

Company Name Yue Yuen
Industry Apparel (Supply Chain and Own Operations)
Overall Score (*) 17.4 out of 100

Theme Score	Out of	For Theme
1.9	10	A. Governance and Policies
2.0	25	B. Embedding Respect and Human Rights Due Diligence
2.9	15	C. Remedies and Grievance Mechanisms
3.6	20	D. Performance: Company Human Rights Practices
3.5	20	E. Performance: Responses to Serious Allegations
3.4	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	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: General HRs commitment: The chapter 4 of the CSR report, which is prefaced and signed by the Managing Director on behalf of the board, states the following: 'The Group is also committed to respecting human rights and complying with the human right standards and principles expressed in the "Universal Declaration of Human Rights" and in the International Labour Organization's "Declaration on Fundamental Principles and Rights at Work". [Code of Conduct, N/A: pouchen.com & CSR Report, 31/12/2017: pouchen.com] Score 2 <ul style="list-style-type: none"> Not met: UNGPs Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: ILO Core: As indicated below, the Company is explicitly committed to respect each ILO core area. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com & Code of Conduct, N/A: pouchen.com] Score 2 <ul style="list-style-type: none"> Not met: UNGC principles 3-6 Not met: Explicitly list ALL four ILO for AP suppliers: On page 71 of the 2017 CSR Report the Company states '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 occupational safety, the Group's code of conduct, and fire safety.' Page 141 is a summary of the Code of Conduct. However,

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			<p>no evidence of explicit requiring all the ILO core labour standards for suppliers. In the 2018 report it states that 'in 2018 the Group regularly promoted the "Group Code of Conduct" to the suppliers, including but not limited to lawful employment of workers, prohibition of child labor and forced labor and prohibition of violence, harassments and abuses, etc.'. It also indicates that it encourages 'suppliers with excellent performance in sustainable development to abide by the 'Group Code of Conduct" Together'. However, 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. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • 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: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Met: Respect H&S of workers: The Company states that its policy on occupational safety and hygiene management is to 'provide a safe and healthy working environment for the employees and avoid occupational hazards'. 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, 31/12/2017: pouchen.com & Code of Conduct, N/A: pouchen.com] • Met: H&S applies to AP suppliers: Health and Safety is part of the Code of Conduct. The Company states in its CSR Report 'New suppliers are required to complete a self-assessment form including items, such as occupational safety, the Group's code of conduct, and fire safety. 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. [CSR Report, 31/12/2017: pouchen.com & Code of Conduct, N/A: pouchen.com] • 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: pouchen.com] • 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 occupational safety, the Group's code of conduct, and fire safety. 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. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com]
A.1.3.AP	Commitment to respect human rights particularly	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Women's Rights: Although the Company refers to women's and children's health care projects as part of their protection policy and that this policy is assessed in an annual internal audit, no evidence of formal commitment to

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	relevant to the industry (AP)		<p>respecting women's or children's rights found. [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org]</p> <ul style="list-style-type: none"> • Not met: Children's Rights: See above [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business principles • Not met: Convention on migrant workers • Not met: Respecting the right to water: While the Company in its CSR Report has a whole section dedicated to water use it states 'In response to stakeholder concern on the safety and health management of employees' drinking water as well as international trends on sustainability, Pou Chen's water resource management policy seeks to ensure the safety and quality of water supply as well as conformity with local discharge standards on sewage treatment.' 'seeks to ensure' is not committing to respecting the right to water (company's operations not affecting safe access to water). In the 2018 ESG report the Company indicates that most of the water used is for the daily use of employees and only a small part is used for the soles manufacturing process. The Company indicates that, 'in order to manage the safe use of water resources in each production base, large-scale water purification plants and reverse osmosis water purification system equipment have been set up in all production bases'. 'Currently the water resources supply at the production bases of the Group comes primarily from local municipal water supply, rivers and lakes. We did not encounter any problem in sourcing suitable water supply'. No evidence found, however, a formal commitment to respect the right to water. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Not met: Expecting suppliers to respect these rights
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"> • Met: Regular stakeholder engagement: See above. The Company 'communicates with stakeholders about their issues of interest through both regular and impromptu meetings, as well as transparent and solid interaction between the stakeholders and the relevant staff.' The ESG report 2018 shows a table with stakeholders, major issues and communication channels & methods. The 2017 also contains info about topics discussed during the year. These include human rights and labour issues with some of them. [CSR Report, 31/12/2017: pouchen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design: The Company states that it seeks for 'stakeholders' opinions and suggestions through scheduled and ad hoc meetings with stakeholders and transparent and good interactive communications between relevant business contact windows. Internal meetings of the Group are conducted to report and discuss the information received from the stakeholders' feedback, which will then be used as important reference for the Group's sustainable development strategy. The administrative centers of the Group's major production bases have also established dedicated sustainable development units to coordinate and the process communications with, and information and feedbacks from, stakeholders in relation to the issues on environmental protection, human rights and social impacts'. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com & CSR Report, 31/12/2017: pouchen.com] • Not met: Regular stakeholder design engagement
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"> • 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 of Accreditation, 06/2018: fairlabor.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts

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A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Zero tolerance attacks on HRs Defenders (HRDs): While the Company states in its CSR Report that they respect the employees' right to freedom of association and collective bargaining' no evidence of zero tolerance of attacks on HRs Defenders (HRDs) found. [CSR Report, 31/12/2017: pouchen.com] Score 2 <ul style="list-style-type: none"> Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: CEO or Board approves policy: In its 2018 ESG Report the Company has a copy of the Code of Conduct. The Code of Conduct states that the Company is committed to respecting Human Rights. The ESG Report is evaluated, determined and signed by the Board of Directors. However, it is not clear if the actual policy has been signed off by the board. Although the Company provides the FLA accreditation report, where it is indicated that top management is committed to uphold workplace standards, as evidence, this indicator looks for specific indicator of the formal policy being signed off by the board or the CEO by name. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com & Assessment of Accreditation, 06/2018: fairlabor.org] <ul style="list-style-type: none"> Not met: Board level responsibility for HRs: The Company indicates that Mr Hu-Chia-Ho, is 'vice president of the Group and is the head of the Human Resources Department and the Sustainable Development Department'. He is an executive director. However, this indicator looks for Board of Directors member/committee (supervisory board) responsibility for human rights, not senior management. [Annual Report 2018, 03/2019: www3.hkexne] Score 2 <ul style="list-style-type: none"> Not met: Speeches/letters by Board members or CEO: Although the Chairman writes an introduction letter in which it mentions the FLA accreditation, this is mentioned in a broader statement covering a number of issues of the company and national economic context. No evidence found of speeches/letters from the CEO or Board of Director's members setting out the Company's approach to human rights or discussing its business importance. [Annual Report 2018, 03/2019: www3.hkexne]
A.2.2	Board discussions	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Board/Committee review of salient HRs: The Company states that CSR best practice principles have been developed and approved by the Board. 'The bi-annual performance-meeting is used to examine and review the effectiveness of CSR measures'. CSR includes 'comply with international labor standards' and 'provide a safe and healthy workplace'. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] <ul style="list-style-type: none"> Not met: Examples or trends re HR discussion: Although the Company indicates that the board submits the ESG report, this indicator looks for specific issues discussed within board of directors meetings in relation to specific human rights issues. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] Score 2 <ul style="list-style-type: none"> Not met: Both examples and process
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"> Not met: Incentives for at least one board member Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> Not met: Performance criteria made public

