

**Company Name** Pou Chen Corporation  
**Industry** Apparel (Supply Chain and Own Operations)  
**UNGP Core Score (\*)** 6.5 out of 26

| Score                                                   | Out of    | For indicators                                                                                                             |
|---------------------------------------------------------|-----------|----------------------------------------------------------------------------------------------------------------------------|
| <b>Governance and Policy Commitments</b>                |           |                                                                                                                            |
| 1                                                       | 2         | A.1.1 Commitment to respect human rights                                                                                   |
| 0.5                                                     | 2         | A.1.2 Commitment to respect the human rights of workers                                                                    |
| 1                                                       | 2         | A.1.4 Commitment to engage with stakeholders                                                                               |
| 0                                                       | 2         | A.1.5 Commitment to remedy                                                                                                 |
| <b>Embedding respect and Human Rights Due Diligence</b> |           |                                                                                                                            |
| Embedding respect                                       |           |                                                                                                                            |
| 1.5                                                     | 2         | B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions                                       |
| Human Rights Due Diligence (HRDD)                       |           |                                                                                                                            |
| 0                                                       | 2         | B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts                            |
| 0                                                       | 2         | B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)                  |
| 0                                                       | 2         | B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action              |
| 0                                                       | 2         | B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts |
| 0                                                       | 2         | B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed                                              |
| <b>Remedies and Grievance Mechanisms</b>                |           |                                                                                                                            |
| 1.5                                                     | 2         | C.1 Grievance channels/mechanisms to receive complaints or concerns from workers                                           |
| 1                                                       | 2         | C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities              |
| 0                                                       | 2         | C.7 Remedying adverse impacts and incorporating lessons learned                                                            |
| <b>6.5</b>                                              | <b>26</b> |                                                                                                                            |

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note 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 2020 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

### Governance and Policies

| Indicator Code | Indicator name                                    | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| A.1.1          | Commitment to respect 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: UDHR: The Company states in its CSR Report 2018: 'We [...] abide by the UN Universal Declaration of Human Rights and the ILO Declaration of Fundamental Principles and Rights at Work in conducting responsible employment [...]' [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: UNGPs</li> <li>• Not met: OECD</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| A.1.2          | Commitment to respect the human rights of workers | 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: ILO Core: As indicated below, the Company's Code of Conduct covers all ILO core. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not met: Explicitly list ALL four ILO for AP suppliers: According to the Company's website: 'Pou Chen screens 100% of new suppliers based on environmental standards. New suppliers are required to complete a self-assessment form including items, such as the Group's code of conduct, environmental management, fire safety, occupational safety and health.' However, no evidence of explicit requiring all the ILO core labour standards for suppliers. In the 2018 CSR Report it states that 'All suppliers, who must abide by local regulations , and product information security concerns, and the principle of anti-corruption, shall sign a confidentiality contract, letter of committeemen for product safety, and an ethical trading agreement before they can be selected as a supplier of Pou Chen. Partner suppliers must go through a supplier selection mechanism, in which quality and sustainable development are assessed to ensure that their product quality and sustainable development comply with laws and regulations.' However, it is not clear whether suppliers are strictly required to commit and follow the code of conduct. Finally, no evidence found of the code of conduct in relation to it being applied to suppliers. [Supply chain management, N/A: <a href="http://pouchen.com">pouchen.com</a> &amp; CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Explicit commitment to All four ILO Core: In its Code of Conduct the Company mentions freedom of association and the right to collective bargaining, forced or compulsory labour, child labour and non-discrimination. It states 'No use of forced labor shall be allowed, including prison labor, indentured labor, bonded labor or other forms of forced labor.' 'No person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher.' 'Employers shall recognize and respect the right of employees to freedom of association and collective bargaining.' 'No person shall be subject to any discrimination in employment, including hiring, compensation, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, social status or ethnic origin'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Company states in its CSR Report 2018: The Company's Occupational Safety and Health Management Policy is established to provide a safe and healthy workplace to prevent employees from sustaining health incidents and injuries'. In addition, in its Code of Conduct the Company states 'Health and Safety: Employers shall provide a safe and healthy workplace setting to prevent accidents and injury jeopardizing health when workers engage in work-related tasks or the operation of employers' facilities. Employers shall adopt responsible measures to mitigate negative impacts that the workplace has on the environment.' [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a> &amp; Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> |

