

**Corporate Human Rights Benchmark
2023 Company Scorecard**

Company name Skechers
Sector Apparel (supply chain only)
Overall score 9.4 out of 100

Theme score	Out of	For theme
0.5	10	A. Governance and Policy Commitments
2.0	25	B. Embedding Respect and Human Rights Due Diligence
1.5	20	C. Remedies and Grievance Mechanisms
3.5	25	D. Performance: Company Human Rights Practices
1.9	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	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: General HRs commitment: The California Transparency in Supply Chains Act Disclosure indicates: ‘Skechers USA, Inc. is committed to ensuring that all of its products are sourced, produced and delivered to its customers in a manner that upholds international labor and human rights standards’. The 2020 UK Modern Slavery Act Statement supports this declaration. The webpage section Human Rights notes: ‘Human rights is a core value at the heart of how we conduct our business, at every level of our company – from our factories to our suppliers and the rights of our employees’. The 2022 Impact Report indicates: ‘The Skechers Supplier Code of Conduct applies to all facilities that produce goods for Skechers. This code strives for alignment with local regulations, industry standards, and universal human rights principles, and establishes the basic requirements all suppliers must meet to work with us’. However, commitments are expected to be placed in Company policy documents, not in yearly publication or general website content, according to CHRB revised methodology. No further evidence found. The Corporate Code of Conduct notes: ‘In order to ensure that its processes align with the needs of these stakeholders, the Company is also committed to collaborating with them or their representatives to create and oversee a system that helps to promote, preserve and protect their human rights’. However, to be committed to collaborate with stakeholders to create a system that help to promote, preserve and protect their human rights is not considered a formal statement of commitment according to CHRB wording criteria, which expects a straightforward commitment to respect human rights. No further evidence found in the other policy statements the Company has provided in its feedback. [California Transparency in Supply Chains Act Disclosure, 03/2020: d1io3yog0oux5.cloudfront.net] & [Human Rights_web, N/A: about.skechers.com] • Not Met: Universal Declaration of Human rights (UDHR) • Not Met: International Bill of Human Rights <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to UNGPs • Not Met: Commitment to OECD MNE Guidelines
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	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: Commitment to ILO core principles: The California Transparency in Supply Chains Act Disclosure indicates: ‘Every factory producing Skechers products is required to comply with local labor laws, International Labor Organization conventions and Skechers’ standards regarding ethics and social responsibility’. The 2020 UK Modern Slavery Act Statement supports this declaration. However, no evidence found of the Company directly committing to respecting the human rights that the ILO has declared to be fundamental rights at work found- Moreover, commitments are expected to be placed in Company policy documents according to CHRB revised methodology. [California Transparency in Supply Chains Act Disclosure, 03/2020: d1io3yog0oux5.cloudfront.net] & [UK Modern Slavery Act Statement 2020, 02/2021: about.skechers.com] • Not Met: Explicitly lists all four ILO core principles: The Corporate Code of Conduct indicates has an anti-discrimination policy and prohibits underage labor. However, no explicit commitment found to respect the rights not to be subject to forced labour, freedom of association and collective bargaining. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Expects suppliers to commit to ILO core principles: The supplier code has explicit requirements regarding each ILO core area: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Met: Explicitly lists all four ILO core principles for suppliers: The Supplier Code of Conduct indicates: ‘Suppliers must not use any form of forced labor [...]; Employees shall not be discriminated against [...]; Suppliers shall ensure all employees meet the applicable legal minimum employment age requirements or are at least 15 years of age [...]; Suppliers shall not interfere in the legal exercise of the right to freedom of association, and if the right to freedom of association and collective bargaining is restricted under local or national law, Suppliers shall provide

