



Supplier Code of Conduct

Skechers routinely audits its suppliers to ensure they are operating in a manner consistent with the Skechers Supplier Code of Conduct.

Skechers closely monitors the effectiveness of any actions taken by our suppliers to respond to human rights risks and impacts, primarily through our follow-up Supplier Code of Conduct audits at our suppliers' facilities. We conduct annual audits, addressing issues under the eleven (11) different categories of our Supplier Code of Conduct.

Our ongoing efforts for risk identification occur at all of our suppliers' facilities (at times more frequent if risks in certain geography or specific risks are identified, based on industry-level risks and our own observations within our supply chain).

Any violations of the Code of Conduct 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 of Conduct are monitored and expeditiously re-audited to ensure that any violations previously noted have been corrected.

Our Corporate Social Responsibility team works together with suppliers to remediate the situation, ensuring that human rights are protected. Follow-up audits usually occur between three and nine months after a violation is recorded, depending on the severity of the issues found.

Suppliers found in violations of the highest severity or responsible for multiple violations are terminated.

Management System

Suppliers must fully comply with all applicable laws, rules and regulations of the country in which they are located and operating, including those relating to labor, workplace health and safety, and the environment.

Suppliers must comply with all relevant laws and avoid all forms of corruption, including but not limited to extortion, bribery, embezzlement, theft or other abuse of power to gain business or personal advantage.

Discrimination

Employees shall not be discriminated against on the basis of race, color, gender, nationality, religion, age, maternity, marital status, indigenous status, ethnicity, social origin, disability, sexual orientation, health condition, or trade union and/or political affiliation 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.

Harassment and Abuse

Suppliers must treat all employees with dignity and respect, and employees shall be free from sexual, psychological, physical and verbal harassment, abuse or intimidation.

Forced Labor

Suppliers must not use any forms of forced labor, including but not limited to prison, convict, slave, indentured and bonded labor, and involuntary overtime. All work must be completed on a voluntary basis, and human trafficking is prohibited within our supply chain. Suppliers also must not charge workers for employment and recruitment costs. In the event that recruitment fees or related costs are charged, suppliers must reimburse employees immediately, and investigations must be conducted to ensure that no other employees are indebted due to the recruitment or hiring process.

Underage Labor

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.

Freedom of Association

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.

Compensation and Benefits

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.

Hours of Work

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.

Health and Safety

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.

Subcontracting and Homework

Suppliers must document and disclose all subcontracting and homework activities to Skechers and obtain written approval from Skechers before start of production.

Environment

Suppliers shall comply with all applicable environmental laws, rules and regulations in the community in which they operate, particularly with respect to water, energy, hazardous chemicals, air and noise quality, and waste.