

<b>Company Name</b>	Aeon Company
<b>Industry</b>	Agricultural Products (Supply Chain and Own Operations) & Apparel (Supply Chain only)
<b>Overall Score (*)</b>	28.7 out of 100

Theme Score	Out of	For Theme
2.8	10	A. Governance and Policies
10.3	25	B. Embedding Respect and Human Rights Due Diligence
1.3	15	C. Remedies and Grievance Mechanisms
4.8	20	D. Performance: Company Human Rights Practices
5.7	20	E. Performance: Responses to Serious Allegations
3.8	10	F. Transparency

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

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2019 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Not met: General HRs commitment: "For everyone affected by our business activities, we will comply with domestic laws on human rights and labor, the International Bill of Human Rights, and the rules on human rights set forth in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work in accordance with the Aeon Basic Principles, the Aeon Code of Conduct, and the United Nations Global Compact. However, indicating that the Company will "comply with" these initiatives, is not considered evidence of formal commitment following CHRB wording criteria. [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> <li>Met: UNGC principles 1 &amp; 2: Since 2004 the company is a signatory of the UNGC. "With a view to reinforcing its global perspective on CSR, Aeon in 2004 became Japan's first retailer to sign the United Nations Global Compact." [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>Not met: International Bill of Rights: As indicated above the company states that it will "comply with" the International Bill of Human Rights, which, according to CHRB wording criteria does not imply a formal commitment from the Company. [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: UNGPs: The Company indicates in its Human Rights policy that "we will support and follow the United Nations Guiding Principles on Business and Human Rights". [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> <li>Not met: OECD</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.2	Commitment to respect the human rights of workers	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"> <li>• Not met: ILO Core: The company indicates that "For everyone affected by our business activities, we will comply with domestic laws on human rights and labor, the International Bill of Human Rights, and the rules on human rights set forth in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work in accordance with the Aeon Basic Principles, the Aeon Code of Conduct, and the United Nations Global Compact". However, indicating that the Company will "comply with" these initiatives is not considered evidence of formal commitment following CHRB wording criteria. [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Met: UNGC principles 3-6: The company is a member of the UNGC since 2004. The company states that "Aeon was Japan's first retailer to join the United Nations Global Compact" [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Explicitly list All four ILO for AG suppliers: The supplier code contains commitments to each of discrimination, child labour, forced labor, freedom of association and collective bargaining. In relation to these last, the code states the following: 'Shall respect employees' right to organize, join and manage a labour union chosen by the employees themselves, and for the employees' representative to enter into collective bargaining with the company. Where there are legal and regulatory restrictions imposed on the right to freedom of association and collective bargaining, shall establish as an alternative measure, a complaint handling system where management and employee representatives can take their concerns and to respond in good faith'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Met: Explicitly list ALL four ILO for AP suppliers: See above. 'This code shall apply to all companies and organisations within the supply chain with involvement in individual products and services traded by the Aeon group irrespective of the brand'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Explicit commitment to All four ILO Core: The Company has a SA8000 certification since 2004. In the Annual report the Company discloses a table where it discloses its policies for promoting Aeon SA8000 which include explicit commitment to each ILO core area, including a commitment to respect freedom of association and collective bargaining: 'We will ensure freedom of assembly and the rights to collective bargaining'. In addition, the Global Framework agreement signed by the Company contains explicit commitment to each principle of the UN Global Compact. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Global Framework Agreement: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Met: Respect H&amp;S of workers: As part of its policies to promote SA8000 certification, the Company states that 'we will ensure the health and safety of employees and provide healthy work environments'. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: H&amp;S applies to AG suppliers: The supplier code states that they 'shall provide employees with a safe and healthy working environment compliant with applicable legislation, in addition to providing effective steps to prevent disease including accidents, injuries and emotional issues relating to potential health and safety. Shall apply similar health and safety standards to dormitories and cafeterias provided to employees'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Met: H&amp;S applies to AP suppliers: See above. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: working hours for workers: As part of its policies to promote SA8000 certification, the Company states that 'we will observe laws and labor agreements related to working hours, breaks and days off'. However, it is unclear if this follows the international standards set by the ILO. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Working hours for AP suppliers: Suppliers 'shall confirm and comply with laws relating to working hours, breaks, holidays and public holidays, collective agreements (where applicable) and other industry standards'. 'Weekly working hours shall be as stated in legislation, but shall not exceed 48 hours per week, except for overtime'. 'Overtime work must be voluntary. Weekly working hours shall not exceed 60 hours per week, including overtime hours, which shall not be demanded regularly'. 'Employees shall be provided with holidays as stated in legislation. Where there is no applicable legislation, then at least 1 day off in every 7 days shall be provided'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul>
A.1.3.AG.a	Commitment to respect human rights	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"> <li>• Not met: Respect land ownership and natural resources</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	particularly relevant to the industry - land and natural resources (AG)		<ul style="list-style-type: none"> <li>• Not met: Respecting the right to water: The Company indicates that it has GAP certification, being one of the three topics environmental protection. However, no specific evidence found of a formal commitment to respect the right to water. [Aeon Magazine 058: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Voluntary Guidelines on Tenure Rights</li> <li>• Not met: IFC Performance Standards</li> <li>• Not met: FPIC for all</li> <li>• Not met: Zero tolerance for land grabs</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.3.AG.b	Commitment to respect human rights particularly relevant to the industry – people’s rights (AG)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Women's rights: The Company indicates that ‘Aeon has designated a person responsible for diversity promotion, a leader to realise a corporation offering exceptional opportunities for women, and a leader to achieve an excellent workplace for women at its 70 Group companies. All Aeon companies are now analysing their status, identifying issues, and implementing their own ideas to solve the issues’. Also, the Company reports to be promoting active roles for women and has targets on female management. However, no specific statement found in relation to respecting women’s rights. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Sustainable management briefing 2017, 12/2017: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Children's rights: Although the Company refers to child labour in different sources, no specific statement found in relation to respect children's rights. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a> &amp; AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Migrant worker's rights: No evidence found in sources referenced by the Company to respect migrant rights for own operations. [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a> &amp; Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Expects suppliers to respect these rights: Although the supplier code of conduct refers to gender-based pay gaps and discrimination in the context of pregnancy and marriage for women. No evidence found of a expectation of commitment to respect general women’s rights in the supply chain. In addition, although the Code for suppliers includes some consideration in relation to migrant workers, no evidence found of a expectation of commitment to respect migrants’ rights. Finally, although the code also refers to child labour and not place young workers in situations on danger, no specific evidence found of commitment to children's rights. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business Principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Women's Rights: The Company indicates that ‘Aeon has designated a person responsible for diversity promotion, a leader to realise a corporation offering exceptional opportunities for women, and a leader to achieve an excellent workplace for women at its 70 Group companies. All Aeon companies are now analysing their status, identifying issues, and implementing their own ideas to solve the issues’. Also, the Company reports to be promoting active roles for women and has targets on female management. However, no specific statement found in relation to respecting women’s rights. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Sustainable management briefing 2017, 12/2017: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Children's Rights: Although the company refers to child labour in different sources, no specific statement found in relation to respect children's rights. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a> &amp; AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Migrant worker's rights: No evidence found in sources referenced by company to respect migrants' rights for own operations. [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a> &amp; Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Expecting suppliers to respect these rights: Although the supplier code of conduct refers to gender-based pay gaps and discrimination in the context of pregnancy and marriage for women, no evidence found of a expectation of commitment to respect general women’s rights in the supply chain. In addition,</li> </ul>