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A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	0.5	<p>alternative forms of independent and free employee representation and negotiation’. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net]</p> <p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> • Met: Commitment to respect H&S of workers: The Corporate Code of Conduct indicates: ‘Skechers is committed to providing a safe and healthful work environment for all employees’. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] • Not Met: Commitment to ILO working hours standards or 48 hour regular work week: The Corporate Code of Conduct indicates: ‘Work hours must be in compliance with local standards and applicable laws for part-time, full-time, exempt, non-exempt and highly compensated employees’. However, no evidence found of the Company explicitly committing to respect ILO conventions on working hours or that publicly states that workers are not required to work more than 48 hours as regular working week, and that overtime is consensual and paid at a premium rate and that must not exceed 60 hours. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Expects suppliers to commit to H&S of workers: The Supplier Code of Conduct indicates: ‘Employees shall be provided with a safe and healthy work environment’. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Met: Expects suppliers to commit to ILO working hours standards or 48 hour regular work week: The Supplier Code of Conduct states: ‘Employees shall not work in excess of 48 hours per week in a regular work week, or 60 hours per week including overtime. Overtime hours must be consensual and paid at a premium rate’. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net]
A.1.3.AP	Commitment to respect human rights particularly relevant to the sector – vulnerable groups (AP)	0	<p>The individual elements of the assessment are met or not as follows: Score 1</p> <ul style="list-style-type: none"> • Not Met: Commitment to women's rights: The Supplier Code of Conduct states: ‘Employees shall not be discriminated against on the basis of [...] gender, [...] maternity, marital status [...] in employment or occupation, and human resources decisions, including hiring, wages, benefits, advancement, discipline and termination, shall be based on employees’ qualifications, abilities, productivity and overall job performance’. However, no evidence found of a publicly available policy statement committing it to respect women’s rights. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Commitment to children's rights: The Supplier Code of Conduct states: ‘Suppliers shall ensure all employees meet the applicable legal minimum employment age requirements or are at least 15 years of age, whichever is higher, at the time of hire, and that they shall have met the age of completion of compulsory education’. The 2021 UK Modern Slavery Act adds: ‘Manufacturer factories are regularly audited by Skechers employees. Factories are audited for a number of issues, chief among which is verification of the absence of forced or child labor. The presence of forced or child labor would mean the immediate failure of the audit and the right for Skechers to terminate any relationship with such manufacturer. These audits are done on both a scheduled and an unannounced basis and include interviews with the manufacturers’ employees themselves. [...] Skechers maintains and enforces internal accountability procedures for employees, and contractors regarding company standards in slavery and human trafficking. In the case of non-compliance with company standards, including those regarding the use of underage, involuntary, prison, convict, slave, indentured, bonded or other forced labor, Skechers may terminate the business relationship. [...] Skechers additionally provides internal training to ensure that those employees whose job functions involve overseeing production and/or auditing of manufacturers are knowledgeable and aware of the most current issues and concerns regarding convict labor, forced labor, indentured labor, child labor and human trafficking’. However, information provided seem to focus on suppliers. This subindicator looks for a Company publicly available policy statement committing it to respect children’s rights. Moreover, only policy commitments are considered a suitable source for this indicator under CHRB revised approach. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] & [2021 UK Modern Slavery Statement, 2022: d1io3yog0oux5.cloudfront.net] • Not Met: Commitment to migrant worker's rights: The Supplier Code of Conduct states: ‘At Skechers, we rely on our suppliers around the world to deliver high-quality apparel and footwear to our multifaceted customers. We expect our suppliers to share our values to foster respect for employees in our supply chain, safeguard their health and safety, improve their lives, and promote responsible environmental practices. This Code of Conduct applies to all facilities that produce

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			<p>goods for Skechers. Our Code strives for alignment with legal regulations, industry standards and universal principles’. However, no evidence found of a publicly available policy statement where the Company commits to respect migrant workers’ rights. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net]</p> <ul style="list-style-type: none"> • Not Met: Expects suppliers to respect these rights: See above. The Supplier Code of Conduct states: ‘At Skechers, we rely on our suppliers around the world to deliver high-quality apparel and footwear to our multifaceted customers. We expect our suppliers to share our values to foster respect for employees in our supply chain, safeguard their health and safety, improve their lives, and promote responsible environmental practices. This Code of Conduct applies to all facilities that produce goods for Skechers. Our Code strives for alignment with legal regulations, industry standards and universal principles’. Although the Code contains child labour, non-discrimination and End-of-Contract, Post Employment and Repatriation (for Foreign Migrant Employees) provisions, it is not clear the Company expects suppliers to commit to respect women’s rights or children’s rights or migrant workers’ rights. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment refers to CEDAW/Women's Empowerment Principles • Not Met: Commitment refers to Child Rights Convention/Business Principles • Not Met: Commitment refers to Convention on migrant workers • Not Met: Expects suppliers to respect these rights
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"> • Met: Commitment to remedy adverse HRs impacts: The Corporate Code of Conduct indicates: ‘Skechers is committed to remedying adverse impacts that the Company may have on individuals, workers and communities affected by its practices. This includes the Company’s support and participation in collaborations that support third-party remedies which may also have a positive impact’. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] • Not Met: Expects suppliers to make this commitment: The Supplier Code of Conduct contains expectations of remediation in specific contexts, including child labour, work accidents, noise exposure, lighting and air quality. However, no evidence found that it expects its suppliers to commit to remedy the adverse impacts on individuals and workers and communities that it has caused or contributed to in a broader sense. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to collaborate with judicial or non-judicial mechanisms: See above. The commitment to remedy includes ‘the Company’s support and participation in collaborations that support third-party remedies which may also have a positive impact’. No evidence found, however, of explicit commitment to collaborate with both non-judicial and judicial mechanisms. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] • Not Met: Commitment to work with suppliers on remedy
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"> • Not Met: Zero tolerance of threats/attacks on HRDs: The Company provided a source to CHRB regarding this indicator, no evidence found of a commitment to neither tolerate nor contribute to threats, intimidation and attacks (both physical and legal) against human rights defenders. The indicator is looking for evidence that the Company will not retaliate against anyone who oppose a Company’s operations or have raised questions about the Company’s activities. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Expects suppliers to make this commitment: The Company provided a source to CHRB regarding this indicator, no expectation of a commitment for suppliers not to tolerate attacks or intimidation against human rights defenders found. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to working with HRDs to create safe and enabling environment

