



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Kingdom Holdings Limited

COUNTRY: China

ASSESSMENT DATE: 09/23/19

ASSESSOR: Openview

PRODUCTS: Other

NUMBER OF WORKERS: 460

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

FLA Code Element	Number of Violations
Compensation	6
Hours of Work	5
Employment Relationship	11
Health, Safety, and Environment	26
Freedom of Association	5

Findings and Action Plans

FINDING NO.1

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory has hired only one disabled worker (0.1%) while there are 1060 workers in the factory, which is a violation of legal requirements that state at least 1.5% of the total workforce should be composed of disabled workers. Although the factory contributes to the Employment Security Fund in lieu of employing disabled workers as allowed under the local law, this practice carries the risk of discrimination based on FLA Workplace Code of Conduct and Benchmarks. [ND.2]
2. Workers do not receive a copy of the workplace rules or written documentation that substantiates all the issues covered in orientation. [ER.15.3]
3. The factory requires workers to sign a 3-year labor contract that stipulates an extended probation period of six months. However, according to the FLA Code and Benchmarks, the probation period shall not exceed three months. In practice, workers can pass probation within three months as per probation appraisal records. [C.3]

Local Law or Code Requirement

Regulations on the Employment of Persons with Disabilities, Article 8. FLA Workplace Code (Non-discrimination Benchmark ND.2; Employment Relationship Benchmark ER.15; Compensation Benchmark C.3)

Recommendations for Immediate Action

1. <!--[endif]-->Change all existing workers' probation period to three months and sign contracts with new workers with a maximum of 3-month probation.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. a. In November 2019, our factory recruited two disabled employees and arranged them to work in auxiliary positions; b. it is planned to recruit eleven disabled people in three years to achieve the goal of 1.5%; c. disabled employees will be arranged in fore-spinning workshops, after-spinning workshops and comprehensive Departmental for auxiliary positions; d. the disability recruitment should be in accordance with recruitment process and principles.

Action Plan no 2.

Description

2. a. Human Resources should assist the factory management to continue the regular training of "Employee Manual"; b. staff of the factory management is responsible to distribute the renewed "Employee Manual" to the staff; c. renew the "Employee Manual" annually.

Action Plan no 3.

Description

3. a. Human Resources have revised the working contract to change the probation to three months; b. Human Resources have revised the relevant content of the "Employee Manual" and "Management System of New Recruitment Standards and Process"; c. Human Resources have revised accordingly about the advertisements and notices related to probation; d. Factory managers have trained relevant personnel and management personnel, and will conduct regular training to ensure them to proceed the new recruitment and entry & employment procedures in accordance with the updated policy process."

Company Action Plan Update

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FINDING NO.2

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. The factory does not provide sufficient social insurance to all eligible workers. There are total 1060 workers including 204 retired but re-recruited workers in the factory. According to social insurance receipt and name list for August 2019, 554 out of 856 eligible workers (65%) were provided with pension, unemployment, medical and maternity insurances and all 856 eligible workers were provided with work-related injury insurance. As a supplement, the factory has bought group accidental injury insurance for all the rest workers not covered by work-related injury insurance, which is valid from March 31, 2019 to March 30, 2020 and has a maximum benefit amount of CNY 288,000 (USD 40,434) per worker. [C.1]

2. The contribution base of the five types of social insurances is not in line with legal requirements. 485 out of 554 (88%) workers' contribution to pension, unemployment, medical and maternity insurances and 791 out of 856 (92%) workers' contribution to work-related injury insurance are based on CNY 3,500 (USD 491) per month, which is not in compliance with legal requirement of contribution based on worker's average monthly wage of previous year, ranging from CNY 3,600 (USD 505) to CNY 8,500 (USD 1,193). [C.10.1]

3. The factory only contributes to Housing Provident Fund for 152 out of 856 eligible workers (18%). [ER.22.1]

4. The contribution base of the Housing Provident Fund is not in line with legal requirements. The factory contributes to Housing Provident Fund based on CNY 2,500 (USD 351) per month, which is not in compliance with legal requirement of contribution based on

worker's average monthly wage of previous year, ranging from CNY 3,600 (USD 505) to CNY 8,500 (USD 1,193). [ER.22.2]

Local Law or Code Requirement

The China Labor Law, Article 72; Social Insurance Law of the PRC, Articles 12 and Article 60; Regulations on Management of Housing Provident Fund, Article 15 and Article 16. FLA Workplace Code (Employment Relationship Benchmark ER.22; Compensation Benchmarks C.1 and C.10)

Recommendations for Immediate Action

1. <!--[endif]-->Provide social insurance to all eligible workers.
2. <!--[endif]-->Contribute to social insurance based on worker's average monthly wage of previous year.
3. <!--[endif]-->Provide all workers with legally required Housing Provident Fund.

COMPANY ACTION PLANS

Action Plan no 1.

Description

"1.Due to the approval of the local government to allow insufficient purchases of social insurances and provident funds, the factory does not have the full coverage of staff for the time being;

2.factory managers take the social insurance into regular training plans, conducting regular training for all employees to increase their awareness of insurance participation;

3.ask for Employees' willingness to purchase social insurance and purchase for those who are willing to participate in insurance to increase the participation rate;

4. gradually raise the purchase rate of provident fund; 5. realize full coverage of social insurance and provident funds by the end of December 2024."

Company Action Plan Update

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4. gradually raise the purchase rate of provident fund; 5. realize full coverage of social insurance and provident funds by the end of December 2024."

