# Developing Partnerships
# Delivering Peace of Mind

—

**2019
SUSTAINABILITY
DATA SUPPLEMENT**

pch

# Message from Liam Casey

**Chief Executive Officer**

I am proud of our team as we've committed to our strategic plan to attain the highest standards in sustainability. This commitment continues to strengthen PCH's resiliency and allows us to take on the challenges the world presents.

We took steps in 2019 to become an even stronger global company dedicated to the values of health, safety and social responsibility, transparency and environmental good. We know firsthand that operating sustainably not only benefits us as a company but also benefits our employees, suppliers and customers.

To position PCH to take on a greater role as a business sustainability leader, in 2019 we appointed our first vice president of sustainability. Having a sustainability-driven leader on our executive team allows us to sharpen our focus on achieving key strategic sustainability goals:

> Set annual data-driven sustainability goals and targets

> Improve our sustainability protocols and processes

> Track and measure our sustainability progress

> Measure sustainability ROI to demonstrate that sustainability is not only the right thing to do but is good for our business operations

> ## "The global brands we work with share our values around transparency, health and safety, and social and environmental responsibility.
>
> – Liam Casey

In 2019, as we continued to develop premium products and provide supply chain solutions for premium brands and startups, we kept consumer preference for sustainable materials at the forefront of our development solutions. For example, we know that consumers are not tolerant of single-use in products and packaging. To encourage our customers to choose less harmful chemicals, materials and processes, we enhanced our Materials Library. We also developed and deployed to our customers a Restricted Substances List (RSL). Additionally, we made progress in our goal to offer our customers full Life Cycle Analysis (LCA) reports on their products.

One major accomplishment in 2019, was creating dedicated cross-platform sustainability initiatives focused on small- and medium-sized hardware startups preparing to scale production.

On the supply side, we advanced our efforts to help our customers create more efficient and responsive manufacturing and fulfillment to help reduce waste associated with excess production. Overproduction is one of the greatest harms to the environment as well as it creates risks to business operations.

We also broadened our knowledge base by increasing our engagement with sustainability leaders in other industries. We recognize the opportunity to learn from our colleagues in other industries as well as to share our best practices.

Although we are pleased with the progress we made on our 2019 goals, we are working to fully implement them across our platform.

## Preparing for a "Decade of Action"

As we look ahead to 2020, we plan to create sustainable solutions with even greater impact.

We are refocusing to align with the United Nations Sustainable Development Goals (UNSDG). For the next three to five years, we will focus specifically on Goal 3: Good Health and Well-Being; Goal 8: Decent Work and Economic Growth; Goal 9: Industry, Innovation and Infrastructure; and Goal 12: Responsible Consumption and Production (to align with our strategy of sustainable design – producing to demand, not to inventory).

We are also engaging with the United Nations Global Compact (UNGC) to ensure our alignment with the "Leadership for a Decade of Action." This will empower our Senior Leadership Team to achieve our PCH-selected UNSDG goals by 2030.

To prepare for the "Decade of Action," we will be realigning and revisiting our corporate structure to be guided by the SDG Ambition program. This program will assist us in developing and implementing innovative strategies to meet the UNSDGs.

### 2020 Global Response to the Coronavirus

Finally, in response to the global coronavirus pandemic, PCH took early action to help increase access to and reduce the high cost of high-quality, certified PPE. PCH provided over 100 million units of PPE worldwide, and we prioritized deliveries to hospitals, municipalities, governments and not-for-profit humanitarian organizations on the front line of care.

**Liam Casey**

# Doing our Part to Abolish Child Labor:
## PCH and Supplier Manufacturing Partners

At PCH, we make a conscious, vigilant effort to enact policies and practices to ban child labor within our operations. We have accomplished our goal of having zero child labor violations in 2019 or in past years by strengthening our strategic supply network partnerships.

All of our supplier partners must adhere to our Child Labor Policy, which clearly states that PCH has zero tolerance towards child labor violations in our own facilities and those of our suppliers. Additionally, our policy calls for these measures:

> Our human resource teams worldwide verify the identity and age of all new PCH hires. All people who work for us must be age 16 or older, which is above the GRI global standard age of 15

> During all supplier audits, including for new suppliers being onboarded each year, we check for child labor violations and prevention systems

> We conduct factory floor spot checks for child labor violations

Our zero-tolerance policy extends to youth workers, recognized by GRI standards as being between the ages of 16 and 18. Our supplier labor, environmental health and safety practices forbid youth workers to perform hazardous work. Youth workers also may be restricted from night work with consideration given to their educational needs.

In an industry that is at risk for child labor violations, we have carefully developed our supply base of long-term manufacturing partners who believe as we do in the abolishment of child labor. Being aligned with our manufacturing partners helps ensure an open and collaborative environment for tackling environment, social and governance (ESG) issues.