| Indicator Code | Indicator name                         | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|                |                                        |                  | <ul style="list-style-type: none"> <li>• Met: H&amp;S applies to AP suppliers: Health and Safety is part of the Code of Conduct. In addition, in its CSR Report, it indicates: 'Pou Chen screens 100% of new suppliers based on environmental standards. New suppliers are required to complete a self-assessment form including items, such as the Group's code of conduct, environmental management, fire safety, occupational safety and health. In addition, new suppliers are sampled for factory inspection visits on a regular basis every year. After the completion of the self-assessment form and factory inspection visits, a decision will be made if applicants can be included as Pou Chen's suppliers.' Although it is not clear if the code is fully applied to suppliers, eight of the twelve assessment categories are related o health, safety and fire safety. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a> &amp; CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: working hours for workers: The Code of Conduct states 'Hours of Work: Employers shall not require workers to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. The regular work week shall not exceed 48 hours. Employers shall allow workers at least 24 consecutive hours of rest in every seven-day period. All overtime work shall be consensual. Employers shall not request overtime on a frequent basis and shall compensate all overtime work at a premium rate. Other than in exceptional circumstances, the sum of regular and overtime hours in a week shall not exceed 60 hours.' [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not met: Working hours for AP suppliers: Working hours are part of the Code of Conduct. In its CSR Report the Company states 'New suppliers are required to complete a self-assessment form including items, such as the Group's code of conduct, environmental management, fire safety, occupational safety and health. In addition, new suppliers are sampled for factory inspection visits on a regular basis every year. After the completion of the self-assessment form and factory inspection visits, a decision will be made if applicants can be included as Pou Chen's suppliers.' However, it is not clear if the code is fully applied to suppliers and a requirement in order to do business with the Company. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a> &amp; CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul>                                                                                                                                                                                                                                                                           |
| A.1.4          | Commitment to engage with stakeholders | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Regular stakeholder engagement: The Company reports on its website: 'Pou Chen communicates with stakeholders about their concerned topics through both regular and impromptu meetings, as well as transparent and solid interaction between the stakeholders and the relevant staff. The channels of communication include but are not limited to questionnaires, emails, meetings and conference calls for collecting stakeholder feedback and suggestions. The feedback received from stakeholders will be discussed during internal meetings and be reported to the Board of Directors at least once a year, which will then be used as important reference for the Company's sustainable development strategy.' It discloses a table with information about Topics of Concern to Stakeholders and Communication Approaches by stakeholder group, including: communities, employees, suppliers. The CSR report 2017 also contains info about topics discussed during the year. These include human rights and labour issues with some of them. [Stakeholders, N/A: <a href="http://pouchen.com">pouchen.com</a> &amp; CSR Report 2017, 29/06/2018: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Commits to engage stakeholders in design: The Company indicates: 'The channels of communication include but are not limited to questionnaires, emails, meetings and conference calls for collecting stakeholder feedback and suggestions'. However, no evidence found on the Company committing to engage with affected stakeholders and/or their legitimate representatives in the development or monitoring of its human rights approach. [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not met: Regular stakeholder design engagement: As indicated above, the Company indicates that it 'communicates with stakeholders about their concerned topics through both regular and impromptu meetings, as well as transparent and solid interaction between the stakeholders and the relevant staff. The channels of communication include but are not limited to questionnaires, emails, meetings and conference calls for collecting stakeholder feedback and suggestions. The feedback received from stakeholders will be discussed during internal meetings and be reported to the Board of Directors at least once a year, which will then be used as important reference for the Company's sustainable development strategy.' However, CHRB could not find further information about how the Company regularly engages with affected stakeholders in the development or monitoring of its human rights approach. [Stakeholders, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> |

| Indicator Code | Indicator name       | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| 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 FLA Accreditation report states the following: 'During the HQ Assessment, PCG showed top management commitment to invest in the social compliance program, training, and remediation'. However, no evidence found of a formal commitment to remedy adverse impacts caused or to which the Company has contributed in a Company's formal document. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> </ul> <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 AP suppliers to remedy impacts</li> </ul> |