FINDING NO.3

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. According to compensation procedure and worker interviews, the factory does not take workers' external seniority (previous job experience prior to factory employment) into account when calculating annual leave, as required by law. [C.6]

2. The factory does not pay sufficient rate for unused annual leave days. The factory calculates payments for unused annual leave based on service time and position, which is a violation of legal requirements that state at least 300% of the regular rate. About 80% of workers are compensated insufficiently for unused annual leave. For example, the factory paid CNY 1,323 (USD 186) to one sampled worker for 10 days of unused annual leave for the year of 2018. However, the worker should be paid CNY 2,483 (USD 349) based on legal requirements. [HOW.14]

3. The factory does not pay sufficient overtime compensation based on actual number of working hours. About 40% of workers start working one to four hours prior to regular work shift on about 70% of workdays. The factory does not take those one to four hours into account when calculating working hours. As a result, workers are paid at straight piece rate for the working hours prior to regular work shift with no overtime compensation. For example, the time records show that one sampled worker had time in at 23:46 of July 1, 2019, but his work shift started at 04:00 of July 2, 2019. The factory did not take those 4 hours prior to regular work shift into account when summarizing working hours. And the worker was paid at straight piece rate for those 4 hours with no overtime compensation. The factory management and worker interviews confirm that this worker did work for about 4 hours prior to regular work shift on that day. [C.7.2]

4. The factory pays termination payouts to workers on regular pay date between the 25th to 30th of the following month, which is not in compliance with legal requirement that termination payouts should be paid within five calendar days upon contract termination. Note: The factory management provides signed contracts with workers to demonstrate that workers agree with the current practice. [ER.22.1]

Local Law or Code Requirement

The Implementation Measures for Employee Paid Annual Leave, Article 4; The Employee Paid Annual Leave Regulation, Article 5; The China Labor Law, Article 44; The Management Measure on Enterprise Wage Payment of Zhejiang Province, Article 19. FLA Workplace Code (Employment Relationship Benchmark ER.22; Hours of Work Benchmark HOW.14; Compensation Benchmarks C.6 and C.17)

Recommendations for Immediate Action

1. <!--[endif]-->Calculate annual leave based on worker's cumulative working experience (working age).

2. <!--[endif]-->Provide sufficient pay rate for unused annual leave.

3. <!--[endif]-->Pay sufficient overtime compensation based on actual number of working hours.

4. <!--[endif]-->Provide termination payouts to workers within five calendar days upon contract termination.

COMPANY ACTION PLANS

Action Plan no 1.

Description

"1. a.The relevant provisions of the ""Employee Manual"" on annual leave have been revised in accordance with the law; b.when considering the number of days of annual leave, know about the employees' working age before working in this factory. For those who can provide relevant work evidence, provide them with corresponding days of annual leave in accordance with working age and national regulations; c.train relevant management personnels from departments including HR and Financial to ensure the registration of annual leave and welfare distributions in accordance with the updated policy process; d.conducting the training about the updated ""Employee Manual"" for all staff; 5.Make relevant personnel registration and financial records.

2. a.The relevant provisions of the ""Employee Manual"" on annual leave have been revised in accordance with the law; b.train relevant management personnels from departments including HR and Financial to ensure the registration of annual leave and welfare distributions in accordance with the updated policy process; c.conduct the training about the updated ""Employee Manual"" for all staff; d.make relevant personnel registration and financial records.

Company Action Plan Update

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2. a.The relevant provisions of the ""Employee Manual"" on annual leave have been revised in accordance with the law; b.train relevant management personnels from departments including HR and Financial to ensure the registration of annual leave and welfare distributions in accordance with the updated policy process; c.conduct the training about the updated ""Employee Manual"" for all staff; d.make relevant personnel registration and financial records.

Action Plan no 2.

Description

3. a.At the end of September 2019, the training for all the management and employees aiming at prescriptive working time had been completed, iterating the factory's working hours regulations to prohibit the situation of early working and postponed working; and regular training will continue; b.designated personnel in each workshop supervise the staff check-in; Registration for violations against the attendance system to prevent early and late check-in; c.increase the corresponding incentive mechanism to encourage employees to check in; d.by the end of each month, financial personnel counts attendance violations and accumulate overtime pay based on actual overtime hours.

Company Action Plan Update

3. a.At the end of September 2019, the training for all the management and employees aiming at prescriptive working time had been completed, iterating the factory's working hours regulations to prohibit the situation of early working and postponed

working; and regular training will continue; b.designated personnel in each workshop supervise the staff check-in; Registration for violations against the attendance system to prevent early and late check-in; c.increase the corresponding incentive mechanism to encourage employees to check in; d.by the end of each month, financial personnel counts attendance violations and accumulate overtime pay based on actual overtime hours.

Action Plan no 3.

Description

4. a.The relevant provisions of the ""Resignation, Dismissal, and Leaving Management Regulations for Employees"" have been revised in accordance with the law; b.the factory managers have provided relevant training to all managers and employees; c.The factory has compensated resigned employees for dismissal; d.The implementation of regulations is confirmed by the Financial and Personnel Department per month."

Company Action Plan Update

4. a.The relevant provisions of the ""Resignation, Dismissal, and Leaving Management Regulations for Employees"" have been revised in accordance with the law; b.the factory managers have provided relevant training to all managers and employees; c.The factory has compensated resigned employees for dismissal; d.The implementation of regulations is confirmed by the Financial and Personnel Department per month."

FINDING NO.4

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. According to the time records for the period from September 2018 to September 22, 2019 and worker interviews, about 90% of workers' monthly overtime hours exceeded 36 per month in all the reviewed months, with a maximum of 151 overtime hours in July 2019. [HOW.1.1]

2. According to the time records for the period from September 2018 to September 22, 2019 and worker interviews, about 90% of workers' weekly working hours exceeded 60 for a duration of 1 to 4 weeks per month in all the reviewed months. About 15% of workers' weekly working hours were up to 79 in the week of July 1 to 7, 2019. [HOW.1.3].

3. According to the time records for the period from September 2018 to September 22, 2019 and worker interviews, about 90% of workers did not regularly receive one day off in every seven-day period in about 70% of the reviewed weeks. About 15% of workers worked a maximum of 27 consecutive days from July 1 to 27, 2019. [HOW.2]

4. The factory production plan is based on 48-60 hours per week. Factory management sets production targets and production system at a level that workers need to work eight to twenty overtime hours per week. [ER.24]

Local Law or Code Requirement

The China Labor Law, Article 41. FLA Workplace Code (Employment Relationship Benchmark ER.24; Hours of Work Benchmarks HOW.1 and HOW.2)

Recommendations for Immediate Action

1. <!--[endif]-->Ensure overtime hours do not exceed 36 in a month.

