



7

Friendly Workplace



To establish a sustainable development enterprise, one of Kaori's sustainability missions is to create a friendly workplace. This includes talent attraction and retention (salary and benefits), employee training and development, labor-management relations, training and development, human rights protection. The short-, medium-, and long-term targets for managing these material issues are outlined in the table below:

Timeline	Short-term metrics (2024 - 2025)	Medium-term metrics (2026 - 2029)	Long-term metrics: (after 2030)
Labor/ management relations	Total attrition rate $\leq 5\%$ Retention rate during unpaid leave $\geq 80\%$	Total attrition rate $\leq 5\%$ Retention rate during unpaid leave $\geq 80\%$	Total attrition rate $\leq 5\%$ Retention rate during unpaid leave $\geq 80\%$
Training and development	Retention rate of new Taiwanese employees (At least 3 months) $\geq 80\%$ • Average training hours: 15H • New employee training pass rate: 100%	Retention rate of new Taiwanese employees (At least 3 months) $\geq 80\%$ • Average training hours: 20H • New employee training pass rate: 100%	Retention rate of new Taiwanese employees (At least 3 months) $\geq 80\%$ • Average training hours: 20H • New employee training pass rate: 100%
Human rights protection	0 cases of workplace abuse/bullying Employee complaint/Mediation cases: 1 case	0 cases of workplace abuse/bullying Employee complaint/Mediation cases: 1 case	0 cases of workplace abuse/bullying Employee complaint/Mediation cases: 1 case

Material issue objectives and performance

Kaori is committed to building a friendly workplace and complying with GRI standards: We are committed to creating a caring and nurturing environment for employees, fulfilling the responsibility of talent cultivation and retention as the driving force for the sustainable development and growth of the Company. Kaori has developed short-term targets and related implementation plans based on key areas such as labor relations, training and development, human rights protection, ethics, and health and safety. The performance goals and achievement levels over the past two years (as shown in the table below) aim to retain suitable and high-potential talent, thereby enhancing the Company's sustainable competitiveness.

	2024 Performance Targets	Achieved in 2024	2025 Performance Targets
Labor/ management relations	Total attrition rate $\leq 5\%$ Retention rate during unpaid leave $\geq 80\%$	6.19% $\rightarrow$ Not achieved 100% $\rightarrow$ Achieved	Total attrition rate $\leq 5\%$ Retention rate during unpaid leave $\geq 80\%$

The annual target for total attrition rate was not met ($6.19\% > 5\%$), primarily due to new employees having difficulty adapting to the work environment. To improve employee retention, the Company has further optimized its onboarding program by introducing a mentorship system, enhancing general training for new hires, and strengthening employee care mechanisms.

	2024 Performance Targets	Achieved in 2024	2025 Performance Targets
Training and development	Retention rate of new Taiwanese employees (At least 3 months) $\geq 80\%$ • Average training hours per person $\geq 15\text{H}$ • New employee training pass rate: 100%	Retention rate 93.6 % $\rightarrow$ Achieved • 15.84 H $\rightarrow$ Achieved • 100% $\rightarrow$ Achieved	Retention rate of new Taiwanese employees (At least 3 months) $\geq 80\%$ • Average training hours $\geq 15\text{H}$ • New employee training pass rate: 100%
Human rights protection	0 cases of workplace abuse/bullying Employee complaint/Mediation cases: 1 case	0 cases of workplace abuse/bullying $\rightarrow$ Achieved Employee complaint/Mediation cases: 0 case $\rightarrow$ Achieved	0 cases of workplace abuse/bullying Employee complaint/Mediation cases: 1 case

7.1 Talent Management Policy and Commitment

Kaori complies with labor-related regulations by establishing the "Employee Work Rules" and the "Occupational Safety and Health Work Code, including the Safety and Health Organization and Personnel Structure," which have been submitted to the relevant government authorities for approval. These rules legally ensures labor conditions and protecting employees' safety and health rights. The Company provides a healthy and safe working environment, fosters diverse and open labor-management communication channels, and offers fair compensation and promotion opportunities. Additionally, a comprehensive training and development system is in place to cultivate employee professionalism and protect trade secrets. Kaori also ensures a robust benefits system and creates a warm and harmonious work atmosphere. Through a transparent incentive bonus and profit-sharing system, employees are encouraged to contribute their skills and performance confidently, growing and developing alongside the Company, thereby laying a strong foundation for sustainable operations.

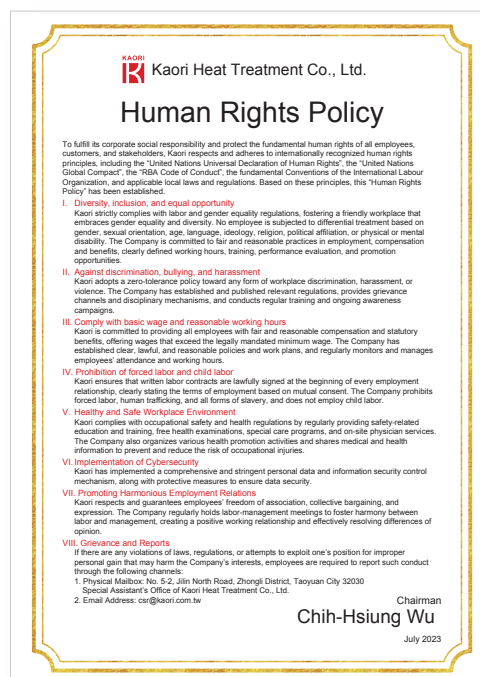
The Company's talent management policy is as follows:

Talent Selection Policy	Prohibit child labor and underage labor, provide mechanisms to attract and retain outstanding talents, hire suitable talents, diversify career development opportunities, and respect employees' freedom of employment.
Talent Education Policy	Establish a sound training and development system to cultivate professional or management talents in different fields, improve employees' engineering professionalism, communication and management skills, and strengthen teamwork performance.
Human Rights Policy	Comply with Taiwan's labor laws and regulations and prohibit any form of forced or compulsory labor; we will never discriminate against any employee based on gender, race, region, age, disability, nationality, etc.
Employment Policy	- Provide a competitive remuneration and benefit system, fair evaluation, and reasonable opportunities for transfer and promotion, so that employees can actively contribute their abilities and performance. - Valuing Employee Feedback and Enhancing Labor Relations
Talent Retention Policy	Establish a healthy and safe work environment for employees, and diverse and open communication channels between labor and management; set up effective communication channels for employees to collect employees' opinions and improve the Company's internal operations.