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"> • Not Met: Board level responsibility for HRs

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes HRs expertise of Board member <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Board member/CEO signal importance of HRs in their communications: In the message from the CEO, found in the 2022 Impact Report, he indicates: ‘we take seriously our position as a steward of the many communities and stakeholders we impact in our daily business activities. [...] As a family brand, our people management strategies today follow the same philosophy as they did thirty years ago: to treat every employee like family and with the same care, compassion, and respect as we do our consumers and partners. [...] As an organization, Skechers is thinking about our product, our people, and our planet. Not because we must, but because we believe it is a critical element of acting responsibly to serve all of our stakeholders – including the families who love Skechers. [...] I believe that our people matter, our communities matter, and our planet matters. It’s why how we do business matters’. In the Statement of Skechers, USA Inc. on Uyghurs, the Company adds: ‘As a threshold matter, Skechers maintains a strict Supplier Code of Conduct (“Code of Conduct”) governing all of its factories. This Code of Conduct is publicly available under the Social Responsibility section of the Skechers website. In addition, Skechers also employs a dedicated Corporate Social Responsibility (“CSR”) team that conducts both announced and unannounced audits on all factories with which we have direct relationships. The primary objective of these audits is to review on-site labor conditions, generally, and to ensure that none of our factories uses any form of child labor or forced labor, specifically’. However, no communication found where Board members or the CEO clearly signal the Company’s commitment to human rights, discussing why human rights matter to the business or any challenges to respecting human rights encountered by the business. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] & [SKECHERS STATEMENT OF SKECHERS USA, INC. ON UYGHURS, 03/2021: about.skechers.com]
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"> • Not Met: Process to review HRs strategy at board level • Not Met: Example of HRs issues/trends discussed in last reporting period <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1 • Not Met: Describes how affected stakeholders / HRs experts inform board discussions
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"> • Not Met: At least one board member incentive linked to HRs commitments • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other board incentives for coherence with HRs policies
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"> • Not Met: Board process to review business model and strategy for HRs risks: The 2022 Impact Report indicates: ‘We have also established an internal, cross-functional ESG Committee to oversee and advise our Board on ESG-related matters; the committee meets quarterly or more frequently if needed. Our ESG Committee is led by the Chief Financial Officer of our company, and comprises team members from key functions including Product Development, Human Resources, Finance, Legal, Marketing, and Communications. The ESG Committee’s primary responsibility is to direct and to oversee the implementation of our ESG strategic roadmap. In addition, the committee regularly updates and advises our Board through the Nominating and Governance Committee, with respect to our company’s progress against the ESG strategic roadmap as well as on any significant ESG issues’. However, no description found of the process it has in place to discuss and review its business model and strategy for inherent risks to human rights at Board level or a Board committee. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes frequency and triggers for reviewing business model • Not Met: Meets both requirements under score 1 • Not Met: Example of actions resulting from reviews

