

Sustainable Roohsing&JDU is quarterly e-newsletter created to demonstrate Roohsing&JDU's business performance and corporate social responsibility. This publication is the joint efforts of various departments within Roohsing&JDU and is aim to report news on environmental protection, vocational health and employee care made by our company.

Sustainable Roo Hsing and JDU CSR Newsletter



Strengthening CSR Development is only way to win Business

When talking about CSR, one of the famous remiders is "companies can't just think about making money, they should also fulfill their social responsibilities." This may sound like there's a conflict between making a profit and running CSR. While in reality, strengthening CSR development is a real win for business. How so?

Let's take Roohsing and JDU's most recent action of working hours control as an example – in 2018, our group officially announced and confirmed the standard of our global factories' working hours and had set a 3 phase schedule for factories to comply.

On the surface, it seems to have brought negative impact to the factories. But if we look deeper, this actually helps workers to reduce the chances of working overtime which allows them to rest fully and as a result, they will have more energy. Needless to say, this brings up the overall efficiency; and it not only helps the overall production, but also prevents unnecessary errors and reduces products' return for re-work ratio. The same is true for other similar situations, such as the establishment of factory communication channels, chemical management requirement, and staff development training programs. The company will ultimately benefit from the various control measures and this leads to a more sustainable development in the long run – this is what true social responsibilities means and brings.

Whether it's mandated law provisions or self-awareness, respecting the regulations and be fully compliant to what's lawful is an integral part of corporate's business management. Roohsing and JDU Group is willing to undertake this mission. We will work together with our clients to continuously strengthen compliance management and CSR implementation and create a 3-win partnership between our group, our clients and the society.



Turntable stamping is a top-end stamping machine with a unique design and technique. Partial automatization enormously facilitates the efficiency of manpower. The use of a turntable stamping machine with a portable dryer achieves various printing effects which cannot be realized in a fully automatic screen printer. For example, it fastens and stabilizes the printing procedure.



• Official announcement for global standard working hours

- ◆ TOE Tracker · Constant Improvement
- ♦ Fire Drill across all Factories

02. CSR Power Charging Station.....07 ♦ What an impressive tool "Company IQ "

- WPC allows workers to communicate effectively
- P.A.C.E, Customized course for trainee
- S.H.I.N.E in Changzhou & Cambodia
- H.E.A.R.T.- Listening & Taking into Consideration
- Project CARE · opening the bright future
- ♦ HIV fighting, constantly training of develop and prevent of HIV in Cambodia

- Broadcasting of company values
- New Year's Celebration in Cambodia
- Birthday Party in Honan factory

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- HIGG Index constant improvement
- ♦ Official announcement of ISO45001

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- ◆ Fast fashion is blow out [→] sustainable fashion is all the rage
- ◆ Magic Old Jeans

Roohsing and JDU make efforts to control working hours for our global factories.

Roohsig and JDU Group confirmed and announced the standard of working hours and inform all management to abide the rules. There will be a 3-phased implementation plan beginning in 2018.

> At least 24hrs rest within 14 days. Total working hours can not exceed the following standard within 7 days. (China, Tanzania: 80 hours, the rest of the countries: 72 hours)

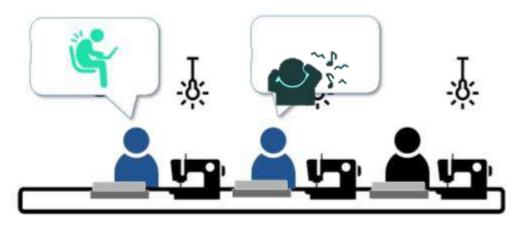
2019

2018

Rest at least 24hrs within 14 days. Total working hours can not exceed 72hours within 7 days.

2020

At least 24hrs rest within 7 days. Total working hours can not exceed 60hours within 7 days Long working hour is the top1 factor affecting employees' business performance.



According to SHINE, the survey from LEVI STRAUSS & CO. and Harvard University, 32% of the employees think the working time is too long. This may lead the possibilities of low production and work injury up to 3 times more. The possibilities of mental and physical influence will be raised to twice as much.

01. CSR Spotlight

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TOE Tracker · **Constant Improvement**

Levi's Strauss established the GSOG (Global Sourcing and Operating Guideline.) based on its core values. The purpose of the GSOG is to improve workers' living quality, encourage them to have the right working attitude, so as to assure our business interest and corporate responsibility.

