

Responsible Labor & Employment Policy Manual

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Hard Work
Honesty
Positivity



CORE VALUES

Our five Core Values are an essential part of our corporate identity. Our Core Values support our vision and mission, but beyond that, they are the foundational aspects to support the culture we seek to preserve at YTY Group.

At a personal level, our Core Values help us create identity, purpose in what we do, meaning in how we do it, and commitment to act in a manner that always puts the Company and its stakeholders first.

This policy manual stays true to our Core Values. And our Core Values define us.



1 INTRODUCTION

YTY Group ("YTY" or the "Company") has developed this Responsible Labour & Employment Policy Manual to underscore our deep commitment to doing business responsibly and ethically, and to ensure that we place our employees at the heart of what we do, by treating them with dignity and respect. The Responsible Labour & Employment Policy Manual supplements YTY's Code of Conduct Policy Manual as a formative corporate credo, by providing specificity in respect of relevant employer obligations and employment practices.

This manual applies to all employees, regardless of race, nationality, or country of origin. Where necessary in this manual, we identify a subset of our employees that we term "employees from foreign countries" (also known as "EFC's"), who are defined as individuals that originate from countries around the region and come to work with us for fixed-term contracts.

2 POLICY FRAMEWORK AND GUIDELINES

YTY pledges to uphold individual values, workplace rights, and personal liberties of all employees. We fully support the principles set out within the International Labour Organization's ("ILO's") relevant conventions, including and especially guidelines around forced labor indicators, as well as the United Nations' ("UN's") Guiding Principles on Business and Human Rights.

We further seek to ensure that the standard of corporate accountability we uphold within our own sphere of operations is further extended to third-party labor agencies we directly engage with, who must not only be aware of these obligations, but represent commitment and compliance with provisions of our Responsible Labor & Employment Policy Manual, thereby managing their own employees and supply partners in accordance with these established policies.


“YTY does not permit the use of forced, bonded, or indentured labor. All work performed is voluntary.”

3 EMPLOYMENT POLICIES

Some of YTY's key employment policies are noted ahead. As an organization, we seek to remain a progressive advocate of fair, thoughtful and transparent employment standards, and seek to ensure our policies reflect our approach and commitment in this regard.

A. Freely Chosen Employment

YTY does not permit the use of forced, bonded, indentured labor or involuntary prison labor. All work performed is voluntary, and employees are free to leave the organization after providing reasonable notice. The Company also does not impose any penalties against EFC's should they decide to terminate their fixed-term contract early with us.

Contracts for employees from foreign countries (EFC's) clearly convey the terms and conditions of employment in the native language of the EFC. There is no substitution or change allowed in the employment contracts upon arrival in the receiving country unless the changes are made to meet specific provisions of evolving local laws, and done so in a manner that provides the EFC with equal, or better, terms of employment.

EFC's are not required to pay either YTY, or any labor agent involved in the process of recruitment any "recruitment fee" or other fee in respect of their employment. If such fees are found to have been paid by EFC's, such fees shall be reimbursed by the Company to the EFC as and when this information comes to light.

B. Freedom of Movement

YTY does not impose any unreasonable restrictions on employees entering or exiting their accomodations or the factory premises.

Employees retain their individual identity documents at all times. These include immigration documents, such as government-issued identification, passports or work permits, unless YTY needs temporary access to such documents in order to comply with basic administrative matters relating to renewals, reapplications, or other similar processes. In the event an individual identity document is required, YTY will ensure that the employee is made well aware of why this is required, and obtain consent from the employee to access and handle the document.

In situations where an EFC loses an identity document, the Company assists them to obtain a replacement document by, for example, engaging with the local consulate.

C. Child Labor and Young Employees

YTY does not permit the employment or use of child labor for any purpose. Employees shall be hired only after they have presented legitimate proof of age which meets local age requirements. In the event that local labor laws in the individual countries we operate in allow for the employment of "young employees," defined as employees of an age less than 18, YTY will ensure that these young employees shall not perform work that is likely to jeopardize their health or safety.



“YTY is committed to providing a professional and harmonious work environment, where all employees are treated with dignity, fairness and respect.”

D. Working Hours and Rest Days

YTY ensures that working hours shall comply with applicable local laws in the individual countries we operate in. All overtime work is performed on a voluntary basis and employees are provided with at least one rest day per seven-day week.