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	0.5	<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: Score of 1 on A.1.2.a • Met: Senior responsibility for HRs implementation and decision making: The Corporate Code of Conduct indicates: 'As Skechers' point of contact for human rights-related issues, SVP and Head of Global Human Resources Leslie Riggs oversees human rights issues throughout the Company, including the ILO standards of freedom from forced labor, forced child labor and discrimination at work'. The Company provided feedback to CHRB regarding this indicator, however, key evidence was already in use. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes day-to-day responsibility for implementing HRs commitments: The 2022 Impact Report adds: 'We have also established an internal, cross-functional ESG Committee to oversee and advise our Board on ESG-related matters; the committee meets quarterly or more frequently if needed. Our ESG Committee is led by the Chief Financial Officer of our company, and comprises team members from key functions including Product Development, Human Resources, Finance, Legal, Marketing, and Communications. The ESG Committee's primary responsibility is to direct and to oversee the implementation of our ESG strategic roadmap'. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Not Met: Day-to-day resources and expertise allocation in own operations • Met: Resources and expertise allocation in supply chain: The Report also indicates that 'The application of our Supplier Code of Conduct is managed by our Social Compliance Team. Our team is comprised of internal auditors who are responsible for auditing our suppliers and their factories for compliance utilizing the guidelines set forth in our Supplier Code of Conduct. The Social Compliance Team and our Social Compliance Program are governed by our ESG Committee and will regularly report the results of their audits, including to our ESG Committee'. The Supplier Code of Conduct contains the Company's human rights provisions. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net]
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 linked to HRs commitments • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other senior management incentives for coherence with HRs policies
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: HRs risks integrated as part of enterprise risk system • Not Met: Provides an example <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Risk assessment by Audit Committee or independent third party
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"> • Not Met: Score of 1 on A.1.2.a • Not Met: Communicates HRs policies to all workers in own operations <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Communicates HRs policies to stakeholders • Not Met: Example of how HRs policies are accessible for intended audience
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"> • Met: Meets ILO requirement for suppliers on A.1.2.a • Met: Describes steps to communicate HRs policies to supply chain: The 2022 Impact Report indicates: 'All suppliers are required to sign an acknowledgement of our Supplier Code of Conduct. Tier 1 suppliers are required to sign our Supplier Code of Conduct annually, and all Tier 2 suppliers sign when they are onboarded'. The Code contains the Company's human rights provisions. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Requires suppliers to communicate HRs policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes how HRs policies are contractual/binding for suppliers: The 2022 Impact Report indicates: ‘All suppliers are required to sign an acknowledgement of our Supplier Code of Conduct. Tier 1 suppliers are required to sign our Supplier Code of Conduct annually, and all Tier 2 suppliers sign when they are onboarded’. The Code contains the Company’s human rights provisions. However, although the Company is expected to sign an acknowledgement of our Supplier Code of Conduct, it is not clear the Code is part of its contractual obligation. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Not Met: Requires suppliers to cascade contractual/binding HRs policies to its suppliers: See above. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net]
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: Score of at least 1 on A.1.2.a • Not Met: Describes how workers are trained on HRs policy commitments: The webpage section Human Rights indicates: ‘All full-time and part-time corporate employees in the United States must undergo harassment and diversity training, and we require employees of our wholly-owned operations in other countries to comply with their local laws regarding human rights, harassment and diversity training in the workplace’. However, it is not clear the Company provides general training on human right commitments for workers [company-wide]. [Human Rights_web, N/A: about.skechers.com] • Met: Trains relevant managers including procurement on HRs: See above. The webpage section Human Rights indicates: ‘As it relates to our factories and suppliers specifically, we provide employee and management training to ensure that everyone who oversees our production and manufacturer auditing knows the most current issues regarding human rights, such as convict labor, forced labor, indentured labor, child labor and human trafficking’. [Human Rights_web, N/A: about.skechers.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Score of 2 on A.1.2.a • Not Met: Meets both requirements under score 1 • Not Met: Trains suppliers to meet HRs commitments • Not Met: Discloses % suppliers trained
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: Score of at least 1 on A.1.2.a • Not Met: Monitors implementation of HRs policy commitments across global ops and supply chain: The 2022 Impact Report indicates: ‘The Skechers Social Compliance Standard outlines the guidelines that the Social Compliance Team follows when auditing our suppliers against our Supplier Code of Conduct. This standard provides the grading criteria for evaluating audit results and associated grading for the audit. This standard also outlines a list of zero-tolerance and critical issues for Skechers [...] Our Social Compliance Team routinely conducts both semi-announced and unannounced audits. Unannounced audits can be conducted at any time, without any notice to suppliers in advance. Semi-announced means a notice without a specific audit day but within a provided window period. The denial of access into the facilities results in a “Fail” audit if no reasonable or understandable explanations are provided’. It also discloses how audits are graded with an A to F grade system, F being ‘Performance is unacceptable with multiple critical issues or one or more zero-tolerance issues identified. Immediate cessation of orders effective’. However, no evidence found that the Company monitors human rights compliance within its own operations. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Met: Discloses % of supply chain monitored: The 2022 Impact Report indicates: ‘In 2021, we conducted 359 audits, covering 77.7% of our Tier 1 suppliers, and 21% of our Tier 2 suppliers’. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Met: Describes how workers are involved in monitoring: As indicated above, the 2022 Impact Report indicates: ‘The Skechers Social Compliance Standard outlines the guidelines that the Social Compliance Team follows when auditing our suppliers against our Supplier Code of Conduct. [...] Our Social Compliance Team routinely conducts both semi-announced and unannounced audits’. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Score of 2 on A.1.2.a • Not Met: Describes corrective actions process • Not Met: Discloses findings and number of correction action processes

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B.1.7	Engaging and terminating 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"> • Met: HRs performance affects selection suppliers: The 2022 Impact Report indicates: ‘Prior to starting work with any supplier, we make the prospective supplier aware of our Social Compliance Program and its expectations. All new Tier 1 suppliers are either audited by our Social Compliance Team or asked to provide a third-party audit by a third-party auditor recognized by Skechers’. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Met: HRs performance affects continuation supplier relationships: See above. The 2022 Impact Report indicates: ‘The Skechers Social Compliance Standard outlines the guidelines that the Social Compliance Team follows when auditing our suppliers against our Supplier Code of Conduct. [...] This standard also outlines a list of zero-tolerance and critical issues for Skechers, as well as the protocol for what to do if these issues are identified at a given supplier. In addition to individual instances of non-compliance, the standard outlines the potential consequences for a factory that fails to meet the minimum requirements to do business with us’. For a suppliers grading “F” in an audit means: ‘Performance is unacceptable with multiple critical issues or one or more zero-tolerance issues identified. Immediate cessation of orders effective’. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes positive HRs incentives for business relationships • Not Met: Works with suppliers to meet HRs requirements
B.1.8	Approach to engagement with affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes how workers and communities identified and engaged in the last two years • Not Met: Discloses stakeholders whose HRs may be affected • Not Met: Provides two examples of engagement with stakeholders <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Analysis of stakeholder views on company's HRs issues • Not Met: Describes how stakeholders views influenced company's HRs approach