GSOG

Country Assessment Guidelines

Terms of Engagement

Country Assessment Guidelines address large, external issues beyond the control of Levi Strauss & Co.'s individual business partners. These help to assess the opportunities and risks of doing business in a particular country where the supplier is based.

TOE deals with issues that are substantially controllable by individual business partners. For employees and business partners complying with the TOE is no less important than meeting quality standards or d e l i v e r y t i m e s.

Being the number one business partner of Levi's, Roohsing and JDU track and improve our TOE performance regularly to assure we comply with the requirement of TOE.

TOE (Terms of Engagement)

Level of Evaluation

Zero Tolerance Violation ZT

Serious

Serious breach of Terms of Engagement that results in severe impact to individual rights, life safety and/or LS&CO.'s corporate reputations'. Examples of ZT include underage workers, forced labor, corporal punishment, violation of ethical standards, and failure to complete ZT or IA corrective actions within the agreed upon timeframe.

A

Immediate Action IA

IA Breach of TOE that results in negative impact to individual rights and life safety and/or LS&CO.'s corporate reputation. Examples of IA include excessive working hours, non-payment of overtime premiums or contracted wages, non-provision of required government benefits, etc.

Continuous Improvement CI

Labor, health & safety, and environmental issues that can be improved in the factory for the wellbeing of workers and/or betterment of its reputation or management practice. Examples of CI include operating permits, establishment of company policies on hiring practices, etc.

Roohsing and JDU work our best to comply with TOE, In 2018, we have no ZT violations. We will improve every step of the way.

Fire Drill Exercise in Global Factory

In order to establish a safe working environment, all factories in Roohsing and JDU had run fire drill exercise recently; including simulation practice of conflagration · evacuation of fire fighting, training for the using of fire safety equipment. Spring is the season with the highest daily average rate of fires. Having regular fire drill exercise help employees to learn and be alerted.

Through the practice , employees can enhance their ability to cope with fire accidents.



Demonstration of how to use hose reel.

Demonstration of actual operating of fire hose reel



Demonstration of how to use fire extinguisher

Exercise of evacuation

01. CSR Spotlight

What an impressive tool "company IQ"

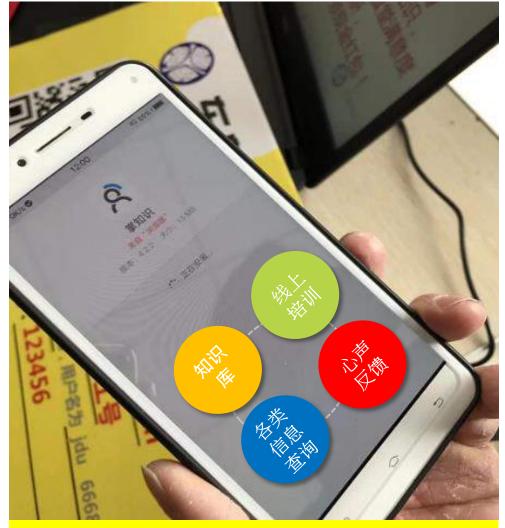


The APP "Company IQ" is a special tool designed for factory workers. It is a learning platform with strong functions and is easy to operate. Users can also get updated news from the company. Further more, it allows employee to check on their social security info and address book etc.



事知识

02. CSR Power Charging Station



JDU launched "Company IQ" in Changzhou factories in 2017.So far, most employees has already downloaded the APP and starting their learning journey .

WPC allows workers to communicate effectively



WPC(Communication in the Workplace) training helps workers understand the crucial part of communication in the workplace and evaluate the effectiveness of the overall communication channel in our factories. This is why our client GAP promote WPC proactively.

Selected workers who joined the WPC training not only learned the models of communication in work place, but also familiarize themselves with report concerns system, negotiation skills and health & safety. All these helps worker and management to enhance mutual trust ,respect and information sharing. 02. CSR Power Charging Station



Workers' Committee hold regular meeting to discuss existing issues and improvement plans for the factories. It includes the concerns coming from the workers and issues identified by external parties.

So far the issues resolved include PPE, safety assurance of lift installation etc.





02. CSR Power Charging Station

P.A.C.E A Localized Training Program that helps our workers

Personal Advancement & Career Enhancement

Customized Course Materials

Comparing to other training programs, the biggest difference for P.A.C.E. is that we have to localize and customize the course materials. Based on audiences' needs, P.A.C.E. trainers must collect massive data and adjust the content and the way they coach their students.

