

**Corporate Human Rights Benchmark  
2023 Company Scorecard**

**Company name** Pou Chen Corporation  
**Sector** Apparel (supply chain and own operations)  
**Overall score** 11.3 out of 100

Theme score	Out of	For theme
2.3	10	A. Governance and Policy Commitments
2.0	25	B. Embedding Respect and Human Rights Due Diligence
2.0	20	C. Remedies and Grievance Mechanisms
2.7	25	D. Performance: Company Human Rights Practices
2.3	20	E. Performance: Responses to Serious Allegations

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 2022 Methodology document for the sector concerned. 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 Policy Commitments (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	<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: Universal Declaration of Human rights (UDHR): The Code of Conduct indicates: 'PCG [Pou Chen Group] adheres to related international human rights standards, including UN Universal Declaration of Human Rights'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Not Met: Commitment to UNGPs: The Supplier – Friendly Workplace Guidelines indicates: 'PCG is dedicated to compliance with labor related legislations in the places where it operates. It follows the core values under international human rights guidelines such as [...] «the United Nations Guiding Principles on Business and Human Rights», «the OECD Guidelines for Multinational Enterprises»'. However, 'to follow' is not considered a formal statement of commitment according to CHRB wording criteria. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>Not Met: Commitment to OECD MNE Guidelines</li> </ul>
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>Met: Commitment to ILO core principles: The Code of Conduct has explicit requirements regarding each ILO core area: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>Met: Explicitly lists all four ILO core principles: The Company's Code of Conduct covers each ILO Core commitment: discrimination, forced labour, child labour,</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	Principles and Rights at Work		<p>freedom of association and collective bargaining. As for freedom of association and collective bargaining, it adds: 'Employers shall recognize and respect the right of employees to freedom of association and collective bargaining'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expects suppliers to commit to ILO core principles: The Supplier – Friendly Workplace Guidelines has explicit requirements regarding each ILO core area: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Explicitly lists all four ILO core principles for suppliers: The Company's Supplier – Friendly Workplace Guidelines covers each ILO Core commitment: discrimination, forced labour, child labour, freedom of association and collective bargaining. As for freedom of association and collective bargaining, it adds: 'Employers shall recognize and respect the right of employees to freedom of association and collective bargaining'. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul>
A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commitment to respect H&amp;S of workers: The Code of Conduct indicates: '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'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Commitment to ILO working hours standards or 48 hour regular work week: The Code of Conduct indicates: '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> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Expects suppliers to commit to H&amp;S of workers: The Supplier – Friendly Workplace Guidelines indicates: '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'. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Expects suppliers to commit to ILO working hours standards or 48 hour regular work week: The Supplier – Friendly Workplace Guidelines indicates: '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'. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the sector – vulnerable groups (AP)	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: Commitment to women's rights: See above, it 'adheres to related international human rights standards, including [...] Convention on the Elimination of all Forms of Discrimination Against Women'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Expects suppliers to respect these rights</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commitment refers to CEDAW/Women's Empowerment Principles: The Code of Conduct indicates: 'PCG adheres to related international human rights standards, including [...] Convention on the Elimination of all Forms of Discrimination Against Women'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Expects suppliers to respect these rights</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.4	Commitment to remedy	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: Commitment to remedy adverse HRs impacts: The Code of Conduct indicates: 'Where PCG has identified adverse human rights impacts resulting from or caused by our business activities, PCG is committed to providing for or cooperate in, a fair and equitable remediation'. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Expects suppliers to make this commitment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to collaborate with judicial or non-judicial mechanisms: The Company has provided comments to CHRB regarding this indicator, where it makes reference to its Fair Compensation Commitment as well as to its FLA membership. However, no policy statement committing it to collaborating with judicial or non-judicial mechanisms to provide access to remedy found. [Fair Compensation Commitment, 12/2021: <a href="http://pouchen.com">pouchen.com</a>] &amp; [Pou Chen Group - Fair Labor Association, N/A: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not Met: Commitment to work with suppliers on remedy</li> </ul>
A.1.5	Commitment to respect the rights of human rights defenders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Zero tolerance of threats/attacks on HRDs</li> <li>• Not Met: Expects suppliers to make this commitment</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Commitment to working with HRDs to create safe and enabling environment</li> </ul>

