



Policy for Migrant Workers

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Kenner Material & System Co., Ltd. (“Kenner”) is committed to ensuring that migrant workers are treated with due respect for their human rights, in accordance with local and international law.

Unfortunately, migrant workers are often provided little social protection, face inequalities in the labour market, and are vulnerable to exploitation, forced labour and sometimes human trafficking. Consequently, this policy has been developed and updated to commit to the protection of migrant workers and support compliance with international standards and regulations within its worksites.

This policy is based on:

- The Ethical Trading Initiative (ETI) Base Code
- The United Nations Universal Declaration of Human Rights
- The Fundamental Conventions of the International Labour Organisation (ILO)
- International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families

1 Definitions

Forced Labor refers to all work or service which is exacted from any person under the threat of any penalty and for which the person has not offered himself or herself voluntarily.

Migrant Worker refers to a person who either migrates within their country of origin (internal migration) or outside it (crossing an international border) to pursue employment.

- A) **A Foreign Migrant Worker** refers to an individual that is recruited and migrates from their country of origin to another country where they are not a permanent resident for specific purposes of employment.
- B) **An Internal Migrant Worker** refers to an individual that is recruited and migrates from their habitual place of residence to another state or province within the same country where they are a national for specific purposes of employment.

Employees refer to all workers including migrant workers employed by Kenner.

Sending Country refers to the country where the foreign migrant worker was born and resided in or the country where the foreign migrant worker was recruited.

Receiving Country refers to the country where Kenner’s worksites are located or where the foreign migrant worker is employed.

Recruitment fees refers to any fees or expenses in connection with securing employment, except for those that are payable by the workers in accordance with the definition of recruitment fees and costs under the RBA Code of Conduct and the RBA Trafficked and Forced Labor – “Definition of Fees” policy.

Recruitment Agency refers to labor recruiters, labor brokers, and any other third parties involved in the recruitment, selection, hiring, transportation, and/or in some cases management of migrant workers in either sending or receiving countries.

Native language is the language of the worker's country of origin or a language that the worker speaks and understands.

2 Requirement for Ethical Recruitment

2.1 Recruitment Fees

Kenner shall ensure that its employees are not responsible for paying any fees or expenses for their employment, except for those that are payable by the employees in accordance with the definition of recruitment fees under the RBA Code of Conduct and the RBA Trafficked and Forced Labor – “Definition of Fees” policy.

2.2 Employment Contract

All employees must be provided prior to the start of employment with a written employment agreement in their native language that contains a description of terms and conditions of employment as prior agreed to by both parties.

The written employment contract shall be explained verbally to foreign migrant workers in their native language to enable review and understanding prior to signing the employment contract and departure from the sending country.

Employment contracts shall be signed by the foreign migrant workers directly and voluntarily without deception or threat of violence, and a signed copy of the contract by both parties will also be provided to foreign migrant workers in the sending country.

2.3 Pre-departure and Post-arrival Training

Kenner shall conduct pre-departure training to provide foreign migrant workers a better understanding of their workers' rights and their working conditions prior to signing the employment contract in the sending country. Kenner shall furthermore conduct post-arrival training before commencing the employment of foreign migrant workers in the receiving country in their native language.

If Kenner is unable to conduct the pre-departure training in the sending country, the recruitment agency shall conduct the pre-departure training using the training materials provided by Kenner.

2.4 Document Retention

Kenner shall not hold any employees' identification, other personal legal documents (e.g. passports, government-issued identification, work permits, etc.) or vital possessions (e.g. wedding ring).

2.5 Equal treatment

To protect migrant workers' fundamental human rights, and other legal rights, migrant workers shall be provided with opportunities, treatment, working and living conditions, wage rates for the same job performed, insurance and any other benefits, equal opportunities for bonuses, shift arrangements, holidays, and regular and overtime hours equivalent to that provided for local workers without discrimination in the workplace, except where different requirements or standards are specified under applicable local laws or regulations.

The cultural and religious identity of migrant workers shall be respected and protected. Specific attention shall be given to vulnerable groups such as ethnical minorities which are at heightened risk of identity loss and female migrant workers.