Project Status

In 2018, P.A.C.E was launched in Changzhou, Henan and Cambodia. Trainers at the above mentioned location have already passed the TOT training. At present, there are 15 trainers in camboiai,6 trainers in Changzhou and 14 in Henan. Students are expect to take a half-year long course and graduate by end of the year.

Project Shine, Survey form Harvard University



SHINE project, supported by Levis and implemented by Harvard University conducted a survey in Nagapace and Changzhou Cut/Sew in Dec. 2017. For quality assurance, the team unites with the checkers on the 3rd, 6th and the 12th month to work with them on the progress and collect more data so to ensure the survey results will support the relationship between business performance and workers' wellbeing.



Survey Result of March, 2018

02. CSR Power Charging Station

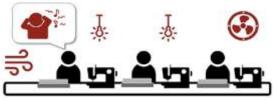
Five factors which effect the performance



Extended Working Hours



Support from Line Manager



Working Environment



Rough management



Obtain the basic necessity at home



If you encounter the above problems, please contact Corporate Communications department via <u>suggestion@jdunited.com</u>. Employee's happiness and welfare are our wishes.

Project "HER", Realize the unique peer education



Unique Peer Education

Peer education means people are more willing to listen to the opinions and suggestions from people who are in the same age, have the same knowledge and with the similar interests.

Women's Health Care is important. Through the Peer training, the theory can be disseminated. Peer training is usually done first by influencing people with an impact and once they are trained with knowledge and skills, they can then communicate with others around them to reach the original objective of the training and this is what we have done with HER.

Project Status of HER

JDU launched HER project in Chanzhou in 2013 and then in Henan in 2017. Through peer education, selected workers became trainers and they teach other peer workers the knowledge of t contraception, miscarriage, communication and nutrition. So far, 1400 people have received the training altogether.

02. CSR Power

Charging Station

SBF (Sewing for a Bright Future)



HFHW(Healthy Food Healthy Workplace)





02. CSR Power Charging Station

CARE, SEWING OF BRIGHT FUTURE

CARE_SBF

Zhen Tai, GDM and Nagapeace are currently running project "Care". It includes 2 subjects SBF& HFHW.

SBF (Sewing for a Bright Future)

Through the project , it 's not only delivers the knowledge of women's health care and finance but also develop the concept of financial management and saving.

HFHW(Healthy Food Healthy Workplace)

It is launched in the factory of Splendid Chance, Cambodia. Members of the Nutrition Committee learned the nutrition knowledge and the responsibilities of being a committee member.

02. CSR Power Charging Station

Training of HIV/AIDS

To fight against HIV/AIDS, Cambodia provides constant training programs.

In order to promote the basic knowledge of HIV/AIDS,TK factory in Cambodia holds quarterly HIV/AIDS training with committee members.

Roo Hsing factory in Cambodia develops the training of safety usage of HIV medication .

The training is provided by CWPD(Cambodia Women of Peace and Development) who's key objective is to raise the awareness of healthy workers.



03. CSR Telescope

Roo Hsing/ JDU's Core Values

V.<mark>O.I</mark>.C.E.

V.O.I.C.E. stands for 5 words, and represents JDU's core values.

Openness Integrity Courage Empathy



V.O.I.C.E Radio Launched.

We announced core values in early 2018. ——V.O.I.C.E., V means Virtue and the rest 4 letters stands for Openness, Integrity, Courage, Empathy.

In order to let everyone understand the core values, from April, JDU started V.O.I.C.E. Radio, where we broadcast interesting stories representing our core values.

03. CSR Telescope

New Year Celebration at factory in Cambodia

In April, Cambodia welcomed the greatest holiday, New Year. Workers and managers in the factory all celebrated the coming of New Year, and had a great time.

Everyone had fun through the interesting games and lucky draw.





Appreciation for the contribution of co-workers. Henan Factory holds birthday parties every month.





03. CSR Telescope

In order to appreciate the workers and further enhance the sense of belongingness and recognition. Henan Factory holds birthday parties every month to show appreciation to the workers. This in return, encouraged workers to have better attitude for their work, with a stronger sense of responsibilities.

During the Birthday party, the canteen prepared delicious meals with a mixture of fish, meet and specialty dishes. At last, they gave a cake to everyone to thank for their hardwork.

04. CSR Dictionary

Constant Improvement of HIGG Index

HIGG was established by Brand, retailers, manufacture, government, NGO and Apparel Coalition.

It can overall appraise the environment influence of garment and shoes products. By using the Higg Index, company can find the opportunity which can reduce the influence of environment ,and this leads to sustainability. All parties need to acquire the overall data from raw material procurement to the end processing.