2. <!--[endif]-->Control total working hours do not exceed 60 in a week.
3. <!--[endif]-->Provide workers with at least one day off (24-consecutive hours of rest) for every seven-day work period.
4. <!--[endif]-->Set production plan based on regular working hours. Adjust production targets so that workers do not need to work overtime to meet them.

COMPANY ACTION PLANS

Action Plan no 1.

Description

"1. a.2020 will focus on improving employee recruitment and training mechanisms to ensure employee stability, reduce the churn rate and improve employee operations. Reduce overtime situation caused by staff shortages and improve employee productivity.it aims at a fixed two-day rest per month. b.Through the overhaul in 2021, improve the stability of the equipment. Establish equipment preventive maintenance mechanism, changing emergency repairing to regular maintenance, and improve equipment production efficiency. Establish the equipment and capacity matching mechanism to ensure that the production plan strictly matches the equipment capacity. The goal is to have a fixed three-day rest per month (four-day rest for regular day shift) while maintaining the production efficiency. c.Through the group control in 2022, the production specifications of Zhejiang Jinyuan will be strictly controlled. Meanwhile, through equipment innovation, some posts with great labor intensity will realize automatization to improve equipment production efficiency. The goal is to ensure that 30% of three-shift positions have a four-day rest per month, and day-shift jobs rest for four days per month, too. d.In 2023, through 4 years of lean improvement, improve management level and reduce waste so as to improve production efficiency. Maintain the pace of equipment innovation and raise the level of automation and informatization. The goal is to ensure that 60% of three-shift positions have a four-day rest per month, and day-shift jobs rest for four days per month, too. e.In 2024, make sure the total completion of the equipment innovation update, establish a standardized staff recruitment and training mechanism; the production plan and equipment capacity can be well matched, and overtime is strictly controlled. The goal is to achieve a fixed four-day rest throughout the company.

2. a.2020 will focus on improving employee recruitment and training mechanisms to ensure employee stability, reduce the churn rate and improve employee operations. Reduce overtime situation caused by staff shortages and improve employee productivity.it aims at a fixed two-day rest per month. b.Through the overhaul in 2021, improve the stability of the equipment. Establish equipment preventive maintenance mechanism, changing emergency repairing to regular maintenance, and improve equipment production efficiency. Establish the equipment and capacity matching mechanism to ensure that the production plan strictly matches the equipment capacity. The goal is to have a fixed three-day rest per month (four-day rest for regular day shift) while maintaining the production efficiency. c.Through the group control in 2022, the production specifications of Zhejiang Jinyuan will be strictly controlled. Meanwhile, through equipment innovation, some posts with great labor intensity will realize automatization to improve equipment production efficiency. The goal is to ensure that 30% of three-shift positions have a four-day rest per month, and day-shift jobs rest for four days per month, too. d.In 2023, through 4 years of lean improvement, improve management level and reduce waste so as to improve production efficiency. Maintain the pace of equipment innovation and raise the level of automation and informatization. The goal is to ensure that 60% of three-shift positions have a four-day rest per month, and day-shift jobs rest for four days per month, too. e.In 2024, make sure the completion of the equipment innovation updated, establish a standardized staff recruitment and training mechanism; the production plan and equipment capacity can be well-matched, and overtime is strictly controlled. The goal is to achieve a fixed four-day rest throughout the company.

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4. a.In 2020,we will adjust the production specification, increase equipment utilization ratio and properly organize staffing allocation so as to reduce the productive time when maintaining the production efficiency.In 2021, the production planning system will be officially revised to reach the goal of total productive time plan with less than 60 hours per week. b.According to the revised production management plan, regular training should be exerted on all related staff. c.It is required to regularly review the production plan; production management staff should stay close with social responsibility staff and adjust the plan properly according to the actual situation of production for which in compliance with related regulations. "

Company Action Plan Update

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4. a. In 2020, we will adjust the production specification, increase equipment utilization ratio and properly organize staffing allocation so as to reduce the productive time when maintaining the production efficiency. In 2021, the production planning system will be officially revised to reach the goal of total productive time plan with less than 60 hours per week. b. According to the revised production management plan, regular training should be exerted on all related staff. c. It is required to regularly review the production plan; production management staff should stay close with social responsibility staff and adjust the plan properly according to the actual situation of production for which in compliance with related regulations. "

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. There are four union committee members in the factory, among which two members are of management level as office supervisor and office staff, and one member is the Chairman of union committee with the position as administration supervisor. There are no election records provided for review, union committee members are actually appointed by the factory. [FOA.11]

2. None of workers are provided with a copy of the Collective Bargaining Agreement (CBA) and none of the interviewed workers are aware of the CBA. [ER.16.2]

3. The CBA does not provide any additional benefits to workers and simply restates the factory procedures and legal requirements. [FOA.16.2]

4. FLA Comments: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All-China Federation of Trade Unions (ACFTU). According to the International Labor Organization (ILO), many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations' mechanisms. The Amended Trade Union Act of October 2001 stipulates that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements. [FOA.2]

Local Law or Code Requirement

Recommendations for Immediate Action

1. <!--[endif]-->Provide workers with a copy of the CBA.

COMPANY ACTION PLANS

Action Plan no 1.

Description

"1. a.The chairman and members of the union have discussed and formulated the system and procedures of employee representative election; b.regular training should be conducted for all management personnel and employees to ensure a clear understanding of the system and procedures; c.old the election of employee representatives in accordance with the process; d.after the election, union members are responsible for the training of employee representatives to make them understand their duties and tasks; e.regular election of employee representatives should be held in accordance with the process; f.regularly review the scope of responsibilities and actual work of the employee representatives to ensure that they can fully participate in all affairs related to the factory.