Corporate Sustainable Development Policy

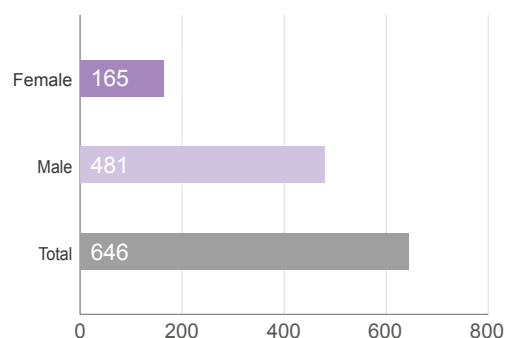
Kaori adheres to the principle of business integrity by providing reasonable working conditions and comprehensive employee benefits, ensuring the physical and mental well-being of employees so they can focus on their work and enjoy work. We strive to implement sustainable development policies that emphasize "environmental protection, employee care, a friendly workplace, co-prosperity in society, business integrity, and general participation."

To improve labor rights, in addition to complying with Taiwan's "Labor Standards Act" and related laws and regulations, we have also formulated internal regulations for the record of work rules, sexual harassment prevention, anti-corruption and bribery, and grievance procedures. A management mechanism has also been set up to protect employee rights. To allow employees to fully express their opinions, each plant has set up a "grievance mailbox and posted grievance hotline information" and established a personal data protection mechanism to comply with the principle of anti-retaliation to prevent unfair treatment of the parties concerned. The Company is committed to maintaining good labor-management relations and implementing various personnel management systems that promote a friendly workplace and employee care. In compliance with the employee-friendly and friendly workplace policies, we are committed to implementing the eight human rights policies (shown on the right).



7.2 Manpower structure

Kaori recognizes employees as important partners for building global first-rate organization and sustainable practice. We are committed to creating a friendly and healthy workplace, one that is free of discrimination and inequality. Kaori provides employees with comprehensive compensation and benefits and offers diverse training programs to help employees grow. By giving employees a safe and healthy place to work, we look forward to creating a sustainable corporate culture that is unique to Kaori. As of the end of 2024, Kaori had a total workforce of 688 employees, including 646 full-time employees. Among them, 481 were male (69.9%) and 165 were female (24.0%). In response to increased production capacity during certain months in 2024, and given the uncertainty of order stability, the Company hired 42 dispatch workers as front-line production personnel to maintain flexible staffing. Of these dispatch workers, 29 were female (4.2%) and 13 were male (1.9%). Kaori supports the requirements of the "People with Disabilities Rights Protection Act" and takes the initiative to offer equal employment opportunities for the underprivileged. By the end of 2024, the Company had employed a total of 6 individuals with disabilities.



7.2.1 Employee structure

The distribution of the manpower structure in 2023 to 2024 is as follows:

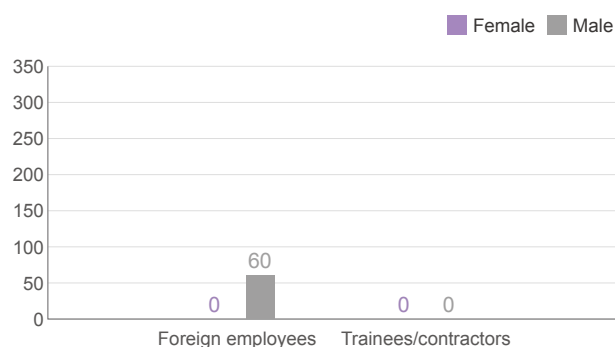
Category	Item	Year.Gender		2023				2024			
				Female		Male		Female		Male	
		Head count	Percentage	Head count	Percentage	Head count	Percentage	Head count	Percentage	Head count	Percentage
Indefinite contract	Direct employees	64	10.00%	259	40.40%	68	9.9%	251	36.5%		
	Indirect employees	95	14.80%	156	24.30%	97	14.1%	170	24.7%		
Term contract	Foreign employees	0	0.00%	67	10.50%	0	0.0%	60	8.7%		
	Trainees/contractors	0	0.00%	0	0.00%	0	0.0%	0	0.0%		
Temporary workers		0	0.00%	0	0.00%	29	4.2%	13	1.9%		
Total number of employees		159	24.80%	482	75.20%	194	28.2%	494	71.8%		
Total		641				688					
Domestic (by age)	30 and below	17	3.00%	50	8.70%	14	2.4%	45	7.7%		
	Aged 31 - 50	127	22.10%	314	54.70%	123	21.0%	316	53.9%		
	51 and above	15	2.60%	51	8.90%	27	4.6%	61	10.4%		
Job Rank distribution	Managerial role	36	6.27%	122	21.25%	20	3.4%	74	12.6%		
	Non-managerial role	123	21.43%	293	51.05%	144	24.6%	348	59.4%		
Total		574				586					

Remarks: 1. Direct personnel: production line or process personnel
 2. Indirect personnel: administrative or managerial personnel
 3. Trainees: refers to the students employed under a contractual relationship through school-industry cooperation or internships.
 4. Managers: Section chiefs and above