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			<p>although the Code for suppliers includes some consideration in relation to migrant workers, no evidence found of a expectation of commitment to respect migrants' rights. Finally, although the code also refers to child labour and not place young workers in situations on danger, no specific evidence found of commitment to children's rights. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Not met: Child Rights Convention/Business principles</li> <li>• Not met: Convention on migrant workers</li> <li>• Not met: Respecting the right to water</li> <li>• Not met: Expecting suppliers to respect these rights</li> </ul>
A.1.4	Commitment to engage with stakeholders	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"> <li>• Met: Regular stakeholder engagement: The Company has a Global Framework Agreement with UNI Global Union and UA Zensen (The Japanese Federation of Textile, Chemical, Food, Commercial, Service and General Workers' Unions) and the Federation of Aeon Group Workers' Union. The agreement states that the signatories 'are to recognize each other as social partners and cooperate hand-in-hand, to reach the objectives of the Agreement, which is to share the common recognition on 1. Respecting the fundamental human rights at workplace and on 2. Impacts on the global environment, and to strive to work on these two themes'. [Global Framework Agreement: <a href="http://aeon.info">aeon.info</a>] <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commits to engage stakeholders in design: As indicated above, the Company and signatories (which includes the Federation of Aeon Group Workers' Union) are committed to cooperate and work on respecting the fundamental human rights at workplace. 'These include the protection of human rights as universal rights and workers' fundamental rights enshrined in the eight ILO Core Conventions as well as the United Nations Global Compact's 10 principles'. [Global Framework Agreement: <a href="http://aeon.info">aeon.info</a>]</li> </ul> </li></ul>
A.1.5	Commitment to remedy	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: The supplier code requires to implement 'remedial measures to locate any employee who is suffering from abuse and harassment and remedy any issue'. However, this requirement is made only in the context of harassment, and in the supplier code of conduct. No evidence found of a commitment from the Company to remedy adverse impacts that it has caused or contributed to. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>] <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Not obstructing access to other remedies</li> <li>• Not met: Collaborating with other remedy initiatives</li> <li>• Not met: Work with AG suppliers to remedy impacts</li> <li>• Not met: Work with AP suppliers to remedy impacts</li> </ul> </li></ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs) <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Expects AG suppliers to reflect company HRD commitments</li> <li>• Not met: Expects AP suppliers to reflect company HRD commitments</li> </ul> </li></ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	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"> <li>• Met: CEO or Board approves policy: Human rights policies are accessible from the "home" site of the website. It is signed by the President &amp; CEO. [AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Board level responsibility for HRs: The 'Human Rights Enlightenment Committee', convened one every six months to 'define the direction of human rights enlightenment at Aeon, assess and make decisions regarding issues, and train individuals responsible for promoting human rights at each Group company'. However, it is not clear in which hierarchy level this committee is placed. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; AEON Human Rights Policy, October 2018: <a href="http://aeon.info">aeon.info</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>Not met: Speeches/letters by Board members or CEO: Although the CEO's message includes a comment to clarify that the Company revised the Human Rights policy to reflect interest of stakeholders, this is said in a wider context, presentation, and is the only reference found to human rights in the letter. No evidence found of a speech or presentation in which it sets out the approach to human rights or discusses its business importance. [CEO Message, 11/07/2019: <a href="#">aeon.info</a>]</li> </ul>
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Board/Committee review of salient HRs: No evidence found of a board committee having a process to discuss and address human right issues [Aeon Report 2018, January 2019: <a href="#">ssl4.eir-parts.net</a>]</li> <li>Not met: Examples or trends re HR discussion</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Incentives for at least one board member</li> <li>Not met: At least one key AG HR risk, beyond employee H&amp;S</li> <li>Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Performance criteria made public</li> </ul>