There are five elements of environment · using of water resource, quality, energy and greenhouse gas, waste, chemicals and toxic substances. SAC constantly improve the Higg Index ,and is now promoting version 3.0. Roo Hsing and JDU Factories are taking the process of it.



ISO45001 is officially announced and will replace OHSAS18001

ISO announced the new standard of occupational Healthy and safety-ISO 45001. It will replace OHSAS 18001. The organizations who get the certification from OHSAS 18001 can have three years to transfer to the new standard.

The following comic represented the orderly working environment in the standard of ISO450001. After the implementation, everyone can take their own roles and run thingssmoothly.





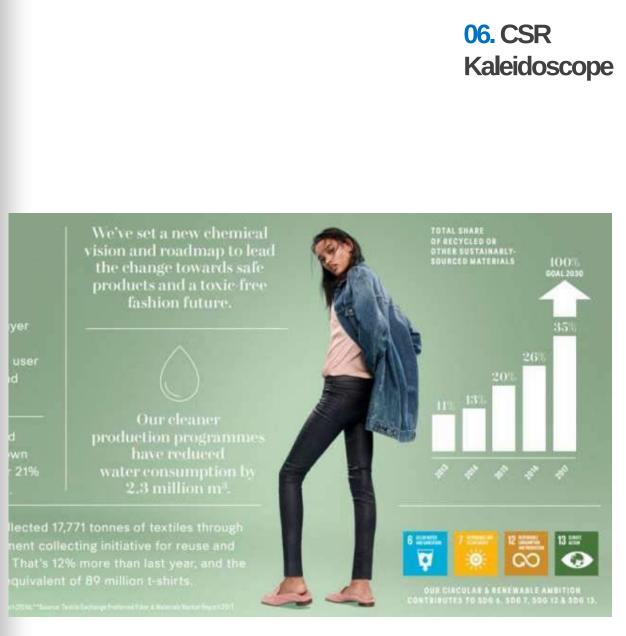
ageing of labor enforcement

According to the statistic form ILO \cdot 30 millions people face the threat of fatal-accidents at work. These not only lead to serious influence to workers and their family, but also raise the burden on employees, and increasing the cost to the companies.

There are 40 versions of OHSAS standards. The announcement of ISO 45001 provides an agreed standard of occupational health and safety. This guides the organization to identify and reduce the risk of health and safe, and gives further protection to the workers and enhance the overall organization efficiency.

Sustainable Fashion is the Future Trend.

Sustainable Fashion is the Future Trend. H&M, a Swedish fashion brand with a fast fashion style and a low-cost route, has always been a favorite of young people in the Netherlands, and almost every town has shops on the shopping streets. Taking advantage of the popularity of online shopping, H&M Shopping APP is also highly popular. In 2017, the number of downloads exceeded 30,000, ranking fifth. However, in recent years, H&M intends to step away from the image of fast fashion and shift to the concept of environmental protection and sustainable clothing. In 2017, H&M Group produced clothing materials, which accounted for 35% of organic, resource recovery, or other raw materials produced in a sustainable way, an increase of 9% over 2016. The group's environmental manager said that the group's goal is to fully switch to environmentally sustainable materials by 2030. It is also one of the important directions to recycle unsold clothing. According to the Dutch "Awareness-Fashion" statistics, the Netherlands has not sold as many as 21.5 million pieces of clothing each year, accounting for about 7%. H&M recycled 18,000 tons of unsold clothes in 2017 and increased it by 12% from the previous year. H&M's manager pointed out that the fashion industry faces many challenges, and continuous innovation must be indispensable, especially to accelerate progress from a linear model to a cyclical model. Therefore, recently, the group cooperated with Sweden's Re:newcell company, which researches and develops textile recycling, and Tree to textile company, which researches and develops textile fibers made of wood fiber, and shows that sustainable textiles are one of the most important issues in the fashion industry. If the Xingyi Group also pays attention to environmental issues, this is one of our important core tasks.



Don't throw away your old Jeans – the best DIY projects.

No one can resist the charm of the jeans. It has been popular for many years and has never been forgotten since the day it was born. However, it will still damage and become old – Don't throw it away though. Today we would like to introduce a couple creative projects allowing you to DIY an old pair of jeans and give it a new life.



Make a Jean- bag to hang your portable charger

Make a flower planter.



What a creative trinket.





Jeans style dog bed



Each brushes has its own home.



What a creative pillow

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