2. a.Increase the content of issuing collective contracts in union policies; b.regularly train all employees on unions, employee representatives and collective bargaining; c.issue collective contracts to employees by March 2020; d.after renewing collective contracts, the agreement will be redistributed to workers.

3. a.Amend the collective contracts according to the employee's relevant benefits mentioned in the ""Employee Manual"". b.regularly train all employees on unions, employee representatives, and collective bargaining; c.issue revised collective contracts to employees."

Company Action Plan Update

"1. a.The chairman and members of the union have discussed and formulated the system and procedures of employee representative election; b.regular training should be conducted for all management personnel and employees to ensure a clear understanding of the system and procedures; c.old the election of employee representatives in accordance with the process; d.after the election, union members are responsible for the training of employee representatives to make them understand their duties and tasks; e.regular election of employee representatives should be held in accordance with the process; f.regularly review the scope of responsibilities and actual work of the employee representatives to ensure that they can fully participate in all affairs related to the factory.

2. a.Increase the content of issuing collective contracts in union policies; b.regularly train all employees on unions, employee representatives and collective bargaining; c.issue collective contracts to employees by March 2020; d.after renewing collective contracts, the agreement will be redistributed to workers.

3. a.Amend the collective contracts according to the employee's relevant benefits mentioned in the ""Employee Manual"". b.regularly train all employees on unions, employee representatives, and collective bargaining; c.issue revised collective contracts to employees."

FINDING NO.6

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory installs about 550 fire extinguishers in production workshops with a construction area of 60,566 square meters, which is insufficient in number and as per legal requirement about 600 fire extinguishers should be installed. [HSE.5.1]
2. The factory installs about 60% of fire extinguishers at the height of 175cm from the top to the ground in production area, which exceeds the legal requirement of below 150cm. [HSE.6.2]
3. The factory does not provide personal protective equipment (PPE) to fire brigade to fight fires, including breathing apparatus, firefighter uniform, fire fighter helmet and fire fighter gloves. [HSE.5.1]
4. The factory does not install exit signs or emergency lights on about 10% of emergency exits in production area. Additionally, all the emergency lights and one out of two exit signs installed in No.1 Spinning Workshop are not working. [HSE.5.1]
5. The factory installs two electrical sliding doors for both exits in canteen, where about 300 workers have meals during lunch time. [HSE.5.1]

Local Law or Code Requirement

Code for Design of Extinguisher Distribution in Buildings, Article 5.1.3 and Article 7.3.1; Code of Design on Building Fire Protection and Prevention, Article 6.4.11, Article 10.3.1 and Article 10.3.5. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.5 and HSE.6)

Recommendations for Immediate Action

1. <!--[endif]-->Install sufficient fire extinguishers in production workshops as per legal requirement.
2. <!--[endif]-->Install fire extinguishers at proper height as per legal requirement.
3. <!--[endif]-->Provide appropriate personal protective equipment (PPE) to fire brigade to fight fires.
4. <!--[endif]-->Install exit signs and emergency lights on all exits, repair the broken exit signs and emergency lights to ensure functionality.
5. <!--[endif]-->Replace electrical sliding doors in canteen with side-hinged doors open in the direction of evacuation.

COMPANY ACTION PLANS

Action Plan no 1.

Description

"1. a. According to relevant regulations, the factory is equipped with a total of 648 fire extinguishers. b. factory management staff is assigned to take charge. c. fire training is conducted by the group's EHS department quarterly. d. perform a safety inspection of the fire extinguishers twice a month.

2. a. The factory has inspected all placement locations for fire extinguishers so as to ensure the required height to reach about 1.5 meters. b. factory management staff is assigned to take charge. c. fire training is conducted by the group's EHS department quarterly. d. perform a safety inspection of the fire extinguishers twice a month.

3. a. The factory purchased two miniature fire stations which provide personal protective equipment (PPE) to fire brigade to fight fires, including breathing apparatus, firefighter uniform, fire fighter helmet and fire fighter gloves and installed it. b. the EHS director conducts training for relevant personnel of the internal fire brigade. c. factory management Wu Wuliang conducts safety inspection once a month.

4. a. EHS director has checked the emergency exit safety signs and emergency lights throughout the factory and confirmed that all safety signs and emergency lights are operating normally; b. EHS department conducts regular training for the responsible personnel; c. factory management would check the emergency exit safety signs and emergency lights throughout the factory once a month.

5. a. According to the provisions of the fire regulations, the factory additionally has installed canteen emergency exits, related fire equipment and fire signs; b. Factory management conducts regular inspections and updates of fire equipment and safety signs for all emergency exits once a month."

Company Action Plan Update

"1. a. According to relevant regulations, the factory is equipped with a total of 648 fire extinguishers. b. factory management staff is assigned to take charge. c. fire training is conducted by the group's EHS department quarterly. d. perform a safety inspection of the fire extinguishers twice a month.

2. a. The factory has inspected all placement locations for fire extinguishers so as to ensure the required height to reach about 1.5 meters. b. factory management staff is assigned to take charge. c. fire training is conducted by the group's EHS department quarterly. d. perform a safety inspection of the fire extinguishers twice a month.

3. a. The factory purchased two miniature fire stations which provide personal protective equipment (PPE) to fire brigade to fight fires, including breathing apparatus, firefighter uniform, fire fighter helmet and fire fighter gloves and installed it. b. the EHS director conducts training for relevant personnel of the internal fire brigade. c. factory management Wu Wuliang conducts safety inspection once a month.

4. a.EHS director has checked the emergency exit safety signs and emergency lights throughout the factory and confirmed that all safety signs and emergency lights are operating normally; b.EHS department conducts regular training for the responsible personnel; c.factory management would check the emergency exit safety signs and emergency lights throughout the factory once a month.

5. a.According to the provisions of the fire regulations, the factory additionally has installed canteen emergency exits, related fire equipment and fire signs; b.Factory management conducts regular inspections and updates of fire equipment and safety signs for all emergency exits once a month."