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	<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: Describes process of identifying risks in own operations • Not Met: Describes process of identifying risks in business relationships: The 2022 Impact Report indicates: ‘The Skechers Social Compliance Standard outlines the guidelines that the Social Compliance Team follows when auditing our suppliers against our Supplier Code of Conduct. [...]. In addition to individual instances of non-compliance, the standard outlines the potential consequences for a factory that fails to meet the minimum requirements to do business with us. [...] All new Tier 1 suppliers are either audited by our Social Compliance Team or asked to provide a third-party audit by a third-party auditor recognized by Skechers. [...] Our Social Compliance Team routinely conducts both semi-announced and unannounced audits. [...] We use our Social Compliance Standard to evaluate factories with a particular focus on zero-tolerance and critical issues’. Although the Company explains its suppliers monitoring system, it is not clear they are part of a proactive identification of human rights risks and impacts process as current evidence seems to focus on compliance. The description should include the process it uses to identify which are its potential human rights risks and impacts. The Company has provided sources to the subindicator, however, they were in Spanish and only documents in English are accepted according to CHRB criterion. It also provided additional comments on its materiality assessment. However, materiality analysis usually looks for evidence of what are the topics that are relevant for stakeholders. This is about a process to know which are the Company’s potential HR impacts in its supply chain. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes global risk identification system incl. stakeholder consultation

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Describes how risk identification system is triggered by new circumstances: The 2022 Impact Report indicates: 'In 2021, we conducted 359 audits, covering 77.7% of our Tier 1 suppliers, and 21% of our Tier 2 suppliers. For Tier 1 suppliers not audited by us directly, we require the factory to provide an audit report conducted against a third-party standard. Third-party audit reports are also collected from any factory that has an available audit report, including those that we audit directly, for our records'. However, no description found of how systems to identify its human rights risks and impacts are triggered by new country operations, business relationships, new human rights challenges or conflict affecting particular locations. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes risks identified in relation to new circumstances
B.2.2	Assessing 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: Describes assessment process and discloses salient HRs risks: The Company has provided sources to the subindicator, however, they were in Spanish and only documents in English are accepted according to CHRB criterion. • Not Met: Describes how process applies to supply chain • Not Met: Public disclosure of results of HRs risk assessment <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Describes how assessment involved affected stakeholders
B.2.3	Integrating and acting on human rights risks and impact assessments	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: Describes system to prevent, mitigate and remediate HRs issues: The 2022 Impact Report indicates: 'The Skechers Social Compliance Standard outlines the guidelines that the Social Compliance Team follows when auditing our suppliers against our Supplier Code of Conduct. [...] This standard also outlines a list of zero-tolerance and critical issues for Skechers, as well as the protocol for what to do if these issues are identified at a given supplier. In addition to individual instances of non-compliance, the standard outlines the potential consequences for a factory that fails to meet the minimum requirements to do business with us. [...]. Our Social Compliance Team routinely conducts both semi-announced and unannounced audits. Unannounced audits can be conducted at any time, without any notice to suppliers in advance. Semi-announced means a notice without a specific audit day but within a provided window period. The denial of access into the facilities results in a "Fail" audit if no reasonable or understandable explanations are provided'. However, this indicator looks for evidence of a system to prevent or mitigate the different human rights risks and impacts to which it is exposed. Current evidence seems to focus in monitoring compliance with policies (assessed in indicator B.1.6). The Company has provided sources to the subindicator, however, they were in Spanish and only documents in English are accepted according to CHRB criterion. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes how global system applies to supply chain: See above. However, no description found of its global system to take action against its salient human rights issues within its supply chain. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Not Met: Example of actions decided on at least 1 salient HRs issue <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Describes how stakeholders involved in decisions about actions taken
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes system for evaluation effectiveness of actions • Not Met: Example of lessons learned from evaluation effectiveness of actions <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Involves stakeholders in evaluation effectiveness of actions
B.2.5	Communicating on human rights 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: Provides two examples of comms with stakeholders: The Corporate Code of Conduct indicates: 'Skechers' "open door policy" permits employees to discuss any complaints or problems with members of management. We believe that problems connected with your employment at Skechers can and should be settled as soon as they arise through an informal discussion with your Supervisor or Manager. We wish to be fair and honest with every employee. If you have a