Step one of addressing any child labor issues at PCH begins with our manufacturing partner vetting process. We first review potential partners who must pass our capabilities and quality criteria, as well as pass all environmental, health and safety (EHS) and corporate social

sustainability (CSR) standards. If potential or existing suppliers fail to meet our key standards during these audits, they are disqualified from being on our approved vendor list (AVL). PCH does not allow engagements with partners outside of our AVL.

As we continue to develop and maintain tried-and-trusted supplier partnerships, we achieve our goal of providing our customers with "peace of mind" in knowing that no child labor was exploited in the manufacture of any product.

## 2019 Accomplishment:

**CHILD LABOR VIOLATIONS**

# Zero
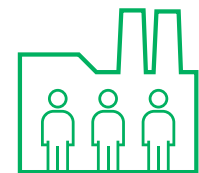
# About This Report

This 2019 Sustainability Data Supplement provides data updates on our 2019 performance. The data may be compared to and cross-referenced with performance disclosed in our full 2018 Sustainability Report (GRI Core report). This report supplement marks the eighth annual year we've published a report. Access our 2012-2018 reports on our website.

This report supplement has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. Additionally, our sustainability reporting follows the United Nations Global Compact (UNGC) Communication on Progress standards.

## Reporting Year: Calendar year 2019

### Operations Included in Report:

Unless otherwise noted, the data covered in this report includes available 2019 data for PCH operations at our two PCH Innovation Hubs in San Francisco and Shenzhen, China; software development operations in Cape Town, South Africa; and HR, finance and IT operations in Cork, Ireland.

## Key Topics and Concerns

See *Materiality Matrix* on page 72 of our 2018 Sustainability Report. We also will conduct a new materiality assessment to identify material topics for our 2020 sustainability report.

## Methodologies

We did not seek external assurance for this data supplement. However, we have calculated the data using the best possible methodologies currently available and aligned them with recognized standards.

Our GHG emissions accounting and reporting are aligned with the GHG protocol, and the emission factors we use are from publicly available sources such as the International Energy Agency (IEA). Note, however, greenhouse gas (GHG) emissions data are subject to inherent uncertainties because of incomplete scientific knowledge used to determine emission factors and measurements.

Our energy usage is based on invoiced utility data, data reported by transport providers and suppliers and data from real-time electricity meters.

## Forward-Looking Statements

The information in this report supplement may contain forward-looking statements. Such statements reflect management's current expectations. Although management believes such statements to be reasonable, no assurance can be given that such expectations will prove correct. Such statements are subject to risks and uncertainties, and such future events could differ materially from those set out in the forward-looking statements as a result of, among other factors:

> Changes in economic, market or competitive conditions

> Success of business and operating initiatives

> Changes in the regulatory environment and other governmental actions and business risk management

Any forward-looking statement made in this report supplement relates only to events as of the date on which the statement is made. We undertake no obligation to update any forward-looking statements to reflect new information, except as required by law.

## 2019 Accomplishment:

**GRI GENERAL DISCLOSURES ADDRESSED**

# All 56

## Learn More

See our 2018 Sustainability Report for more information on our reporting guidelines, standards and methodology.

# PCH Data

By sharing our company data, we adhere to the PCH commitment to sustainability and to our principles of transparency and accountability.

# PCH Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Customers by Region[1]** | | | | | |
| Customers in North America | Percentage of Total Customers | 35% | 22% | 18% | 102-6 |
| Customers in Asia | Percentage of Total Customers | 59% | 34% | 13% | 102-6 |
| Customers in Europe | Percentage of Total Customers | 6% | 43% | 65% | 102-6 |
| Other Customers | Percentage of Total Customers | | 1% | 4% | 102-6 |
| **Customers and Shipping** | | | | | |
| Units Shipped | Total Number Shipped | 2,024,548 | 5,408,979 | 14,718,624 | 102-7 | 102-9 |
| Customers Utilizing Air Freight | Percentage of Total Customers | 72% | 70% | 79% | 102-6 |

PCH Footnotes:

[1] Based on locations where PCH shipped

# Operations Data

PCH technology investments allow us to monitor our energy use on an hourly basis to reduce waste and to optimize our operations.

# Operations Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Operations** | | | | | |
| Size of Global Operations | Square Footage | 419,118 | 332,304 | 332,304 | 102-7 |
| Size of Operations: San Francisco | Square Footage | 35,000 | 28,500 | 28,500 | 102-7 |
| Size of Operations Devoted to Pack Out[1] | Square Footage | 290,600 | 214,107 | 214,107 | 102-7 |
| **Resource Use[2 & 3]** | | | | | |
| Global Electricity Use[4] | Kilowatts | 1,467,196 | 1,022,453 | 1,046,329 | 302-1 |
| U.S. Electricity Use[4] | Kilowatts | 546,849 | 419,682 | 432,163 | 302-1 |
| China Electricity Use[4] | Kilowatts | 920,347 | 602,771 | 614,166 | 302-1 |
| U.S. Gas Use | Therms | 5,547 | 3,718 | 3,720 | 302-1 |
| Global Water Use[5] | Tons | 10,610 | 5,645 | 7,393 | 303-5 |
| U.S. Water Use | Tons | 1,003 | 520 | 519 | 303-5 |
| China Water Use[5] | Tons | 9,607 | 5,125 | 6,874 | 303-5 |
| **Environmental Impact[3, 6 & 7]** | | | | | |
| Greenhouse Emissions: China and U.S. | Indirect Scope 2 Metric Tons | 1,390 | 862 | 882 | 305-2 |
| U.S. Greenhouse Emissions | Indirect Scope 2 Metric Tons | 502 | 309 | 318 | 305-2 |