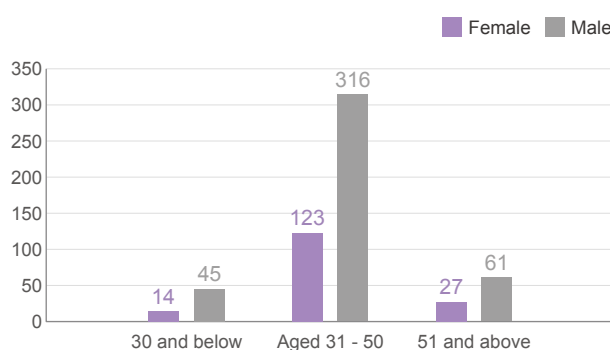
2024 - Indefinite contract



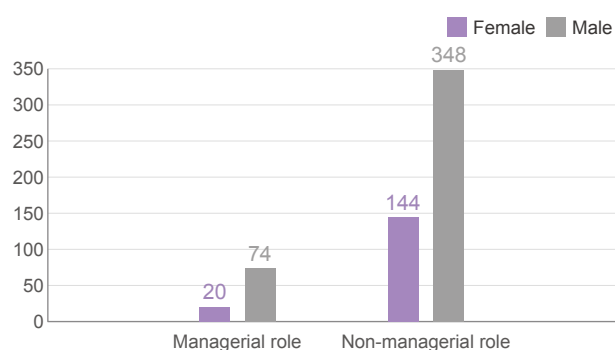
2024 - Term contract



2024 - Domestic (by age)



2024 - Job Rank distribution



Distribution by age group and job level as shown in the table below:

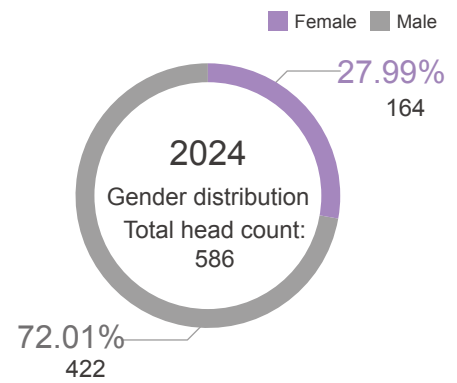
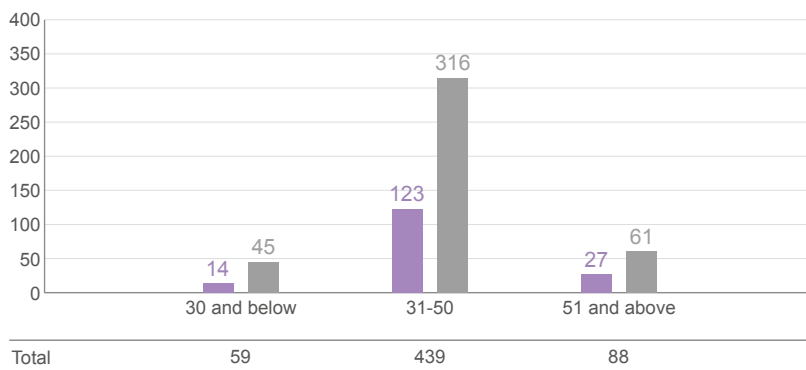
Year	2023					2024				
Statistical item	Managerial role		Non-managerial role		Total	Managerial role		Non-managerial role		Total
	Female	Male	Female	Male		Female	Male	Female	Male	
30 and below	0	1	49	17	67	0	0	14	45	59
Ratio	0.00%	0.82%	16.72%	13.82%	11.67%	0%	0%	2.39%	7.68%	10.07%
Aged 31 - 50	28	91	223	99	441	9	46	114	270	439
Ratio	77.78%	74.59%	76.11%	80.49%	76.83%	1.54%	7.85%	19.45%	46.08%	74.91%
51 and above	8	30	21	7	66	11	28	16	33	88
Percentage	22.22%	24.59%	7.17%	5.69%	11.50%	1.88%	4.78%	2.73%	5.63%	15.02%
Total head count	36	122	293	123	574	20	74	144	348	586

Remarks: 1. Statistics are primarily based on employees of local nationality

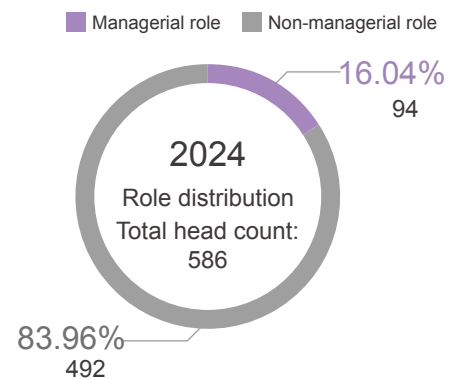
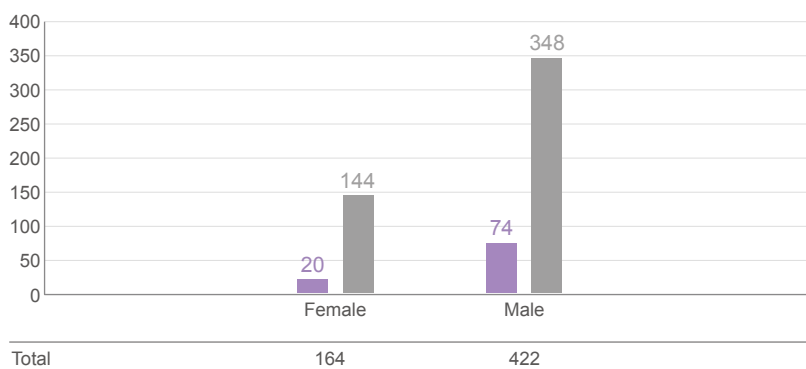
2. Managers: Section chiefs and above

3. Age ratio calculation method: Sum of male and female employees of a given job rank/total employees of that given job rank

