



# **YOUNGONE CORPORATION**

**United Nations Global Compact (UNGCC)  
Communication on Progress (CoP)**

**April 2021**



# TABLE OF CONTENTS

## COMPANY PROFILE

01 CEO Statement

02 Company Overview

## UNGC COMMUNICATION ON PROGRESS

01 Human Rights & Labor

02 Environment

03 Anti-corruption



# CEO STATEMENT

Dear stakeholders:

I am pleased to confirm that Youngone Corporation reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment and Anti-Corruption, through its established Code of Conduct which upholds national and international regulations.

This annual Communication on Progress describes our actions to improve the integration of the Global Compact and its principles into our business strategy, culture and daily operation. Youngone Corporation prioritizes its social responsibility to solve societal challenges through innovation and collaboration. Improving and complying with the Ten Principles by developing responsible, sustainable strategies will make us achieve the ultimate goal for a resilient future. It doesn't only apply to Youngone Corporation, but also guide us to build trust with society and brighten the future we all share.

Thank you.

Kihak Sung  
Chairman & CEO



# COMPANY OVERVIEW

Youngone Corporation began its journey in 1974 manufacturing sportswear and down jackets. Over the last 47 years, we have grown to become the premier global manufacturer of outdoor apparel, footwear and gear. As a partner trusted by some of the world's most respected brands, we are committed to contributing to the local economies and communities across 10 countries we operate in, through OEM export, retail distribution and regional developments.

Youngone Corporation is guided by its principal mission of “Expanding Employment through Sustainable Growth, Improving Quality of Life by Environmentally Responsible and Focused Management, and Contributing to Society by Giving Back”. This promise is supported by our core values – “**H**onesty and integrity”, “**E**xcellence”, “**A**gility and accountability”, and “**caRe** for socie**Ty**” – which all of our management and employees take to their HEART every day.

Youngone Corporation strives for close and open partnerships with our customers, shareholders and other business partners. We make business decisions based on three simple principles: long-term growth, sustainable profits, and responsibility to environment and society.

## Company Information

Company Name: Youngone Corporation  
Founded: 1974  
Chairman & CEO: Kihak Sung

## Business Sectors

Apparel  
Footwear  
Gear  
Materials

## Capacity Overview

Number of production sites: 10+  
Number of production lines: 1100+  
Number of employees: 80000+

# Youngone Code of Conduct

## **Legal compliance**

Youngone complies with all local laws relating to employment, health and safety, and the environment.

## **Anti-Corruption**

Youngone does not take part in acts of corruption.

## **Child Labor**

Youngone does not hire workers under the age of 18. Legally permissible exceptions between the age of 16 and 18 will be strictly protected by the laws of the related jurisdiction.

## **Forced Labor**

Youngone does not use involuntary or forced labor and all employees have the right to decline overtime.

## **Abuse**

No Youngone employee should be subject to any physical, sexual, psychological or verbal abuse.

## **Discrimination**

Youngone does not discriminate on the basis of race, ethnicity, nationality, religion, color, gender, pregnancy, medical conditions, age, sexual orientation, disability, marital status, caste, socio-economic status, political opinion, or union affiliation.

## **Freedom of association**

Youngone respects the right of employees to freedom of association and collective bargaining.

## **Grievance**

All employees must have access to Youngone's confidential grievance system available through multiple channels.

## **Wages and benefits**

Youngone employees must be compensated with wages and benefits that comply with local law, and each employee provided with a written account of each pay period. Youngone does not make disciplinary deductions from pay.

## **Hours of work**

The regular work week will not exceed 48 hours and 12 hours overtime, except in jurisdictions where the legal hours are lower. Employees are entitled to at least 24 consecutive hours of rest after a maximum of a six-day work period. Youngone employees must be fully compensated for overtime according to local law.

## **Health and safety**

Youngone will provide a safe and healthy workplace and take a proactive approach to implementing health and safety policies, systems and training.

## **Environment**

Youngone will work to minimize the impact of its energy and natural resource usage, emissions, discharges and waste disposal on the environment.

This code applies to permanent and temporary employees alike.



# HUMAN RIGHTS & LABOR

*Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights*

*Principle 2 Businesses should make sure that they are not complicit in human rights abuses.*

*Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;*

*Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labor*

*Principle 5 Businesses should uphold the effective abolition of child labor; and*

*Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation*

## **Governance Structure**

Youngone Corporation has activated dedicated teams within operating units to form and retain governance and provide support to enhance our capacity in the areas of human rights and labor. These teams report to the corporate structure, which includes a Corporate CSR Team, HR/CSR Steering Committee, Top Management and Board of Directors.