## 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	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Commits to ILO core conventions: Please see indicator A.1.2</li> <li>Met: Senior responsibility for HR: The Company has a Human Rights Awareness promotion Committee. It is 'composed of leaders from throughout the entire Group, the Committee promotes appropriate education activities by planning and implementing programs across the Group'. The Chief Group Promotion officer decides on the Group's policies on promotion activities, and is the director 'in charge of Group HR'. [Human rights guidebook]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Met: Day-to-day responsibility: The Company provides a chart with the 'Group Human Rights Awareness Promotion structure', which shows responsibility within the group and group companies, including how it is spread within group companies. Each group company has a chief promotion officer (director in charge of HR), promotion officer and promotion administrators. [Human rights guidebook &amp; Promotion Framework for Advancing Human Rights training, 17/07/19: <a href="#">aeon.info</a>]</li> <li>Not met: Day-to-day responsibility for AG in supply chain: The Aeon Report 2018 states: 'The presidents and branch managers of each company in the group serve as Aeon Code of Conducts Promotion Officers. They assign managers to the Aeon Code of Conduct Promotion Officers to implement the Aeon Code of Conduct training, conduct fact-finding investigations for consultations reported through the Hotline, address revisions, and report to Aeon Co.,Ltd.' However, this does not refer directly to how human rights issues are handled on a daily basis with the supply chain. [Aeon Report 2018, January 2019: <a href="#">ssl4.eir-parts.net</a>]</li> <li>Not met: Day-to-day responsibility for AP in supply chain: As above. [Aeon Report 2018, January 2019: <a href="#">ssl4.eir-parts.net</a>]</li> </ul>
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Senior manager incentives for human rights</li> <li>Not met: At least one key AG HR risk, beyond employee H&amp;S</li> <li>Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: HR risks is integrated as part of enterprise risk system</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Audit Ctte or independent risk assessment</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2 [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Communicates its policy to all workers in own operations: The Company indicates that 'with a view to promoting Aeon Human Rights policy and increasing all employees' awareness of human rights, the Group has established an in-house system for advancing human rights training [...]'. Issues covered by the training include 'issues pertaining to social discrimination, foreign residents, abuse of power, diversity, people with disabilities, and work-life balance, to increase the understanding and awareness of all our employees. Human Rights and Aeon Code of Conduct Training has provided guidance to each company by selecting themes in line with training needs of each Group company while linking to the Aeon Human Rights Enlightenment Office and Corporate Ethics Team. In FY 2018, we plan to continue conducting Human Rights and Aeon Code of Conduct Training for all our employees.' It is not clear, however, whether the documents communicated include local languages where necessary. The AEON Human Rights Policy states 'We will actively communicate with local community members to ensure that we are respecting their human rights' However, it does not mention that this includes local languages where necessary. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Policy and efforts on human rights, 10/07/2019: <a href="https://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commits to all 4 ILO core conventions: See A.1.2. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Communication of policy commitments to stakeholder: The AEON Human Rights Policy states 'We will actively communicate with local community members to ensure that we are respecting the human rights'. However, no further details found on actual policy communication to affected stakeholders including communities. [AEON Human Rights Policy, October 2018: <a href="https://aeon.info">aeon.info</a>]</li> <li>• Not met: How policy commitments are made accessible to audience</li> </ul>
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"> <li>• Met: Commits to all 4 ILO core conventions for suppliers: see A.1.2 [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Requiring AG suppliers to communicate policy down the chain: The report 2017 shows a chart with the procedure for supplier certification and audits. It indicates that it provides the 'new supplier briefing' and then it takes place the 'supplier code of conduct pledge compliance submission'. The 2018 report shows a chart including supplier briefings followed by compliance pledge and supplier registration. The supplier code states that, where 'supplier engages its own supplier, they shall ensure that all subcontractors and contractors are also in compliance. It shall be confirmed that all suppliers, subcontractors and contractors have been informed that they are requested by Aeon to satisfy the requirements of either the Aeon Supplier Code of conduct or their own code'. [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Requiring AP suppliers to communicate policy down the chain: As above. [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: How HR commitments made binding/contractual: The report 2017 shows a chart with the procedure for supplier certification and audits. It indicates that it provides the 'new supplier briefing' and then it takes place the 'supplier code of conduct pledge compliance submission'. The 2018 report shows a chart including supplier briefings followed by compliance pledge and supplier registration. [Aeon Report 2017, December 2017: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Including on AG suppliers: The supplier code requires that suppliers 'shall disclose manufacturing subcontractors to Aeon and shall obtain Aeon's approval prior to start of production. Shall obtain approval from Aeon prior to use of contractors and subcontractors'. [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> <li>• Met: Including on AP suppliers: The supplier code requires that suppliers 'shall disclose manufacturing subcontractors to Aeon and shall obtain Aeon's approval prior to start of production. Shall obtain approval from Aeon prior to use of contractors and subcontractors'. [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.5	Training on Human Rights	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"> <li>• Met: Scores at least 1 on A.1.2: See A.1.2 [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Trains all workers on HR policy commitments: The Aeon Report 2018 states: 'With a view to promoting Aeon Human Rights Policy and increasing all employees' understanding and awareness of human rights, the Group has established an promoting framework for advancing human rights training. By continuing such training activities, Aeon will address various issues related to human rights and become a corporate group with an employee-friendly workplace environment that enables a range of different personnel to contribute to operations. Aeon holds training programs for a variety of issues [...] Human rights and Aeon Code of Conduct Training has provided guidance to each company by selecting themes in line with the training needs of each Group company [...] in FY2018, we plan to continue conducting Human Rights and Aeon Code of Conduct Training for all of our employees'. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Trains relevant AG managers including procurement: Although the Company indicates that 'Human rights and Aeon Code of Conduct Training has provided guidance to each company by selecting themes in line with the training needs of each Group company', no details found on specific training for relevant managers in charge of supply chain, including procurement. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Trains relevant AP managers including procurement: Although the Company indicates that 'Human rights and Aeon Code of Conduct Training has provided guidance to each company by selecting themes in line with the training needs of each Group company', no details found on specific training for relevant managers in charge of supply chain, including procurement. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2: See A.1.2</li> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.1.6	Monitoring and corrective actions	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"> <li>• Met: Scores at least 1 on A.1.2: See A.1.2 [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Monitoring implementation of HR policy commitments: The Company monitors the implementation of its human rights policy through SA8000 certification. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Monitoring AG suppliers: The 2018 report states 'Between 2003 and FY2015, we had outside auditing firms conduct initial third-party audits for all final processing plants in Japan and overseas. Since FY2016, however, only the audits for final processing plants overseas have been conducted by outside auditing firms due to the difference in environments and issues in Japan and overseas. At plants in Japan, second-party audits are conducted by Aeon -certified auditors, who focus on establishing good communication with suppliers to facilitate the auditing process. Even at plants overseas, for subsequent audits we are conducting second-party audits as monitoring audits.' [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: Monitoring AP suppliers: The 2018 report states 'Aeon audits its manufacturing partners to make sure they are in full compliance with the requirements of the Aeon Supplier Code of Conduct. Audits include outside audits, in which professional auditing firms objectively evaluate conformity with standards, and Aeon's auditors confirm improvements; second-party audits performed by Aeon's auditors, who monitor suppliers while encouraging dialogue; and first party audits carried out by suppliers to maintain and improve their management systems.' [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2: See A.1.2 [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Describes corrective action process: The Company indicates that 'we inform suppliers that if an issue is found through an audit, in principle, we will continue doing business with them if they are willing to rectify the issue. Furthermore, we inform suppliers that if audits find evidence of deliberate falsification, we will cease doing business with them'. However, no details found on the actual corrective action process, including an example.</li> <li>• Not met: Example of corrective action</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Discloses % of AG supply chain monitored: The Company provides quantitative data on supply chain monitoring. However, no evidence found in public sources of the total percentage of the agricultural supply chain monitored. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Discloses % of AP supply chain monitored: The Company provides quantitative data on supply chain monitoring. However, no evidence found in public sources of the total percentage of the apparel supply chain monitored. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>
B.1.7	Engaging business relationships	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"> <li>• Not met: HR affects AG selection of suppliers: Although suppliers have to go through audit process, it is not clear whether there is an audit prior production begins. In the report 2018, the Company states that 'The Aeon Supplier Code of Conduct does not call for surprise audits because its primary goal is to foster trust and cooperation with suppliers. However, when we begin doing business with suppliers, we request a pledge from them to deal with us in an honest manner. We inform suppliers that if an issue is found through an audit, in principle, we will continue doing business with them if they are willing to rectify the issue. Furthermore, we inform suppliers that if audits find evidence of deliberate falsification, we will cease doing business with them.' It is not clear how HRs performance of the supplier is taken into account in the selection process, prior production begins. Although the Company indicates that 'when we begin doing business with suppliers, we request a pledge from them to deal with us in an honest manner', no evidence found of further review. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: HR affects on-going AG supplier relationships: In addition to the explanation above, the report 2018 indicates that 'if audits find evidence of deliberate falsification, we will cease doing business with them'. The supplier code also states that 'when a supplier or an organisation in the supply chain is determined to be in violation of any legislation, ordinances, regulations, or this code, when their behavior is unethical [...] or when consigning production without Aeon's permission, Aeon shall be able to terminate its relationship with said supplier immediately'. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> <li>• Not met: HR affects AP selection of suppliers: Although suppliers have to go through audit process, it is not clear whether there is an audit prior production begins. In the report 2018, the Company states that 'The Aeon Supplier Code of Conduct does not call for surprise audits because its primary goal is to foster trust and cooperation with suppliers. However, when we begin doing business with suppliers, we request a pledge from them to deal with us in an honest manner. We inform suppliers that if an issue is found through an audit, in principle, we will continue doing business with them if they are willing to rectify the issue. Furthermore, we inform suppliers that if audits find evidence of deliberate falsification, we will cease doing business with them.' It is not clear how HRs performance of the supplier is taken into account in the selection process, prior production begins. Although the Company indicates that 'when we begin doing business with suppliers, we request a pledge from them to deal with us in an honest manner', no evidence found of further review. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Met: HR affects on-going AP supplier relationships: In addition to the explanation above, the report 2018 indicates that 'if audits find evidence of deliberate falsification, we will cease doing business with them'. The supplier code also states that 'when a supplier or an organisation in the supply chain is determined to be in violation of any legislation, ordinances, regulations, or this code, when their behavior is unethical [...] or when consigning production without Aeon's permission, Aeon shall be able to terminate its relationship with said supplier immediately'. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Working with AG suppliers to improve performance</li> <li>• Not met: Working with AP suppliers to improve performance</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Stakeholder process or systems: The Company states that 'we assembled three representatives from NGOs and three academic experts to discuss the results of an internal human rights impact assessment. They shared their opinions on a wide variety of topics, including best practices for conducting</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>assessments, the importance of addressing child labor and other human rights problems at foodstuff production sites and accountability to customers with respect to supply chain issues. In October, we met with UNI Global Union Asia &amp; Pacific Regional Secretary Christopher Ng while he was visiting in Japan from Singapore. He shared his ideas on conducting human rights due-diligence through cooperation between labor and management. His input helped us to clarify issues to address through our future due-diligence initiatives.' However, this does not show how the company has identified, and engaged with affected and potentially affected stakeholders in the last two years. Evidence refers to discussions about the importance of this matter with experts. The Company also discloses how it carries out dialogue between senior managers and stakeholders, but these refer generally to investors, customers, shareholders. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Frequency and triggers for engagement</li> <li>• Not met: Workers in AG SC engaged</li> <li>• Not met: Communities in the AG SC engaged</li> <li>• Not met: Workers in AP SC engaged</li> <li>• Not met: Communities in the AP SC engaged</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> <li>• Met: Identifying risks in own operations: The Company indicates that since 2003 it carries out a Code of conduct survey which allows gathering information on workplace issues, employee work styles, motivation levels and the like. 'We also compile, analyse and share survey findings with the Group companies, and use them to help resolve specific social issues. In 2017 we conducted the survey at 69 Group companies overseas and received 48,000 responses'. In addition, on its website, it states that 'before embarking on human rights due-diligence of entire Aeon Group's supply chain, we first reviewed our own activities and engaged in dialogue with stakeholders in 2018. Through this process we prioritized initiatives to address three deficiencies and clarified issues to be addressed. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Identifying risks in AG suppliers: Although the Company describes some supply chain risks and actions, no evidence found on the process followed to identify which are the salient human rights issues in the agricultural supply chain. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Identifying risks in AP suppliers: Although the Company indicates that 'after evaluating fresh raw materials, we plan to evaluate deli items, processed foods, apparel and household and recreational merchandise' it is not clear if it refers to the identification and assessment of human rights salient issues that it faces or monitoring compliance with policies in these supply chains. In addition, it is a plant that does not seem to be in an implementation phase. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: The Company indicates that 'we first reviewed our own activities and engaged in dialogue with stakeholders in 2018'. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: In consultation with stakeholders: As indicated below, the Company met with NGOs, academic experts and Trade Union Regional secretary to discuss results of assessment and practices for conducting assessments. However, no evidence found of consultation with affected stakeholders as part of the human rights issues identification process. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: In consultation with HR experts: The Company indicates that 'in August 2018, we assembled three representatives from NGOs and three academic experts to discuss the results of an internal human rights impact assessment'. Although it refers to discussing assessment results, it also indicates that they shared opinions about best `practices for conducting assessments. In addition, the Company describes how it met with UNIO Global Union Regional Secretary, who 'shared his ideas on conducting human rights due-diligence through cooperation between labor and management. His input helped us clarify issues to address through our future due-diligence initiatives'. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not met: Triggered by new circumstances</li> <li>• Not met: Explains use of HRIAs or ESIA (inc HR)</li> </ul>