## A.2 Board Level Accountability (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	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: Board level responsibility for HRs</li> <li>• Not Met: Describes HRs expertise of Board member</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Board member/CEO signal importance of HRs in their communications</li> </ul>
A.2.2	Board responsibility	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: Process to review HRs strategy at board level: The 2021 PCC Sustainability Report indicates: 'relevant implement results and suggestions are provided to the company's management on a regular basis, and sustainability planning, progress and effectiveness are reported semi-annually at operational management meetings and at least once a year to the board of directors'. However, no details found on how human rights issues (processes, strategy, relevant issues) are brought to the attention to the Board for their review (i.e frequency of meetings of a specific board committee, how a board committee is briefed by which management body, etc.)</li> </ul> <p>[2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Example of HRs issues/trends discussed in last reporting period</li> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Describes how affected stakeholders / HRs experts inform board discussions</li> </ul>
A.2.3	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"> <li>• Not Met: At least one board member incentive linked to HRs commitments</li> <li>• Not Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Performance criteria linked to HRs made public</li> <li>• Not Met: Review of other board incentives for coherence with HRs policies</li> </ul>
A.2.4	Business model strategy and 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: Board process to review business model and strategy for HRs risks</li> <li>• Not Met: Describes frequency and triggers for reviewing business model</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> <li>• Not Met: Example of actions resulting from reviews</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Score of 1 on A.1.2.a</li> <li>• Not Met: Senior responsibility for HRs implementation and decision making: The Company indicates in its Sustainable Development Code of Practice, which comprises human rights, that, for the purpose of strengthening sustainable development management, the company establishes the Sustainable Development Department as a full-time unit to promote sustainable development, responsible for sustainable development policies, systems or relevant management guidelines and specific promotion plans proposal and implementation. However, it is not clear if senior managers are part of this department. [Sustainable Development Code of Practice, 26/12/2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes day-to-day responsibility for implementing HRs commitments</li> <li>• Not Met: Day-to-day resources and expertise allocation in own operations</li> <li>• Not Met: Resources and expertise allocation in supply chain</li> </ul>
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"> <li>• Not Met: Senior manager incentives linked to HRs commitments: The Company states that it enacts reasonable remuneration policies for each level of personnel to ensure the remuneration planning is consistent with the organization's strategic goals and stakeholders' interests. The Company combines employee performance management system and sustainability-related policies. However, it is not clear if and how human rights are comprised in this remuneration planning and how it would apply to senior managers. [2021 Annual Report, 13/05/2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Incentive scheme linked to key HRs risks beyond employee H&amp;S</li> <li>• Not Met: Performance criteria linked to HRs made public</li> <li>• Not Met: Review of other senior management incentives for coherence with HRs policies</li> </ul>
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"> <li>• Not Met: HRs risks integrated as part of enterprise risk system: The Company indicates that it built an internal evaluation mechanism, including three major modules of Human Resources (HRM), Labor and Environmental Safety and Health (ESH). The examination standards include the degree of fulfilment with regard to human rights risks. However, it is not clear if this mechanism is integrated to the Company's broader risk management system. The Company further describes that 'With the internationalization of operation scale, the impacts and challenges brought from global economic and environmental changes are becoming increasingly complex. To ensure the sustainable development of the Company, Pou Chen emphasises on the management of operational risks, conducts risk assessment on economic, environmental and social issues, and has established "Regulations governing Risk Management".' However, it is not clear if human rights are integrated into this system. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Provides an example</li> <li>• Not Met: Risk assesment by Audit Committee or independent third party</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) to workers and external stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Score of 1 on A.1.2.a</li> <li>• Not Met: Communicates HRs policies to all workers in own operations: The Company indicates it provides online courses about the Code of Conduct, which comprises human rights, and that in 2021 its Ethical Management advocacy team translated employee training contents regarding ethical management to English. However, no evidence that this course communicated its policies to all of its workers and no information related to its availability in local languages, as the Company has operations in different countries, were found. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Communicates HRs policies to stakeholders</li> <li>• Not Met: Example of how HRs policies are accessible for intended audience</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Meets ILO requirement for suppliers on A.1.2.a</li> <li>• Met: Describes steps to communicate HRs policies to supply chain: The Company indicates that the advocacy and training of the Group's Guide on Friendly Workplace for Suppliers, which comprises human rights, are conducted through online learning platform, and that through mail delivery it covers new, periodic Guide review. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>] &amp; [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Requires suppliers to communicate HRs policies: The Company states that it invites the suppliers to promote the Guide to their suppliers for further compliance. However, no requirement was found. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes how HRs policies are contractual/binding for suppliers: The Company indicates that: 'Supplier partners are required to follow the Guide and promise to respect relevant labor standards, eliminate human trafficking, and follow other norms, so as to protect and promote the basic rights and interests of suppliers' employees at workplace'. The 2021 PCC Sustainability Report indicates: 'all suppliers must abide by local laws and contract commitments, as well as taking labor rights, health and safety, and environmental compliance as one of primary considerations'. However, it is not clear if the human rights policy commitments are part of contractual agreements. [2021 Annual Report, 13/05/2022: <a href="https://pouchen.com">pouchen.com</a>] &amp; [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Requires suppliers to cascade contractual/binding HRs policies to its suppliers</li> </ul>
B.1.5	Training on Human Rights	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: Score of at least 1 on A.1.2.a</li> <li>• Met: Describes how workers are trained on HRs policy commitments: The Company indicates that it conducts trainings on ethical behaviour (including the code of ethical conduct, friendly workplace, and core values) in the form of online courses for 'group employees and new employees with the aim to promote the Company's ethical management philosophy and regulations.' [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Trains relevant managers including procurement on HRs</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2.a</li> <li>• Not Met: Meets both requirements under score 1</li> <li>• Met: Trains suppliers to meet HRs commitments: The 2021 PCC Sustainability Report indicates: 'In addition to cooperation with brand customers to hold supplier conference, compliance standard training and publicity, Supplier-Friendly Workplace Guidelines publication and training advocacy, for key suppliers with advanced partnership, we also introduce projects for reducing the risk of employment injuries, expanding the grievance mechanism'. Also, 'the advocacy and training of the Group's Guide of Friendly Workplace for Suppliers are conducted through online learning platform. [...] We hold two sessions were joined by project windows from a total of 31 suppliers'. The Guide contains provisions on human rights. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Discloses % suppliers trained</li> </ul>
B.1.6	Monitoring and corrective actions	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Score of at least 1 on A.1.2.a</li> <li>• Not Met: Monitors implementation of HRs policy commitments across global ops and supply chain: The Company describes its internal evaluation process that it conducts with the FLA. However, no information was found on the monitoring of the supply chain. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Discloses % of supply chain monitored</li> <li>• Not Met: Describes how workers are involved in monitoring</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Score of 2 on A.1.2.a</li> <li>• Not Met: Describes corrective actions process: The 2021 PCC Sustainability Report indicates: 'For the issues to be improved found through the audits, the Group utilized the MAP [Master Action Plan] platform for tracking of issues to be improved, and, through root cause analysis, the improvement plan can be combined with contact to plants were made for immediate rectification and inspection'. However, no further description the corrective action process found. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Not Met: Discloses findings and number of correction action processes: The 2021 PCC Sustainability Report indicates: 'In 2021, a total number of 109 improvement items have been followed up and closed on the previous year (2020)'. It discloses its human rights related findings, however, it is not clear the information disclosed represents all the findings, as it indicates four different types. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> </ul>
B.1.7	Engaging and terminating business relationships	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>• Not Met: HRs performance affects selection suppliers: The 2021 PCC Sustainability Report indicates: 'all suppliers must abide by local laws and contract commitments, as well as taking labor rights, health and safety, and environmental compliance as one of primary considerations. Through the supplier audit and selection mechanism, partner suppliers are selected and the overall performance will be evaluated, counselled, and tracked regularly to boost the supply chain efficiency'. However, it is not clear how human rights performance is taken into account in the identification of potential business relationships. This indicator focuses on the identification and selection of potential of suppliers, before they are selected, which is when they commit to the Company's Human Rights approach. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: HRs performance affects continuation supplier relationships: According to the supplier management and guidance mechanism, there could be: 'elimination &amp; reinstatement specifications'. However, it is not clear how human rights performance is taken into account in the decisions to renew, expand or terminate business relationships, including business partners. This subindicator looks for evidence of how, once they are already working for the Company, their human rights performance affects their relationship. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes positive HRs incentives for business relationships</li> <li>• Met: Works with suppliers to meet HRs requirements: The 2021 PCC Sustainability Report indicates: 'In addition to cooperation with brand customers to hold supplier conference, compliance standard training and publicity, Supplier-Friendly Workplace Guidelines publication and training advocacy, for key suppliers with advanced partnership, we also introduce projects for reducing the risk of employment injuries, expanding the grievance mechanism'. Also, 'the advocacy and training of the Group's Guide of Friendly Workplace for Suppliers are conducted through online learning platform. [...] We hold two sessions were joined by project windows from a total of 31 suppliers'. The Guide contains provisions on human rights. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> </ul>