## Embedding Respect and Human Rights Due Diligence

| Indicator Code | Indicator name                                                                     | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| B.1.1          | Responsibility and resources for day-to-day human rights functions                 | 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: Commits to ILO core conventions: See indicator A.1.2</li> <li>• Met: Senior responsibility for HR: According to the FLA Assessment for Accreditation document: 'The SD [Sustainable Development] and HR [Human Resources] Departments are overseen by the Executive Director, HR &amp; SD, who reports to the CEO of PCG.' The Sustainable Development Department cover human rights issues. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Day-to-day responsibility: The Company indicates in its CSR Report that it 'has established a Sustainable Development Department (SD) responsible for integrating and proving execution strategies and project management for CSR polices at all regional factories in terms of sustainable production. These include the requirements of brand customers' sustainability guidelines, compliance with local laws and regulations, employee relations management, and external audits of the Company's factories by NGOs. SD is also required to provide the management with regular reports on CSR performance and recommendations.' In addition, the FLA Assessment for Accreditation document, indicates: 'The SD Department at the HQ develops and implements PCG's social compliance program to uphold the FLA's Production Principles. The department's responsibilities include coordination with HR, the business units, and administrative centers to implement and improve training programs for managers, supervisors, and production-line employees (workers); completion of annual audits at all production compounds; working with the production facilities in the development and implementation of corrective action plans (CAP); social compliance data analysis, development of responsible production guidelines; and civil society engagement.' [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a> &amp; Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Day-to-day responsibility for AP in supply chain: The Company discloses some information about ethical management training, where there is a reference to the Supply Chain Personnel. However, no further details found. The Company has provided comments to CHRB regarding this indicator. However, evidence was not relevant. [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> |
| B.2.1          | Identifying: Processes and triggers for identifying 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: Identifying risks in own operations: The FLA Accreditation Report explains how the Company's production site conditions are being monitored. The Company started an international monitoring program in 2013. To conduct these audits, PCG coordinates an audit team made up of one lead auditor from Openview, two auditors from the HQ SD department, two auditors from the administrative center SD department, and one auditor from the legal department.' However, no evidence found in relation to a process to identify which are the human rights it faces and constitute its salient issues, including in its supply chain. Evidence refers to monitoring compliance and this indicator looks for a proactive approach from the company to identify which are the main issues that might face, with the aim of assessing and mitigate them in a proactive way. The Company has provided comments to CHRB regarding this indicator. However, evidence was not relevant. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Identifying risks in AP suppliers</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Indicator Code | Indicator name                                                                                                   | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
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|                |                                                                                                                  |                  | <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Ongoing global risk identification</li> <li>• Not met: In consultation with stakeholders</li> <li>• Not met: In consultation with HR experts</li> <li>• Not met: Triggered by new circumstances</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| B.2.2          | Assessing:<br>Assessment of risks and impacts identified (salient risks and key industry risks)                  | 0                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): The FLA Accreditation Report explains how the audit tool has been gradually improved and that the results of the internal audit are compiled into monthly reports, the Board is being kept up to date and major issues reported to independent directors, and how child labor is avoided at interview stage. However this indicator looks for evidence of the Company carrying out an assessment of potential human rights issues to determine which of them are salient at its operations, taking into account factors like geographical location, economic, social, etc. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Public disclosure of salient risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| B.2.3          | Integrating and Acting:<br>Integrating assessment findings internally and taking appropriate action              | 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: Action Plans to mitigate risks: The FLA Accreditation Report includes a description of how the Company tracks remediation at its production sites and it talks about general issues ('incidents and accidents', 'safety accidents and fires and worker strikes') and noncompliance. It also indicates 'PCG is able to extract its audit and remediation data from their platform system to analyze trends and visualize progress.' However, this indicator is not looking for corrective action plans at specific locations for non-compliances but a system to generally mitigate risks identified. Current evidence seems to focus in compliance monitoring and remediation programmes where non-compliances are found, whereas this looks for the company being aware of which are its salient issues and designing measures to mitigate them wherever they are at risk. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Including in AP supply chain</li> <li>• Not met: Example of Actions decided</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:<br>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: The FLA report states that 'Once a noncompliance is remediated, the production facility is required to provide remediation updates on the same noncompliance for another three months to ensure that the noncompliance has not reoccurred. Prior to the next internal annual audit, the production facility is required to ensure that all actions in the CAP are addressed and provide a self-assessment to the audit team prior to the audit' However, this indicator does not look for evidence of the company correcting non-compliances, but seeing if broad action plans to mitigate risks have been effective in mitigating the risks faced by the Company. Although FLA indicates that 'PGC utilizes the data to inform how PCG will invest in remediation actions, training programs, and other resources to address root causes to improve working conditions', no evidence found of the Company describing how it carries out that process, including tracking how effective these actions are. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Lessons learnt from checking effectiveness: The Company has provided comments to CHRB regarding this indicator. However, evidence was not relevant.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul> |
| 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: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1</li> <li>• Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2</li> <li>• Not met: Comms plan re action plans for risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.3</li> <li>• Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Indicator Code | Indicator name | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                              |
|----------------|----------------|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                |                  | <ul style="list-style-type: none"> <li>• Not met: Including AP suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1</li> <li>Score 2</li> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul> |