# Operations Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Environmental Impact (continued)** | | | | | |
| China Greenhouse Emissions | Indirect Scope 2 Metric Tons | 849 | 553 | 564 | 305-2 |
| U.S. Waste Production | U.S. Lbs. | 69,237 | 47,428 | 47,486 | 306-3 |
| China Waste Paper | Kilograms | | 56,050 (Jun-Dec) | 119,320 | 306-3 |
| China Waste Plastic | Kilograms | | 30,285.5 (Jan-Dec) | 151,172 | 306-3 |
| U.S. Landfill Waste | U.S. Lbs. | 29,258 | 24,184 | 24,184 | 306-5 |
| U.S. Landfill Waste[8] | Percentage of U.S. Waste | 43% | 51% | 51% | 306-5 |
| U.S. Recycled Waste[8] | U.S. Lbs. | 28,258 | 22,972 | 22,972 | 306-4 |
| U.S. Recycled Waste[8] | Percentage of U.S. Waste | 40% | 48% | 48% | 306-4 |
| U.S. Compost Waste[8] | U.S. Lbs. | 9,859 | 0% | 0% | 306-4 |
| U.S. Compost Waste | Percentage of U.S. Waste | 14% | 0% | 0% | 306-4 |
| U.S. Recycled Electronic Waste | U.S. Lbs. | 253 | 272 | 330 | 306-5 |
| U.S. Recycled Electronic Waste | Percentage of U.S. Waste | 1% | 1% | 1% | 306-5 |
| Global Hazardous Waste | U.S. Lbs. | 1,498 | 182 | 474 | 306-5 |
| Global Hazardous Waste | Percentage of Global Waste | 2% | 0.3% | 1% | 306-5 |
| U.S. Hazardous Waste | U.S. Lbs. | 1,115 | 0 | 0 | 306-5 |
| U.S. Hazardous Waste | Percentage of Global Hazardous Waste | 74% | 0% | 0% | 306-5 |
| China Hazardous Waste | U.S. Lbs. | 383 | 182 | 474 | 306-5 |

# Operations Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Environmental Impact (continued)** | | | | | |
| China Hazardous Waste | Percentage of Global Hazardous Waste | 26% | 100% | 100% | 306-5 |
| Waste Water with Mixed Lubricants | U.S. Lbs. | 0 | 1 | 0 | 306-5 |
| Waste Lubricants | Kilograms | 25 | 20 | 0 | 306-5 |
| Light Tubes | Kilograms | 10 | 4 | 65.18 | 306-5 |
| Hazardous Chemical Containers | Kilograms | 30.5 | 3.8 | 7.5 | 306-5 |
| Lead-Acid/Zinc-Manganese Batteries Waste | Kilograms | 0.5 | 4 | 44.28 | 306-5 |
| Organic Solvent Waste | Kilograms | 107 | 30 | 43.5 | 306-5 |
| Cloth Mixed with Solvents | Kilograms | 0.5 | 0.5 | 0 | 306-5 |
| Ink/Toner Cartridge Waste | Kilograms | | 20 | 54.5 | 306-5 |

Operations Footnotes:

[1] During pack out, individual items – which are separate or related products included in one order – are grouped and packaged into one unit for shipping. This reduces the potential of inventory risk, waste and excess warehousing costs.

[2] In 2017 at our China facilities, we installed 43 energy meters to monitor energy usage, including HVAC, ovens, air compressors, power, sockets and overhead lighting. This allows us to track energy consumption accurately to every 15 minutes so we can determine when and where energy consumption is high and rapidly initiate energy reduction protocols.

[3] All U.S. data were received from third parties. The water consumption information was received from the San Francisco Public Utilities Commission through the property management (CBRE) and Godtland Enterprises. The waste information was received from Recology (Waste Management Co.). The gas and electric usage was received from Pacific Gas & Electric accounts.

[4] In general, electricity usage trended down in previous years. However, we expect fluctuations depending on project cycles, weather (climate control on factory floors), and increases in production, We remain committed to continuously improving energy efficiency.

[5] We expect fluctuations depending on project cycles, weather (climate control on factory floors), and increases in production. We remain committed to continuously improving water efficiency and water intensity.

[6] Environmental data come from 90.9% of our total operational square footage.

