

Company Name Skechers
Industry Apparel (Supply Chain only)
Overall Score (*) 10.8 out of 100

Theme Score	Out of	For Theme
0.6	10	A. Governance and Policies
2.7	25	B. Embedding Respect and Human Rights Due Diligence
0.8	15	C. Remedies and Grievance Mechanisms
3.3	20	D. Performance: Company Human Rights Practices
2.2	20	E. Performance: Responses to Serious Allegations
1.2	10	F. Transparency

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

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

Detailed assessment

A. Governance and Policies (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: General HRs commitment: The Company states that it strives to ensure that all of its products are sourced, produced and delivered to its customers in a manner that upholds international labour and human rights standards. However, the evidence is not sufficient to award this indicator. [California Transparency in Supply Chains Act Disclosure, 27/03/2019: d1io3yog0oux5.cloudfront.net] Not met: UNGC principles 1 & 2 Not met: UDHR Not met: International Bill of Rights Score 2 <ul style="list-style-type: none"> Not met: UNGPs Not met: OECD
A.1.2	Commitment to respect the human rights of workers	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Not met: ILO Core Not met: UNGC principles 3-6 Met: Explicitly list ALL four ILO for AP suppliers: The Company established Supplier code of conduct, which explicitly includes the human rights: the prohibition of forced labour and child labour, and anti-discrimination. With respect freedom of association and collective bargaining, the document says: '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 alternative forms of independent and

Indicator Code	Indicator name	Score (out of 2)	Explanation
			free employee representation and negotiation.' [Supplier Code of Conduct, 23/03/2019: about.skechers.com] Score 2 <ul style="list-style-type: none"> • Not met: Explicit commitment to All four ILO Core • Not met: Respect H&S of workers • Met: H&S applies to AP suppliers: The Company states that suppliers shall ensure employees are provided with a safe and healthy work environment. [Supplier Code of Conduct, 23/03/2019: about.skechers.com] • Not met: working hours for workers • Not met: Working hours for AP suppliers: The Company states that suppliers shall ensure work hours are in compliance with local standards and applicable law; employees shall not work in excess of 60 hours per week, including overtime, and shall be provided at least one day off during each seven consecutive work days. However, this does not align with international standards regarding a maximum of 48 regularly scheduled hours. [Supplier Code of Conduct, 23/03/2019: about.skechers.com]
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's Rights • Not met: Children's Rights • Not met: Migrant worker's rights • Not met: Expecting suppliers to respect these rights: The Company states in its disclosure to CHRB that the supplier applies to all supply chain workers including women juvenile and migrant workers. However, no specific commitment found in this code to respect women, children or migrant's rights. [CHRB Disclosure 2019, 28/06/2019: business-humanrights.org & Supplier Code of Conduct, 23/03/2019: about.skechers.com] Score 2 <ul style="list-style-type: none"> • Not met: CEDAW/Women's Empowerment Principles • Not met: Child Rights Convention/Business principles • Not met: Convention on migrant workers • Not met: Respecting the right to water • Not met: Expecting suppliers to respect these rights
A.1.4	Commitment to engage with stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to stakeholder engagement • Not met: Regular stakeholder engagement Score 2 <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to remedy Score 2 <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with AP suppliers to remedy impacts
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Zero tolerance attacks on HRs Defenders (HRDs) Score 2 <ul style="list-style-type: none"> • Not met: Expects AP suppliers to reflect company HRD commitments

A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: CEO or Board approves policy: The board of directors of the Company delegated approval of the UK modern Slavery Act Statement on its behalf to the Board of Directors via unanimous written consent of Board. [Modern Slavery Act, 23/03/2019: sh.skechers.com] • Not met: Board level responsibility for HRs Score 2 <ul style="list-style-type: none"> • Not met: Speeches/letters by Board members or CEO
A.2.2	Board discussions	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Board/Committee review of salient HRs

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not met: Examples or trends re HR discussion Score 2 <ul style="list-style-type: none"> • Not met: Both examples and process
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Incentives for at least one board member • Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public