## Remedies and Grievance Mechanisms

| Indicator Code | Indicator name                                                                                                | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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| 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: According to its CSR Report 2018: 'To respond to employee suggestions and complaints, Pou Chen has established the following five internal grievance and reporting channels in accordance with its "Work Rules." If any employee is suspected of engaging in illegal or unethical behavior, it can be reported through any of the following channels: [...] The employee's direct superior; HR department of each factory; The complaints mailbox of each factory managed directly by the HR Department; Headquarter e-mail: HQ@pouchen.com; Internal website: <a href="http://website.pouchen.com">website.pouchen.com</a> [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: It also reports: 'In 2018, there were 7,089 cases of grievance and consultations on the Company's internal employee relationship management system, among which 1 case of discrimination occurred in the Company's Bangladesh compound. [...] There were 53 cases involving harassment or abuse, 6 of which were related to sexual harassment, and the rest were verbal and physical disputes caused by production line leaders losing their temper. After the cases were registered, the staff of the employee relations unit investigated, clarified, and intervened in the cases, and violators concerned were disciplined or dismissed pursuant to the Company's regulations. 70% of the cases were closed within 15 days, and 96% of the cases were closed within 2 months. All cases of harassment and abuse in 2018 have been closed.' However, it is not clear whether these were all human rights related complaints, since all seem to refer only to harassment. [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Channel is available in all appropriate languages: The FLA report states that 'FLA has verified PCG's policy of ensuring that functioning mechanisms for worker grievances are implemented at all production facilities. The following mechanisms have procedures and policies in local languages. 'Open Door Policy [...], Face-to-Face Communication [...], Suggestion Box [...], Home visits'. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Expect AP supplier to have equivalent grievance systems</li> <li>• Not met: Opens own system to AP supplier workers: The Company states that 'stakeholders can make inquiries or reports through the Investor Relations section on the Pou Chen website or contact e-mail (ir@pouchen.com). These will be processed by dedicated personnel at Pou Chen before being forwarded to the relevant units based on the scope and nature of the issues concerned for action and response.' In addition, the Company indicates 'we will keep your personal information confidential pursuant to applicable laws and take appropriate measures to protect your personal information and identity'. However, it is not clear if supplier workers can file complaints in relation to suppliers' behaviour related to human rights through this address. [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a> &amp; About PCG, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> |
| C.2            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The CSR Report states that 'Stakeholders can make inquiries or reports through the Investor Relations section on the Pou Chen website or contact e-mail (ir@pouchen.com). These will be processed by dedicated personnel at Pou Chen before being forwarded to the relevant units based on the scope and nature of the issues concerned for action and response.' [CSR Report 2018, 2019: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages: The Company indicates: 'FLA has verified PCG's policy of ensuring that functioning mechanisms for worker grievances are implemented at all production facilities. The following mechanisms have procedures and policies in local languages' and then discloses different mechanisms workers can communicate grievances. However, the Company must</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

| Indicator Code | Indicator name                                              | Score (out of 2) | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------|-------------------------------------------------------------|------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                |                                                             |                  | <p>describe how it ensures the mechanism(s) is accessible to all potentially affected external stakeholders at all operations, including in local languages, and the evidence only refers to workers. [FLA Accreditation Report, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Expects AP supplier to have community grievance systems: The Company has provided evidence of suppliers' grievance mechanism. However, no details found on whether suppliers' external stakeholders can file complaints as well. Also not clear whether suppliers are required to convey the same expectation to their suppliers.</li> <li>• Not met: AP supplier communities use global system</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| C.7            | Remedying adverse impacts and incorporating lessons learned | 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: Describes how remedy has been provided: On page 11 of the FLA's Accreditation Report the Company states 'To address grievances that had been received from workers on verbal harassment and abuse, PCG implemented this "friendly workplace" training module, in which the participants received an overview of what makes a friendly workplace and then discussed case studies on various grievances.' However, there is no evidence where the Company describes the approach it took to provide or enable a timely remedy for victims of human rights abuse. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not met: Says how it would remedy key sector risks: On page 17 of the FLA's Accreditation Report the Company states 'The administrative center Sustainable Development (SD) staff and the local business unit staff are then responsible for providing a finalized Corrective Action Plan (CAP) to the HQ SD department within two weeks of the audit. The CAP is then stored on PCG's monitoring platform system. The CAP specifies responsible staff for each action plan and designated local SD staff for the facility is responsible for providing remediation updates on the platform. Once a noncompliance is remediated, the production facility is required to provide remediation updates on the same noncompliance for another three months to ensure that the noncompliance has not reoccurred.' In addition, the FLA's Accreditation Report state that 'PCG has demonstrated effective remediation' given characteristics identified such as 'top management commitment, financial investment and accessibility of the SD staff and commitment to training' in the process used by the company. However, it is not clear how this approach includes specific approach to provide remedy to victims receiving harm. [Assessment for Accreditation - Fair Labor Association, 06/2018: <a href="http://fairlabor.org">fairlabor.org</a>]</li> </ul> <p>Score 2</p> <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> |

### Performance: Responses to Serious Allegations (Not included in the overall score)

| 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. |

#### 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 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, 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.

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