[7] All waste is disposed of by licensed operators. Hazardous waste generated in our owned facilities is the only available waste data for our operations in China. All non-hazardous waste (scraps) generated in PCH facilities are owned by our customers and are disposed of according to our clients' wishes using licensed operators.

[8] Data based on container size and frequency containers are retrieved.

# People Data

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To improve the well-being of the PCH workforce, our Corporate Social Responsibility (CSR) program focuses on health and safety training, mentorship, education, social and cultural activities and open communications.

# People Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Workforce** | | | | | |
| Global Workforce | Total Number | 516 | 428 | 447 | 102-7 \| 102-8 |
| Workforce in China | Percentage of Global Workforce | 75% | 82% | 81% | 102-8 |
| Global Engineers | Total Number | 125 | 82 | 86 | 102-8 |
| **Diversity: Gender** | | | | | |
| Global Employees: Female | Percentage of Global Workforce | 42% | 59.81% | 76.19% | 102-8 \| 405-1 |
| Global Employees: Male | Percentage of Global Workforce | 58% | 40.19% | 23.81% | 102-8 \| 405-1 |
| Senior Leadership: Female | Percentage of Senior Leadership | 33.30% | 33.33% | 33.33% | 405-1 |
| Senior Leadership: Male | Percentage of Senior Leadership | 66.70% | 66.67% | 66.67% | 405-1 |
| Senior Management: Female | Percentage of Senior Management | 44.80% | 45.45% | 36.84% | 405-1 |
| Senior Management: Male | Percentage of Senior Management | 55.20% | 54.55% | 63.16% | 405-1 |
| Middle Management: Female | Percentage of Middle Management | 39.10% | 40.00% | 42.00% | 405-1 |
| Middle Management: Male | Percentage of Middle Management | 60.90% | 60.00% | 58.00% | 405-1 |
| Individual Contributor: Female | Percentage of Individual Contributors | 31.40% | 47.97% | 51.75% | 405-1 |
| Individual Contributor: Male | Percentage of Individual Contributors | 68.60% | 52.03% | 48.25% | 405-1 |
| Factory Staff: Female | Percentage of Factory Staff | 71.80% | 70.49% | 80.00% | 405-1 |
| Factory Staff: Male | Percentage of Factory Staff | 28.20% | 29.51% | 20.00% | 405-1 |

# People Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Diversity: Age** | | | | | |
| Senior Leadership under 30 | Percentage of Senior Leadership | 0.00% | 0.00% | 0.00% | 405-1 |
| Senior Leadership 30-50 | Percentage of Senior Leadership | 66.67% | 66.67% | 66.67% | 405-1 |
| Senior Leadership over 50 | Percentage of Senior Leadership | 33.33% | 33.33% | 33.33% | 405-1 |
| Senior Management under 30 | Percentage of Senior Management | 3.50% | 4.55% | 0.00% | 405-1 |
| Senior Management 30-50 | Percentage of Senior Management | 96.60% | 86.36% | 80.00% | 405-1 |
| Senior Management over 50 | Percentage of Senior Management | 0.00% | 9.09% | 20.00% | 405-1 |
| Middle Management under 30 | Percentage of Middle Management | 4.30% | 0.00% | 0.00% | 405-1 |
| Middle Management 30-50 | Percentage of Middle Management | 91.30% | 93.33% | 90.00% | 405-1 |
| Middle Management over 50 | Percentage of Middle Management | 4.40% | 6.67% | 10.00% | 405-1 |
| individual Contributor under 30 | Percentage of Individual Contributors | 17.70% | 23.65% | 13.28% | 405-1 |
| individual Contributor 30-50 | Percentage of Individual Contributors | 72.60% | 70.27% | 82.52% | 405-1 |
| individual Contributor over 50 | Percentage of Individual Contributors | 9.70% | 6.08% | 4.20% | 405-1 |
| Factory Staff under 30 | Percentage of Factory Staff | 26.20% | 22.95% | 25.40% | 405-1 |
| Factory Staff 30-50 | Percentage of Factory Staff | 73.30% | 75.41% | 73.01% | 405-1 |
| Factory Staff over 50 | Percentage of Factory Staff | 0.50% | 1.64% | 1.59% | 405-1 |

# People Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Grievances** | | | | | |
| Grievances Reported by Employees | Total Number | 39 | 94 | 75 | 102-17 |
| Reported Food Grievances | Percentage of Total Grievances Reported | 79.48% | 79% | 49% | 102-17 |
| Reported Factory Management Grievances | Percentage of Total Grievances Reported | 10.26% | 12% | 31% | 102-17 |
| Reported Pay/Welfare Grievances | Percentage of Total Grievances Reported | 5.13% | 0% | 0% | 102-17 |
| Reported Miscellaneous Grievances[1] | Percentage of Total Grievances Reported | 5.13% | 9% | 20% | 102-17 |
| **Health and Safety** | | | | | |
| Participants in Health and Safety Committee: Factory Workforce | Percentage of Factory Workforce | 19% | 19% | 16.7% | 403-4 |
| Injuries: China | Total Number | 1 | 0 | 0 | 403-9 |
| Fatalities (occupation/disease): China | Total Number | 0 | 0 | 0 | 403-9 |
| Lost Work Days | Total Number | 3 | 0 | 0 | 403-9 |