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Salient risk assessment (and context): The Company indicates that 'as our initial approach to supply chain, it was targeted at fresh food. Because unprocessed foodstuffs had not been previously subject to Aeon supplier CoC audits, CoC compliance of fresh foodstuff supply chains had never been verified yet [...]. Additionally, we identified human rights of foreign workers, an increasingly serious problem in recent years, as a significant human rights risk and stepped up monitoring of the treatment them. Many foreign workers and foreign technical interns work at foodstuff production sites'. The Company discloses a risk map of human rights issues in fresh products. Although it is covered by alternative information, issues have been categorised by specific type of product within agricultural, livestock and marine products, and by country of origin. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a> &amp; Prioritization of efforts based on humanrights risk mapping of fresh products, 15/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Met: Public disclosure of salient risks: The Company discloses a document showing which are the human rights issues based on country, item and type of fresh products. It reports working hours (farm), foreign worker and technical intern trainees for both agricultural, livestock and marine product; In this last product, issues also include forced labour, child labour and North Korean workers. [Prioritization of efforts based on humanrights risk mapping of fresh products, 15/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Action Plans to mitigate risks: In its document 'Policy and efforts on human rights' the company mentions its Human Rights Due-Diligence Initiatives. They also state 'Monitoring of the treatment of foreign workers and foreign technical interns: Expansion of subject matter of audits and other assessments, including initiation of questionnaire surveys of outsourcing contractors.' However, no evidence found of description of a global system to take action to prevent, mitigate or remediate its salient human rights issues. The Company also discloses a prioritisation of efforts based on risk mapping of fresh products, however, no details found on action plans yet. The Company indicates in the annual report that 'the corporate ethics team develops and executes policies for the entire Aeon Group based on an annual plan, and proposes and recommends specific measures to address various problems and issues facing the Group'. However, this seems to be focused in monitoring ethics compliance rather that a general process to implement action plans to mitigate salient issues, including human rights. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Including in AG supply chain</li> <li>• Not met: Including in AP supply chain</li> <li>• Met: Example of Actions decided: The Company indicates that 'we identified human rights of foreign workers, an increasingly serious problem in recent years, as a significant human rights risk and stepped up monitoring of the treatment them. Many foreign technical interns work at foodstuff production sites. We will confirm that their human rights are being respected by making sure they are, for example, properly employed, furnished with a safe working environment, and able to communicate their employer's management'. This is one of the priorities set through supplier assessments. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: System to check if Actions are effective</li> <li>• Not met: Lessons learnt from checking effectiveness</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.5	Communicating : Accounting for how human rights impacts are addressed	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"> <li>• Not met: Comms plan re identifying risks</li> <li>• Not met: Comms plan re assessing risks</li> <li>• Not met: Comms plan re action plans for risks</li> <li>• Not met: Comms plan re reviewing action plans</li> <li>• Not met: Including AG suppliers</li> <li>• Not met: Including AP suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company indicates that 'Aeon Code of Conduct Hotline has served as an internal reporting system for employees to report non-compliance and improprieties, as well as for discussing various workplace issues that employees find troubling or difficult to discuss with their immediate managers. The Hotline handles a wide variety of reports and consultations and is available to all Aeon Group Employees'. [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: No evidence found.</li> <li>• Met: Channel is available in all appropriate languages: The company states that the whistleblower 'hotline' is available 24 hours a day, seven days a week via E-mail and in 13 local languages.' [Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Expect AG supplier to have equivalent grievance systems: The supplier code of conduct expects suppliers to have grievance mechanisms for worker representatives in the contexts 'where restrictions are imposed on freedom of association and the right to collective bargaining in law'. In those cases 'the Company shall provide a complaint handling system where employee representatives can take their concerns, operate it effectively and monitor it to ensure that no employee using the service shall be disadvantaged without any exception'. However, it is not clear if the company if the company require a grievance system for any other HR issue. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Opens own system to AG supplier workers</li> <li>• Not met: Expect AP supplier to have equivalent grievance systems: The supplier code of conduct expects suppliers to have grievance mechanisms for worker representatives in those contexts 'where restrictions are imposed on freedom of association and the right to collective bargaining in law'. In those cases 'the Company shall provide a complaint handling system where employee representatives can take their concerns, operate it effectively and monitor it to ensure that no employee using the service shall be disadvantaged without any exception'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Opens own system to AP supplier workers</li> </ul>
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	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"> <li>• Not met: Grievance mechanism for community</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages</li> <li>• Not met: Expects AG supplier to have community grievance systems</li> <li>• Not met: AG supplier communities use global system</li> <li>• Not met: Expects AP supplier to have community grievance systems</li> <li>• Not met: AP supplier communities use global system</li> </ul>
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	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"> <li>• Not met: Engages users to create or assess system</li> <li>• Not met: Description of how they do this</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: AG suppliers consult users in creation or assessment</li> <li>• Not met: AP suppliers consult users in creation or assessment</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Response timescales</li> <li>• Not met: How complainants will be informed</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Public statement prohibiting retaliation: The Company indicates that 'you can be assured that you will not face any disadvantages due to your action. Measures will be taken to protect reporters of an issue or people who cooperate in relevant investigations from being treated unfairly'. However, no evidence found in public sources on whether this channel is available to other stakeholders and the commitment to non-retaliation is extensive to them. [Human rights guidebook &amp; Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Practical measures to prevent retaliation</li> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects AG suppliers to prohibit retaliation: The supplier code states that 'where restrictions are imposed on freedom of association and the right to collective bargaining in law, the Company shall provide a complaint handling system where employee representatives can take their concerns, operate it effectively and monitor it to ensure that no employee using the service shall be disadvantaged without any exception. The employees shall be informed of this measure'. However, this seems to apply only to worker representatives, and in a specific context. No evidence found of requirement for channels to be open to any supplier worker and other stakeholders, including a commitment to no retaliation for raising human rights concerns. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Expects AP suppliers to prohibit retaliation: As above. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Describes how remedy has been provided: Although the Company provided documents to CHRB for this indicator, no evidence found of how it specifically provided or enabled timely remedy for victims in cases where it has caused or contributed to adverse human rights impacts (or the approach it would have taken). [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: Says how it would remedy key sector risks</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism</li> </ul>

