

Pou Chen Corp.

TICKER
TSEC:9904

MARKET CAPITALIZATION
US\$4 billion

HEADQUARTERS
Taiwan

COMPLIANCE

UK Modern Slavery Act: [Not applicable](#)

California Transparency in Supply Chains Act: [Not applicable](#)

COMMITMENTS

[Yes](#)

OVERALL RANKING

35 out of 43

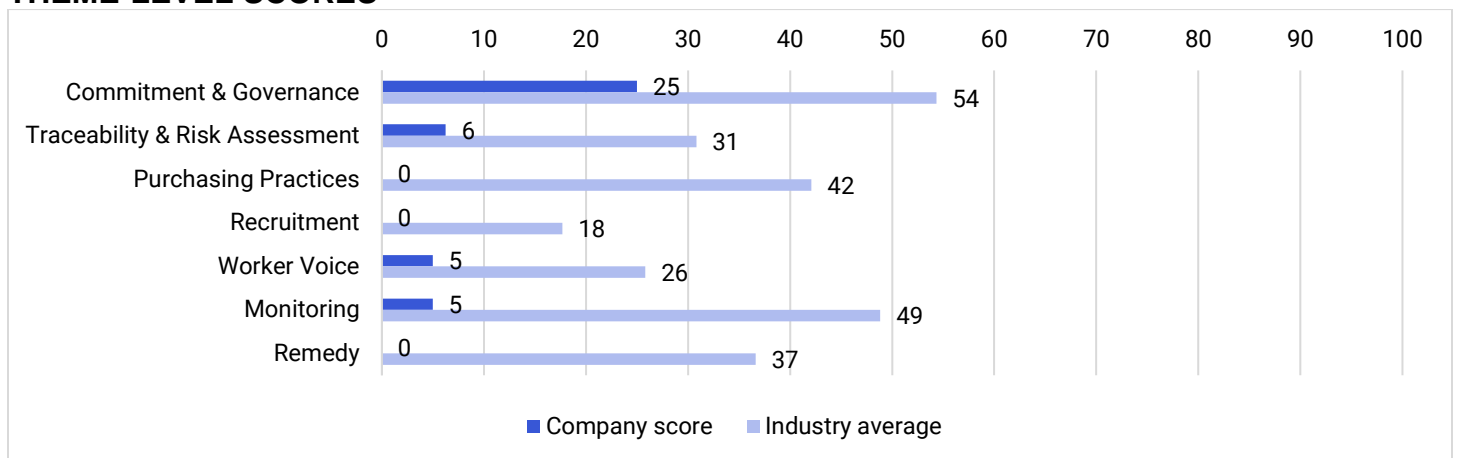
OVERALL SCORE

6 out of 100

SUMMARY

Taiwan-based Pou Chen Corp. (Pou Chen) is a sports goods retailer, which states that it is the “largest branded athletic and casual footwear manufacturer in the world”¹ whose “main customers”² include Adidas, Nike, and Timberland. The company ranks 35th out of 43 companies and discloses significantly less information on its forced labor policies and practices than its peers. The company is a Participating Supplier of the Fair Labor Association (FLA) and, in 2018, its social compliance program at its own manufacturing operations was accredited by the FLA. The company is encouraged to extend its social compliance program to its supply chains and to improve its performance and disclosure on the themes of Commitment & Governance, Purchasing Practices, and Recruitment.

THEME-LEVEL SCORES



¹ Pou Chen, “[Footwear Business](#).” Accessed 10 October 2018.

² Pou Chen, “[2017 CSR Report](#),” p. 6.

LEADING PRACTICES

None.

NOTABLE FINDINGS

Commitment & Governance: The Fair Labor Association notes in its accreditation report that one of Pou Chen's "key strengths" is the company's "top management commitment to globally implement the workplace standards (which cover forced labor) [and that the company's] CEO and top management have demonstrated this commitment through investment to strengthen ... the Global Supply Chain Management Programs." The report further states that the company has a global supply chain management team in place that implemented a compliance program. The report also notes that the company's employees receive regular training and quizzes on the company's standards (which cover forced labor).

Traceability: Pou Chen discloses the percentage of total procurement amount in its key operating regions, which include Vietnam (48%), China (24%), Indonesia (18%), and Taiwan (5%), as well as Bangladesh, Cambodia, Myanmar, the United States, and Mexico.

Monitoring: The FLA's accreditation report states that the company's supply chain management team oversees raw material suppliers and has implemented "a compliance program to assess for basic ... child labor, and forced labor for all material suppliers."

OPPORTUNITIES FOR IMPROVEMENT

Commitment & Governance: The company is encouraged to develop and disclose a supplier code of conduct that includes all four rights outlined in the ILO Declaration on Fundamental Rights and Freedoms at Work, including the prohibition of forced labor and human trafficking. The company may further consider making such a standard easily accessible from the company's website and communicating the standard to its suppliers.

Purchasing Practices: To address forced labor and human trafficking risks in its supply chains, the company is encouraged to integrate supply chain standards that include forced labor in its supplier contracts and to cascade such standards throughout its supply chains. The company may further consider assessing risks of forced labor at potential suppliers before entering into any contracts with them and adopting purchasing practices which decrease risks of forced labor and human trafficking (such as improving forecasting alignment or providing longer-term contracts to suppliers with good labor practices).

Recruitment: To address the risk of exploitation of migrant workers through recruitment agencies in its supply chains, the company may consider requiring recruitment agencies used by its suppliers to uphold workers' rights and ensuring that workers in its supply chains are not charged fees during any recruitment-related process. The company is also encouraged to confirm that recruitment agencies used by its suppliers are audited and to work with suppliers to ensure that migrant workers' rights are respected (e.g., to confirm workers' passports or other personal documents are not retained).

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Sent links.](#)