All employees are entitled to adequate meal, rest and bathroom breaks during their shifts, have clear start/stop times, and have freedom of mobility within the work premises.

E. Compensation and Benefits

Compensation paid to employees shall comply with all applicable labor laws in the individual countries we operate in, including provisions relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local labor laws, employees shall be compensated for overtime at hourly wage rates that are greater than regular hourly rates.

For each pay period, employees shall be provided with a timely and clear wage statement that includes sufficient information to accurately verify compensation received for work performed. The withholding of wages at YTY is not permitted, nor is the deduction of wages allowed as a disciplinary measure.

F. Non-Discriminatory Employment

YTY is committed to providing a professional and harmonious work environment, where all employees are treated with dignity, fairness and respect. The Company does not engage in, condone, or tolerate any practices in respect of hiring, compensation, access to training, promoting, terminating or retirement, that would be based on an employee's race, age, gender, sexual orientation, religion, disability, ethnicity, marital status as well as any legally protected status. In addition, employees are not subject to medical or pregnancy tests, or physical exams, for any purpose that might lead to discrimination against such an individual.

The Company expects all personnel to conduct themselves in accordance with the policies and standards noted in YTY's Code of Conduct Policy Manual, particularly in respect of the ideals of fair treatment, non-discrimination and workplace harassment.

G. Zero Tolerance for Coercion or Harassment

YTY does not tolerate, and in fact strictly prohibits, engagement with, or treatment of, our employees in a manner that would be viewed as coercive, derogatory, or inhumane. This includes verbal, physical and sexual abuse, sexual harassment, corporal punishment, mental or physical coercion, intimidation, psychological harassment, acts of violence, as well as threats of any such treatment.

Disciplinary policies and procedures in support of our zero-tolerance approach are clearly defined and communicated to all employees, particularly those in positions of seniority and oversight, or those who have the capability to exert influence on subordinates by virtue of their title and position within the Company.



> We regularly monitor the security, cleanliness and housekeeping within our accommodations to ensure a safe and comfortable standard of care is provided.

H. Freedom of Association

YTY respects each employee's right under applicable labor law to form or participate in (or refrain from forming or participating in, as may be the case) organizations of their choosing, including trade unions, employee committees, or other employee associations, as well as engage in collective bargaining and peaceful assembly.

Employees can openly communicate, share ideas and provide suggestions for improvement with management either directly or via these organizations regarding living and working conditions without fear of discrimination, reprisal, intimidation, or harassment.

I. Living Conditions

YTY ensures that our approach to employee welfare extends beyond the factory premises, to the accommodations we own or lease, where certain of our employees reside. We regularly monitor the security, cleanliness and housekeeping within our accommodations to ensure a safe and comfortable standard of care is provided. In addition, we ensure compliance with the applicable local laws and guidelines around employee housing and amenities.

J. Environment, Health and Safety

Environment, Health and Safety (EHS) practices are embedded into our business operations and we always seek to operate in full compliance with local laws and regulations. All employees receive initial and on-going job-specific health and safety instructions during the course of their employment with the Company.