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

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions • Not met: Senior responsibility for HR Score 2 <ul style="list-style-type: none"> • Not met: Day-to-day responsibility • Met: Day-to-day responsibility for AP in supply chain: The Company states in its disclosure to CHRB that it has 'a dedicated team of Corporate Social Responsibility (CSR) staff that monitors and manages the implementation of our human rights provisions (supplier Code of Conduct audits) within the supply chain. The CSR team is responsible for working with suppliers to ensure their operations are up to our Supplier Code of Conduct standards. [CHRB Disclosure 2019, 28/06/2019: business-humanrights.org]
B.1.2	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Senior manager incentives for human rights • Not met: At least one key AP HR risk, beyond employee H&S Score 2 <ul style="list-style-type: none"> • Not met: Performance criteria made public
B.1.3	Integration with enterprise risk management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: HR risks is integrated as part of enterprise risk system Score 2 <ul style="list-style-type: none"> • Not met: Audit Ctte or independent risk assessment
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Commits to ILO core conventions • Not met: Communicates its policy to all workers in own operations Score 2 <ul style="list-style-type: none"> • Not met: Commits to all 4 ILO core conventions • Not met: Communication of policy commitments to stakeholder • Not met: How policy commitments are made accessible to audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Commits to all 4 ILO core conventions for suppliers • Not met: Communicating policy down the whole AP supply chain: In the Supplier Code of Conduct, the Company states that it routinely audits its suppliers to ensure they are operating in a manner consistent with the Code. The Manufacturers are required to post these guidelines, as well as all labour laws and other internal policies in the workplace, in both English and the local language(s) where they may be seen by employees. No evidence found, however, of the Company communicating the policy down the supply chain or requiring its suppliers to do so. [Supplier Code of Conduct, 23/03/2019: about.skechers.com & Modern Slavery Act, 23/03/2019: sh.skechers.com] Score 2 <ul style="list-style-type: none"> • Not met: Requiring AP suppliers to communicate policy down the chain • Met: How HR commitments made binding/contractual: The Company states that compliance with the guidelines for responsible factory operation is mandatory and is required in order to do business with Skechers. Manufacturer factories are regularly audited for a number of issues, chief among which is verification of the absence of forced or child labour. The presence of forced or child labour would mean the immediate failure of the audit and the right for Skechers to terminate any

Indicator Code	Indicator name	Score (out of 2)	Explanation
			relationship with such manufacturer. [Modern Slavery Act, 23/03/2019: sh.skechers.com] <ul style="list-style-type: none"> • Not met: Including on AP suppliers
B.1.5	Training on Human Rights	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2 • Not met: Trains all workers on HR policy commitments: The Company states that it makes materials available such that its employees have a clear understanding regarding its policies on human right issues. However it is not sufficient as evidence for training evidence. [Modern Slavery Act, 23/03/2019: sh.skechers.com] • Met: Trains relevant AP managers including procurement: The Company states that it 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 labour, forced labour, indentured labour, child labour and human trafficking. [Modern Slavery Act, 23/03/2019: sh.skechers.com] Score 2 <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Both requirements under score 1 met
B.1.6	Monitoring and corrective actions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Scores at least 1 on A.1.2 • Not met: Monitoring implementation of HR policy commitments • Met: Monitoring AP suppliers: The Company states that it routinely audits its suppliers to ensure they are operating in a manner consistent with the Supplier Code of Conduct. Any violations of the Code are recorded and rated according to the severity of the violation, and the supplier is provided notice to take corrective action. Suppliers found to be in violation of the Code are followed and re-audited expeditiously to ensure that any violations previously noted have been corrected. [Supplier Code of Conduct, 23/03/2019: about.skechers.com] Score 2 <ul style="list-style-type: none"> • Not met: Score of 2 on A.1.2 • Not met: Describes corrective action process • Not met: Example of corrective action • Not met: Discloses % of AP supply chain monitored
B.1.7	Engaging business relationships	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: HR affects AP selection of suppliers: The Company states in its disclosure to CHRB that 'Skechers' CSR team screens potential new suppliers through Supplier Code of Conduct audits to confirm suppliers meet our minimum CSR and human rights requirements before engaging them in to a business relationship'. [CHRB Disclosure 2019, 28/06/2019: business-humanrights.org] • Met: HR affects on-going AP supplier relationships: The Company states that it requires all manufacturers certify that they do not employ, in whole or in part, convict labour, forced labour, indentured labour or child labour at any stage of the manufacturing process. Failure to comply will result in its ability to terminate any business relationship with such vendor. [Modern Slavery Act, 23/03/2019: sh.skechers.com] Score 2 <ul style="list-style-type: none"> • Met: Both requirement under score 1 met • Met: Working with AP suppliers to improve performance: The Company states that it requires that all internal employees as well as all manufacturers themselves, attend workshops held by the Footwear Distributors and Retailers of America (FDRA) twice a year. These FDRA workshops include the overseas labour practice workshop where some of the most important issues related to footwear sustainability, social compliance and product safety are discussed. [Modern Slavery Act, 23/03/2019: sh.skechers.com]
B.1.8	Approach to engagement with potentially affected stakeholders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Stakeholder process or systems • Not met: Frequency and triggers for engagement • Not met: Workers in AP SC engaged • Not met: Communities in the AP SC engaged Score 2 <ul style="list-style-type: none"> • Not met: Analysis of stakeholder views and company's actions on them