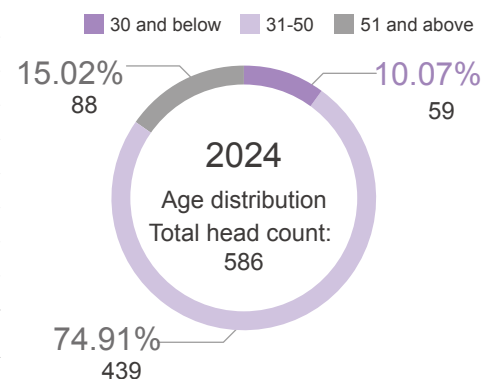
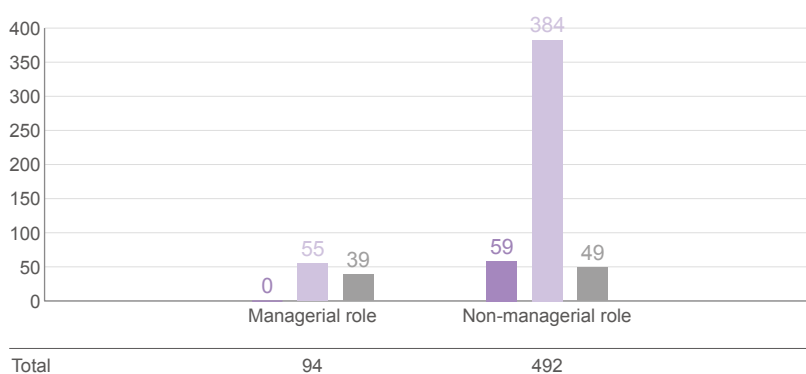
2024 - Employees' Age Distribution



2024 - Employee Counted by Grade and Gender



2024 - Employee Counted by Grade and Age



7.2.2 Percentage of New Permanent Employees and Attrition Rate

In 2024, Kaori had 38 new recruits, which represented 5.88% of the total workforce; 31 of the new recruits were male, and 7 were female. 40 employees resigned during the year, representing an annual attrition rate of 6.19%; 32 of the resigned employees were male and 8 were female. By analyzing data on new recruits and resignees, the Company evaluates the appropriateness of its existing salaries and benefits and determines whether it has met its goal of creating a friendly workplace. For resignees, the Company surveys the cause of resignation and take their responses into consideration for future improvements. Employees' resignation requests are handled strictly in accordance with the Labor Standards Act; employees who wish to terminate their employment contract are required to serve advance notice of no more than 30 days depending on seniority, which complies with prevailing laws.

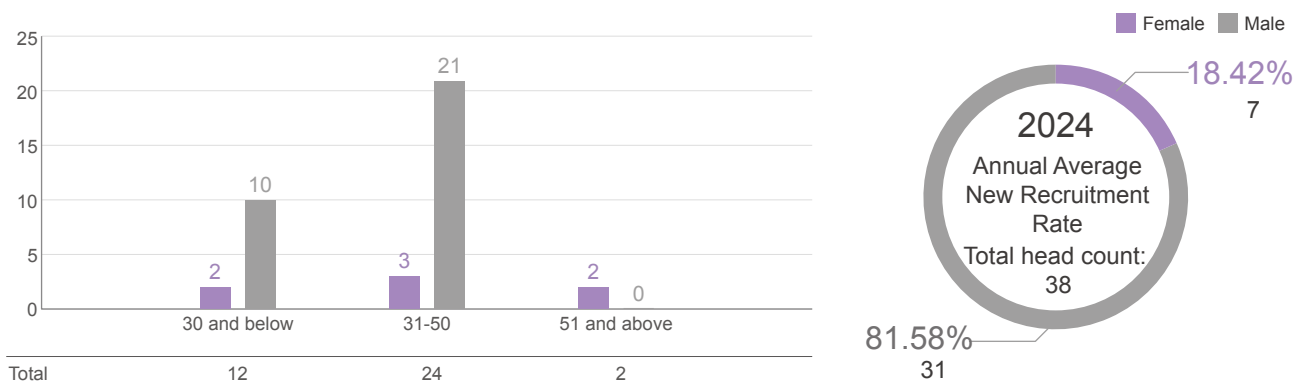
The table below shows the ratios of male and female employees' new hires and resignations in 2023 to 2024:

Category	Year	2023				2024			
	Item	Male to Female Ratio				Male to Female Ratio			
		Female	Percentage	Male	Percentage	Female	Percentage	Male	Percentage
New hires	30 and below	9	7.20%	50	40.00%	2	5.26%	10	26.32%
	Aged 31 - 50	11	8.80%	53	42.40%	3	7.89%	21	55.26%
	51 and above	0	0.00%	2	1.60%	2	5.26%	0	0%
Rate of New Recruitment by Male or Female		16.00%		84.00%		18.42%		81.58%	
Total		125 people / 100%				38 people / 100%			
Annual Average New Recruitment Rate		19.50%				5.88%			
Resignations	30 and below	3	5.88%	17	33.3%	2	5.00%	9	22.50%
	Aged 31 - 50	8	15.69%	17	33.3%	6	15.00%	20	50.00%
	51 and above	3	5.88%	3	5.9%	0	0.00%	3	7.50%
Male or Female Attrition Rate		27.5%		72.5%		20.00%		80.00%	
Total		51 people / 100%				40 people / 100%			
Annual Average Attrition Rate		8.00%				6.19%			

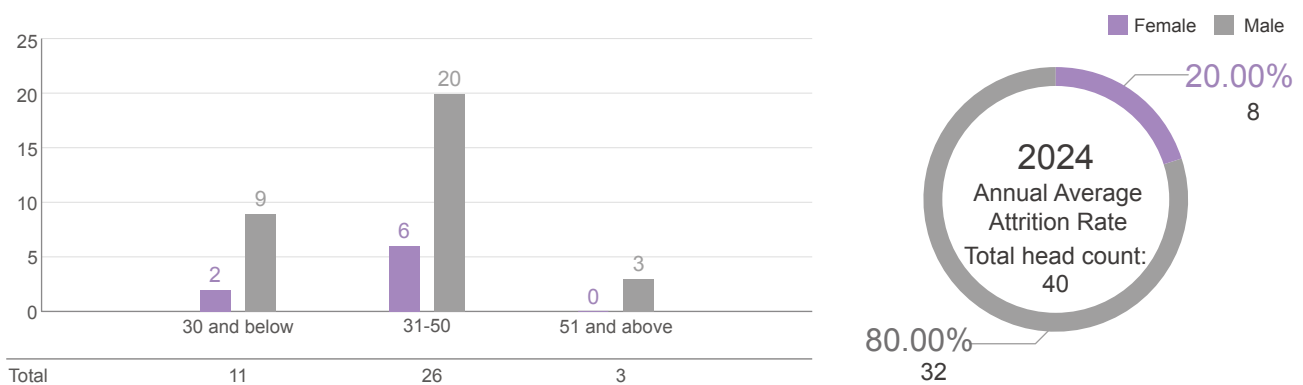
Remarks:

1. New employees are defined as those who arrived on the job in 2024 and have been on the job for at least 3 months
2. Calculation of the percentage of new recruits by age: Take the proportion of employees under 30 years old as an example, it is calculated as the number of new employees under the age of 30 / the number of employees of the corresponding gender in the year
3. Calculation of the percentage of resigned employees by age: Take the proportion of employees under 30 years old as an example, it is calculated as the number of resigned employees under the age of 30 / the number of employees of the corresponding gender in the year
4. Calculation formula for subtotal ratio by gender: Take new employees as an example, the calculation method is the total number of new employees male or female in the year/the number of employees of the gender in the year
5. Calculation formula for the new recruitment or attrition of women and men: Calculated as the number of new or resigned female or male employees in the year/number of the age of the female or male employees in the year
6. Calculation formula for total ratio: Take new employees as an example, the calculation method is: total number of new employees in the year/total number of employees in the year.

New Recruitment Rate in 2024



Attrition Rate in 2024



7.2.3 Recruitment and Turnover

Kaori adopts a fair, open, just, and efficient recruitment system that emphasizes recruiting the best and most suitable talent. The recruitment system pays attention to basic human rights, including equal employment opportunities, and is supported by talent selection, education, and retention measures to ensure the quality of new recruits, the stability of the workforce, and that competent talent is assigned to suitable roles. Kaori places great emphasis on unity. Aside from recruiting people that share common values, the Company offers favorable compensation, comprehensive benefits, and open communication channels to create a friendly, harmonious, safe, and mutually beneficial work environment that attracts and retains talent.

Equal Employment Opportunities

The Company values workers' rights and assigns employees to suitable positions depending on their skill sets and competence. In terms of recruitment, salary, performance, promotion, training, and benefits, the Company does not discriminate by gender, religion, nationality, or ethnicity. In addition to prohibitions against child labor, Kaori adopts a fair recruitment principle that discourages all forms of unreasonable restriction (such as withholding ID cards/passports or collecting inappropriate gains). Furthermore, employment contracts are drafted in languages and texts that employees can easily understand.

Recruitment Channels

Kaori continued to recruit employees primarily using online platforms, and it empowered the heads of various recruiting departments to set up interviews with potential candidates as needed. Kaori also sourced talent through other channels such as employment service stations, campus recruitment programs, the Workforce Development Agency, and professional training institutions.

7.2.4 Employment of Persons with Disabilities

According to Taiwan's "People with Disabilities Rights Protection Act," the number of employees with disabilities who have employability in a company shall not be less than 1% of the total number of employees. If the weighted total value does not meet the standard, the Company shall pay the shortfall allowance to the Employment Foundation for Persons with Disabilities of the labor authority on a regular basis.

We provide full-time employment opportunities to people with disabilities. As of the end of 2024, we have hired six people with disabilities: two with mild disabilities, three with moderate disabilities, and one with severe or very severe disabilities, which legally counts as 2 individuals. This totals 7 employees, meeting the requirement of employing 1 person with a disability for every 100 employees. With a total workforce of 646 employees and 7 employees with disabilities, the Company is not required to pay any shortfall allowances.

The human resource policy review indicated that the low number of applicants with disabilities, the unique work environment, and other factors contribute to their decision to leave even after job adjustments. In the future, we will continue to open up job opportunities for people with disabilities. We also work with colleges and universities to prioritize the hiring of students with disabilities.

We prioritize the welfare of our employees and establish a win-win concept for co-existence between employees and employers to ensure harmonious labor-management relations. In 2024, there were no losses caused by labor disputes.

