

Precautionary Measures for Workplace Health and Safety

Standardized Management Measures

Pou Chen reinforces each item in the safety and health management procedure step-by-step, after fire prevention, chemical substance safety, special hazardous operations management, occupational disease investigation and management, machinery safety management, contractor engineering management, and abnormal incident management, special focus was paid to the following items in 2017:

- Advanced training for occupational safety and health management personnel: established internal training program and arranged for professional lecturers to strengthen the professional and hands-on knowledge and experience of safety and health management personnel. Consistent advocacy and education on management standards were launched across the Group in 2017.
- Improvement of proposal system: to encourage all employees to participate in the management of occupational safety and health and to propose suggestions for creative and feasible improvements, rewards and recognition will be given to outstanding proposals through a selection system. This helps to promote employee participation and enhance the awareness of safety in all. The number of proposals has increased by 56% in 2017 compared to 2016, indicating the proposal activity has received widespread support and participation from our employees.
- Abnormal incident management: created online management of occupational injuries to ensure effective implementation of incident reporting and monitoring. Subsequently, the Group will continue to strengthen its facilities' ability on incident investigation and improvement confirmation to prevent risks of reoccurrence and to implement rectification measures. Hardware improvement and software management measures will also be implemented gradually through the disaster indicator analysis at each site

Loss Prevention Management

To ensure workplace safety and the protection of Company's assets, the Group actively reinforces the promotion and management of the awareness of loss prevention. Based on past fire incident in the factory, the Group particularly focused on the completeness of fire safety management and the fireproof safety construction of buildings while advocating for loss prevention management measures

Fire Safety Management

Pou Chen adopts multiple ways to actively promote fire safety. The Group is committed to preventing fire at the source, preventing disaster from spreading, and emergency rescue, and has invested resources toward improvement and implemented relevant management mechanism to lower the risk of fire.

Comprehensive Fire Protection System

The Group has clearly stated the fire protection equipment and plant-wide safety design required for a facility. Each new factory building, addition to a building, or change in purpose needs to meet Company-specified designs such as fire compartment, safe passages, fire extinguishers, automatic sprinkler system, chemical automatic foam fire extinguishing system, fire alarm equipment, exit sign indicator and emergency lighting and more. A unified management mechanism has also been adopted for the design, construction, inspection, and maintenance of fire protection system.

Improve Fire Brigade Ability

The Group has established 13 firefighting squads in major operation and production sites including Vietnam, Indonesia, and China. Headquarter has established unified standards and day-to-day tasks and training for firefighters, and the headquarter will inspect their capability, as the Group hopes that standardized regulations will help the firefighters to realize their best potentials.

Fire Safety Patrol

All production sites need to undertake self-initiated fire safety patrol on a monthly basis. Administrative centers in each area will also undertake fire prevention inspection and evaluation on equipment including power supply management, power outlet/plugs, motor, high-temperature machines, fire-using procedures, fire compartment, firefighting equipment, and dust collectors. Special attention will be paid to daytime and nighttime power supply management and inspection to prevent fire hazards.

Reinforcing Emergency Response Capability

To help employees establish immediate emergency response and rescue capability, the Group has implemented unified standards to enhance employees' response capability to prevent disasters from spreading and ensuring personnel safety. The emergency response team has been set up at each facility, and the team is subjected to regular training and practice. At the same time, the Group also co-organizes joint fire

prevention drill with the external governmental fire department to cultivate joint emergency rescue competencies.

Organized Electric Engineering Academy

In coordination with the philosophy of becoming a “learning organization,” the Group has organized step-by-step electrician academy in each area. All facility electricians will be required to participate in training, interactions, and take the certification test to strengthen their respective skills and professional competencies. The Group wishes electricians to apply their learning to practice and increase each facility’s autonomous management skills to lower operating risks.

Management over Maintenance Providers

Unified fire safety equipment maintenance contract and checklist have been established to verify the skills of the maintenance providers and increase the quality of maintenance works. This will ensure normal operations of the onsite fire safety equipment, while providers with inferior quality will be ruled out through performing audit from time to time

Implementation of Infrared Scan Inspection

Electricity safety is an important part of fire prevention. The Group has established a periodic infrared scanning system over the electrical equipment in the facilities. Infrared scanning systems have been set up at most production sites, and suitable personals have been chosen among professional electricians to receive professional training from the headquarters. These chosen engineers will regularly undertake infrared scan inspection over electrical equipment according to regulations.

The Group undertakes infrared imaging scan over all electrical appliances. Operation of the machine will be halted and revisions from the responsible department will be required if equipment overload, abnormal electrical components, elevated temperature, short circuit, or three phase unbalance have been detected.

Standards for Loss Prevention

To reduce various operational risks in production sites in practice, the Group will undertake comprehensive risk surveillance for loss-related risks other than fires, for instance, earthquake, typhoon/hurricane, and floods. For material potential risks, appropriate revisions will be made, and factory-building loss prevention standards have also been established to ensure that newly constructed site can effectively evaluate and prevent various risks of business interruptions.