# People Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Overtime** | | | | | |
| Average Workweek | Average Number of Hours | 49 | 49 | 50 | 102-8 |
| Compliance with Supplier Code of Conduct[2] | Percentage | 91% | 99% | 97% | 102-16 |
| Breaches of 60-hour Workweek | Total Number of Weeks | 4 | 3 | 9 | 409-1 |
| Average Rest Days Per Month | Average Days | 5 | 5 | 5 | 409-1 |
| Breaches of One Rest Day Per Week | Total Number | 1 | 0 | 2 | 409-1 |
| **Career Enhancement Opportunities** | | | | | |
| Participants in Non-Factory Training Programs[3] | Total Number | 169 | 185 | 340 | 404-2 |
| Non-Factory Training Hours Provided[3] | Total Hours | 1.945 | 899 | 1.727 | 404-1 |
| Factory Workers Training Hours Provided[4] | Total Hours | 3,559 | 2,508 | 964 | 404-1 |
| New Hires Provided Training | Total Number | 66 | 43 | 75 | 404-1 |

People Data Footnotes:

[1] Grievance topics include employee relationships, training, leave and personal issues.

[2] Our Supplier Code of Conduct requires that factory workers work no more than 20 hours per week of overtime and no more than 36 hours per month of overtime, except in emergency or unusual situations.

[3] Training programs included customer service, office software, management skills, technical skills, labor law and Social and Environmental Responsibility

[4] Training included CSR/EHS/AEO/ISO, health and safety courses.

# Supply Partner Data

PCH fosters positive long-term relationships with our supplier partners to enable us to incorporate sustainable practices where we see opportunities to benefit our suppliers and our customers.

# Supply Partner Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Suppliers** | | | | | |
| Suppliers in Network | Approximate Number | 1,000+ | 1,000+ | 1,000+ | 102-9 \| 204-1 |
| New Suppliers | Total Number | 57 | 37 | 11 | 102-10 |
| Existing Suppliers | Total Number | 105 | 150 | 188 | 102-9 \| 102-10 |
| PCH-Selected Suppliers | Total Number | 100 | 118 | 128 | 414-2 |
| Customer-Selected Suppliers | Total Number | 62 | 69 | 71 | 414-2 |
| Suppliers Transacted With Globally[1] | Total Number | 162 | 151 | 178 | 102-9 \| 204-1 |
| **Percent of Total Supplier Spend by Industry** | | | | | |
| Service Items and Consulting | Percentage | 2.5% | 7% | 6% | 102-9 \| 201-1 |
| Hardware | Percentage | 56.30% | 56% | 56% | 102-9 \| 201-1 |
| Electrical Engineering | Percentage | 6.30% | 1% | 2% | 102-9 \| 201-1 |
| Mechanical Engineering | Percentage | 10.50% | 12% | 11% | 102-9 \| 201-1 |
| Printing and Packaging | Percentage | 7.20% | 16% | 17% | 102-9 \| 201-1 |
| Final Assembly, Test and Pack | Percentage | 17.20% | 8% | 8% | 102-9 \| 201-1 |

# Supply Partner Data

| Data Category | Unit | 2017 | 2018 | 2019 | GRI Index Reference |
|---|---|---|---|---|---|
| **Percent of Total Supplier Spend by Location** | | | | | |
| China | Percentage | 90% | 67% | 84% | 201-1 \| 204-1 |
| Europe | Percentage | 8% | 4% | 4% | 201-1 \| 204-1 |
| Asia-Pacific | Percentage | 2% | 22% | 4% | 201-1 \| 204-1 |
| U.S. and Australia | Percentage | 0% | 7% | 8% | 201-1 \| 204-1 |
| **Supplier Audits** | | | | | |
| Supplier Audits | Total Number of Audits | 38 | 43 | 48 | 414-2 |
| Failed Supplier Audits | Total Number of Failed Audits | 0 | 2 | 0 | 414-2 |

Supplier Partner Data Footnote:

[1] Excludes suppliers who worked with our San Francisco-based engineering team
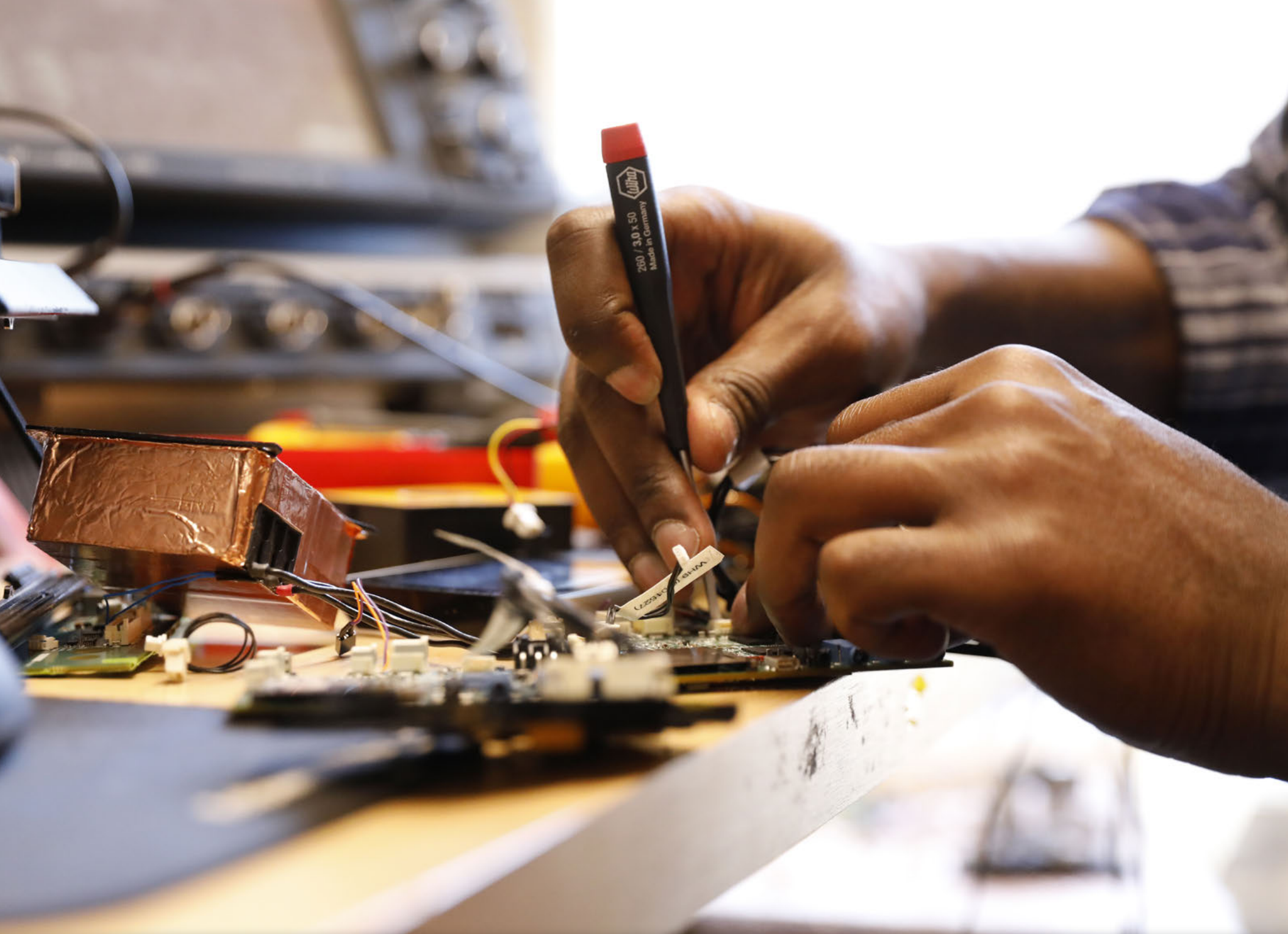
# GRI Index

PCH follows the GRI Standards, an internationally recognized framework for disclosing economic, environmental and social performance. This report has been prepared in accordance with the GRI Standards: Core option.

# GRI Index

| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| **General Disclosures** | | | |
| 102-1 | Name of the organization | PCH International | |
| 102-2 | Activities, brands, products and services | PCH develop specialized solutions to bring our customers' innovative products to market. For more information, see the About PCH chapter, pp 14-30, PCH 2018 Sustainability Report | |
| 102-3 | Location of headquarters | Cork, Ireland | |
| 102-4 | Location of operations | Cork, Ireland; Shenzhen, China; Cape Town, South Africa; and San Francisco, California | |
| 102-5 | Ownership and legal form | PCH is a privately held company. | |
| 102-6 | Markets served | Customers by Region | 8 |
| 102-7 | Scale of the organization | Customers and Shipping | Operations | Workforce | 8, 10, 14 |
| 102-8 | Information on employees and other workers | Workforce and Diversity: Gender | 14 |
| 102-9 | Supply chain | Customers and Shipping | Suppliers and Percent of Total Supplier Spend by Industry | 8, 20 |
| 102-10 | Significant changes to the organization and its supply chain | Suppliers | 20 |
| 102-11 | Precautionary Principle or Approach | N/A | |
| 102-12 | External initiatives | PCH is a signatory of the United Nations Global Compact. | |
| 102-13 | Membership of associations | United Nations Global Compact | |
| 102-14 | Statement from senior decision-maker | Message from Liam Casey, chief executive officer | 1-2 |