B.1.8	Approach to engagement with 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"> <li>• Met: Describes how workers and communities identified and engaged in the last two years: The Company states that 'Pou Chen collected the [...] consultation and interaction communication records between external groups and internal employees of the major operating footwear manufacturing bases in the year and summarized the concerns related to the Company's footwear manufacturing business. Through the discussions of the Sustainability Report working group meetings, eight key stakeholders were identified based on their interaction frequency and operational importance.' The Company indicates that engagement was conducted using instant interactive communication via questionnaires, email, and physical meetings. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Discloses stakeholders whose HRs may be affected: The Company discloses eight key stakeholder groups for engagement. However, it is not clear if these are also the groups of stakeholders whose human rights might be affected through the Company's operations. [2021 PCC Sustainability Report, 2022: <a href="https://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Provides two examples of engagement with stakeholders</li> <li>• Not Met: Analysis of stakeholder views on company's HRs issues</li> <li>• Not Met: Describes how stakeholders views influenced company's HRs approach</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying 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"> <li>Not Met: Describes process of identifying risks in own operations: The Company indicates it has evaluated its own operations according to its KPIs. 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. The 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. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>Not Met: Describes process for identifying risks in business relationships</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Describes global risk identification system incl. stakeholder consultation</li> <li>Not Met: Describes how risk identification system is triggered by new circumstances</li> <li>Not Met: Describes risks identified in relation to new circumstances</li> </ul>
B.2.2	Assessing 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"> <li>Not Met: Describes assessment process and discloses salient HRs risks</li> <li>Not Met: Describes how process applies to supply chain</li> <li>Not Met: Public disclosure of results of HRs risk assessment</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Meets all requirements under score 1</li> <li>Not Met: Describes how assessment involved affected stakeholders</li> </ul>
B.2.3	Integrating and acting on human rights risks and impact assessments	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Describes system to prevent, mitigate and remediate HRs issues: The Company has provided comments to CHRB regarding this indicator, including information on: its FLA membership in order to address wage issues; its responsible recruitment efforts; its compliance monitoring system; its grievance channel. However, while these are preventive actions, the subindicator looks for a description of its global system to prevent, mitigate or remediate its salient human rights issues detected during its assessment on its own operations. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>Not Met: Describes how global system applies to supply chain</li> <li>Not Met: Example of actions decided on at least 1 salient HRs issue</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Meets all requirements under score 1</li> <li>Not Met: Describes how stakeholders involved in decisions about actions taken</li> </ul>
B.2.4	Tracking 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"> <li>Not Met: Describes system for evaluation effectiveness of actions</li> <li>Not Met: Example of lessons learned from evaluation effectiveness of actions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Meets all requirements under score 1</li> <li>Not Met: Involves stakeholders in evaluation effectiveness of actions</li> </ul>
B.2.5	Communicating on human rights impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Not Met: Provides two examples of comms with stakeholders</li> </ul> Score 2 <ul style="list-style-type: none"> <li>Not Met: Describes challenges to effective comms and how it is working to address them</li> </ul>

## C. Remedies and Grievance Mechanisms (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance mechanism(s) for workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>Met: Grievance mechanism accessible to all workers: The Company indicates that employees can raise concerns via various channels, including a hotline, social media channels, text messages, suggestion box, e-mail, management and worker conversation meetings, internal and external referral, direct communications, consultation room/life counselling room. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Grievance mechanism available in appropriate languages and workers made aware</li> <li>• Not Met: Describes how workers in supply chain access grievance mechanism: The 2021 PCC Sustainability Report indicates: 'In addition to contacts info announced on our official website for direct contact by stakeholders, since out introduction of advanced grievance mechanism expansion project in 2019, we continued to assist suppliers to build a grievance management mechanism in 2020. Introduce 6 key suppliers in 2021, [...] diversified grievance channels, [...] were joined by 15 participants'. The webpage section Contact Us has a specific email address for 'suppliers'. However, it is not clear if suppliers' employees have access to file complaints in relation to suppliers' behaviour. It could be either by using the Company's own mechanism or the Company expects its suppliers to establish a mechanism for their workers to raise such complaints or concerns. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>] &amp; [Contact Us_web, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Expects suppliers to convey expectation to their suppliers</li> </ul>
C.2	Grievance mechanism(s) for 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 accessible to all external individuals and communities: The Internet Reporting System indicates: 'Please report to us if you find or suspect that any employee of POU CHEN GROUP or anyone representing POU CHEN GROUP violates laws, regulations or POU CHEN GROUP's code of conducts or standards related to professional ethics and integrity'. [Internet Reporting System_web, N/A: <a href="http://website.pouchen.com">website.pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware</li> <li>• Not Met: Describes how external individuals/communities access grievance mechanism: The Internet Reporting System indicates: 'Please report to us if you find or suspect that any employee of POU CHEN GROUP or anyone representing POU CHEN GROUP violates laws, regulations or POU CHEN GROUP's code of conducts or standards related to professional ethics and integrity'. However, it is not clear that external individuals and communities have access to it, in order to raise Complaints or concerns about human rights issues at the Company's suppliers (or to the Company's own mechanism to report in relation to business partners' behaviour). [Internet Reporting System_web, N/A: <a href="http://website.pouchen.com">website.pouchen.com</a>]</li> <li>• Not Met: Expects supplier to convey expectation to their suppliers</li> </ul>
C.3	Users are involved in the design and performance of the mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Describes how users engaged on design and performance</li> <li>• Not Met: Provides user engagement examples (at least two) on design and performance</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes how users engaged on improvement of mechanism</li> <li>• Not Met: Provides user engagement examples (at least two) on improvement</li> </ul>
C.4	Procedures related to the mechanism(s) are equitable, publicly available and explained	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 procedure and timescales for managing complaints or concerns: The Company states that 'grievance handling progress shall be reported to complainant and relevant reporting unit when proper, and the maximum period shall not exceed 10 working days.' However, it is not clear if the same applies to concerns raised by external stakeholders. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes technical, financial, advisory support to enable equal access</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describe types of outcome to complainant through use of mechanism</li> <li>• Not Met: Describes escalation to senior levels / independent adjudicators</li> </ul>
C.5	Prohibition of retaliation for raising complaints or concerns	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: Public statement prohibiting retaliation against workers/stakeholders: The Company states that 'Pou Chen abides by the anti-retaliation principles that any unit or individual shall not for any reason perform any conduct of retaliation on the grievance. Should there be such circumstances, a filing of such grievance can be made via various grievance channels.' however, it is unclear if the same applies to grievances raised by external stakeholders. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes practical measures to prevent retaliation</li> </ul>



Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> <li>• Not Met: Specifies no legal action, firing or violence</li> <li>• Not Met: Expects suppliers to prohibit retaliation against workers/stakeholders</li> </ul>
C.6	Company involvement with state-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Complainants not asked to waive legal rights</li> <li>• Not Met: Does not require confidentiality provisions</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Cooperates with state based non judicial mechanisms</li> <li>• Not Met: Example of issue resolved (if applicable)</li> </ul>
C.7	Remedying adverse impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Describes approach taken to remedy adverse HRs impacts</li> <li>• Not Met: Describes how remedy would be provided if no adverse impact identified</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes changes to systems, processes and practices to prevent future impacts</li> <li>• Not Met: Describes approach to monitoring/implementing agreed remedy</li> <li>• Not Met: Describes approach to learning from incidents if no adverse impacts identified</li> </ul>
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Discloses number of grievances filed, addressed or resolved and outcomes achieved: The Company discloses that a total of 3,732 grievances and consultation cases were raised in 2021. 99.5% of cases were closed within 2 months. However, no information was found on issues raised by external stakeholders. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Example of how lessons from mechanism improved HRs management system</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes process to evaluate mechanism and changes made as a result</li> <li>• Not Met: Describes procedures to address delays of outcomes agreed with stakeholders</li> </ul>

## D. Performance: Company Human Rights Practices (25% 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"> <li>• Not Met: Pays living wage or sets time-bound target</li> <li>• Not Met: Describes how living wage determined: The 2021 PCC Sustainability Report indicates: 'Global Living Wage Coalition (GLWC) Definition and Standards for Living Wage/Fair Compensation: The remuneration received for a standard workweek by a worker in a particular place should be sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing and other essential needs including provision for unexpected events. As a responsible participating supplier of the Fair Labor Association (FLA), we refer to the FLA code of conduct and GLWC's definition of fair compensation, and follow the FLA fair compensation research method in the Group's research on its compensation policies. [...] Pou Chen also uses the FLA compensation data collection tool and online platform of Fair Compensation Dashboard to actively check the salary structure of the Group's plants'. However, it is not clear whether it includes involvement of relevant trade unions [or equivalent worker bodies where the right to freedom of association and collective bargaining is restricted under law]. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Achieved paying a living wage: The 2021 PCC Sustainability Report indicates: 'In 2021, 14% the Group's footwear production plants were under a sampling, including plants in Vietnam, Indonesia and Cambodia. It has been found that 100% if the sampled plants have met the local basic salary and fair salary standards'. However, as the Company indicates, the sampling represented 14% the Group's footwear production plants, it is not clear it has achieved paying a living wage company-wide. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Reviews definition living wage with unions</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Requirements on living wage in supplier codes and contracts</li> <li>• Not Met: Describes work with suppliers on living wage</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of payment below living wage in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.2.2	Aligning purchasing decisions with human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Describes practices to avoid price or short notice requirements that undermine HRs</li> <li>• Not Met: Describes practices to pay suppliers in line with agreed timeframes</li> <li>• Not Met: Reviews own operations to mitigate negative impact of purchasing practices</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Example of assessing and changing of purchasing practices</li> </ul>
D.2.3	Mapping and disclosing the supply chain	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Identifies direct and indirect suppliers including manufacturing sites: The Company discloses a supplier list, however, this list does not include the product source and it is not clear if it comprises indirect suppliers. [Supplier List: <a href="http://pouchen.com">pouchen.com</a>] &amp; [CSR news webpage: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Discloses names and locations of significant parts of supply chain and how significance was defined: The list includes the supplier's names, addresses, number of workers, and union formation. However, it is not clear if the list comprises indirect suppliers. [Supplier List: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Discloses direct or indirect suppliers involved in higher-risk activities</li> </ul>
D.2.4.a	Prohibition of child labour: Age verification and corrective actions (in own production or manufacturing operations)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Indicates it does not use child labour: The Company states in its Code that no person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. It also indicates that, in 2021, no employment of child labor was reported in our business locations, as examined in per internal compliance mechanism. However, no information related prevention of hazardous work was found. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>] &amp; [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Age verification of recruited workers: The Company indicates that it requires job applicants to provide valid identification documents upon interview as proof of their actual age. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Met: Remediation if child labour found in operations: The Company indicates that once a misemployment of child labor is found, the Company will immediately suspend the work of the child labor, and the child will be escorted back to its original residence to his/her parents or guardian for custody, with all the transportation, meal and accommodation expenses necessary covered by the Company 'and the wages for the labor's actual work will be paid. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul>
D.2.4.b	Prohibition of child labour: Age verification and corrective actions (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Requirements on child labour in supplier codes and contracts: The Company states in the Supplier Guidelines that no person shall be employed under the age of 15 or under the age for completion of compulsory education, whichever is higher. It also indicates that the supplier shall establish a system to evaluate the ages of new employees recruited by the supplier. If the supplier discovers any child labor in the workplace, the following measures shall be taken: report to the supplier's contact window of PCG's sustainable development department; and verify the family status with the child or his/her parent or guardian and send the child back to the original place of residence under guardianship, with necessary travel, food and lodging expense paid, as well as wages for work actually performed. Furthermore, juvenile workers (workers under the age 18) shall not be made to work in hazardous working conditions. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes work with suppliers on eliminating child labour</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of child labour in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.a	Prohibition of forced labour: Recruitment fees and costs (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"> <li>• Met: Job seekers/workers do not pay recruitment fee: The Company indicates that it has drafted its Responsible Recruitment Commitment for signings by its cooperated agencies or recruitment units to effectively avoid risks like employees being required to pay for agency fees. It also states that its employees do not have to pay any recruitment fees. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Commitment to fully reimburse recruitment fees paid: The webpage of AAFA/FLA Apparel &amp; Footwear Association indicates: 'On March 28, 2023, the American Apparel &amp; Footwear Association and the Fair Labor Association re-launched an enhanced, proactive industry effort to address potential forced labor risks for migrant workers in the global supply chain'. It indicates the commitment: 'As an industry and as individual companies, we are committed to the fair treatment of workers in the apparel, footwear, and travel goods supply chains. One important part of this ongoing effort is working together to eliminate conditions that can lead to forced labor in the countries from which we source products. We commit to work with our global supply chain partners to create conditions so that: No workers pay for their job; Workers receive a timely refund of fees and costs paid to obtain or maintain their job; [...] companies who sign the Commitment to Responsible Recruitment agree to do the following: Incorporate the Commitment to Responsible Recruitment into their company social compliance standards, such as their code of conduct within one year from the date of signing; Periodically report on their actions to imbed elements of the Commitment to Responsible Recruitment in company's policies and processes, such as through their sustainability reporting and/or modern slavery legal disclosures'. Pou Chen is a signatory of the Commitment. [CSR Guidance: Commitment to Responsible Recruitment_web, N/A: <a href="http://aafaglobal.org">aafaglobal.org</a>] &amp; [AAFA/FLA Industry Commitment to Responsible Recruitment Signatories, 10/07/2023: javascript://[Uploaded files/OI_Reports/Industry Commitment to Responsible Recruitment.pdf]]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations, incl. service providers</li> </ul>