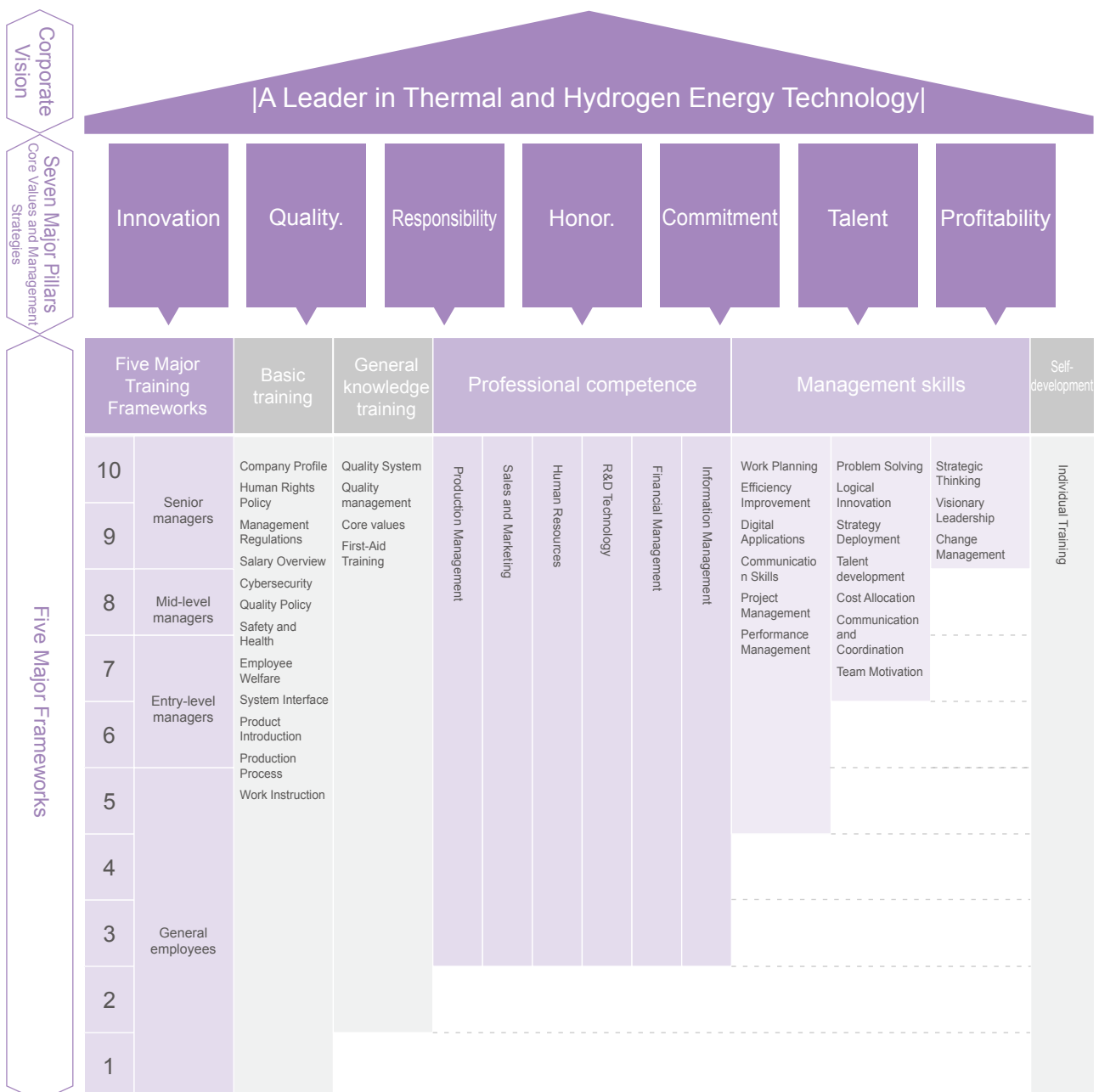
7.3 Talent cultivation and development

Material issues	Management Approach
 Talent development and cultivation	Policy Talent is the driving force of the Company's growth and strength, and we continuously nurture and develop employees' professional and management skills
	Goal Established a training and development system and a performance evaluation mechanism to nurture and develop employees' personal capabilities and career competencies
	Commitment Implement the education and training procedures and the annual professional and management training plan formulated by the Company, using due diligence and early warning communication to effectively improve the skills required for employees' work
	Measures 1. Established the "Education and Training Management Procedures" and "Annual Performance Evaluation Implementation Regulations" for managers at all levels to follow 2. Formulate and implement the "Annual Talent Cultivation and Development Plan" according to the strategic development and needs of the enterprise

The Company has "Training Management Procedures" in place to help employees expand knowledge and skills in ways that contribute to the organization's competitiveness. Kaori strongly believes knowledge and skills to be the key to improving work efficiency and quality, which in turn contributes to the Company's sustainable development goals.

The Company offers various ways and opportunities for further education based on core competencies. Training activities and talent development programs are promoted, starting from the Company's operational strategies and linking them to the professional skills training blueprint. Employees are subsidized for taking on-the-job training and external training to improve professional and language skills. It is the Company's intention to support employees with the training resources needed.

Department heads and employees have the opportunity to take part in company or department-level training courses and seminars to prepare themselves for future trends and projects. Employees are encouraged to take advantage of the complete range of training options the Company has to offer to grow their professional capacity and competitiveness. All new recruits are required to undergo complete general knowledge training and orientation when commencing duty. Through a combination of manuals, practices, and exams, new employees are quickly brought up to speed and readied for the tasks on hand. We provide all permanent employees with a training blueprint that they can follow to advance their careers within their respective departments and make persistent improvements to training resources within and outside the organization. By having managers participate in various meetings, we help them develop adequate understanding of how each department functions and applicable company policies, so that they may grow to undertake greater responsibilities in the future.



7.3.1 Employee training priority planning

Kaori has implemented different training durations based on employees' performance evaluation:

Short-term

In addition to comprehensive briefings provided by HR, occupational safety, quality, and the welfare committee in their respective areas, each business unit also provides specific pre-employment training to help new employees understand the products, technologies, and application scope of their assigned unit.

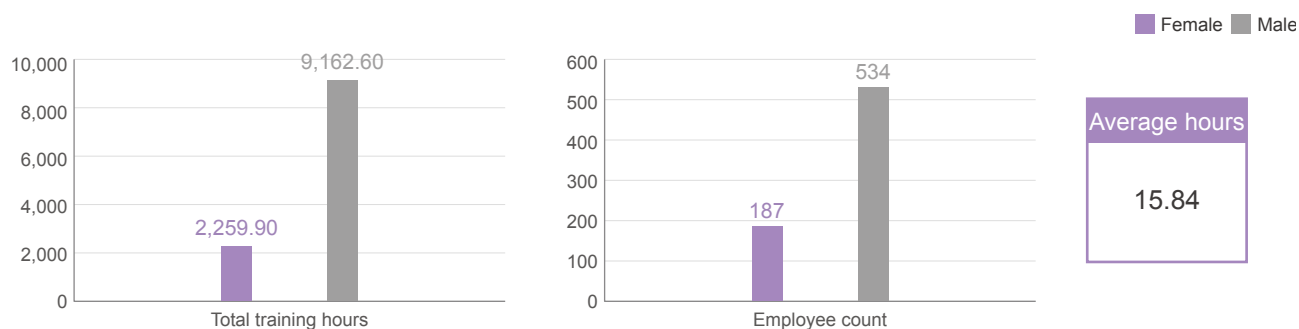
Medium-term

Kaori has established a training blueprint and an annual training plan. Through competency gap analysis and performance evaluations, appropriate employees are selected to participate in internal and external training programs to enhance their core professional skills