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

### D.1 Agricultural Products

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.1.a	Living wage (in own agricultural operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Pays living wage or sets target date: The report 2018, in relation to the policies for promoting SA8000, states that 'we will observe laws related to payment of fair wages'. The human rights policy for operated farms states that 'wages and benefit packages shall be in compliance with applicable laws and regulations and shall be as stipulated in the internal rules of employment'. No evidence found, however, in relation to the Company paying a living wage (income enough to meet basic needs of employee and family/dependents plus some discretionary income), or having a target timeframe for paying a living wage. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Human Rights Guidelines for Aeon's Directly Operated Farms, 10/06/2019: <a href="https://aeon.info">aeon.info</a>]</li> <li>• Not met: Describes how living wage determined: Although it indicates that in employee meetings in the context of GAP certifications one of the examples of topics discussed can include salary, no further details found. [Aeon Magazine 058: <a href="https://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Paying living wage</li> <li>• Not met: Definition of living wage reviewed with unions</li> </ul>
D.1.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Living wage in supplier code or contracts: The supplier code of conduct requires that 'wages shall be above the statutory minimum wage, meet employees' basic needs and be above the living wage'. 'Wages shall be in excess of the amount required to meet employees' basic needs'. However, the context of living wage should be enough to meet basic needs and some discretionary income for the employee and his or her family (or dependents). [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> <li>• Not met: Improving living wage practices of suppliers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress: The Company discloses charts showing more cases of non-compliance outside Japan. This was In 2016 audits it was 'because while minimum wages increased, not providing benefits such as social insurance, maternity leave, and paid leave, etc. Was common'. 2018 also shows performance against previous year both in Japan and overseas. However, no evidence found in progress towards achieving living wage, as the charts show cases of non-compliance. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Aeon Report 2017, December 2017: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>
D.1.2	Aligning purchasing decisions with human rights	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"> <li>• Not met: Avoids business model pressure on HRs (purchasing practices): Although the Company provided public sources to CHRB for this indicator, including sustainable procurement policy, and management briefing amend others, no details found on the specific practices that it adopts to avoid prices or short notice requirements or other business considerations undermining human rights. [Aeon Sustainable Management briefing 2019, 22/01/2019: <a href="https://aeon.info">aeon.info</a> &amp; Sustainable procurement policy and goals for 2020: <a href="https://aeon.info">aeon.info</a>]</li> <li>• Not met: Positive incentives to respect human rights (purchasing practices): The Company is planning to expand the volume of fair-trade products sold. However, it is not clear how this is articulated in its relations with suppliers. The Company's sustainability procurement goals include 100% acquisition of products with different certifications such as GAP, GFASI-based food safety management system, MSC for seafood, FSC certified paper, pulp and timber, RSPO for palm oil. However, it is not clear how specifically human rights are considered in them. [Sustainable procurement policy and goals for 2020: <a href="https://aeon.info">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.3	Mapping and disclosing 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"> <li>• Not met: Identifies suppliers back to manufacturing sites (factories or fields): The company indicates that it has been conducting audits and risk assessments to all outsourcing factories and describes due diligence of suppliers. However no evidence found in relation to mapping its direct and indirect apparel suppliers or disclosing names and locations. The Company describes prioritisation of efforts based on risk mapping of fresh products, but no details found on supplier mapping. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Policy and efforts on human rights, 10/07/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of SP and why</li> </ul>
D.1.4.a	Prohibition on child labour: Age verification and corrective actions (in own agricultural operations)	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"> <li>• Met: Does not use child labour: The human rights guidelines for operated farms includes 'no child labor' statement. Aeon The Commitment to the ILO Convention 182 against worst form of child labour is present in the global framework agreement. [Human Rights Guidelines for Aeon's Directly Operated Farms, 10/06/2019: <a href="http://aeon.info">aeon.info</a> &amp; Global Framework Agreement: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Age verification of job applicants and workers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remediation if children identified: Although it is indicated in the annual report that policies commitment says that 'We will prohibit child labor and take remedial measures', no further details found. The Company provided a public reference, but is older than three years and does not include details on process for remediation if child labour found. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>
D.1.4.b	Prohibition on child labour: Age verification and corrective actions (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"> <li>• Met: Child Labour rules in codes or contracts: The supplier code of conduct contains a commitment against child labour, and also indicates that 'before starting employment, confirm the age of said employees in a public record and keep a record of this information'. In addition, on the annual report the Company indicates that 'Aeon will continue to pursue appropriate business processes together with suppliers on the twin basis of the Aeon Supplier code and SA8000. The policies for promoting SA8000 include prohibit child labour and 'take remedial measures'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>• Not met: How working with suppliers on child labour: The company works with suppliers to help support children and their families in the case that an underage child is found working. The system fund the child education and a promise to rehire the child when legal age is reached. Through the implementation we work to raise awareness and prevent recurrence of child labour violations. The Company provided a reference to CHRB, however this source is a report that is periodically updated and has more than three years (refers to 2014). No evidence found within last three reporting years. [Major initiatives 2013-2014: <a href="http://aeon.info">aeon.info</a> &amp; Environmental and social report 2014, 2015: <a href="http://aeon.info">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Analysis of trends in progress made</li> </ul>
D.1.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own agricultural operations)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Pays workers in full and on time: Although human rights guidelines for operated farms document includes a commitment against forced labour, no evidence found in publicly available sources in relation to the Company communicating paying workers regularly, in full and on time and not requiring workers to pay work related fees or costs. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Human Rights Guidelines for Aeon's Directly Operated Farms, 10/06/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Payslips show any legitimate deductions</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Debt and fees rules in codes or contracts: The Supplier code of conduct indicates the following: 'Do not ask workers to give monetary deposits to the company or unnecessarily delay payment in order to create the impression and ambience of forced/bonded labour'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>Not met: How working with suppliers on debt &amp; fees</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Analysis of trends in progress made</li> </ul>
