

Fast Retailing Co. Ltd. (Fast Retailing)

TICKER
TKS:9983

MARKET CAPITALISATION
US\$54.64 billion

HEADQUARTERS
Japan

DISCLOSURES

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Yes](#)

Australia Modern Slavery Act: [Yes \(disclosure of subsidiary\)](#)

OVERALL RANKING

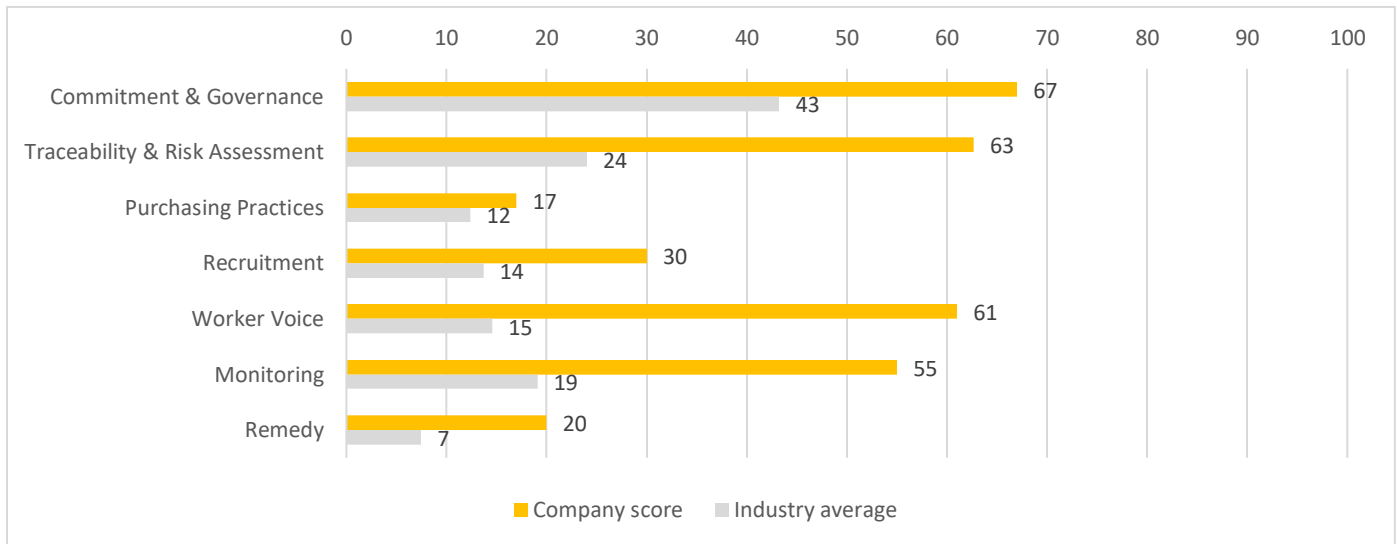
4 out of 65

[2021 Rank](#): 12 out of 37

OVERALL SCORE

49 out of 100

THEME-LEVEL SCORES



KEY DATA POINTS

FIRST-TIER SUPPLIER LIST

Yes

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES

No

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK RAW MATERIALS¹

Cotton, leather, wool, and others

SUMMARY

Fast Retailing Ltd (Fast Retailing), the third-largest apparel retailer in the world,³ ranks joint 4th out of 65 companies. Compared to 2021, the company improved its rank by 8 places. This is because the company improved across several themes, including by updating its supplier code to prohibit worker-paid recruitment fees, signing up to the Pakistan Accord and International Accord, joining the pilot Employment Injury Scheme in Bangladesh, and improving its supply chain transparency by disclosing data on women and migrant workers and expanding the coverage of its supplier list to include all garment factories. Notably, Fast Retailing is the highest-scoring Asian company in the benchmark and the second-highest scoring company on the theme of Worker Voice. However, with a score of 49/100, the company continues to have substantial scope for improvement on its prevention and management of forced labour risks.

KnowTheChain identified one allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. However, the company does not disclose the steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

The company is encouraged to improve its performance and disclosure on the themes of Purchasing Practices, Recruitment, and Remedy.

LEADING PRACTICES

Freedom of Association: The company is part of the [Employment Injury Scheme](#), a “new pilot program seeking to provide income protection and medical care for workers in Bangladesh following employment-related injuries from 2022” and has committed to voluntary financial contributions as part of the pilot. The company is additionally signatory to two binding agreements: the Pakistan Accord and International Accord for health and safety in the textile and garment industry.

Grievance Mechanism: Fast Retailing discloses it launched a project with two local non-governmental organisations (NGOs) in Bangladesh, Awaj Foundation and Change Associates, to establish committees in response to increased risks of harassment. It reports the committees must have five members, be majority female, and include two members from outside the factory. Managers, workers and committee members at 29 factories were trained by the NGOs on harassment. It states 25 grievances have been resolved through investigation by the committees.

OPPORTUNITIES FOR IMPROVEMENT

Purchasing Practices: While the company discloses some information related to order planning, the company is encouraged to adopt and disclose purchasing practices that decrease the risk of forced labour, such as improving planning and forecasting and prompt payment, and disclose quantitative data evidencing the implementation of responsible purchasing practices. The company may further consider separating labour costs from price negotiations such that all direct and indirect labour costs are isolated and incorporated as a distinct costing block in pricing. The company should consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: While the company discloses a policy which incorporates the Employer Pays Principle and states no worker should pay for a job, the company is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains, such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees

are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

Remedy: The company discloses remediation in relation to wage deductions and workers who were prevented from freely resigning. To demonstrate to its stakeholders that it has an effective remedy process in place, the company is encouraged to disclose further detailed examples of remedy outcomes for workers and to ensure workers are satisfied with the remedy provided. The company is additionally encouraged to disclose further detail on its process for ensuring that remedy is provided, including on how the process includes engagement with affected stakeholders.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark [findings report](#).

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

³ Statista (2023), "[Sales of major apparel manufacturers and retailers worldwide in the fiscal year 2022](#)." Accessed 20 November 2023.