D.2.5.b	Prohibition of forced labour: Recruitment fees and 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"> <li>• Not Met: Requirements on debt/fees in supplier codes and contracts: The Company indicates in its Supplier Guidelines that it is prohibited for the supplier's executives or employees to charge referral or recruitment fees from employees and it is suggested relevant questions be included in the job application forms or interview materials in order to verify whether employees are made to pay recruitment fees and related costs to third parties. However, it is not clear whether the Company requires suppliers to prevent fees being paid to third parties. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes work with suppliers on debt/fees for job seekers/workers</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment scope of payment of recruitment fees in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.2.5.c	Prohibition of forced labour: Wage practices (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"> <li>• Met: Pays workers regularly, in full and on time: The 2021 PCC Sustainability Report indicates: 'Pou Chen complies with relevant laws and regulations at location of the plants, regulation of the Company and brand agreement roles by paying the employees the compensation in correct amount on schedule'. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Payslip workers shows wages and legitimate deductions: The 2021 PCC Sustainability Report indicates: 'Pou Chen complies with relevant laws and regulations at location of the plants, regulation of the Company and brand agreement roles by paying the employees the compensation in correct amount on schedule, with salary slips written in local languages to allow understanding of complete information with respect to salary content as well as all legal deductions'. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations, incl. service providers</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.d	Prohibition of forced labour: Wage practices (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Requirements on paying in full and on time in supplier codes and contracts: The Company recommends to pay wages directly to employees in legal tender, without any illegal or unreasonable deduction and indicates that payment shall be made in a timely manner (within the time required by local laws). However, it is not clear if this is a binding requirement. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes work with suppliers on paying workers regularly, in full and on time</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment scope of failure to pay workers in full and on time in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.2.5.e	Prohibition of forced labour: Restrictions on workers (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"> <li>• Not Met: Does not retain documents or restrict movement of workers: The Company indicates that ensures that employee identification documents, travel documents and/or other documents are not withheld and that employees' right to freedom of movement is not restricted on the grounds of pandemic prevention. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations, incl. service providers</li> </ul>
D.2.5.f	Prohibition of forced labour: Restrictions on workers (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Requirements on free movement in supplier codes and contracts: The Company indicates that its suppliers shall not keep original copies of employees' identification documents, travel documents or work permits in a centralized manner to prevent them from leaving the work area or country. The supplier also shall not restrict the freedom of movement, such as restricting employees' access to restrooms, drinking water or preventing workers from leaving the production/factory/dormitory area. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes working with suppliers on free movement of workers</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of movement in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
D.2.6.a	Freedom of association and collective bargaining (in own production or manufacturing operations)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Commits to measures prohibiting interference with trade unions: The Company states that its employers shall recognize and respect the right of employees to freedom of association and collective bargaining, however, no measure to avoid retaliation was found. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Discloses % total workforce covered by CB agreements: The Company indicates that 92.6% of its employees in main production sites are protected by collective bargaining agreements. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets both requirements under score 1</li> </ul>