D.1.5.c	Prohibition on forced labour: Restrictions on workers (in own agricultural operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Does not retain documents or restrict movement: Although the Company is committed against forced labour, no specific evidence found in public sources in relation to not retaining workers' personal documents or restricting workers' freedom of movement. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Human Rights Guidelines for Aeon's Directly Operated Farms, 10/06/2019: <a href="http://aeon.info">aeon.info</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How these practices are monitored for agencies, labour brokers or recruiters</li> </ul>
D.1.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Free movement rules in codes or contracts: The supplier code states that 'suppliers and business supplying labour to suppliers shall, upon employment not retain any salary, benefits, assets, or any form of certification such as passport'. In addition, 'shall allow employees the right to leave their workplace once their specified working hours have ended. Also, to allow employees reasonable freedom of movement in the workplace, including access to toilets and water'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>Not met: How working with suppliers on free movement</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.6.a	Freedom of association and collective bargaining (in own agricultural operation)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Commits not to interfere with union rights / Steps to avoid intimidation or retaliation: The Company's guidelines for operated farms includes a commitment to respect employees' freedom of association and right to collective bargaining. However, no evidence found of a formal commitment to not interfering with the rights of workers to form or join trade unions and bargain collectively. [Human Rights Guidelines for Aeon's Directly Operated Farms, 10/06/2019: <a href="http://aeon.info">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> <li>Not met: Discloses % covered by collective bargaining agreements: The Company signed a global framework agreement. However no evidence found of percentage coverage. [Global Framework Agreement: <a href="http://aeon.info">aeon.info</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> </ul>
D.1.6.b	Freedom of association and collective bargaining (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: FoA &amp; CB rules in codes or contracts: The supplier code contains requirements regarding freedom of association and collective bargaining. Among them, the following: 'Employees shall have the right to organize, join, and manage a labour union chosen by the employees themselves and for management and to enter into collective bargaining with the company as the employees' representative. The company shall respect this right and shall effectively notify the employees that they may join the labour organization of their own choice without any negative impact or retaliation being shown to the employee. In addition the company shall not engage in any interference with the establishment, management, operation, or collective bargaining of labour union'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>Not met: How working with suppliers on FoA and CB</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provides analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.1.7.a	Health and safety: Fatalities, lost days, injury rates (in own agricultural operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Injury Rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Set targets for H&amp;S performance</li> <li>• Not met: Met targets or explains why not</li> </ul>
D.1.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Sets out clear Health and Safety requirements: The supplier code of conduct contains health and safety requirements and guidelines, including equipment and accident prevention, working environment, fire and disaster prevention, medical facilities and examinations chemicals, canteens and dormitories, etc. [Supplier code of conduct, 01/03/2019: <a href="#">aeon.info</a>]</li> <li>• Not met: Injury Rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosure</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Met: Provides analysis of trends demonstrating progress: The Company discloses charts showing trends in health and safety non-compliances found in outside audits, and second-party audits in Japan and overseas. [Aeon Report 2018, January 2019: <a href="#">ssl4.eir-parts.net</a>]</li> </ul>
D.1.8.a	Land rights: Land acquisition (in own agricultural operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Approach to identification of land tenure rights holders</li> <li>• Not met: Approach to doing so if no recent land deals</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: How valuation and compensation works</li> <li>• Not met: Follows IFC5 in any state land deals</li> <li>• Not met: Describes approach if no recent land deals</li> </ul>
D.1.8.b	Land rights: Land acquisition (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Rules on land &amp; owners in codes or contracts</li> <li>• Not met: How working with suppliers on land issues</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.9.a	Water and sanitation (in own agricultural operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Action to prevent water and sanitation risks: The Company collaborates with UNICEF fundraising money for safe water campaign. Although the Company indicates that it has GAP certifications, no evidence found in public sources of a description on how it implements preventive and corrective action plans for identified risks to the right to water. [Aeon Report 2018, January 2019: <a href="#">ssl4.eir-parts.net</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Water targets considering local factors</li> <li>• Not met: Reports progress and shows trends in progress made</li> </ul>
D.1.9.b	Water and sanitation (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Rules on water stewardship in codes or contracts</li> <li>• Not met: How working with suppliers on water stewardship issues</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provides analysis of trends demonstrating progress</li> </ul>
D.1.10.a	Women's rights (in own agricultural operations)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Process to stop harassment and violence against women: Although the Human rights policy for directly operated farms includes a statement against discrimination including gender, no details found on processes to stop harassment or intimidation against women. [Human Rights Guidelines for Aeon's Directly Operated Farms, 10/06/2019: <a href="#">aeon.info</a>]</li> <li>• Not met: Working conditions take account of gender</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>Met: Equality of opportunity at all levels of employment: The Company indicates that 'Aeon has designated a person responsible for diversity promotion, a leader to realize a corporation offering exceptional opportunities for women, and a leader to achieve an excellent workplace for women at its 70 Group companies. All Aeon companies are now analysing their status, identifying issues, and implementing their own ideas to solve the issues'. In addition, it has a target in relation to female manager ratio at Group level. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Meet all requirements under score 1</li> </ul>
D.1.10.b	Women's rights (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Women's rights in codes or contracts: Supplier code of conduct establishes, among others, the following requirements. Suppliers 'shall not impose gender-based pay differentials for the same level of work', shall not discriminate by gender 'in terms of recruitment, wages, research opportunities, promotion, termination, retirement or other employment practices', and 'shall implement remedial measures to locate any employee who is suffering discrimination and remedy any issue'. In addition it requires evaluating and eliminating 'all risks in the working environment for mother following child birth, during pregnancy, or nursing'. [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: How working with suppliers on women's rights</li> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provides analysis of trends demonstrating progress</li> </ul>

