

The following are the essentials of our social policies.

The “Guidelines and Policies on Corporate Social Responsibility” stipulates the company’s overall guidelines and policies on employee management. Below are excerpts from it.

Our company and management fully recognize that compliance with international labor standards and protection of labor rights are necessary for a high sense of social responsibility and are expected by all stakeholders, including consumers, the public and the government. Our company promises to abide by national regulations and social responsibility standards, continuously improve social responsibility performance, continuously improve working conditions and employee welfare, wholeheartedly achieve win-win cooperation with stakeholders, comprehensively improve our corporate image.

Social responsibility management is an important cornerstone for long-term corporate development. The fulfillment of social responsibility is the foothold for a company to cooperate with partners. Therefore, our company requires every manager to lead by example in social responsibility management, establish and implement a good social responsibility system, and spread it to our important strategic partners upstream and downstream, so as to build a good social model together.

We hereby declare that in our company:

- The use of child labor and forced labor shall be prohibited and no supplier/contractor or agent that uses child labor or forced labor shall be accepted.
- Employee freedom shall be respected, and any form of forced labor shall be prohibited.
- Safe and healthy working and living conditions shall be provided to ensure the safety and health of employees.
- An equal and fair working environment shall be provided, and any form of discrimination shall be prohibited.
- A harmonious communication mechanism shall be established to encourage open communication and direct dialogue between employees and management.
- Channels for employees to express their opinions shall be built, confidentiality protection shall be provided for employees who express opinions, and any form of retaliation shall be prohibited.
- Labor-management cooperation shall be encouraged, and employees’ freedom of association and right to collective bargaining shall be respected.
- The basic human rights of employees shall be respected, and any form of discrimination, harassment, abuse, and humiliating behavior shall be prohibited.
- The production plan shall be reasonably arranged, and the working hours, rest and vacation of employees shall be reasonably arranged.

- Reasonable wages and benefits shall be provided, and the local minimum wage shall be implemented to meet at least the basic living needs of employees.

The “Regulations on the Management of Remuneration and Welfare Benefits” applies to our company’s control of all activities in the formulation, implementation and maintenance of remuneration and welfare policies. Below are excerpts from it.

Employee remuneration and benefits shall follow the principle of "fairness, justice and timely adjustment".

Payroll Accounting

- In our company, wages are calculated on a monthly and piece-rate basis. In case of any change in the wage standard or calculation method, employees shall be notified in writing in public in the company. Employees can consult about the method of wage calculation at any time.

Wage Payment System

- Overtime pay shall be calculated in accordance with the Labor Law. Overtime pay on workdays shall not be less than 1.5 times the basic wage. Overtime pay on days off shall be twice the basic wage. Overtime pay on statutory holidays shall not be less than 3 times the basic wage.
- Employees are entitled to paid annual leave in accordance with the Labor Law and female employees are entitled to maternity leave in accordance with the law.
- Employees shall be paid in accordance with the law during statutory holidays, marriage and funeral leave and social activities.

Insurance Management

- The company shall establish a social insurance management mechanism for employees, and purchase corresponding endowment, medical, work-related injury, maternity, unemployment insurance and the housing provident fund for employees, and provide searchable access and related statistics.

Employee Benefits

- Employees shall enjoy paid annual leave in accordance with the Labor Law, while female employees shall enjoy paid maternity leave as stipulated by the Labor Law. The company shall stipulate the conditions and corresponding days of paid annual leave for employees and clarify the application procedures for paid annual leave.
- In addition to the statutory benefits stipulated in the Labor Law, the company shall provide other supplementary benefits, such as job subsidies, seniority subsidies, holiday gifts, etc. based on the company’s development and the characteristics of each job.
- Employees shall be paid in accordance with the law during statutory holidays, leave stipulated in the Labor Law and social activities.

The “Regulations on the Management of Employee Relations” applies to all employees of the company, including all temporary employees, probationary employees and regular employees at home and abroad. Below are excerpts from it.

- The company shall fully respect employees’ freedom of association and right to collective bargaining and allow employees to freely form or join the trade union. The company shall establish a mechanism for the fair and equitable settlement of labor disputes, set up a labor dispute mediation committee with the participation of employee representatives, define and publicize the procedures and methods for settling labor disputes, and designate special personnel to collect and handle complaints or appeals of employees.
- The company shall provide appropriate resources and actions to support the work of the employee representatives. The management representatives and the employee representatives shall hold regular and irregular meetings, keep the minutes, conduct collective bargaining, when necessary, sign collective bargaining agreements and convey them to the employees.
- The company shall not discriminate against employee representatives or other personnel such as union members. The company shall ensure that they can maintain contact with the employees they represent at their place of work.
- The company shall establish appropriate procedures and methods to ensure that all employees are assisted in obtaining the right to independence, freedom of association and right to collective bargaining through similar channels when freedom of association and the right to collective bargaining are legally restricted.

The “Regulations on the Management of Employee Training and Development” applies to our company’s control and management of relevant personnel training at all levels in accordance with the SA8000 standard. Below are excerpts from it.

- The training content shall include at least the SA8000 standard, legal regulations on working hours, wages and benefits, company policies and procedures, safety policies and procedures, safe operating procedures and consulting channels.
- Training shall be arranged for new employees (including temporary employees) upon entry, as well as for temporary and formal job transfers.
- Retraining shall be arranged when company policies or procedures are changed.
- Special safety training shall be arranged for personnel at risk of serious accidents. Special operation personnel shall receive statutory training and obtain operating licenses.
- Training methods should be flexible and varied, including classroom teaching, workshops, group meetings, bulletin boards and broadcasts, etc.
- The company shall develop internal employee mobility management methods, including promotion, demotion, normal transfer, job vacancy, competitive recruitment, etc., with corresponding adjustment records.

List of Haitian Group's social policies (for full information on our policies, please contact us).

No.	Name of Policy
1	Guidelines and Policies on Corporate Social Responsibility
2	Regulations on the Management of Child Labor and Underage Labor
3	Social Responsibility Objectives, Indicators and Management Program
4	Regulations on the Management of Disciplinary Actions
5	Regulations on the Management of Working Hours
6	Regulations on the Management of Remuneration and Welfare Benefits
7	Regulations on the Management of Forced Labor
8	Regulations on the Management of Employee Relations
9	Regulations on the Management of Health and Safety
10	Regulations on the Management of Discrimination
11	Regulations on the Management of Document and Record Control
12	Regulations on the Management of Personnel Optimization and Adjustment
13	Regulations on the Management of Suppliers and Agents
14	Regulations on the Management of Internal and External Communication and Verification Channels
15	Regulations on the Management of Accidents, Nonconformance, Doubt Handling, Remedies and Corrective Actions
16	Regulations on the Management of Management Review Control
17	Regulations on the Management of Employee Training and Development
18	Regulations on the Management of Internal Control Examination
19	Regulations on the Management of Employee Satisfaction Surveys
20	(Others)