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Identifying risks in own operations • Not met: Identifying risks in AP suppliers: The Company states that 'Skechers will not engage with suppliers that do not adhere to our human rights standards. We assess risks in our supply chain through our supplier code of conduct audits'. However, no description found on the process it follows to identify which risks need to be assessed. [CHRB Disclosure 2019, 28/06/2019: business-humanrights.org] Score 2 <ul style="list-style-type: none"> • Not met: Ongoing global risk identification • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Not met: Triggered by new circumstances
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context) • Not met: Public disclosure of salient risks Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Action Plans to mitigate risks • Not met: Including in AP supply chain • Not met: Example of Actions decided Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: System to check if Actions are effective • Not met: Lessons learnt from checking effectiveness Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Comms plan re identifying risks • Not met: Comms plan re assessing risks • Not met: Comms plan re action plans for risks • Not met: Comms plan re reviewing action plans • Not met: Including AP suppliers Score 2 <ul style="list-style-type: none"> • Not met: Responding to affected stakeholders concerns • Not met: Ensuring affected stakeholders can access communications

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Channel accessible to all workers: The Company has different addresses for complaints. Although one option is to speak to the supervisor. The supervisor, in turn, should notify also Legal Department and /or Human Resources department. The employee reporting can directly address these departments. In addition, there is an 'anonymous outside private mail box' which employees can use if they believe the Code has been violated. [Code of Ethics, 23/03/2019: d1io3yog0oux5.cloudfront.net]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved • Not met: Channel is available in all appropriate languages • Not met: Expect AP supplier to have equivalent grievance systems • Not met: Opens own system to AP supplier workers
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Grievance mechanism for community <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages • Not met: Expects AP supplier to have community grievance systems • Not met: AP supplier communities use global system
C.3	Users are involved in the design and performance of the channel(s)/mechanism(s)	0	<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: Engages users to create or assess system • Not met: Description of how they do this <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Engages with users on system performance • Not met: Provides user engagement example on performance • Not met: AP suppliers consult users in creation or assessment
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	<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: Response timescales • Not met: How complainants will be informed <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Escalation to senior/independent level: The Company states that any interested party with significant concerns may report those issues to the Presiding Non-Management Director of the Board of Directors. A copy of the report should also be forwarded to the General Counsel. Employees can anonymously make a report on the 'Anonymous Outside Private Mail Box' if they believe the Code has been violated. [Code of Ethics, 23/03/2019: d1io3yog0oux5.cloudfront.net]
C.5	Commitment to non-retaliation over complaints or concerns made	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: Public statement prohibiting retaliation: The Company states that it does not permit retaliation of any kind against employees for good faith reports of violations of the Code of Ethics. However, to award this indicator, the commitment must be extensive to other stakeholders. [Code of Ethics, 23/03/2019: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Practical measures to prevent retaliation • Not met: Has not retaliated in practice • Not met: Expects AP suppliers to prohibit retaliation
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	<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: Won't impede state based mechanisms • Not met: Complainants not asked to waive rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Will work with state based or non judicial mechanisms • Not met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts and incorporating lessons learned	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Describes how remedy has been provided • Not met: Says how it would remedy key sector risks <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.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: Living wage in supplier code or contracts: The Company states that suppliers shall ensure compensation for employees are not less than that required by local laws relating to minimum wages, overtime rates and allowances, and mandated benefits for each legal employee classification. However it is not sufficient as evidence for this indicator. [Supplier Code of Conduct, 23/03/2019: about.skechers.com] • Not met: Improving living wage practices of suppliers <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
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: Avoids business model pressure on HRs • Not met: Positive incentives to respect human rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met
D.2.3	Mapping and disclosing the supply chain	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Identifies suppliers back to product source <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Discloses significant parts of supply chain and why