Long-term

Kaori provides subsidies for further education to support employees' career development, enabling them to engage in self-directed learning, strengthen their professional competencies, and enhance work performance. In addition, the internal lecturer mechanism transforms individual knowledge into corporate resources, aiming to improve overall personnel quality and drive continuous improvement and progress

Training Overview for 2024 (Zhongli+ Kaohsiung)



Classification	Category	Total training hours	No. of participants	Employee count	Average training hours
Employee gender	Female	2,259.90	1,137	187	12.09
	Male	9,162.60	3,790	534	17.16
Employee category	Direct	5,996.80	2,702	424	14.14
	Indirect	5,425.70	2,225	297	18.27
All employees	Managerial role	2,275.20	865	102	22.31
	Non-managerial role	9,147.30	4,062	619	14.78
Annual average training hours		15.84 hour(s)			

Note: Annual average training hours = total training hours / number of employees in the year = 11,423/721 = 15.84 hours per employee.

Outcomes of Training Conducted in 2024 (Zhongli+ Kaohsiung)

Item	Item	Course sessions	Total training hours	No. of participants	Total expenses
1	Specialist training	241	5,549.00	2,052.0	556,332
2	Worker safety and health	86	2,603.00	732.0	292,900
3	Training of managerial skills	11	253.00	30.0	198,200
4	General knowledge training	18	886.50	466.0	10,270
5	Cybersecurity management	10	549.00	241.0	-
6	Corporate Sustainable Development	26	1,131.50	1,070.0	-
7	Climate Environmental Protection	5	450.50	336.0	35,460
Total		397	11,423	4,927	1,093,162

In order to maintain competitiveness, we continue to plan various training activities every year, including management communication series and professional skill improvement courses. Kaori provides learning resources through multiple channels to enhance employees' capabilities. Employees have expressed that the courses arranged by the company meet their job requirements, improve their work efficiency, and achieve the goal of aligning training with job needs.

Employee training hours

In 2024, the total training hours for employees reached 11,423 hours, with a total of 721 employees on staff that year, resulting in an average of 15.84 training hours per employee annually. Additionally, the expenditure on education and training in 2024 was NTD 1,093,162, with an average training cost of NTD 1,616 per employee.

Kaori's education and training system is structured to cater to both new employee training and on-the-job training. The training framework and system are designed to evolve with the Company's operations and employee development, taking into account the broader environment and future company development, as well as shifts in personnel roles.

New Employee Training Mechanism

To enable new employees to familiarize themselves with the environment, understand their job roles, and quickly assimilate into the corporate culture, pre-employment training courses are regularly conducted. The frequency and duration of these courses are adjusted flexibly based on actual needs. The pre-employment training courses for new employees include both general knowledge courses and specialized pre-employment training. General education courses include: Company introduction, human rights policy, management regulations, salary overview, cybersecurity, quality safety, labor safety and health, and employee benefits. Except for the 3-hour quality safety course and 6-hour labor safety and health course, the remaining courses are scheduled flexibly, with a total of 12 training hours. Pre-employment training for specific business units is arranged and determined by each unit individually.

7.3.2 Performance evaluation and career functions

Employees undergo performance evaluation two times a year and are entitled to promotional opportunities and rewards according to the performance evaluation policy. The Company hopes to see every employee realize their full potential and have the best talent lead the teams in taking responsibility, making decisions, coordination, execution, and collaboration toward accomplishing corporate goals.

Employee Career Development

Performance evaluation helps to improve the Company's human resources system and further improve the overall management system. New employees of Kaori are required to be evaluated after three months of employment. This process guides supervisors and colleagues to understand the company's expectations regarding behavior, results, and personality traits. It also evaluates the employee's work abilities and attitudes during the probationary period to determine whether they meet the expectations of their supervisor, colleagues, and team, as well as how well they have integrated into the corporate culture.

Supervisors conduct fair, reasonable, and objective performance evaluations in accordance with operational guidelines, ensuring that every team member clearly understands the role they are expected to play in their position. This process encourages employees to strive to meet performance expectations across various roles, while also providing them with clear work objectives and guidance for future performance improvements, all aimed at achieving the overall business objectives.

In 2024, 47 new employees were required for evaluation (the number of Taiwanese new recruits). A total of 44 employees participated in the probationary evaluation, and 20 participated in the annual evaluation, regardless of gender. In addition to emphasizing reaching a consensus on work goals between employees and supervisors, its purpose is to adjust its functions into two major goals of "focus on developing employee capabilities, with performance evaluations as a secondary support," hoping to nurture and develop employees' personal capabilities to enable them to master their roles proficiently, thereby enhancing the Company's competitiveness and overall organizational effectiveness, with the expectation that they will become key contributors to the Company.

- Evaluation of new Taiwanese employees:

Category	Annual assessment		Total head count in 2024	
			New Taiwanese employees: 47	
	Number of people evaluated		Percentage %	
Job position	Male	Female	Male	Female
Indirect employees	4	1	20%	5%
Direct employees	13	2	65%	10%
Total	17	3	85%	15%



Employee Performance Evaluation and Career Development

In addition to new employees, the Company conducts performance evaluations every six months based on job levels. This helps in monitoring work progress and adjusting bonus amounts. The evaluation rate for all employees, excluding new hires, is 100%. In addition, based on supervisor evaluations/attendance/individual performance, supervisors at all levels nominate employees with excellent work performance. In 2024, 19 employees were promoted, with 74% in technical roles, 26% in administrative roles, and 74% in direct personnel.