# GRI Index

| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| 102-15 | Key impacts, risks and opportunities | In 2018 and 2019, we (1) established a VP sustainability as a key role on our Senior Leadership Team reporting directly to the CEO; (2) integrated sustainability practices across new areas of the company; (3) increased our focus on sustainable materials, engineering and design; and (4) maintained our existing focus on our supply chain's sustainable practices. | |
| 102-16 | Values, principles, standards and norms of behavior | Overtime \| Doing Our Part to Abolish Child Labor \| For more information, see Worker Health and Safety, p 43, and Partnering with Our Suppliers, p 54, PCH 2018 Sustainability Report. Also, see PCH Sustainability for these PCH policies: Supplier Qualification (Code of Conduct), Environmental, Conflict Minerals, Stopping Shark Fin Consumption and Child Labor. | 3-4 |
| 102-17 | Mechanisms for advice and concerns about ethics | Grievances \| For more information, see People, p 41, PCH 2018 Sustainability Report | 16 |
| 102-18 | Governance structure | See Sustainability Governance, p 74, PCH 2018 Sustainability Report | |
| 102-19 | Delegating authority | Our CEO created the role of VP sustainability on our Senior Leadership Team to provide oversight on economic, environmental and social topics. Our VP sustainability provides updates to the Senior Leadership Team on a weekly basis. | |
| 102-20 | Executive-level responsibility for economic, environmental and social topics | Our VP sustainability reports directly to our CEO | |
| 102-21 | Consulting stakeholders on economic, environmental and social topics | Our VP sustainability serves as liaison between our CEO, our Board of Directors and other stakeholders. | |
| 102-22 | Composition of the highest governance body and its committees | Liam Casey serves as PCH CEO. He founded the company in 1996 as a manufacturing and supply chain management company. Today, PCH remains a private company that provides product design engineering and development as well as startup innovation. Mike McNamara serves as chairman of the Board of Directors, comprised of male directors with one director independent of PCH. | |

# GRI Index

| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| 102-23 | Chair of the highest governance body | Liam Casey serves as PCH CEO, and Mike McNamara serves as Chairman of the Board of Directors. | |
| 102-24 | Nominating and selecting the highest governance body | PCH's process for nominating individuals to become members of the Board of Directors is proprietary, although the process does serve the interests of our company, our customers, our supply chain and our sustainability practices. | |
| 102-25 | Conflicts of interest | The PCH Board of Directors' process for managing conflicts of interest is proprietary, although the process does serve the interests of our company, our customers, our supply chain and our sustainability practices. | |
| 102-26 | Role of highest governance body in setting purpose, values and strategy | Our senior executives, including our CEO, and our Board of Directors are involved in the development, approval and updating of PCH's purpose, value or mission statements, as well as strategies, policies and goals related to sustainability. | |
| 102-27 | Collective knowledge of highest governance body | We circulate our annual sustainability report for CEO and Board review. Our VP sustainability consults with our CEO and Board members individually. | |
| 102-28 | Evaluating the highest governance body's performance | Currently, we don't have a review process to evaluate our CEO's and Board of Directors' performances with respect to governance of economic, environmental and social topics. | |
| 102-29 | Identifying and managing economic, environmental and social impacts | After identifying and managing economic, environmental and social impacts, our VP sustainability reports to our CEO and our Board of Directors. | |
| 102-30 | Effectiveness of risk management processes | Our CEO and Board of Directors delegate the role of reviewing the effectiveness of our risk management processes for economic, environmental and social topics to our VP sustainability. | |
| 102-31 | Review of economic, environmental and social topics | We review economic, environmental and social risks as part of our risk enterprise program as needed. | |

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| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| 102-32 102-33 | Highest governance body's role in sustainability reporting and communicating critical concerns | Our Senior Leadership Team, which includes our VP sustainability, reports to our CEO who meets with the Board of Directors. This team has representatives from across the company from all geographic locations. | |
| 102-34 | Nature and total number of critical concerns | Our VP Sustainability reported zero critical concerns. | |
| 102-35 102-36 102-37 102-38 102-39 | Remuneration and compensation | We've integrated our commitment to sustainability into all levels of our organization. As a private company, though, remuneration and compensation policies and information are proprietary information and considered business confidential. | |
| 102-40 | List of stakeholder groups | See How We Communicate with Stakeholders, p 73, PCH 2018 Sustainability Report | |
| 102-41 | Collective bargaining agreements | Covered by collective bargaining agreements: 33% of our employees who comprise all of our factory production workforce | |
| 102-42 | Identifying and selecting stakeholders | See Materiality and Stakeholder Management chapter, pp 72-74, PCH 2018 Sustainability Report | |
| 102-43 | Approach to stakeholder engagement | See Materiality and Stakeholder Management chapter, pp 72-74, PCH 2018 Sustainability Report | |
| 102-44 | Key topics and concerns raised | See Materiality Matrix, p 72, PCH 2018 Sustainability Report | |
| 102-45 | Entities included in the consolidated financial statements | PCH is a global company with key innovation hubs in San Francisco, and Shenzhen, China; software development in Cape Town, South Africa; HR, finance and IT in Cork, Ireland and international business development teams. | |
| 102-46 | Defining report content and topic Boundaries | About This Report | GRI Index | 5-6, 23 |
| 102-47 | List of material topics | GRI Index | For more information, see Materiality Matrix, p 72, PCH 2018 Sustainability Report | 23 |