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Child Labour rules in codes or contracts: The Company states that suppliers 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. However, the evidence is not sufficient to award this indicator. In its disclosure to CHRB the Company describes its 'supplier code of conduct provisions'. These provisions include 'Suppliers must verify the age of work applicants by the best available official documentation, including but not limited to government issued identification cards, birth certificates, dental records, etc.' and that 'Suppliers shall have an underage labour remediation plan; if an underage employee is found to be working in the facility, 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, 23/03/2019: about.skechers.com & CHRB Disclosure 2019, 28/06/2019: business-humanrights.org] • Not met: How working with suppliers on child labour <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends demonstrating progress
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Debt and fees rules in codes or contracts • Not met: How working with suppliers on debt & fees [California Transparency in Supply Chains Act Disclosure, 27/03/2019: d1io3yog0oux5.cloudfront.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Free movement rules in codes or contracts: Although the supplier code itself does not contain particular guidelines, the Company describes in its disclosure to CHRB information from 'supplier code of conduct provisions' which describes, among other requirements the following: 'Workers shall maintain custody and/or have free access to personal identification documents'; 'Workers must be free to leave the facility at the end of their shift, and during the shift with notice to supervisor'; 'workers must be free to terminate employment (in accordance with their labour contract)'. [CHRB Disclosure 2019, 28/06/2019: business-humanrights.org] • Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: FoA & CB rules in codes or contracts: The Company states that 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 alternative forms of independent and free employee representation and negotiation. [Supplier Code of Conduct, 23/03/2019: about.skechers.com] • Not met: How working with suppliers on FoA and CB Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Sets out clear Health and Safety requirements: The Company states that suppliers shall ensure employees are 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, including hazardous chemicals. [Supplier Code of Conduct, 23/03/2019: about.skechers.com] • Not met: Injury rate disclosures • Not met: Lost days or near miss disclosures • Not met: Fatalities disclosures Score 2 <ul style="list-style-type: none"> • Met: How working with suppliers on H&S: The Company states that it audits its manufacturers for health and safety conditions and eco-friendly initiatives in their factories. These additional items are audited on the basis of Footwear Distributors and Retailers of America (FDRA) guidelines. [California Transparency in Supply Chains Act Disclosure, 27/03/2019: d1io3yog0oux5.cloudfront.net] • Not met: Provide analysis of trends in progress made
D.2.8.b	Women's rights (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Women's rights in codes or contracts • Not met: How working with suppliers on women's rights Score 2 <ul style="list-style-type: none"> • Not met: Both requirement under score 1 met • Not met: Provide analysis of trends in progress made
D.2.9.b	Working hours (in the supply chain)	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not met: Working hours in codes or contracts: The Company states that suppliers shall ensure work hours are in compliance with local standards and applicable law; employees shall not work in excess of 60 hours per week, including overtime, and shall be provided at least one day off during each seven consecutive work days. However, this does not align with international standards regarding a maximum of 48 regularly scheduled hours. [Supplier Code of Conduct, 23/03/2019: about.skechers.com] • Not met: How working with suppliers on working hours Score 2 <ul style="list-style-type: none"> • Not met: Both requirements under score 1 met • Not met: Provide analysis of trends in progress made

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

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		No allegations meeting the CHRB severity threshold were found, and so the score of 8.67 out of 80 points scored in themes A-D & F has been applied to produce a score of 2.17 out of 20 points for theme E.

F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	1.2 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Skechers made data public that met one or more elements of the methodology in 12 cases, leading to a disclosure score of 1.2 out of 4 points.

Indicator Code	Indicator name	Score	Explanation
F.2	Recognised Reporting Initiatives	0 out of 2	The individual elements of the assessment are met or not as follows: Score 2 <ul style="list-style-type: none"> • Not met: Company reports on GRI • Not met: Company reports on SASB • Not met: Company reports on UNGPRF
F.3	Key, High Quality Disclosures	0 out of 4	Skechers met 0 of the 8 thresholds listed below and therefore gets 0 out of 4 points for the high quality disclosure indicator. Specificity and use of concrete examples <ul style="list-style-type: none"> • Not met: Score 2 for A.2.2 : Board discussions • Not met: Score 2 for B.1.6 : Monitoring and corrective actions • Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers • Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s) Discussing challenges openly <ul style="list-style-type: none"> • Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts • Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned Demonstrating a forward focus <ul style="list-style-type: none"> • Not met: Score 2 for A.2.3 : Incentives and performance management • Not met: Score 2 for B.1.2 : Incentives and performance management

Disclaimer

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

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

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

continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.