## D.2 Apparel

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Living wage in supplier code or contracts: The supplier code of conduct requires that 'wages shall be above the statutory minimum wage, meet employees' basic needs and be above the living wage'. 'Wages shall be in excess of the amount required to meet employees' basic needs'. However, the context of living wage should be enough to meet basic needs and some discretionary income for the employee and his or her family (or dependents). [Supplier code of conduct, 01/03/2019: <a href="https://aeon.info">aeon.info</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Improving living wage practices of suppliers</li> <li>Not met: Both requirements under score 1 met</li> <li>Not met: Provide analysis of trends demonstrating progress: The Company discloses charts showing more cases of non-compliance outside Japan. This was 'because while minimum wages increased, not providing benefits such as social insurance, maternity leave, and paid leave, etc. Was common. However, no evidence found in progress towards achieving living wage. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>
D.2.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not met: Avoids business model pressure on HRs: Although the Company provided public sources to CHRB for this indicator, including sustainable procurement policy, and management briefing among others, no details found on the specific practices that it adopts to avoid prices or short notice requirements or other business considerations undermining human rights. [Sustainable procurement policy and goals for 2020: <a href="https://aeon.info">aeon.info</a> &amp; Aeon Sustainable Management briefing 2019, 22/01/2019: <a href="https://aeon.info">aeon.info</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not met: Positive incentives to respect human rights: The Company is planning to expand the volume of fair-trade products sold. However, it is not clear how this is articulated in its relations with suppliers. The sustainable procurement policy and goals seek for increasing procurement from certified suppliers. However, evidence seems to be related to environmental issues and not to the apparel supply chain. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a> &amp; Sustainable procurement policy and goals for 2020: <a href="https://aeon.info">aeon.info</a>]</li> <li>Not met: Both requirements under score 1 met</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.3	Mapping and disclosing 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"> <li>• Not met: Identifies suppliers back to product source: The company indicates that it has been conducting audits and risk assessments to all outsourcing factories and describes due diligence of suppliers. However no evidence found in relation to mapping its direct and indirect apparel suppliers or disclosing names and locations. The Company describes prioritization of efforts based on risk mapping, although it does not refer to apparel supply chain. [Policy and efforts on human rights, 10/07/2019: <a href="#">aeon.info</a> &amp; Prioritization of efforts based on humanrights risk mapping of fresh products, 15/07/2019: <a href="#">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why: as above</li> </ul>
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (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"> <li>• Met: Child Labour rules in codes or contracts: The supplier code of conduct contains a commitment against child labour, and also indicates that 'before starting employment, confirm the age of said employees in a public record and keep a record of this information'. In addition, on the annual report the Company indicates that 'Aeon will continue to pursue appropriate business processes together with suppliers on the twin basis of the Aeon Supplier code and SA8000. The policies for promoting SA8000 include prohibit child labour and 'take remedial measures'. [Supplier code of conduct, 01/03/2019: <a href="#">aeon.info</a> &amp; Aeon Report 2018, January 2019: <a href="#">ssl4.eir-parts.net</a>]</li> <li>• Not met: How working with suppliers on child labour: The company works with suppliers to help support children and their families in the case that an underage child is found working. The system fund the child education and a promise to rehire the child when legal age is reached. Through the implementation we work to raise awareness and prevent recurrence of child labour violations. The Company provided a reference to CHRB, however this source is a report that is periodically updated and has more than three years (refers to 2014). No evidence found within last three reporting years. [Major initiatives 2013-2014: <a href="#">aeon.info</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends demonstrating progress</li> </ul>
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Debt and fees rules in codes or contracts: On forced labour related to financial burden, the supplier code requires, among other things, that suppliers 'shall not demand employment fees or similar expenses. In particular when employing migrant employees'. Actively confirm that employees are not subject to unreasonable obligations in their country of origin'. In addition, they 'shall comply with legislation in terms of all wages and benefits and shall pay in a convenient method to employees. In no instance shall it ever be acceptable to delay payment or to make a payment in any restricted condition'. [Supplier code of conduct, 01/03/2019: <a href="#">aeon.info</a>]</li> <li>• Not met: How working with suppliers on debt &amp; fees</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Free movement rules in codes or contracts: The supplier code states that 'suppliers and business supplying labour to suppliers shall, upon employment not retain any salary, benefits, assets, or any form of certification such as passport'. In addition, 'shall allow employees the right to leave their workplace once their specified working hours have ended. Also, to allow employees reasonable freedom of movement in the workplace, including access to toilets and water'. [Supplier code of conduct, 01/03/2019: <a href="#">aeon.info</a>]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
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"> <li>• Met: FoA &amp; CB rules in codes or contracts: The supplier code contains requirements regarding freedom of association and collective bargaining. Among them, the following: 'Employees shall have the right to organize, join, and manage a labour union chosen by the employees themselves and for management and to enter into collective bargaining with the company as the employees' representative. The company shall respect this right and shall effectively notify the employees that they may join the labour organization of their own choice without any negative impact or retaliation being shown to the employee. In addition the company shall not engage in any interference with the establishment, management, operation, or collective bargaining of labour union'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: How working with suppliers on FoA and CB</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.7.b	Health and safety: Fatalities, lost days, injury 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"> <li>• Met: Sets out clear Health and Safety requirements: The supplier code of conduct contains health and safety requirements and guidelines, including equipment and accident prevention, working environment, fire and disaster prevention, medical facilities and examinations chemicals, canteens and dormitories, etc. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: Injury rate disclosures</li> <li>• Not met: Lost days or near miss disclosures</li> <li>• Not met: Fatalities disclosures</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: How working with suppliers on H&amp;S</li> <li>• Met: Provide analysis of trends in progress made: The Company discloses charts showing performance in health and safety through audits. Figures include different company industries including apparel. Third party audits. Second party audits and first party audits. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>
D.2.8.b	Women's rights (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"> <li>• Met: Women's rights in codes or contracts: Supplier code of conduct establishes, among others, the following requirements. Suppliers 'shall not impose gender-based pay differentials for the same level of work', shall not discriminate by gender 'in terms of recruitment, wages, research opportunities, promotion, termination, retirement or other employment practices', and 'shall implement remedial measures to locate any employee who is suffering discrimination and remedy any issue'. In addition it requires evaluating and eliminating 'all risks in the working environment for mother following child birth, during pregnancy, or nursing'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: How working with suppliers on women's rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made</li> </ul>
D.2.9.b	Working hours (in 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"> <li>• Met: Working hours in codes or contracts: Suppliers 1) 'Shall confirm and comply with laws relating to working hours, breaks, holidays and public holidays, collective agreements (where applicable) and other industry standards. 2) 'Weekly working hours shall be as stated in legislation, but shall not exceed 48 hours per week, except for overtime'. 3) 'Overtime work must be voluntary. Weekly working hours shall not exceed 60 hours per week, including overtime hours, which shall not be demanded regularly'. 4) 'Employees shall be provided with holidays as stated in legislation. Where there is no applicable legislation, then at least 1 day off in every 7 days shall be provided'. 5) 'Employees shall be able to make use of all applicable legislation relating to holidays including annual leave'. [Supplier code of conduct, 01/03/2019: <a href="http://aeon.info">aeon.info</a>]</li> <li>• Not met: How working with suppliers on working hours</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> <li>• Met: Provide analysis of trends in progress made: The Company discloses charts showing performance of compliance in relation to working hours in first party audits, second party audits and third party audits, both in Japan and overseas suppliers. [Aeon Report 2018, January 2019: <a href="http://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 22.94 out of 80 points scored in themes A-D & F has been applied to produce a score of 5.73 out of 20 points for theme E.

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.81 out of 4	Out of a total of 62 indicators assessed under sections A-D of the benchmark, Aeon Company made data public that met one or more elements of the methodology in 28 cases, leading to a disclosure score of 1.81 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> <li>Met: Company reports on GRI: Aeon report 2018 includes a GRI index section. [Aeon Report 2018, January 2019: <a href="https://ssl4.eir-parts.net">ssl4.eir-parts.net</a>]</li> </ul>
F.3	Key, High Quality Disclosures	0 out of 4	Aeon Company met 0 of the 10 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> <li>Not met: Score 2 for A.2.2 : Board discussions</li> <li>Not met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> Discussing challenges openly <ul style="list-style-type: none"> <li>Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> Demonstrating a forward focus <ul style="list-style-type: none"> <li>Not met: Score 2 for A.2.3 : Incentives and performance management</li> <li>Not met: Score 2 for B.1.2 : Incentives and performance management</li> <li>Not met: Score 1 for D.1.1.a: Living wage (in own agricultural operations)</li> <li>Not met: Score 2 for D.1.7.a : Health and safety: Fatalities, lost days, injury rates (in own agricultural operations)</li> </ul>

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

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

The Benchmark is made available on the express understanding that it will be used solely for general information purposes. The material contained in the Benchmark should not be construed as relating to accounting, legal, regulatory, tax, research or investment advice and it is not intended to take into account any specific or general investment objectives. The material contained in the Benchmark does not constitute a recommendation to take any action or to buy or sell or otherwise deal with anything or anyone identified or contemplated in the Benchmark. Before acting on anything contained in this material, you should consider whether it is suitable to your particular circumstances and, if necessary, seek professional advice. The material in the Benchmark has been put together solely according to the CHRB methodology and not any other assessment models in operation within any of the project partners or EIRIS Foundation as provider of the analyst team.

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As CHRB Ltd, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.