Any behaviors of harassment or discrimination based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, nationality, sexual orientation, gender identity, union membership, or any other status protected by applicable local laws, are prohibited in all employment stages including recruitment, hiring, employment and termination.

2.6 Wages

Kenner shall pay wages directly to its employees which are not less than the minimum wage prescribed by applicable local laws and regulations. The wages shall not be paid on the basis of piece work.

The payment of wages shall be credited to the bank account of the employee no later than designated date of the following month by the facility.

Kenner shall provide a wage statement in the employee's native language with an explanation of the basis on which employees are compensated including regular wage, overtime, bonuses, deductions, and other components if any. There shall be no unlawful deductions taken from the wages. If its employees have deductions on their wages, a full listing of deductions including a specification of the types and amounts of each deduction (if any) shall be specified on the wage statement.

2.7 Deposits

No employee wage deposit or savings programs shall be operated unless required by applicable local laws and regulations. In the event of a legally required deposit or savings programs, the employees shall be able to freely access their account at any time. Kenner shall not have direct control of or access to the bank accounts of its employees.

2.8 Health and Safety

Appropriate workplace health and safety training shall be regularly conducted in the native language of migrant workers. Kenner shall also provide appropriate and well-maintained personal protective equipment to migrant workers which has been approved by authorities and meets industry standards for their safety.

Where dormitories are provided by Kenner for migrant workers, the dormitories shall be maintained so as to be clean and safe, and equipped with emergency exits, hot water for bathing and showering, adequate

heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges. Dormitory facilities shall have all relevant official permits related to health, safety and security, including fire protection, sanitation and electrical, mechanical, and structural safety.

2.9 Freedom of Movement

There shall be no unreasonable restrictions on employees' freedom of movement in the facilities or accommodations, and excessive facility entry and exit restrictions shall not be imposed, except where necessary for worker safety.

2.10 Grievance Mechanism

All employees have a right to have access to effective grievance remedies. To this end, Kenner shall provide confidential and effective grievance redressal mechanisms and allow for reports to be made anonymously. Kenner shall actively communicate these channels in their local language to the workers.

Migrant workers shall receive equal access to existing grievance channels. The grievance channels shall be made available in the migrant worker's native language to enhance accessibility and migrant workers shall, like any other worker, be able to raise grievances without fear of discrimination, intimidation, retaliation, or any other penalty.

2.11 Repatriation

Foreign migrant workers shall not be responsible for their repatriation cost upon completion of the employment contract or early termination of the employment contract if adequate notice as required under applicable local laws and regulations have been provided and in line with the RBA Code of Conduct and the RBA Trafficked and Forced Labor – "Definition of Fees" policy.

Kenner shall consider providing for expenses related to foreign migrant workers return to the sending country in the event that foreign migrant workers resign without timely and reasonable notice due to extenuating circumstance such as critical illness or incapacity.

The costs of repatriating foreign migrant workers in cases of termination for misconduct (including criminal activities), obtaining other employment or termination of the employment contract voluntarily of their own volition in the receiving country, or involuntarily termination for cause in accordance with internal disciplinary procedures will be borne by the foreign migrant worker. Legally required notice periods for these cases of termination shall be observed.

2.12 Termination

Migrant workers shall be free to terminate their employment contract prior to the contract end date voluntarily without any penalty, threat of punishment, fines, or withholding wages or personal documents upon required notice as defined by applicable local laws and regulations, the employment contract, or a period of one month.

3 Implementation, Improvement and Assessment

Kenner shall seek to hire migrant workers for its own operations directly whenever possible. When the subcontracting of recruitment and hiring is necessary, Kenner shall ensure that migrant workers are recruited through agencies that are certified or licensed by the relevant authorities in the sending and/or receiving countries.

Kenner shall provide training programs for its employees and recruitment agencies to give them a better understanding of migrant worker's rights and the requirements of the Policy.

Kenner shall oversee and ensure the implementation of the Policy within its organization and recruitment agencies.