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>problem or complaint concerning your job or an interpretation of a Company policy, we would like to solve the problem by the following method. First, you should discuss the situation immediately with your immediate Supervisor or Manager and try to resolve it. If, after discussing the problem or complaint, you feel that a satisfactory solution has not been worked out, or if you are reluctant to discuss the situation with your immediate Supervisor or Manager in the first instance, you should go to the Human Resources Department. The Human Resources Department will investigate both sides of the situation and attempt to arrive at a solution. [...] Skechers also offers a whistleblower hotline to Skechers employees who may be adversely impacted by the Company and how it conducts its business. This is available for Skechers corporate-related issues and any other instance that may be directly or indirectly related to Skechers' business practices'. However, this indicator focuses on how the Companies ensure meaningful information reaches affected stakeholders, how it responds, in communication terms, to Human Rights issues raised by stakeholders, within the context of a due diligence system, and about their access to those communications. The Company is expected to provide two of such examples. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes challenges to effective comms and how it is working to address them

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance mechanism(s) for workers	1.5	<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: Grievance mechanism accessible to all workers: The Company states that 'Skechers also offers a whistleblower hotline to Skechers employees who may be adversely impacted by the Company and how it conducts its business.' Besides, the Company indicates that 'Skechers will not in any way retaliate against an individual who makes a complaint of discrimination or harassment, or against any participant in the investigation.' [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and workers made aware: The Supplier Code of Conduct states: 'Where necessary, when employees speak different languages from management, Suppliers shall appoint facilitators/translators to facilitate communication; especially for nonproduction related issues, outside reliable translators shall be engaged for assistance'. However, this is a supplier policy and it is not clear it applies to the Company's own operations. No evidence found of how it ensures the mechanism is available in all appropriate languages and that workers are made aware of it. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Met: Describes how workers in supply chain access grievance mechanism: The Company states that 'Suppliers shall provide confidential and anonymous means for employees to report grievances to management. Grievance channels must include means other than the employee's immediate supervisor.' [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Expects suppliers to convey expectation to their suppliers
C.2	Grievance mechanism(s) for external individuals and communities	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism accessible to all external individuals and communities: The Company states it is committed to engaging with stakeholders who are affected or have the potential to be impacted by its business practices. [...] In order to ensure that its processes align with the needs of these stakeholders, the Company is also committed to collaborating with them or their representatives to create and oversee a system that helps to promote, preserve and protect their human rights.' However, no information was found on how external stakeholder can raise concerns about their human rights. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware • Not Met: Describes how external individuals/communities access grievance mechanism • Not Met: Expects supplier to convey expectation to their suppliers

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.3	Users are involved in the design and performance of the 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: Describes how users engaged on design and performance • Not Met: Provides user engagement examples (at least two) on design and performance Score 2 <ul style="list-style-type: none"> • Not Met: Describes how users engaged on improvement of mechanism • Not Met: Provides user engagement examples (at least two) on improvement
C.4	Procedures related to the mechanism(s) are equitable, publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Describes procedure and timescales for managing complaints or concerns • Not Met: Describes technical, financial, advisory support to enable equal access Score 2 <ul style="list-style-type: none"> • Not Met: Describe types of outcome to complainant through use of mechanism: The Corporate Code of Conduct indicates: 'Any allegation of discrimination or harassment that is brought to its attention will be investigated promptly by the Human Resources Department. To the extent possible, confidentiality will be maintained throughout the investigatory process. The results of the investigation will be communicated to the complainant and the alleged discriminator/harasser'. However, this subindicator looks for an explanation of the type of outcome to the complainant through use of the grievance mechanisms. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] • Not Met: Describes escalation to senior levels / independent adjudicators
C.5	Prohibition of retaliation for raising complaints or concerns	0	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 against workers/stakeholders: The Company states that 'Skechers will not in any way retaliate against an individual who makes a complaint of discrimination or harassment, or against any participant in the investigation. Any person found to have retaliated against another individual for reporting discrimination or harassment, or for participating in Skechers' investigation, will be subject to disciplinary action, up to and including termination of employment.' However, the Company states that its whistleblower hotline is applied for its employees. It is not clear whether the same applies to external stakeholders raising issues. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net] • Not Met: Describes practical measures to prevent retaliation Score 2 <ul style="list-style-type: none"> • Not Met: Specifies no legal action, firing or violence: The Supplier Code of Conduct states: 'All employees and their legal representatives shall be protected from retaliation, including termination of employment and legal action or violence against them'. However, this is a supplier document, and it is not clear it applies for its own operation. No further evidence found explicitly indicating that it will not retaliate against workers and stakeholders through the specific ways required by this subindicator. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Expects suppliers to prohibit retaliation against workers/stakeholders: The Supplier Code of Conduct states: 'All employees and their legal representatives shall be protected from retaliation, including termination of employment and legal action or violence against them'. However, it is not clear this prohibition of retaliation also covers individual stakeholders and communities at supplier level, as it is not clear the mechanism is open to them. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net]
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: Complainants not asked to waive legal rights • Not Met: Does not require confidentiality provisions Score 2 <ul style="list-style-type: none"> • Not Met: Cooperates with state based non judicial mechanisms • Not Met: Example of issue resolved (if applicable)
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"> • Not Met: Describes approach taken to remedy adverse HRs impacts • Not Met: Describes how remedy would be provided if no adverse impact identified: The Company states that 'Skechers is committed to remedying adverse impacts that the Company may have on individuals, workers and communities