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Requirements on FoA/CB in suppliers codes and contracts: The Company indicates in the Supplier Guidelines that the employers shall recognize and respect the right of employees to freedom of association and collective bargaining in consistency with local legislation and that the supplier shall also ensure that employees can fully express their opinions and exercise the above rights without concern for retaliation, discrimination, threat or harassment. However, it is not clear whether the Company requires its suppliers to respect these rights under all circumstances. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes work with suppliers on FoA/CB</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of restriction of FoA/CB in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.7.a	Health and safety: Fatalities, lost days, injury, occupational disease rates (in own production of manufacturing operations)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not Met: Describes process to identify H&amp;S risks and impacts: The Company indicates that its Risk Management Operation covers the identification of health and safety risks, however, no information related to impacts was found. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Discloses injury rate or lost days for own workers in last reporting period: The Company indicates that in 2021 the total number of occupational accidents was 105 and the number of lost days was 9,209. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Discloses fatalities for own workers in last reporting period: The Company states that there was three fatal injury cases, with one death and two amputations. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Met: Discloses occupational disease rate for own workers in last reporting period: The Company indicates that, according to the internal management and control mechanism, it does not have cases of fatal occupational diseases and a total of 5 cases of occupational disease judgments concerning occupational hearing loss abroad was reported in Vietnam. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Sets targets for H&amp;S performance</li> <li>• Not Met: Met targets or explains why not or how improve H&amp;S management systems</li> </ul>
D.2.7.b	Health and safety: Fatalities, lost days, injury, occupational disease 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"> <li>• Not Met: Requirements on H&amp;S in supplier codes and contracts: The Company indicates that 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. However, no clear requirements regarding health and safety were found. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Discloses injury rate or lost days in supply chain in last reporting period</li> <li>• Not Met: Discloses fatalities for workers in supply chain in last reporting period</li> <li>• Not Met: Discloses occupational disease rate in supply chain in last reporting period</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Describes work with suppliers of H&amp;S</li> <li>• Not Met: Assessment of scope of H&amp;S issues in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>
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"> <li>• Not Met: Describes processes to stop harassment and violence against women: The Company states in its Code that every employee shall be treated with respect and it's not allowed to treat any employee by physical, sexual, psychological or verbal harassment or abuse. However, no description of its process to prohibit and address harassment, intimidation and violence against women was found. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Working conditions take into account gender issues</li> <li>• Not Met: Measures and steps to address gender pay gap at all levels of employment</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Meets all requirements under score 1</li> <li>• Not Met: Analysis of trends demonstrating progress closing gender pay gap</li> </ul>
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"> <li>• Not Met: Requirements on women's rights in contracts/codes with suppliers: The Company states in the Supplier Guideline that no person shall be subject to any discrimination in employment, including hiring, compensation, benefits, advancement, discipline, termination or retirement, on the basis of gender. However, no measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers were found. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>]</li> <li>• Not Met: Describes work with suppliers on women's rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of unsafe working conditions/discrimination against women in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.9.a	Working hours (in own production or manufacturing operations)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Respects HRs regarding working hours/breaks/rest: The Company states in its Code of Conduct that: '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.' According to the 2021 PCC Sustainability Report, the Company is a FLA member: 'As a FLA member, we commit to the compliance with "FLA Workplace Code of Conducts" [...]'. The FLA Workplace Code of Conduct and Compliance Benchmark has similar working hours provisions as stated above. [Code of Conduct, N/A: <a href="http://pouchen.com">pouchen.com</a>] &amp; [FLA Workplace Code of Conduct and Compliance Benchmark, 28/10/2020: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not Met: Assesses ability of workers to comply with working hours commitments when allocating work</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Describes implementation and monitoring in own operations: The Company indicates that its Internal Evaluation Mechanism comprises compliance with working hours, however, no description of how it implements its working hours requirements was found. [2021 PCC Sustainability Report, 2022: <a href="http://pouchen.com">pouchen.com</a>]</li> </ul>
D.2.9.b	Working hours (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not Met: Requirements on working hours in codes/contracts with suppliers: The Supplier – Friendly Workplace Guideline states that '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'. According to the 2021 PCC Sustainability Report, the Company is a FLA member: 'As a FLA member, we commit to the compliance with "FLA Workplace Code of Conducts" [...]'. The FLA Workplace Code of Conduct and Compliance Benchmark has similar working hours provisions as stated above. [Supplier – Friendly Workplace Guidelines, 01/2021: <a href="http://pouchen.com">pouchen.com</a>] &amp; [FLA Workplace Code of Conduct and Compliance Benchmark, 28/10/2020: <a href="http://fairlabor.org">fairlabor.org</a>]</li> <li>• Not Met: Describes work with suppliers on working hours</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not Met: Assessment of scope of excessive working hours in supply chain</li> <li>• Not Met: Analysis of trends demonstrating progress</li> </ul>

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 9.05 out of 80 points scored in themes A-D has been applied to produce a score of 2.26 out of 20 points for theme E.

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