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	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See A.1.2 • Met: Senior responsibility for HR: The Company indicates that Mr. Hu Chia-Ho is the executive director in charge of this topic. Is the head of the Human Resources Department and the Sustainable Development Department of the Company. Sustainable development includes human rights. [CSR Report, 31/12/2017: pouchen.com & Annual Report 2018, 03/2019: http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0425/LTN201904251104.pdf#..\Companies\Yue Yuen\Worksheet Yue Yuen.docx#_Hlk156300991,17855,18028,0,, HYPERLINK "www3.hkexnews.hk"] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The Company states in its CSR Report that it has created 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'. SD is required to 'provide management with regular reports on CSR performance and recommendation'. Human Rights (see page 79) are part of CSR. [CSR Report, 31/12/2017: pouchen.com] • Not met: Day-to-day responsibility for AP in supply chain
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights: Although the FLA Accreditation Report states that 'PCG has set goals for each business unit so that the facilities are motivated to improve their audit scores', and that 'production facilities are incentivized to improve working conditions through expectations communicated by top management and through the performance review process', no evidence found of incentives or performance management scheme linked to aspects of its human rights policy commitment(s) for at least one senior manager (top management). [Assessment of Accreditation, 06/2018: fairlabor.org & CSR Report, 31/12/2017: pouchen.com] • Not met: At least one key AP HR risk, beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR risks is integrated as part of enterprise risk system: The ESG report indicates that 'the Board of directors of the Company is responsible for evaluating and determining the Group's environmental, social and governance risks, the formulation of the corresponding strategies, and ensuring the appropriate effective environmental, social and governance risk management and internal control systems are established and maintained'. However, no direct evidence found of human rights risks being integrated in this context. No evidence found of human rights risk being integrated in the Director's report among principal risks and uncertainties and enterprise risk management system. Finally, the FLA Accreditation Report describes how it monitors and assesses production site conditions, no evidence found about how attention to human rights risks are integrated as part of its broader enterprise risk management systems. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com & Annual Report 2018, 03/2019: http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0425/LTN201904251104.pdf#..\Companies\Yue Yuen\Worksheet Yue Yuen.docx#_Hlk156300991,17855,18028,0,, HYPERLINK "www3.hkexnews.hk"] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment: The Company indicates that 'through regular analyzed and independent assessments by the internal audit function, the Board also determines whether aforesaid systems [see above] are sufficient and effective'. However, as indicated above, although ESG risks are likely to include human rights & labour risks, no direct evidence found of these being included (also as indicated above, these risks doesn't appear in the principal risks list either). [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com]

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B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2 • Met: Communicates its policy to all workers in own operations: The 2018 FLA Accreditation Report states that 'FLA verified that PCG has translated their Code of Conduct into Bahasa, Bengali, Burmese, Cambodian, English, Mandarin, Vietnamese, and Spanish. These languages cover all local languages of the production countries. Through SCI Assessments, Field Observations, and Field Office Visits, FLA has observed that the PCG Code of Conduct has been posted at various factory compounds.' Although it is not clear that the Company has communicated this way its policies to all workers, the FLA report provides evidence of all employees being trained in code of conduct (see indicator B.1.5), which cover human rights commitments. [Assessment of Accreditation, 06/2018: fairlabor.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder: The FLA Accreditation Report indicates that the Company has engaged with civil society in Bangladesh (University), China (summer camp for children of migrant parents that work at the Company), Indonesia (freedom of association) and Vietnam (training programme on gender-related issues). It also reports engagement with unions in different countries. However, no evidence found how of actual policy (code) communication to affected or potentially affected stakeholders. [Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions for suppliers • Not met: Communicating policy down the whole AP supply chain: The FLA Accreditation Report states that 'PCG's Global Supply Chain Management Team oversees raw material suppliers and has implemented a compliance program to assess for basic ESH, child labor, and forced labor for all material suppliers that are not nominated by customers and some nominated suppliers'. However, no details found in relation to policy communication. In its CSR Report, it indicates that 'new suppliers are required to complete a self-assessment form including items, such as occupational safety, the Group's code of conduct, and fire safety'. However, no evidence found of the Company actively communicating its human rights policy commitment(s) to its suppliers, including down the supply chain (or requiring its own suppliers to do so). [Assessment of Accreditation, 06/2018: fairlabor.org & CSR Report, 31/12/2017: pouchen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Requiring AP suppliers to communicate policy down the chain • Not met: How HR commitments made binding/contractual • Not met: Including on AP suppliers
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2 • Met: Trains all workers on HR policy commitments: FLA indicates in its accreditation report, provided to CHRB by the Company, that 'PCG HR's Team has developed a "Power Camp" training program for all new HQ, BU, and AC-level staff. The training camp curriculum includes PCG's Core Values, Code of Conduct, and the shoe manufacturing processes. It also includes a training feedback survey to evaluate and provide feedback on the training. The HR Department maintains a training road map for all levels of management that ensures all staff receive refresher training on the PCG Core Values'. The Code of Conduct outlines the Company's commitment to human rights policy. [Assessment of Accreditation, 06/2018: fairlabor.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Trains relevant AP managers including procurement: The Company states that managers and supervisors 'receive regular training on PCG's Code of Conduct and workplace standards.' However, it is not clear how relevant managers and workers receive specific human rights training relevant to their role, including, at least procurement (training to manage human rights issues in the Company's supply chain). [Assessment of Accreditation, 06/2018: fairlabor.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Monitoring implementation of HR policy commitments: The Company identifies potential problems through internal (regular/annual) and external audits to improve the work environment and control risks. The FLA Report states that the Company has had its internal monitoring program in place since 2013. It states that 'the PCG internal audit includes worker interviews, consultation with unions and/or worker representatives, management interviews, document review, visual inspection, and an occupational health and safety review.' The audit team is 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. Each production facility audit takes about two days, and depending on the size of the compound, the audit team will spend between one and three weeks to audit all of the production facilities within a compound. [Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: Monitoring AP suppliers: The FLA accreditation document states that 'PCG's Global Supply Chain Management Team oversees raw material suppliers and has implemented a compliance program to assess for basic ESH, child labor, and forced labor for all material suppliers that are not nominated by customers and some nominated suppliers'. However, no evidence found of monitoring covering company's policy, or audits focusing in these specific issues. [Assessment of Accreditation, 06/2018: fairlabor.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Describes corrective action process: Once the audit process has finished, the audit team provides a report/CAP to the production facility. The administrative center SD staff and the local business unit staff are then responsible for providing a finalized CAP to the HQ SD department within two weeks of the audit. The CAP is stored in the Company's monitoring 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. 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. The FLA reports provides examples on remediation cases, however, they are older than 3 years. No further examples found. [Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: Example of corrective action • Not met: Discloses % of AP supply chain monitored
B.1.7	Engaging business relationships	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: HR affects AP selection of suppliers: No evidence found in public sources of the Company applying human rights selection criteria for potential suppliers. The Company has provided evidence to CHRB that is not material to this indicator. • Not met: HR affects on-going AP supplier relationships <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Working with AP suppliers to improve performance
B.1.8	Approach to engagement with potentially affected stakeholders	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Stakeholder process or systems: The Company indicates in its CSR report 2017 that adopts five principles to identify key stakeholders: 1) Dependency, 2) responsibility, 3) tension, 4) influence and 5) diverse perspectives'. In the ESG report 2018 it also adds that Obased on 1) the feedback from customers as received by the relevant business executives, and 2) the records of enquiries and interactive communications between external organizations and internal staff, and according to such interaction frequency, the Group consolidated eight different groups of stakeholders that are related to footwear manufacturing business. These include shareholders/investors, customers, employees, local community, government/regulatory authorities, suppliers, media, and non-governmental organizations'. Finally, it discloses charts of engagement for 2017 and 2018 including, among other things, stakeholders engaged, issues of concern and '2017 annual interaction records'. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Not met: Frequency and triggers for engagement: The 2018 ESG report includes a chart with stakeholders, major issues and communication channels & methods. Stakeholders engaged in human rights include Non-governmental organisations (although these are not affected stakeholders), and employees. Employees issues for engagement include salaries and benefits, labour relations, labour rights,