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>affected by its practices. This includes the Company's support and participation in collaborations that support third-party remedies which may also have a positive impact.' However, no information on how the Company would provide remedy was found. [Corporate Code of Conduct, N/A: d1io3yog0oux5.cloudfront.net]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes changes to systems, processes and practices to prevent future impacts • Not Met: Describes approach to monitoring/implementing agreed remedy • Not Met: Describes approach to learning from incidents if no adverse impacts identified
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Discloses number of grievances filed, addressed or resolved and outcomes achieved • Not Met: Example of how lessons from mechanism improved HRs management system <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes process to evaluate mechanism and changes made as a result • Not Met: Describes procedures to address delays of outcomes agreed with stakeholders

D. Performance: Company Human Rights Practices (25% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Requirements on living wage in supplier codes and contracts: The Company states in its Supplier Code of Conduct Provisions that 'Suppliers shall ensure compensation for employees (including piece rate employees) are not less than that required by local laws relating to minimum wages, overtime rates and allowances, and mandated benefits (including sick and maternity leave, social insurance, and medical care, as required by law) for each legal employee classification'. However, over minimum wages is not considered as a commitment for paying workers a living wage. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes work with suppliers on living wage • Not Met: Assessment of scope of payment below living wage in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.2	Aligning purchasing decisions with human rights	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes practices to avoid price or short notice requirements that undermine HRs: The 2022 Impact Report indicates: 'we evaluate the effectiveness of our Social Compliance efforts through reviews by our Corporate Internal Audit practice. In 2022, we conducted an internal review of our Social Compliance Program to identify opportunities for improvement. As part of this review, we are putting quarterly reviews of the Social Compliance Program and audit results into place with the ESG Committee to focus on continued improvement and oversight'. However, although it indicated it reviews its SCP, this subindicator looks for evidence of practices in place to avoid price or short notice requirements that undermine human rights. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes practices to pay suppliers in line with agreed timeframes • Not Met: Reviews own operations to mitigate negative impact of purchasing practices <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Example of assessing and changing of purchasing practices
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 direct and indirect suppliers including manufacturing sites <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Discloses names and locations of significant parts of supply chain and how significance was defined • Not Met: Discloses direct or indirect suppliers involved in higher-risk activities