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| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| 102-48 | Restatements of information | N/A | |
| 102-49 | Changes in reporting | N/A | |
| 102-50 | Reporting period | Calendar year 2019 unless otherwise noted | |
| 102-51 | Date of most recent report | Calendar year 2019 | |
| 102-52 | Reporting cycle | Annual | |
| 102-53 | Contact point for questions regarding the report | Alan Cuddihy, VP sustainability, alan@pch.com | |
| 102-54 | Claims of reporting in accordance with the GRI Standards | Core | |
| 102-55 | GRI content index | GRI Index | |
| 102-56 | External assurance | N/A | |
| **Economic Disclosures** | | | |
| 201-1 | Direct economic value generated and distributed | PCH Data | Supply Partner Data | 8, 20-21 |
| 204-1 | Proportion of spending on local suppliers | Supply Partner Data | 20-21 |
| 205-1 | Operations assessed for risks related to corruption | See Materiality and Stakeholder Management, p 68, PCH 2018 Sustainability Report | |
| **Environmental Disclosures** | | | |
| 302-1 | Energy consumption within the organization | Resource Use | 10 |
| 303-5 | Water consumption | Resource Use | 10 |
| 305-2 | Energy indirect (Scope 2) GHG emissions | Environmental Impact | 10-11 |

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| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| 306-3[1] | Waste generated | Environmental Impact | 11-12 |
| 306-4[1] | Waste diverted from disposal | Environmental Impact | 11-12 |
| 306-5[1] | Waste direct to disposal | Environmental Impact | 11 |
| 307-1 | Non-compliance with environmental laws and regulations | PCH has never been fined nor had any incidents of non-compliance with regulations or laws in the jurisdictions where we operate. | |
| **Social Disclosures** | | | |
| 402-1 | Minimum notice periods regarding operational changes | In the event of any change to our operations that would significantly affect our factory employees, up to three days' notice is provided by the HR department. When any employee is no longer to be employed by our factories, they receive at least one month notice from factory management. | |
| 403-1 | Occupational health and safety management system | See Worker Health and Safety, p 43, PCH 2018 Sustainability Report | |
| 403-4 | Worker participation, consultation and communication on occupational health and safety | Health and Safety | 16 |
| 403-5[2] | Worker training on occupational health and safety | See Worker Health and Safety, p 43, PCH 2018 Sustainability Report | |
| 403-6[2] | Promotion of worker health | See Worker Health and Safety, p 43, PCH 2018 Sustainability Report | |
| 403-9 | Work-related injuries | Health and Safety | 16 |
| 403-10[3] | Work-related ill health | Health and Safety | 16 |
| 404-1[4] | Average hours of training per year per employee | Career Enhancement Opportunities | 17 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | Career Enhancement Opportunities I For more information, see Career Enhancement Opportunities, pp 45-47, PCH 2018 Sustainability Report | 17 |
| 405-1 | Diversity of governance bodies and employees | Diversity: Gender and Diversity: Age | 14-15 |

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| Disclosure | Description Title | Location in Report/Detail/Omission Explanation | Page |
|---|---|---|---|
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | Doing Our Part to Abolish Child Labor | 4 |
| 409-1[5] | Operations and suppliers at significant risk for incidents of forced or compulsory labor | Overtime | 17 |
| 414-2[6] | Negative social impacts in the supply chain and actions taken | Suppliers \| Supplier Audits | 20-21 |
| 417-1 | Requirements for product and service information and labeling | For product labeling such as European Conformity (CE), U.S. Food and Drug Administration (FDA) or labeling approval for a particular market, our customers instruct us on their labeling requirements. | |

GRI Index Footnotes:

[1] In the PCH 2018 Sustainability Report, data related to disclosures 306-3, 306-4 and 306-5 were inadvertently mislabeled as being related to 306-2.

[2] In the PCH 2018 Sustainability Report, data related to disclosures 403-5 and 403-6 were inadvertently mislabeled as being related to 403-4.

[3] In the PCH 2018 Sustainability Report, data related to disclosure 403-10 were inadvertently mislabeled as being related to 403-9

[4] In the PCH 2018 Sustainability Report, data related to disclosure 404-1 were inadvertently mislabeled as being related to 404-2.

[5] In the PCH 2018 Sustainability Report, data related to disclosure 409-1 were inadvertently omitted from the GRI Index

[6] In the PCH 2018 Sustainability Report, data related to disclosure 414-2 were inadvertently mislabeled as being related to 204-1.