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>working hours, workplace safety and collective agreements, among others. In 2017 CSR report, for this stakeholder group and issues, the Company describes frequency and communication channels or reasons to engage (trigger), which can include occupational health and safety committee and unions (monthly), Complaints and Disciplinary committee (irregular intervals), Internal employee communications (monthly, bi-monthly), employee leadership meeting (monthly, quarterly) and consultation service for employees in overseas production sites (daily). [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com & CSR Report, 31/12/2017: pouchen.com]</p> <ul style="list-style-type: none"> • Met: Workers in AP SC engaged: Although suppliers are included as stakeholder group and the group describes frequency and communication channels, no evidence found of engagement with suppliers' workers on human rights issues. • Not met: Communities in the AP SC engaged: Although local communities are included in the process, no evidence found of engagement on human rights issues with communities in the supply chain. <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them: The Company provided to CHRB a publicly available Fair Labour Association's accreditation report where this entity carries out an assessment of the Company including strengths and weaknesses. However, no evidence found, in company's own sources, of a description of the inputs given by stakeholders on human rights (although it remarks, in CSR report 2017, the 'Company's advantages'), and how they were/are being taken into account. No additional evidence found in 2018 report. [Assessment of Accreditation, 06/2018: fairlabor.org & CSR Report, 31/12/2017: pouchen.com]

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	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifying risks in own operations: The Company describes in its FLA Accreditation Report how production site conditions are being monitored. It 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. [Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: Identifying risks in AP suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances
B.2.2	Assessing: 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"> • 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 of Accreditation, 06/2018: fairlabor.org] • Not met: Public disclosure of salient risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks: The Company describes in its FLA Accreditation Report how it 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 states 'PCG is able to extract its audit