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has conducted insufficient fire drills:

- a) Insufficient in frequency. The factory conducted only one fire drill in both production area and dormitory area in the past 12 months.
- b) Insufficient in worker coverage. Only 80 workers participated in the last fire drill conducted on September 1, 2019, while there are 1060 workers in the factory.
- c) Insufficient in shift coverage. The factory has never conducted fire drills for night shift workers. [HSE.5.3]

2. The factory does not install backup battery for all fire alarms in production area and about 20% of fire alarms in production area are not connected to electrical power. [HSE.5.3]

3. The factory does not provide scissors, tweezers or medical gloves in 80% of first aid kits in production area. [HSE.6.1]

4. The factory provides regular cotton masks to workers working in dusty workshop like Combing Workshop, rather than anti-dust masks. [HSE.7]

5. About 30% of workers do not wear the earplugs provided by the factory during work hours, while the noise level of all workshops ranges from 80.4dB to 94.7dB. And about 30% of forklift drivers do not wear the helmets provided by the factory during work hours. [HSE.8]

Local Law or Code Requirement

The Fire Prevention Regulation for Government offices, Organizations and Enterprises, Article 40; The Code of Design on Building Fire Protection and Prevention, Article 10.1.6; The Law of the China on Work Safety, Article 42. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.5, HSE.6, HSE.7 and HSE.8)

Recommendations for Immediate Action

1. <!--[endif]-->Conduct fire drill every six months covering all workers and all shifts.

2. <!--[endif]-->Install a backup battery for the fire alarm system and ensure all fire alarms are installed properly.

3. <!--[endif]-->Ensure first aid kits are fully stocked with medical supplies.

4. <!--[endif]-->Provide appropriate personal protective equipment (PPE) to workers with hazardous exposure.

5. <!--[endif]-->Train and supervise workers to wear PPE correctly and consistently during work hours.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. a.From October to mid-November, EHS personnel and firefighters organized fire drill both in the factory area and dormitories for employees of all departments and shifts throughout the factory; b.after the fire drill, EHS personnel made the relevant record; c.the fire drill is organized semi-annually in accordance with factory policies and fire regulations.

Company Action Plan Update

1. a.From October to mid-November, EHS personnel and firefighters organized fire drill both in the factory area and dormitories for employees of all departments and shifts throughout the factory; b.after the fire drill, EHS personnel made the relevant record; c.the fire drill is organized semi-annually in accordance with factory policies and fire regulations.

Action Plan no 2.

Description

2. a.EHS director has checked the fire alarm system throughout the factory and confirmed that all alarms have backup power and are powered on; b.EHS department conducts regular training for the responsible personnel; c.factory management Wu Wuliang checks the fire alarm system throughout the factory once a month.

3. a. Each medical kit in the factory has been inspected and added relevant tools; b.the management staff have modified the factory's ""First Aid Procedure"" in accordance with the regulations, and added the requirements to be equipped with relevant tools in the procedure; c.the factory management staff have provided relevant responsible personnel with training, and regular training will be conducted to ensure awareness; d.factory management MR. Chen inspects the medical kits regularly once a month.

4. a.In September 2019, the regulations on the use of dust masks in the ""Labor Protective Appliance Wear and Management System"" have been modified; b. EHS personnel have purchased appropriate masks for all employees who need to wear dust masks and distributed them to relevant employees; c.relevant management personnel and employees are trained to wear masks; regular trainings are provided; d. provisions for motivating employees to wear dust masks are added, which changed the deductions into rewards; e. managers in workshops check employees' wear situation and make the registration (record) once a month; f. EHS department regularly reviews the situation of employees' mask wear for further corresponding improvement measures.

5. a.In November 2019, the front-line employees were educated in class meetings. They were required to wear earplugs and be inspected daily by the shift leader. The forklift workers have been re-trained. Starting in November, they must wear helmets provided by the factory and be inspected by the EHS department.

Company Action Plan Update

2. a.EHS director has checked the fire alarm system throughout the factory and confirmed that all alarms have backup power and

are powered on; b.EHS department conducts regular training for the responsible personnel; c.factory management Wu Wuliang checks the fire alarm system throughout the factory once a month.

3. a. Each medical kit in the factory has been inspected and added relevant tools; b.the management staff have modified the factory's ""First Aid Procedure"" in accordance with the regulations, and added the requirements to be equipped with relevant tools in the procedure; c.the factory management staff have provided relevant responsible personnel with training, and regular training will be conducted to ensure awareness; d.factory management MR. Chen inspects the medical kits regularly once a month.

4. a.In September 2019, the regulations on the use of dust masks in the ""Labor Protective Appliance Wear and Management System"" have been modified; b. EHS personnel have purchased appropriate masks for all employees who need to wear dust masks and distributed them to relevant employees; c.relevant management personnel and employees are trained to wear masks; regular trainings are provided; d. provisions for motivating employees to wear dust masks are added, which changed the deductions into rewards; e. managers in workshops check employees' wear situation and make the registration (record) once a month; f. EHS department regularly reviews the situation of employees' mask wear for further corresponding improvement measures.

5. a.In November 2019, the front-line employees were educated in class meetings. They were required to wear earplugs and be inspected daily by the shift leader. The forklift workers have been re-trained. Starting in November, they must wear helmets provided by the factory and be inspected by the EHS department.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not equipped fall protection cages on about 10% of fixed steel ladders. [HSE.1]
2. The factory does not have an eyewash facility in the oil warehouse. [HSE.6.1]
3. The current ventilation facility installed in Combing Workshop does not work effectively, as the personal exposure concentration of air dust exceeds the legal requirement in the Occupational Disease Hazard Factor Test Report. [HSE.14.1]
4. The factory has not established lockout-tagout procedures or implement lockout-tagout during machine repair or maintenance. [HSE.14.1]
5. The factory has never conducted drinking water tests. [HSE.23.1]
6. The drinking water facilities are located inside Hacking, Spinning, Winding and Combing Workshops, where a high concentration linen dust is generated. [HSE.23.1.2]

Local Law or Code Requirement

The China Law of Prevention and Control of Occupational Diseases, Article 25; The Health Standard for Design of Industrial Enterprises, Article 6.1.1. The Hygienic standards for the Design of Industrial Enterprises, Article 7.3.2. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.6, HSE.14 and HSE.23)

Recommendations for Immediate Action

1. <!--[endif]-->Ensure fixed ladders are provided with cage as fall protection.