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.4.b	Prohibition of child labour: Age verification and corrective actions (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on child labour in supplier codes and contracts: The Company states that ‘Suppliers must ensure all employees meet the applicable legal minimum employment age requirements or are at least 15 years of age, whichever is higher, at the time of hire. All employees shall have met the age of completion of compulsory education.’ The Company also indicates that ‘Suppliers must verify the age of job applicants by the best available official documentation, such as government-issued identification cards, birth certificates, dental records, etc. Suppliers shall have an underage labor remediation plan; if an underage employee is found to be working in the facility, the supplier must ensure that the underage employee receives legal schooling (at the supplier’s expense) and base wage payments (if in school) until s/he reaches legal working age.’ [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes work with suppliers on eliminating child labour: The 2022 Impact Report indicates: ‘Our Social Compliance Team routinely conducts both semi-announced and unannounced audits. [...] We use our Social Compliance Standard to evaluate factories with a particular focus on zero-tolerance and critical issues. [...] The presence of a zero-tolerance infraction at a factory will immediately result in a “Fail” grade due to the failure to meet our minimum Social Compliance Standard requirements. As a result of receiving a “Fail” grade, our production at this factory will be seriously impacted, including, in most instances, the immediate cessation of new orders and often an immediate production stoppage. New orders with a factory receiving a “Fail” grade are prohibited until the receipt of an updated audit result with a passing grade’. Child labour considered a zero-tolerance issue. However, although it indicates it audits its suppliers to check on compliance, no description found of how it proactively works with suppliers to eliminate child labour and to improve working conditions for young workers where relevant. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of child labour in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.b	Prohibition of forced labour: Recruitment fees and costs (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on debt/fees in supplier codes and contracts: The Supplier Code of Conduct states: ‘Employees must be free from paying fees to suppliers and third-party recruitment intermediaries (e.g., fee for transportation, recruitment, and medical tests), taxes, deposits, security payments, and/or bonds for the purpose or condition of recruitment/hiring or employment. Where recruitment fees or related costs (including ‘introduction fees’) are charged, Suppliers must reimburse the employee within 30 days of the start of the employee’s employment with Supplier’. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes work with suppliers on debt/fees for job seekers/workers <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment scope of payment of recruitment fees in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.d	Prohibition of forced labour: Wage practices (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on paying in full and on time in supplier codes and contracts: The Company states that ‘Suppliers shall not illegally deduct or withhold partial or full wages. [...] Suppliers shall ensure to make necessary back-payments to employees for missing wages. [...] Suppliers shall ensure employees be paid at least once a month, and the method, frequency and time of payment must be in compliance with the law, with wages paid directly to the employee or into an employee-controlled account.’ [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes work with suppliers on paying workers regularly, in full and on time <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment scope of failure to pay workers in full and on time in supply chain • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.f	Prohibition of forced labour: Restrictions on workers (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on free movement in supplier codes and contracts: The Company states that ‘Employees have the right to refuse to use employer provided services (e.g., housing and meals). [...] Employees shall maintain custody and have free access to personal identification documents. Employees must be free to terminate employment at any time (in accordance with their labour contract.’ [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes working with suppliers on free movement of workers <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of movement in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on FoA/CB in suppliers codes and contracts: The Company states that ‘Suppliers shall not interfere in the legal exercise of the right to freedom of association. [...] Suppliers shall provide alternative forms of independent and free employee representation and negotiation if the right to freedom of association and collective bargaining is restricted under local or national law. Employees shall not be retaliated against, in any form, for supporting any unions.’ [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes work with suppliers on FoA/CB <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of FoA/CB in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.7.b	Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on H&S in supplier codes and contracts: The Supplier Code of Conduct states: ‘Employees shall be provided with a safe and healthy work environment. Employees’ exposure to hazards – including those associated with manufacturing processes, as well as health and safety concerns within the facility should be minimized to the extent possible, and in accordance with applicable laws and industry practices’. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Discloses injury rate or lost days in supply chain in last reporting period • Not Met: Discloses fatalities for workers in supply chain in last reporting period • Not Met: Discloses occupational disease rate in supply chain in last reporting period <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes work with suppliers of H&S: The 2022 Impact Report indicates: ‘Our Social Compliance Team routinely conducts both semi-announced and unannounced audits. [...] We use our Social Compliance Standard to evaluate factories with a particular focus on zero-tolerance and critical issues’. As for critical issues, it explains: ‘The presence of a critical issue at a factory will result in the issuance of a corrective action plan with a strict remediation timeline. Failure to mitigate a critical issue will result in a “Fail” grade. Provided a “Fail” grade is not issued, the presence of a critical issue at a factory may impact the continuation of and/or receipt of new orders. Factors considered related to new orders include the factory management’s cooperativeness and willingness to improve, and the capability and capacity of the factory’s internal systems. Critical issues are: Protections for Minors; Lack of Protections for Pregnant Workers; Insufficient Fire, Building Construction and Production Safety; Insufficient Health Protection; [...] Insufficient Working and Living Environment [...]’. However, current evidence seems to be focusing on non-compliance monitoring. It is not clear how it proactively works with its supply chain to improve their practices in relation to health and safety. [2022 Impact Report, 2023: d1io3yog0oux5.cloudfront.net] • Not Met: Assessment of scope of H&S issues in supply chain • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.8.b	Women's rights (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: Requirements on women's rights in contracts/codes with suppliers: The Supplier Code of Conduct states: 'Employees shall not be discriminated against on the basis of [...] gender, nationality[...], maternity [...] in employment or occupation, and human resources decisions, including hiring, wages, benefits, advancement, discipline and termination, shall be based on employees' qualifications, abilities, productivity and overall job performance. [...] Suppliers shall base human resources decisions, including hiring, wages, benefits, advancement, discipline and termination, on employees' qualifications, abilities, productivity and overall job performance. [...] Female employees' employment terms and conditions during pregnancy, maternity leave, and return from maternity leave shall be in compliance with law'. However, it is not clear the Company requires suppliers to eliminate health and safety concerns that are particularly prevalent among women workers in its contractual arrangements with suppliers or supplier code of conduct. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes work with suppliers on women's rights <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of unsafe working conditions/discrimination against women in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.9.b	Working hours (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on working hours in codes/contracts with suppliers: The Supplier Code of Conduct states: 'Employees shall not work in excess of 48 hours per week in a regular work week, or 60 hours per week including overtime. Overtime hours must be consensual and paid at a premium rate. [...] Suppliers shall ensure breaks during and between shifts'. It adds: 'Wage policy and calculation method shall be communicated and understood by all employees. Such policy shall include: [...] Rest day and holiday compensation'. [Supplier Code of Conduct, 06/2023: d1io3yog0oux5.cloudfront.net] • Not Met: Describes work with suppliers on working hours <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of excessive working hours in supply chain • Not Met: Analysis of trends demonstrating progress

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 7.49 out of 80 points scored in themes A-D has been applied to produce a score of 1.87 out of 20 points for theme E.

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