Indicator Code	Indicator name	Score (out of 2)	Explanation
	internally and taking appropriate action		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 of Accreditation, 06/2018: fairlabor.org] <ul style="list-style-type: none"> • Not met: Including in AP supply chain • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • 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 'PCG 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 of Accreditation, 06/2018: fairlabor.org] • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks: See B.2.1 [Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: Comms plan re assessing risks: See B.2.2 • Not met: Comms plan re action plans for risks: See B.2.3 • Not met: Comms plan re reviewing action plans: See B.2.4 • Not met: Including AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Company states in its CSR Report and FLA Accreditation Report that it has multiple grievance channels at production facilities in local languages in place (face to face interview, open door policy, suggestion box). [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] Score 2 <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: The Company states 'As of the end of 2017, we have cumulatively received 7,151 consulting/ grievance incidents, in which grievances accounted for approximately 13.3% and complaints made up for 28.7%. Most of the incidents were suggestions at 58%, and the incident resolution rate has been 98.9%.' However, no evidence found of how many grievances were related to human rights. [CSR Report, 31/12/2017: pouchen.com] • 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 of Accreditation, 06/2018: fairlabor.org] • Not met: Expect AP supplier to have equivalent grievance systems • Not met: Opens own system to AP supplier workers

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> 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 then forwarded to the relevant units based on the issue of concern's scope and nature for action and response'. [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] Score 2 <ul style="list-style-type: none"> Not met: Describes accessibility and local languages Not met: Expects AP supplier to have community grievance systems Not met: AP supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Engages users to create or assess system Not met: Description of how they do this Score 2 <ul style="list-style-type: none"> Not met: Engages with users on system performance Not met: Provides user engagement example on performance Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Response timescales: On page 96 of its CSR Report there is a chart showing the Factory Employee Grievance Procedure. In the chart it states 'Counseling office receives case then conducts investigation and analysis. Action is taken and response to grievance is made within 10 days.' If outcome is not satisfactory, it is transferred to union, that has to 'respond with outcome within 10 days'. If not satisfactory, the company seeks arbitration which needs to be back within 60 days. [CSR Report, 31/12/2017: pouchen.com] Not met: How complainants will be informed Score 2 <ul style="list-style-type: none"> Met: Escalation to senior/independent level: If after trade unions escalation the outcome is not satisfactory (or if the 'Life counselling office' decides so), the company will 'seek arbitration with the local government's HR social welfare agency. Respond with arbitration outcome within 60 days'. [CSR Report, 31/12/2017: pouchen.com]
C.5	Commitment to non-retaliation over complaints or concerns made	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: Public statement prohibiting retaliation: The Company refers to the FLA Accreditation Report where it is stated that the Company has 'multiple functioning grievance mechanisms at each of its production compounds' and that they are encouraged by the FLA to 'ensure all workers have access to a grievance mechanism they feel comfortable using.' It also states in its CSR report that factory employees can make anonymous complaints. However, no evidence found that the Company prohibits retaliation against workers and other stakeholders for raising human rights related complaints or concerns. [Assessment of Accreditation, 06/2018: fairlabor.org & CSR Report, 31/12/2017: pouchen.com] Met: Practical measures to prevent retaliation: The company has a anonymous systems where complaints can be raised. [Assessment of Accreditation, 06/2018: fairlabor.org & CSR Report, 31/12/2017: pouchen.com] Score 2 <ul style="list-style-type: none"> Not met: Has not retaliated in practice Not met: Expects AP suppliers to prohibit retaliation
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"> Not met: Won't impede state based mechanisms: The Company refers on page 96 of its CSR Report to the chart that explains the Factory Employee Grievance Procedure. In there it explains that for grievance cases there will be a 'Transfer to union. Launch satisfaction analysis and processing. Respond with outcome within 10 days.' Should the outcome not be satisfactory, the Company will 'Seek arbitration with the local government's HR social welfare agency.' However, there is no statement where the Company publicly commits to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations and no mention of human rights issues and impacts (it seems to be the Company itself who decides to escalate). Further, this grievance mechanism seems to apply only to factory workers, not to all employees of the Company. [CSR Report, 31/12/2017: pouchen.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Complainants not asked to waive rights Score 2 <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remediating 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"> • 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 of Accreditation, 06/2018: fairlabor.org] Score 2 <ul style="list-style-type: none"> • Not met: Says how it would remedy key sector risks • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.a	Living wage (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Living wage target timeframe: The Code of Conduct states that 'every worker has a right to compensation for a regular work week that is sufficient to meet the workers' basic needs' and 'employers shall pay at least the minimum wage or the appropriate prevailing wage, whichever is higher'. Further, in the FLA Accreditation Report there is an example from one of PCG's production compounds in Vietnam where two strikes related to wages occurred in the last four years. After reviews by the FLA it states that 'FLA recommends PCG continue to engage with the union and worker representatives in the revisions of the wage structures to continue ensure a level of fair compensation.' No evidence found for target timeframe for paying all workers a living wage or that the Company has achieved paying the living wage. [Assessment of Accreditation, 06/2018: fairlabor.org & Code of Conduct, N/A: pouchen.com] Score 2 <ul style="list-style-type: none"> • Not met: Describes how living wage determined • Not met: Achieved payment of living wage • Not met: Regularly review definition of living wage with unions
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"> • Not met: Living wage in supplier code or contracts: The Company provided sources to CHRB in relation to this indicator, but no evidence found in public sources of the Company requiring suppliers to implement living wages in contracts or supplier code of conduct. [Code of Conduct, N/A: pouchen.com & CSR Report, 31/12/2017: pouchen.com] Score 2 <ul style="list-style-type: none"> • Not met: Improving living wage practices of suppliers • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
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"> • Not met: Avoids business model pressure on HRs: The Company states that it incentivises raw material suppliers to comply with basic 'ESH, child labor, and forced labor' rules by inviting them to have a 'booth at PCG's annual vendor fair'. However, no evidence found of practices that the Company adopts to avoid price or short notice requirements undermining all human rights. [Assessment of Accreditation, 06/2018: fairlabor.org] Score 2 <ul style="list-style-type: none"> • Not met: Positive incentives to respect human rights • Not met: Both requirements under score 1 met