2. <!--[endif]-->Install eyewash facility in oil warehouse.
3. <!--[endif]-->Install effective ventilation system in Combing Workshop to control air quality and maintain acceptable thermal conditions.
4. <!--[endif]-->Conduct annual drinking water test to ensure it is clean and safe.
5. <!--[endif]-->Locate the drinking water facilities in a clean and safe area with no hazardous exposure.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. a.EHS director has completed the inspection of the fixed ladders throughout the factory and identified all the fixed ladders which requires cages; b.the factory has fixed ladders and cages are added in December 2019. c.the EHS department conducts relevant regular training for the responsible personnel; d.the factory management personnel regularly inspects the whole factory's fixed ladders.

Company Action Plan Update

1. a.EHS director has completed the inspection of the fixed ladders throughout the factory and identified all the fixed ladders which requires cages; b.the factory has fixed ladders and cages are added in December 2019. c.the EHS department conducts relevant regular training for the responsible personnel; d.the factory management personnel regularly inspects the whole factory's fixed ladders.

Action Plan no 2.

Description

2. a.The factory has installed eyewash machines in accordance with regulations outside the diesel depot; b.The factory has modified chemical management procedures and added the provision of eyewash equipment; c.the factory management staff have provided relevant chemical management personnel with training, and regular training will be conducted to ensure awareness; d.factory management inspects the chemical storage areas regularly once a month.

Company Action Plan Update

2. a.The factory has installed eyewash machines in accordance with regulations outside the diesel depot; b.The factory has modified chemical management procedures and added the provision of eyewash equipment; c.the factory management staff have provided relevant chemical management personnel with training, and regular training will be conducted to ensure awareness; d.factory management inspects the chemical storage areas regularly once a month.

Action Plan no 3.

Description

3. a.The factory has established a dust detection mechanism in key areas on a quarterly basis; identification signs for dust

detection points has been made and inspected quarterly to make sure the dust is up to standard; at this stage, the factory will complete the fourth quarter dust inspection by December 31; b.the factory has established a dust inspection system and has completed the determination of dust inspection points; c.dust cleaning and suction devices are added to avoid dust during cleaning and cause dust exceeding standards; d.Keep inspection records for at least one year.

Company Action Plan Update

3. a.The factory has established a dust detection mechanism in key areas on a quarterly basis; identification signs for dust detection points has been made and inspected quarterly to make sure the dust is up to standard; at this stage, the factory will complete the fourth quarter dust inspection by December 31; b.the factory has established a dust inspection system and has completed the determination of dust inspection points; c.dust cleaning and suction devices are added to avoid dust during cleaning and cause dust exceeding standards; d.Keep inspection records for at least one year.

Action Plan no 4.

Description

4. a.EHS director has drafted the "Lockout-tagout Management Regulation"; b.ask for employees' opinions in the employee meeting and keep the minutes of the meeting; c.modify the draft based on the collected opinions; d.send it to the top management for confirmation after finalization; e. post / publish policy procedures in workshops; f. increase the training about the policy procedures in the training plan, and conduct relevant training to management and employees; g. regular review and modify by relevant factory management staff, and conduct corresponding training for management and employees after the modification.

Company Action Plan Update

4. a.EHS director has drafted the "Lockout-tagout Management Regulation"; b.ask for employees' opinions in the employee meeting and keep the minutes of the meeting; c.modify the draft based on the collected opinions; d.send it to the top management for confirmation after finalization; e. post / publish policy procedures in workshops; f. increase the training about the policy procedures in the training plan, and conduct relevant training to management and employees; g. regular review and modify by relevant factory management staff, and conduct corresponding training for management and employees after the modification.

Action Plan no 5.

Description

5-6. a.EHS personnel contacted a relevant third party to carry out regular drinking water testing and obtained an inspection report; b.the factory has moved the drinking water machine from the production area; c.the director of the workshop will regularly clean and keep the cleaning records.

Company Action Plan Update

5-6. a.EHS personnel contacted a relevant third party to carry out regular drinking water testing and obtained an inspection report; b.the factory has moved the drinking water machine from the production area; c.the director of the workshop will regularly clean and keep the cleaning records.

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not provide specific health and safety/hygiene training to workers working in the canteen or dormitory. [ER.1.2]

2. The factory uses negative measures to ensure workers wear PPE correctly and consistently. Workers are subject to a deduction of two points from their performance bonus if they do not wear PPE during work hours. [HSE.15]

3. The factory has a total of six air containers with volumes of above one cubic meter. The factory has not registered the air containers with local Special Appliance Quality Safety Monitoring Department and conducted no inspection on those air containers. Additionally,

the operator does not have the pressure vessel operator certificate. [HSE.4]

4. The factory has not conducted pre-assessment of occupational disease hazards, assessment of the effects of occupational disease hazards, or assessment of current conditions of occupational disease hazards since the construction of production buildings completed in 2003. [HSE.1]

5. The occupational hazards monitoring report issued by a technical service agency on April 17, 2019 indicates that the noise level in most workshops exceeds 85dB, with the highest up to 94.7dB in Shining Workshop. Additionally, the linen dust in some workshops also exceeds the legal limit. [HSE.1]

Local Law or Code Requirement

The Special Appliance Quality Safety Monitoring Regulation, Article 25, Article 28 and Article 38; Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, Article 17 and Article 26. FLA Workplace Code (Employment Relationship Benchmark ER.1; Health, Safety and Environment Benchmarks HSE.1, HSE.4 and HSE.15)

Recommendations for Immediate Action

1. <!--[endif]-->Stop using negative incentives and provide more training to ensure that workers use machinery and tools safely.
2. <!--[endif]-->Registered the air containers with local Special Appliance Quality Safety Monitoring Department and conduct inspections as per legal requirements. Arrange air container operator to attend training provided by authorized institution and get operator certificate.
3. <!--[endif]-->Adopt appropriate measures to keep occupational hazards (i.e. air quality) within national requirements of occupational exposure limits (OEL) standard.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. a.On September 28, EHS staff have completed the training for canteen staff and established training records; b.On November 15, EHS staff have completed the training for dormitory staff and established training records. c.after the training, the training effect was checked for next training program. d.incorporate this training into the annual training plan for summary and improvement.