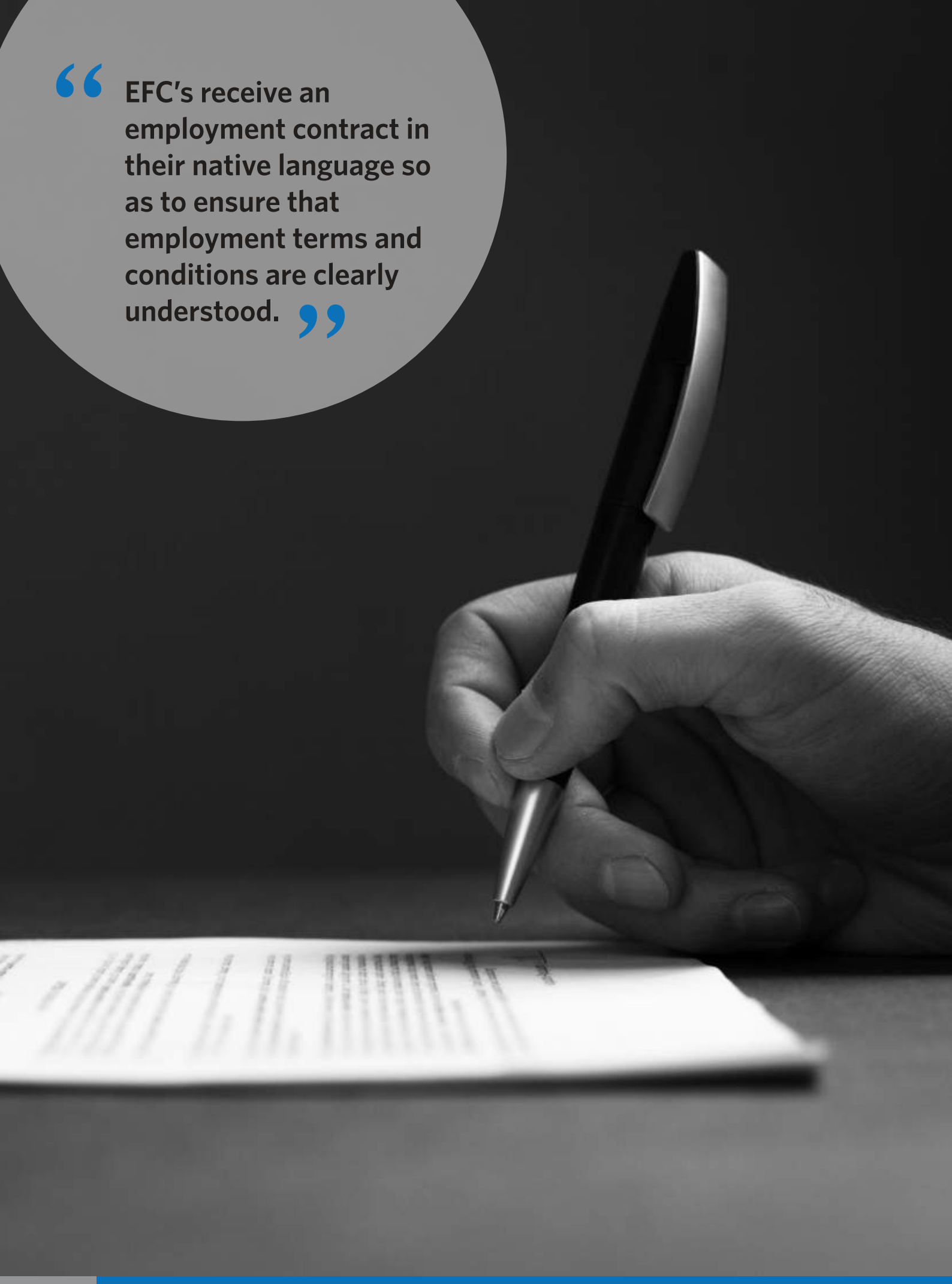
Our approach to ensure sound EHS compliance extends to the accommodation in which our employees reside. To this end, we seek to ensure that employees always have access to sanitary facilities and clean drinking water.

K. Grievance and Whistleblower Channels

YTY believes in the importance of having communication channels by which employees can provide input and share grievances. In addition to having formal Employee Committees through which such grievances can be channelled, the Company also supports internal portals through which grievances can be communicated in the employee's preferred language. We strive to ensure the portals are accessible, transparent, and that their availability is appropriately socialized.

Grievances that are channelled through our portal are logged, and the Company makes every effort to investigate these in a timely and sensitive manner, paying special attention to situations where a Code of Conduct violation may have occurred. Employees also have the ability to provide anonymous feedback should this be desired.

YTY has also established a Whistleblower mechanism by subscribing to an external, independently managed employee hotline. Employees are able to access this hotline on an anonymous or identity-disclosed basis to raise concerns about their personal situation or share observations about illegal, unethical or questionable practices at the Company in confidence and without the risk of reprisal.


“EFC’s receive an employment contract in their native language so as to ensure that employment terms and conditions are clearly understood.”

4 RECRUITMENT POLICIES

YTY ensures third-party labor agencies we directly engage with to assist us with recruitment of employees, particularly those from foreign countries (EFC's), are aware of, and compliant with, the key provisions of ethical recruitment practices that YTY follows.

We further mandate that these third-party labor agencies adhere to the respective laws of the originating and receiving country, and conform to the guidelines of whichever country has the more protective employee provisions. Specifically relating to EFC's, we have implemented safeharbor provisions to ensure that ethical recruitment practices are evaluated at various points of the recruitment process.