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"> • Not met: Identifies suppliers back to product source: The Company explains in the CSR report the types of supplier it has and how new ones 'are required to complete a self-assessment form including items, such as occupational safety, the Group's code of conduct, and fire safety. In addition, new suppliers are sampled for factory inspection visits on a regular basis every year.' No specific details found, however, in relation to supplier identification, including both direct and indirect suppliers, including locations. [CSR Report, 31/12/2017: pouchen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of supply chain and why
D.2.4.a	Prohibition on child labour: Age verification and corrective actions (in own production or manufacturing operations)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Does not use child labour: The Company states that it does not hire child labour aged below the relevant legal threshold of the respective markets. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Met: Age verification of job applicants and workers: The Company states that at the time of interview, the Human Resources Department will request the job applicants to produce valid identity document for the verification of actual age of the applicants. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Remediation if children identified: The Company states that where mistakenly-employed case is discovered, the child will be suspended from work immediately and sent to the original residing address for the supervision by the parents or guardians, and the Company will be responsible for paying the necessary transportation and accommodation, as well as the wages for the actual work period. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com]
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Child Labour rules in codes or contracts: The Company states that 'In 2018, the Group regularly promoted the "Group Code of Conduct" to the suppliers, including but not limited to lawful employment of workers, prohibition of child labor and forced labor and prohibition of violence, harassments and abuses, etc'. However, no evidence found of the Company including child labour guidelines including age verification and remediation programmes in contractual or code of conduct for suppliers. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Not met: How working with suppliers on child labour: The ESG report indicates that 'In 2018, for the suppliers with relatively high deficiencies, consultations and improvement measures were provided by the Group as appropriate for individual cases. In some cases, situations were reported to the brand customers with joint effort to track the improvement progress. The objective is to promote among the suppliers to continue the improvement of the production cycle, to fulfil corporate social responsibilities and to put the concept of sustainable development into practice'. However, no specific details found in relation to how it works with suppliers to improve working conditions for young workers where relevant. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.a	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing 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"> • Not met: Pays workers in full and on time: In its Code of Conduct the Company states 'Remuneration: Every employee has the right to receive corresponding remuneration for a regular working week, and this remuneration shall be sufficient to meet his/her basic needs and provide some disposable income. Employers shall take the local minimum wage or the appropriate current wage (whichever is higher) as the payment standard; employers shall comply with all legal requirements on wages, and provide fringe benefits in accordance with the law or contract. When remuneration is insufficient to meet employees' basic needs and not able to provide disposable income, employers shall do their best to seek appropriate solutions to reach the legal remuneration standards step by step.' No evidence found of statement in relation to pay workers regularly, in full and on time and that does not require workers to pay work related fees or costs and that workers receive a pay slip. The Company provided comments to CHRB for this indicator. However, the references were not found in public source. [CSR Report, 31/12/2017: pouchen.com & Code of Conduct, N/A: pouchen.com] • Not met: Payslips show any legitimate deductions: See above <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Debt and fees rules in codes or contracts: The Company states that 'In 2018, the Group regularly promoted the "Group Code of Conduct" to the suppliers, including but not limited to lawful employment of workers, prohibition of child labor and forced labor and prohibition of violence, harassments and abuses, etc'. In relation to forced labour, the code indicates that 'forced labor is not allowed, including prison labor, indentured labor, bonded labor, or other forms of forced labor'. No evidence found in relation to requirements to refrain from imposing any financial burdens on workers in the code for suppliers or supplier contracts. [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: How working with suppliers on debt & fees: No evidence found in sources provided to CHRB on the company working with suppliers to eliminate imposing any financial burdens on workers. [Assessment of Accreditation, 06/2018: fairlabor.org & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.5.c	Prohibition on forced labour: Restrictions on workers (in own production or manufacturing operations)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Does not retain documents or restrict movement: In its CSR Report and the Code of Conduct the Company states that it 'does not employ any labor that is forced, imprisoned, or bound by illegal contracts. All work is voluntary and employees have the right to work overtime and to leave their employment with Pou Chen under reasonable notice.' as well as 'employees will not be required to use their personal identity or working permit as collateral.' The code of conduct commits against forced labour, and the ESG report states that 'the employees are not required to reside in the factory quarters, nor does the Group require the employees' identity or work documents to be kept by the employer'. [CSR Report, 31/12/2017: pouchen.com & Code of Conduct, N/A: pouchen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: How sure about agencies or brokers