Company Action Plan Update

1. a.On September 28, EHS staff have completed the training for canteen staff and established training records; b.On November 15, EHS staff have completed the training for dormitory staff and established training records. c.after the training, the training effect was checked for next training program. d.incorporate this training into the annual training plan for summary and improvement.

Action Plan no 2.

Description

2. a.Modify the management rules of PPE wearing, and change the deduction to bonus instead if the worker properly wear the PPE; b.conduct trainings for relevant management personnel and workers about the updated regulations; c.factory management personnel check the accuracy of performance bonus calculation on time.

Company Action Plan Update

2. a.Modify the management rules of PPE wearing, and change the deduction to bonus instead if the worker properly wear the PPE;

b.conduct trainings for relevant management personnel and workers about the updated regulations; c.factory management personnel check the accuracy of performance bonus calculation on time.

Action Plan no 3.

Description

3. a.EHS department has prepared relevant materials to apply for registration and inspection of the air compressor to relevant department; b.EHS department regularly arranges the air compressor operator to receive qualification training and obtain a qualification certificate; c.the air compressor registration and operator certificates are regularly updated by EHS department.

4. a.EHS department has found a qualified testing company for occupational hazard evaluation; b.discussions with the testing company on how to evaluate the occupational hazard factors for the who factory as well as preliminary data collection is under way; c.the factory will make corresponding improvements based on the report contents; d. EHS director regularly track the results of improvements.

Company Action Plan Update

3. a.EHS department has prepared relevant materials to apply for registration and inspection of the air compressor to relevant department; b.EHS department regularly arranges the air compressor operator to receive qualification training and obtain a qualification certificate; c.the air compressor registration and operator certificates are regularly updated by EHS department.

4. a.EHS department has found a qualified testing company for occupational hazard evaluation; b.discussions with the testing company on how to evaluate the occupational hazard factors for the who factory as well as preliminary data collection is under way; c.the factory will make corresponding improvements based on the report contents; d. EHS director regularly track the results of improvements.

Action Plan no 4.

Description

5. a.In the workshop where the noise exceeds the standard, people are strictly required to wear appropriate earplugs. The factory management has checked to confirm that the workshop is fully worn; b.in the workshop where the dust exceeds the standard,workers are strictly required to wear appropriate masks. The factory management has checked to confirm that all workers in the workshop wear masks; c.find suitable machines, equipment designers and methods to reduce noise and dust; d.perform occupational disease health checks once a year; e. training in occupational disease health and safety once a quarter. f. continue to regularly monitor occupational hazards.

Company Action Plan Update

5. a.In the workshop where the noise exceeds the standard, people are strictly required to wear appropriate earplugs. The factory management has checked to confirm that the workshop is fully worn; b.in the workshop where the dust exceeds the standard,workers are strictly required to wear appropriate masks. The factory management has checked to confirm that all workers in the workshop wear masks; c.find suitable machines, equipment designers and methods to reduce noise and dust; d.perform occupational disease health checks once a year; e. training in occupational disease health and safety once a quarter. f. continue to regularly monitor occupational hazards.

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory does not have the fire permit or the report on inspection and acceptance of completed construction project for the following buildings which were built from 2005 to 2013:

- a) One flat Winding and Finished Goods Warehouse Production Building with around 7,955 square meters in size;
- b) One flat 2# Long and Short Spinning Production Building with around 10,516 square meters in size;
- c) One flat 3# Short Spinning Production Building with around 10,421 square meters in size;
- d) One flat Equipment Finishing Building with around 1,528 square meters in size;
- e) One flat 1# Long and Short Spinning East and West Production Building with total around 4,299 square meters in size;
- f) One flat Canteen Building with around 2,410 square meters in size;
- g) One 3-storey Dormitory Building with around 2,218 square meters in size.

And the factory has not provided the report on inspection and acceptance of completed construction project for the following building which was built from 2005 to 2013:

- a) One flat 1# Short Spinning Production Building with around 2,156 square meters in size. [HSE.4]

2. The width of about 10% of safety exits in the production area are 80 cm, which is less than the national standard of 90 cm. [HSE.5.1]

3. The factory places combustible materials, like yarn, under 10% of the electrical switch boards in production area. [HSE.13]

4. The factory has not installed covers on about 10% of electrical switch boards in the production area. [HSE.13]

5. The factory has provided pre-job and on-job occupational health examination to all 619 workers with hazardous exposure to chemical, noise and linen dust. However, the factory does not provide post-job occupational health examination to those workers. [HSE.1]

Local Law or Code Requirement

The Fire Prevention Law of the People's Republic of China, Article 11; The Construction Law of the People's Republic of China, Article 61; The Code of Design on Building Fire Protection and Prevention, Article 3.7.5; Electricity Safety Guidelines, Article 5.1.1 and Article 5.1.2; China Law of Prevention and Control of Occupational Diseases, Article 35. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1, HSE.4, HSE.5 and HSE.13)

Recommendations for Immediate Action

1. <!--[endif]-->Ensure the width of all safety exits meets legal requirements.

2. <!--[endif]-->Remove combustible materials and keep electrical switch boards free from obstruction.

3. <!--[endif]-->Install covers on all electrical switch boards.

4. <!--[endif]-->Provide post-job occupational health examination to all eligible workers with hazardous exposure.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1.a.EHS director contacted some government-related entities for some buildings which have not obtained fire inspection

acceptance, and provided relevant procedures and completed the inspection report. b.awaiting further notice from relevant government departments to obtain approval records.

