

# Fast Retailing Co. Ltd.

**TICKER**  
 TSE:9983

**MARKET CAPITALIZATION**  
 US\$45 billion

**HEADQUARTERS**  
 Japan

**COMPLIANCE**
UK Modern Slavery Act: [Disclosure available, but not compliant](#)
California Transparency in Supply Chains Act: [Yes](#)
**COMMITMENTS**
[Yes](#)
**OVERALL RANKING**

## 19 out of 43

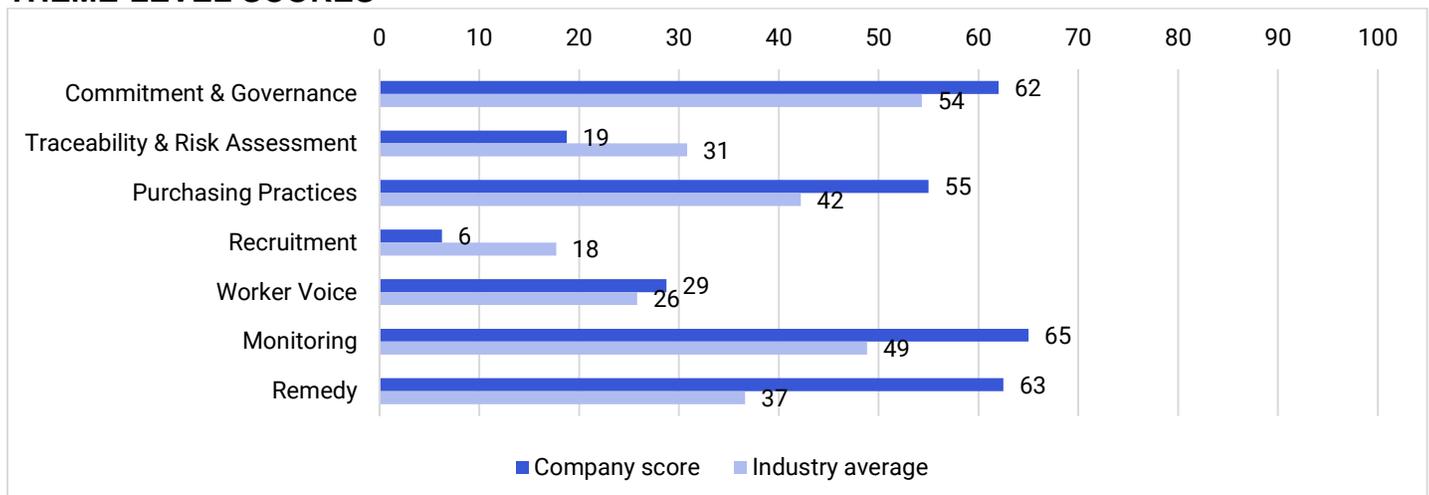
(2016: 15 out of 20)

**OVERALL SCORE**

## 43 out of 100

**SUMMARY**

Fast Retailing Co. Ltd. (Fast Retailing), the world's third-largest apparel retailer, ranks 19th out of 43 companies, disclosing more information on its forced labor policies and practices than its peers on all themes except Traceability & Risk Assessment and Recruitment. Compared to 2016, the company has improved its score by five points by disclosing more details on its supplier training, developing responsible procurement principles, and monitoring sewing and fabric partners. It improved some practices in relation to two of its nine brands, Uniqlo and GU. The company discloses the names and addresses of the "core partner factories" of both brands and established a hotline that suppliers' workers of the two brands can use to contact the company. Fast Retailing is the highest scoring of the companies based in Asia. Additional steps it could take include strengthening its disclosure and practices on the themes of Traceability & Risk Assessment, Recruitment, and Worker Voice and expanding its existing practices across its brands.

**THEME-LEVEL SCORES**


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## LEADING PRACTICES

None.

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## NOTABLE FINDINGS

**Commitment & Governance:** Fast Retailing discloses that staff responsible for sourcing finished goods and materials are trained on “factory monitoring results”; they also receive training on the importance of human rights in supply chains. It further reports that, in 2018, the NGO SHIFT conducted human rights workshops for the company’s human resources, sustainability, legal and compliance, and production departments. The company notes that its sustainability department provides regular training to its suppliers to ensure they understand its supplier code of conduct “properly” and are aware of any new requirements. It discloses that it conducted training for 488 factories in seven countries in 2017. In addition, the company discloses it is a member of Better Work and the Fair Labor Association (FLA).

**Purchasing Practices:** Fast Retailing has signed a pledge committing to ban cotton sourced from Uzbekistan from its supply chains and states it is “collaborating with a multi-stakeholder coalition to raise awareness of this very serious concern, and press for its elimination.” It states it has established principles for responsible procurement, which include upholding workers’ rights, and trains its staff on these principles. Fast Retailing discloses that its suppliers agree to comply with its supplier code of conduct via clauses in their contracts. The company’s code requires suppliers to seek Fast Retailing’s consent before using subcontractors and to ensure suppliers and subcontractors act in compliance with the company’s standards.

**Grievance Mechanisms:** Fast Retailing discloses that it requires that its suppliers have effective grievance mechanisms in place. It states that it uses audits to monitor that such mechanisms are available to workers and that workers are trained on how to use the mechanisms. In addition, it discloses that, in 2018, it has rolled out a hotline that workers from GU and Uniqlo supplier factories can use to contact Fast Retailing directly. As a member of the Fair Labor Association, any stakeholder can report violations of workers’ rights in facilities used by the company to the FLA’s Third Party Complaint procedure, as a tool of last resort.

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## OPPORTUNITIES FOR IMPROVEMENT

*The company is encouraged to extend the disclosure and practices it has developed for its GU and Uniqlo brands to its remaining brands.*

**Traceability & Risk Assessment:** The company may consider disclosing the countries of below-first-tier suppliers, the sourcing countries of raw materials at high risk of forced labor and human trafficking, and information on its suppliers’ workforce. Further, the company is encouraged to disclose details on how it assesses forced labor and human trafficking risks and to disclose risks identified in different tiers of its supply chains.

**Recruitment:** To avoid exploitation of migrant workers in its supply chains, the company may consider requiring that workers in its supply chains are not charged fees during any recruitment-related process. The company is encouraged to require that such fees be paid by the employer (Employer Pays Principle) and, where such fees have been paid by its suppliers’ workers, to ensure that the fees are reimbursed to the workers.

**Worker Voice:** To prevent forced labor in its supply chains, the company is encouraged to work with relevant stakeholders to engage with and educate workers in its supply chains on their labor rights. To ensure scalability and effectiveness, the company may consider ensuring that there are worker-to-worker education initiatives on labor rights in its supply chains and measuring and disclosing evidence of the positive impact of worker engagement in its supply chains.

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## COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)