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Free movement rules in codes or contracts: The Company states that 'In 2018, the Group regularly promoted the "Group Code of Conduct" to the suppliers, including but not limited to lawful employment of workers, prohibition of child labor and forced labor and prohibition of violence, harassments and abuses, etc'. In relation to forced labour, the code indicates that 'forced labor is not allowed, including prison labor, indentured labor, bonded labor, or other forms of forced labor'. No evidence found in relation to specific requirements including refraining from restricting workers' movement through the retention of passports or other documents or other measures to physically restrict movement being included in codes for suppliers or supplier contracts. The Company provided feedback to CHRB in relation to this indicator. However, such statements have not been found in sources referenced. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits not to interfere with union rights and collective bargaining and prohibits intimidation and retaliation: The Code of conduct commits to respect the right to freedom of association and collective bargaining. In addition, it states that 'we recognize that employees can freely join labor unions according their wishes'. The Company also indicates that approximately 100% of its employees are covered by collective bargaining agreements. [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] • Met: Discloses % covered by collective bargaining: The Company indicates on its website that 'the percentage of total employees covered by collective bargaining agreements within the Group is approximately to 100%' [Friendly & Safety Workplace (Corporate Social Responsibility), N/A: pouchen.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Both requirement under score 1 met
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: FoA & CB rules in codes or contracts: Although the Code of conduct includes commitment to respect freedom of association and right to collective bargaining, no evidence found in public sources of the code of conduct being a strict requirement in all cases for suppliers, and this including requirement to prohibit retaliation or harassment against union members or union representatives. [CSR Report, 31/12/2017: pouchen.com & Code of Conduct, N/A: pouchen.com] • Not met: How working with suppliers on FoA and CB <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.7.a	Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing 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"> • Met: Injury Rate disclosures: The Company reports that disabling injury frequency rate was 0.86 and disabling injury severity rate was 24 in 2017. [CSR Report, 31/12/2017: pouchen.com] • Met: Lost days or near miss disclosure: The Company states 'Statistics from occupational injury management in 2017 indicated that there were a total of 619 occupational injury incidents and cumulatively 17,113 disabling days. The days were calculated based on disabling due to occupational injuries, and does not include transportation injuries.' [CSR Report, 31/12/2017: pouchen.com] • Not met: Fatalities disclosures <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Set targets for H&S performance • Not met: Met targets or explains why not