Company Action Plan Update

1.a.EHS director contacted some government-related entities for some buildings which have not obtained fire inspection acceptance, and provided relevant procedures and completed the inspection report. b.awaiting further notice from relevant government departments to obtain approval records.

Action Plan no 2.

Description

2. a.The factory remeasured the size of all existing emergency exits throughout the factory; b.two of them have been rectified; c.EHS personnel will continue to supervise so as to confirm the rectification completed.

Company Action Plan Update

2. a.The factory remeasured the size of all existing emergency exits throughout the factory; b.two of them have been rectified; c.EHS personnel will continue to supervise so as to confirm the rectification completed.

Action Plan no 3.

Description

3-4. a.The relevant director of factory has inspected all the electrical boxes throughout the factory to ensure that they were not blocked, and installed protective covers on the electrical boxes without them; b.the factory manager Mr. Yu, has inspected the electrical boxes throughout the factory twice c.EHS department conducts training on the operation and protection of electrical boxes quarterly for relevant personnel and all factory workers; d.EHS department regularly tracks the effectiveness of the training.

Company Action Plan Update

3-4. a.The relevant director of factory has inspected all the electrical boxes throughout the factory to ensure that they were not blocked, and installed protective covers on the electrical boxes without them; b.the factory manager Mr. Yu, has inspected the electrical boxes throughout the factory twice c.EHS department conducts training on the operation and protection of electrical boxes quarterly for relevant personnel and all factory workers; d.EHS department regularly tracks the effectiveness of the training.

Action Plan no 4.

Description

5. a.The factory has added a policy about the occupational disease health check for resigned employees in the ""Resignation, Dismissal and Resignation Management Regulations for Employees""; b.The relevant personnel and the entire factory staff have been trained in relevant updated policies; c.occupational disease health checks for departing and new employees will start in January 2020; d.relevant inspection records will be kept."

Company Action Plan Update

5. a.The factory has added a policy about the occupational disease health check for resigned employees in the ""Resignation, Dismissal and Resignation Management Regulations for Employees""; b.The relevant personnel and the entire factory staff have been trained in relevant updated policies; c.occupational disease health checks for departing and new employees will start in January 2020; d.relevant inspection records will be kept."

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. The factory does not provide secondary containment for chemical containers in oil warehouse and working area of Boiling-Bleaching Workshop. [HSE.9.1]
2. The factory does not filter the air emission generated from kitchen before its release into the environment. [HSE.1]
3. The factory has not conducted monitoring on the air emission from Hacking, Spinning, Winding and Combing Workshops as well as from kitchen to demonstrate it meets legal standards. [HSE.1]
4. The factory has not conducted assessment to identify the equipment containing ozone depleting substances (ODSs), e.g., CFCs, Halon, HCFCs, HBFCs, Carbon Tetrachloride, Methyl Chloroform, Methyl Bromides, Bromochloromethane, or set up plan to phase-out its use. [HSE.1]

Local Law or Code Requirement

Regulation for Safety of Dangerous Chemical, Article 20; Measures for the Administration of Environmental Surveillance, Article 21 and Article 22. FLA Workplace Code (Health, Safety and Environment Benchmarks HSE.1 and HSE.9)

Recommendations for Immediate Action

1. <!--[endif]-->Provide secondary containment for all chemical containers.
2. <!--[endif]-->Filter the air emission generated from kitchen before its release into the environment.
3. <!--[endif]-->Conduct annual monitoring on the air emission from Hacking, Spinning, Winding and Combing Workshops as well as from kitchen to demonstrate it meets legal standards.

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. a. EHS team has advised relevant responsible persons to set up leak-proof zones in the chemical storage area of the diesel depot and the bleaching zone; b. EHS personnel has checked the compliance of the leak-proof zones; c.EHS personnel will regularly train relevant responsible personnel and chemical operators; d. factory management staff MR. Wu checks the secondary containers and storage of chemicals once a month.

Company Action Plan Update

"1. a. EHS team has advised relevant responsible persons to set up leak-proof zones in the chemical storage area of the diesel depot and the bleaching zone; b. EHS personnel has checked the compliance of the leak-proof zones; c.EHS personnel will regularly train relevant responsible personnel and chemical operators; d. factory management staff checks the secondary containers and storage of chemicals once a month.

Action Plan no 2.

Description

2-4. a.EHS team have found a third-party testing company to test the gas in the whole factory and kitchen, and have obtained a test report. b.according to the report, the abandonment of canteens did not exceed national standards. c. the factory will contact the third-party testing company regularly for waste gas testing and keep the testing report.

Company Action Plan Update

2-4. a.EHS team have found a third-party testing company to test the gas in the whole factory and kitchen, and have obtained a test report. b.according to the report, the abandonment of canteens did not exceed national standards. c. the factory will contact the third-party testing company regularly for waste gas testing and keep the testing report.

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Communication & Worker Involvement (Macro)

Finding Explanation

1. The worker integration component is missing across all Employment Functions. This indicates that the factory has not established procedures to request or receive workers' input/feedback regarding the creation, implementation, and updating of its policies and procedures. Workers are neither systematically integrated nor consulted in decision-making processes. [ER.1.3]

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

1. An employee representative conference was held on October 10, 2019 to announce and vote on documents including the employee labor contract management system; the minutes of the meeting have been retained; 2.when the "Reward and Punishment Regulations" is amended in December, opinions will also be solicited through the Employee Representative Conference; 3.when drafting other policy procedures, employees will be consulted during the employee meeting and minutes of the meeting will be kept; 4. the minutes of the meeting are archived by the union and used as reference documents in the formulation of various policies.

Company Action Plan Update

1. An employee representative conference was held on October 10, 2019 to announce and vote on documents including the employee labor contract management system; the minutes of the meeting have been retained; 2.when the "Reward and Punishment Regulations" is amended in December, opinions will also be solicited through the Employee Representative Conference; 3.when drafting other policy procedures, employees will be consulted during the employee meeting and minutes of the meeting will be kept; 4. the minutes of the meeting are archived by the union and used as reference documents in the formulation of various policies.