

Skechers U.S.A. Inc. (Skechers)

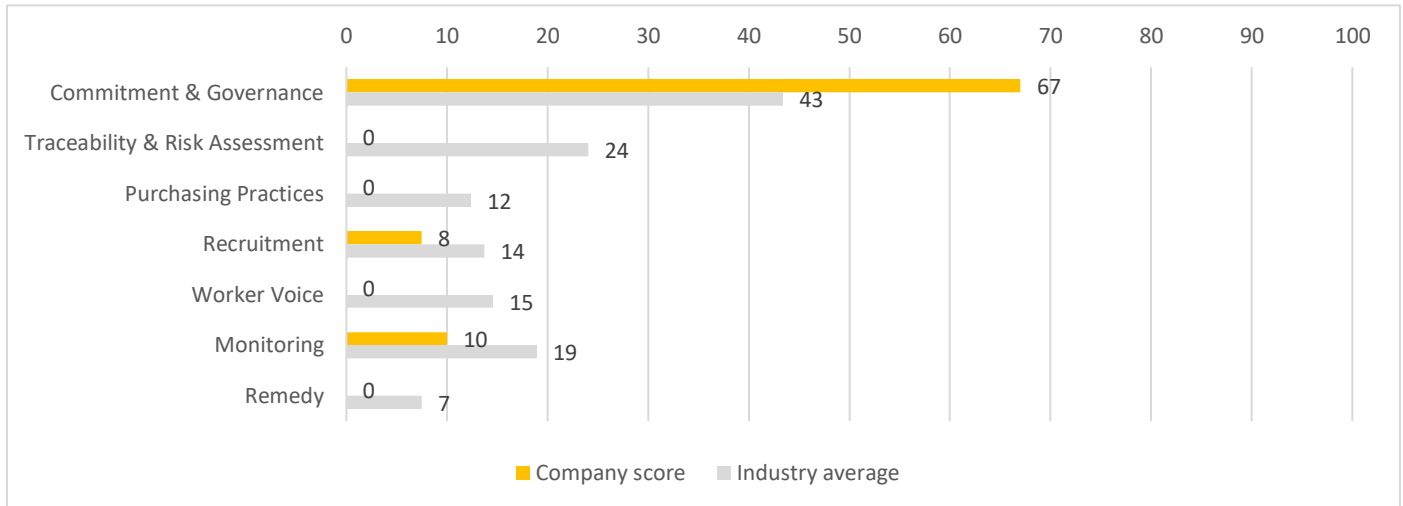
TICKER
NYS:SKX

MARKET CAPITALISATION
US\$7.17 billion

HEADQUARTERS
United States

DISCLOSURES
UK Modern Slavery Act: [Yes](#)
California Transparency in Supply Chains Act: [Yes](#)
Australia Modern Slavery Act: Not applicable

OVERALL RANKING
39 out of 65
[2021 Rank:](#) 27 out of 37

OVERALL SCORE
13 out of 100
THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST
 No

RISK ASSESSMENT
 No

DATA ON PURCHASING PRACTICES
 No

ENGAGED WITH KNOWTHECHAIN²
 No

NO-FEE POLICY

Yes (Employer Pays Principle)

REMEDY FOR SUPPLY CHAIN WORKERS
 No

HIGH-RISK RAW MATERIALS¹
 Cotton, rubber

SUMMARY

Skechers U.S.A. Inc. (Skechers), an American multinational footwear company, ranks 39th out of 65 companies. Since 2021, the company improved by disclosing more detail on the team and committee responsible for the implementation of its supply chain policies that address forced labour and disclosing board oversight of such policies. However, the company did not improve across other themes. As such, it was overtaken by other companies in the benchmark that presented stronger disclosure, and its rank has dropped by 12 places.³ The company's score is based on above-average performance on the theme of Commitment & Governance. The company scores below average on the themes of Recruitment and Monitoring, and scores 0 across other themes. Notably, it is the worst performing North American footwear company in the benchmark and the third worst-performing footwear company overall. KnowTheChain identified one public allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. The company does not disclose the concrete steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

The company is encouraged to improve its performance and disclosure across all themes, including Traceability & Risk Assessment, Recruitment and Worker Voice.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: To demonstrate a strong understanding of its supply chains, the company may consider disclosing the names and addresses of its first-tier suppliers, the countries in which its below-first-tier suppliers operate, the countries from which it sources raw materials at high risk of forced labour, and data on the demographics of the supply chain workforce (such as the percentage of women and migrant workers). The company is further encouraged to assess forced labour risks across its supply chains and disclose the risks identified.

Recruitment: While the company discloses a policy that prohibits worker-paid recruitment fees, it is encouraged to disclose how it ensures the implementation of this through the prevention of fees in its supply chains, such as through mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

Worker Voice: To prevent and address forced labour risks in its supply chains, the company may consider ensuring that a formal and effective mechanism to report grievances regarding labour conditions is available and communicated to its suppliers' workers and relevant stakeholders, such as worker organizations or labour NGOs. Further, the company is encouraged to take steps to ensure that workers in its supply chains are able to exercise their rights to freedom of association and collective bargaining.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark [findings report](#).

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

³ KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. See [here](#) for more information. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023.