A. Third-Party Labor Agency Assessment

All third-party labor agencies we directly engage with are required to sign a service agreement containing contractual terms and conditions, that include conformance to YTY's ethical recruitment practices. We also reserve the right to audit third-party labor agencies to ensure that they conform to the terms of the service agreement, and uphold the spirit behind YTY's guidelines on ethical recruitment on an on-going basis.

YTY ensures to the best of its abilities that all third-party labor agencies we directly engage with that supply – or manage – EFC's in either the originating or receiving country are assessed to ensure that their standards, practices, and general approach to recruitment complies with applicable laws and YTY's own ethical recruitment guidelines. YTY only works with third-party labor agencies who successfully pass these assessments.

B. Source Country Employee Selection

YTY ensures to the best of its abilities that the sourcing, pre-screening, and employee interviews conducted at the country of origin are done without any form of discrimination, and that the determination of an EFC's suitability is based on their merits, qualifications, skills and abilities relative to the Company's needs at that time.

EFC's eventually selected for employment are informed at the time an offer is extended of YTY's "zero recruitment fee" policy to ensure they do not fall prey to unscrupulous "middle men" and enter into any form of debt bondage.

C. Employment Contracts

Employees selected for employment receive YTY's employment contract in their native language so as to ensure that contract terms and conditions are clearly understood by them.

Specificially relating to EFC's, YTY ensures that they attend a source country pre-departure orientation. In this orientation, additional efforts are taken by YTY to explain employment contract terms, employee rights and protections, and the working conditions and work environment they will be entering into. EFC's are free to decline employment, at any point, and are not under any obligation to sign an employee contract if they so choose not to.

Once in the receiving country, guidance is provided by YTY in the EFC's native language during the on-boarding process to explain relevant policies, as well as local laws and regulations, to ensure EFC's have a clear understanding of these matters.



> “YTY assumes responsibility for payment of recruitment fees, levies, and charges to ensure EFC’s arrive without any debt burden.”

D. Recruitment Fees and Other Charges

YTY assumes responsibility for the payment of all recruitment fees, levies, and relevant transportation and accommodation charges to ensure EFC's arrive into the receiving country without any debt burden associated with these costs.

The total recruitment fee and any associated costs are agreed upon in advance with the third-party labor agent appointed by YTY and documented via a service agreement. No further fees or costs are permitted to be charged thereafer.

The strict prohibition on third-party labor agents from collecting recruitment fees from EFC's and the penalties on breaching the terms are clearly documented in the service agreement between YTY and the agents it engages with. Agents found violating the terms and conditions of the service agreement will be required to return recruitment fees charged to EFC's. YTY makes it clear that it will discontinue its business relationship with any agent found to be in material violation of the terms of the service agreement.

E. "Zero Fee" Declarations

Upon entering the receiving country, all EFC's are requested to voluntarily sign a declaration letter confirming that they have not paid any recruitment fees to a third-party labor agent prior to departure from their home country or upon arrival in the receiving country.

If they are unable, or unwilling, to voluntarily sign such a declaration, we investigate whether any fees were charged to the EFC's and on what grounds.

F. Levies, Deposits and Loans

YTY seeks to comply with applicable laws and regulations for the payment of any levy fees that may be due to the Government in each of the countries it operates in. Obtaining deposits from employees are prohibited. Furthermore, YTY does not condone the extension of any form of loans to prospective, new, or current employees when employed, or seeking employment, at YTY.

G. Diplomatic Access

YTY does not prevent any EFC from directly contacting his or her Embassy.



> “YTY strongly encourages employees to raise concerns to YTY if they witness, or come to know of, a violation of policies contained within this manual.”

5 POLICY IMPLEMENTATION

To meet the commitments noted herein, YTY's Management will:

- Assign authority and communicate responsibilities for relevant roles, as well as retain accountability for ensuring the standards noted herein are upheld
- Develop labor and employment management systems to conform to the standards within this policy, YTY's business guidelines and our statutory compliance obligations
- Review and discuss evolving policy guidelines with employees on a regular basis and in a transparent and objective manner, as well as provide periodic retraining on existing policies
- Ensure third-party labor agencies we directly engage with, are aware of, and comply with, the requirements herein

6 QUESTIONS OR CONCERNS

YTY strongly encourages employees to promptly raise concerns to YTY's HR or Management teams if they witness, or come to know of, a violation of the policies contained in this Responsible Labor & Employment Policy Manual. Alternatively, we encourage employees to utilize the Company's grievance or Whistleblower channels to provide feedback, anonymous or otherwise.



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