Retailing has conducted its own investigation into the allegations made by the BHRRC and have reinforced the presence of the grievance mechanisms it has available for its supply chain workers. In March 2023, media reported that the company had decided to end outsourcing its production in Myanmar after its 2023 fall-winter season. Suppliers from Myanmar are no longer listed in their Production Partners List available on their website. Details on its plan for exiting the country remain fragmentary as of April 2023. [Asia Nikkei, 20/03/2023, "Uniqlo owner joins clothiers exiting Myanmar": asia.nikkei.com] [Fast Retailings's response, 07/07/2022: media.business-humanrights.org] & [Partner factory list, 31/03/2020: fastretailing.com] • Not Met: Stakeholder input to steps taken
E(2).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	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: Provided remedy: Although the company's statement which was released in July 2022, stated that indemnity payments have been completed to workers affected by the 2021 Solamoda factory fire, there is no evidence on whether the company has provided remedy to other workers who have been allegedly impacted by the various types of abuse detailed in the January 2023 BHRRC report. • Not Met: Evidence for lack of Impact or link <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Remedy satisfactory to stakeholders • Not Met: Remedy delivered • Not Met: Independent remedy process used

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