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (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"> • Not met: Sets out clear Health and Safety requirements • Not met: Injury rate disclosures • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures Score 2 <ul style="list-style-type: none"> • Not met: How working with suppliers on H&S • Not met: Provide analysis of trends in progress made
D.2.8.a	Women's rights (in own production or manufacturing operations)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Process to stop harassment and violence: In its Code of Conduct, part of the CSR Report, the Company states that no harassment or abuse is tolerated. On the Company's website 'Friendly & Safety Workplace' it states that there should not be any 'discrimination in employment on the basis of gender'. In the FLA Accreditation Report. The Company states 'PCG identified the following challenges: understanding local regulations, special labor protections for female workers' and it mentions a project in Vietnam where 'PCG engages with non-profit Marie Stopes International to provide a voluntary training program that integrates gender-related issues to staff and production workers and PCG staff. This training worked to address gender inequality at the workplace, family environment, and social environment.' However, no evidence found of processes and systems to prohibit harassment against women, nor for the other topics considered in this indicator. [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] • Not met: Working conditions take account of gender • Not met: Equality of opportunity at all levels Score 2 <ul style="list-style-type: none"> • Not met: Meets all of the requirements under score 1
D.2.8.b	Women's rights (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"> • Not met: Women's rights in codes or contracts: The Company refers to its Code of Conduct, part of the CSR Report, of being 'committed to the implementation of the principles of fairness and equality and human rights policy' and that 'every employee shall be treated with respect. No personal, sexual, psychological, or verbal harassment or abuse toward employees is allowed'. The ESG report indicates that 'in 2018, the Group regularly promoted the "Group Code of Conduct" to the suppliers, including but not limited to lawful employment of workers, prohibition of child labor and forced labor and prohibition of violence, harassments and abuses, etc'. However no evidence found of requirement for suppliers in relation to women's rights including equal opportunity at all levels of employment, equal pay for equal work, and elimination of health and safety concerns particularly prevalent among women workers. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] • Not met: How working with suppliers on women's rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
D.2.9.a	Working hours (in own production or manufacturing operations)	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Respects max hours, min breaks and rest periods in its own operations: The Company states in its Code of Conduct that employees should not 'work for more than regular working hours and overtime hours set forth in the laws of the country where the factory is located. Regular working hours should not exceed 48 hours a week'. It also refers to 'at least 24 consecutive hours of rest in every seven-day period' and that 'the total number of regular and overtime working hours a week may not exceed 60 hours.' However, there is no mention of minimum breaks. [CSR Report, 31/12/2017: pouchen.com & Assessment of Accreditation, 06/2018: fairlabor.org] Score 2 <ul style="list-style-type: none"> • Met: How it implements and checks this: The Company indicates in its ESG report that 'to maintain the physical and mental balance of the employees, computerized attendance systems are put in place to effectively manage the working hours and resting dates of the employees'. [ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.9.b	Working hours (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"> Not met: Working hours in codes or contracts: The Company refers to its Code of Conduct regarding working hours. In the 2018 ESG report it states that the Group 'regularly promoted the "Group Code of Conduct" to the suppliers, including but not limited to lawful employment of workers, prohibition of child labor and forced labor and prohibition of violence, harassments and abuses, etc.,'. However, no evidence found on public sources of the code of conduct being a contractual or a mandatory requirement for suppliers, or the code of conduct being literally applied to suppliers. [Code of Conduct, N/A: pouchen.com] Not met: How working with suppliers on working hours Score 2 <ul style="list-style-type: none"> Not met: Both requirements under score 1 met Not met: Provide analysis of trends in progress made

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 13.92 out of 80 points scored in themes A-D & F has been applied to produce a score of 3.48 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	1.42 out of 4	Out of a total of 48 indicators assessed under sections A-D of the benchmark, Yue Yuen made data public that met one or more elements of the methodology in 17 cases, leading to a disclosure score of 1.42 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"> Met: Company reports on GRI: The Company discloses a GRI index in CSR report 2017. However, no evidence in the latest 2018 ESG Report. [CSR Report, 31/12/2017: pouchen.com & ESG Report (Environmental, social and governance report), 22/03/2019: investor.yueyuen.com] Not met: Company reports on SASB Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0 out of 4	Yue Yuen 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"> Not met: Score 2 for A.2.2 : Board discussions Not met: Score 2 for B.1.6 : Monitoring and corrective actions Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> Not met: Score 2 for A.2.3 : Incentives and performance management Not met: Score 2 for B.1.2 : Incentives and performance management Not met: Score 1 for D.2.1.a : Living wage (in own production or manufacturing operations) Not met: Score 2 for D.2.7.a : Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)

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.

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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.