## **Workers' Rights Training**

Our training program on workers' rights was designed based on the Youngone Code of Conduct, and 100% of our workers have been trained. Continuous refresher sessions have been given on a daily basis through one-on-one surveys with our workers.

## **Communication Channels**

Workers management communication is a critical focus area within our operation. Youngone Corporation has developed multiple communication channels such as suggestion boxes, hotlines, employee satisfactory surveys and counseling systems. Employees are encouraged to report any violation of our Code of Conduct in good faith through any of the available communication channels without concerns under the strictly observed non-retaliation policy.

## **Measures for Employee Safety and Wellbeing Against COVID-19**

Youngone Corporation prioritizes the wellbeing of our workers and has taken various measures to ensure the safety of all of our employees during the COVID-19 pandemic that has heavily impacted the industry. We have implemented heightened hygiene measures to safeguard the working environment, and widely communicated the company's efforts through daily announcements and on-site display of reminders on notice boards. We have also stationed full-time medical staff on-premise and offered relaxed sick leave policy to all employees.





# ENVIRONMENT

*Principle 7 Businesses should support a precautionary approach to environmental challenges;*

*Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility; and*

*Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies.*

## **Governance Structure**

Youngone Corporation has established a structure in governing and supporting the environmental sustainability area with dedicated teams in each of the operating units. The teams in the operating units report to the corporate structure which includes a Corporate CSR Team, Environmental Sustainability Council, Top Management and Board of Directors. With the environmental sustainability policy formalized at the beginning of 2019, Youngone Corporation has set a clear strategy and policy toward environmental sustainability development in four major impact areas: Energy and Carbon, Chemical, Water, and Waste Management. We have been an active member of the Sustainable Apparel Coalition (SAC) and began implementation of the Higg Index Facility Environmental Module (FEM) for measuring the maturity of its Environmental Management System since 2016.

## **Energy & Carbon**

Most of our sewing machines are now equipped with servo motor technology to reduce energy consumption. In addition, we have installed rooftop solar systems totaled 19MWp across selected operating units in Bangladesh and Vietnam as of January 2021.

## **Chemical Management**

We apply the principle of “Zero Discharge of Hazardous Chemical” (ZDHC) in establishing our chemical management system to cope with chemicals use and hazardous substance control.

## **Water Recycle & Reuse**

Our textile and dyeing process accounts for the majority share of our use of industrial water use and most of our annual water footprint. Recycling technology and reuse management have been introduced to optimize the use of fresh water in our manufacturing processes.

## **Waste**

We have implemented the 3R (Reduce, Reuse, Recycle) as the principle in waste across all of our factories and have developed a new approach with a structured classification methodology to define and collect waste data from our manufacturing sites.



# ANTI-CORRUPTION

*Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery*

## **Governance Structure**

Youngone Corporation has formed and empowered a structure in governing and supporting the anti-corruption agenda. With the effective communication channels in place, employees are encouraged to report any corruption concerns. Youngone Corporation has also introduced and strictly followed a non-retaliation policy to protect the employees who report violations of our Code of Conduct in good faith. All reported cases are investigated either through the factory team or the corporate team, as appropriate. At the corporate level, cases are reviewed by Head of Internal Audit, Investigation Committee, and the Corporate Compliance Committee. Regular updates are provided to the Board of Directors through Top Management.

## **Youngone Anti-bribery & Anti-corruption Policy**

Youngone Corporation has an anti-bribery and anti-corruption policy to ensure all of our business activities are conducted in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We uphold all laws relevant to counter bribery and corruption in all the jurisdictions in which we operate. All employees, agents, representatives, consultants, independent contractors, joint venture partners, licensees, distributors, vendors, suppliers and any other third parties acting on behalf of Youngone Corporation are:

- 1) Prohibited from accepting money or money in kind, gifts, services, rebates, refunds, kickbacks, discounts, business opportunities, entertainments, travel trips, compensation or anything of value, directly or indirectly from, including but not limited to, a current or prospective supplier, customer, vendor, distributor or competitor, that could influence business relationship or secure any improper advantage of the benefit.
- 2) Prohibited from giving or offering money or money in kind, services, rebates, refunds, kickbacks, discounts, business/employment opportunities, compensation or anything of value, to any third parties.
- 3) Required to record and report any proposal of bribes to senior manager and Internal Audit Team.

## **Continuous & Ongoing Re-enforcement**

Employees are required to acknowledge their understanding of the policy and confirm their adherence to the policy on an annual basis.