7.4 Remuneration and benefits

7.4.1 Salary Policy

The Company sets salaries at levels that reflect employees' skills, professional capacity, experience, and individual performance. The promotion system has also been designed to be fair and open to employees. The Company strives to maintain equality between genders and offer equal compensation for employees with the same job role. The Company does not differentiate by gender, ethnicity, religion, political association, or marital status. Kaori regularly examines the salaries offered by industry peers to ensure that its compensation and welfare policy remains competitive at attracting and retaining talent. For new recruits, salary is determined based on professional capacity, technical know-how, experience, and work-related skills. Existing employees, also have salary levels and benefits determined according to performance. The Company calculates compensation and benefits in accordance with the laws of Taiwan, and entry-level employees are offered salaries that are higher than the local minimum wage on average. For senior employees, the Company has a talent retention program that offers special benefits such as life insurance and full health checkups. Employees that exhibit outstanding performance are entitled to extraordinary salary adjustment as encouragement. In response to the expansion of the Company's operation scale, the "Remuneration Policy" has been formulated.

In 2024, the salaries of entry-level employees were verified based on their educational backgrounds, and there was no difference based on gender. The ratio of salaries of entry-level employees in 2024 to the legal wage ratio and the gender ratio of general employees to mid-level and senior supervisors in the past two years are as follows:

Year	Personnel item	Average Starting Salary for Fresh Graduates	Ratio of 2023 Starting Salary for Fresh Graduates to the Statutory Minimum Wage	Remarks
2023	Direct employees	33,588	1.27	• Calculation basis as a technician on the following basis: Base salary + position allowances + attendance bonus + meal allowance + technical allowance + certification allowance (shift allowance is calculated separately)
	Indirect employees	32,000	1.21	• Calculation basis as an administrative assistant (8H): Basic salary + attendance bonus + meal allowance
2024	Direct employees	34,000	1.24	• Calculation basis as a technician on the following basis: Base salary + position allowances + attendance bonus + meal allowance + technical allowance + certification allowance (shift allowance is calculated separately)
	Indirect employees	34,600	1.26	• Calculation basis as an administrative assistant (8H): Basic salary + attendance bonus + meal allowance

Note: The above table reflects statistics for local workers in Taiwan. The statutory minimum wage was NTD 26,400 in 2023 and NTD 27,470 in 2024.

• 2024 Annual total compensation ratio

Ratio of the general manager's annual salary to the median employees salary = 8.11

Note: The above employee data excludes the Chairperson, Honorary Chairperson, Vice Chairperson, and President.

• Year-over-year percentage change in total compensation from 2023 to 2024

Item	Annual Salary Change Percentage (2023 → 2024)	Remarks
Annual Salary Change Percentage for the President	6.8%	Based on actual salary adjustments
Annual salary change percentage for all other employees (excluding the Chairperson, Honorary Chairperson, Vice Chairperson, and President)	0.61%	Calculation Formula: (Total Annual Salary in 2024 - Total Annual Salary in 2023) ÷ Total Annual Salary in 2023
Annual Total Compensation Change Rate	11.21	Calculation Formula: 6.8% ÷ 0.61%

- Average and Median Salaries of Full-Time Employees Not Holding Managerial Positions, and Their Changes Over the Past Two Years

Job Rank/Year	2023	2024	Changes
Average salaries of non-managerial role (NTD thousand)	933	907	-2.8%
Median salaries of non-managerial role (NTD thousand)	806	792	-1.7%

Note 1: Non-managerial positions refer to all employees excluding the Chairperson, Honorary Chairperson, Vice Chairperson, President, Vice Presidents, Assistant Vice Presidents, Chief Financial Officer, Chief Accounting Officer, and Corporate Governance Officer.

Note 2: Salary figures are based on actual recorded amounts and are not annualized.

Note 3: Most of the new hires in 2024 were entry-level employees who had not completed a full year of service, resulting in lower average and median salary figures in 2024 compared to 2023.

7.4.2 Retirement protection

The pension system planning is based on the "Labor Standards Act" and the "Labor Pension Act" to protect the rights and interests of employees to claim pensions in the future.

- Retirement eligibility:

An employee may apply for voluntary retirement under any of the following circumstances,

1. Those who have served for more than 15 years and are at least 55 years old.
2. Those who have served for more than 25 years.

An employee may be forced to retire under any of the following circumstances:

1. Aged 65 or above.
2. Mentally or physically disabled, making them unfit for work.

- Benefit standard (pension under the old scheme):

For each year of service less than 15 years, two base figures are given for each year of service. Those with more than 15 years of service experience are given a base number for each year of service. The maximum total is 45 bases. Any portion less than half a year is to be counted as half a year; any portion more than half a year is to be counted as one year. An employee who has been forced to retire and suffers from mental or physical disability attributable to duty shall be subject to an additional 20% of the amount specified in the preceding two paragraphs.

- Base calculation (pension under the old scheme):

The pension base conversion standard is the average salary for the six months prior to the approved retirement.

- Payment period:

Retirees who meet the requirements for voluntary retirement shall be paid pension in full within 30 days from the date of retirement. If payment cannot be made all at once, the Company may report to the competent authority for approval and make payment in installments.

- Other regulations:

Retirees shall fill out the Retirement Application Form and proceed with approval. After each unit signs off for employees subject to mandatory retirement, they notify the retirees to complete the formalities. The employee's right to claim pension shall be extinguished if not exercised within five years from the month following the date of retirement.

- Contributions to pensions under the new pension scheme:

The Company makes contributions according to the monthly salary grading table, with a contribution rate of 6% to the individual pension account held with the Bureau of Labor Insurance.

According to the Labor Standards Act, Kaori makes monthly contributions to a "retirement reserve fund," which is held in a trust account at the Bank of Taiwan. In response to the implementation of the new labor pension system in 2005, we also completed the selection between the old and new pension schemes for all employees. The Company's monthly contribution for employees choosing the old system is 6% of the total salaries of employees under the old system. In addition, based on the actuarial report from the previous year, we calculate the total annual retirement contribution for the following year. The accounting department then prorates this amount over 12 months. If the monthly contribution based on 6% falls short of the prorated amount, the accounting department will make up the shortfall to align with the actuarial estimate. For employees who have chosen the new pension system, the Company contributes 6% of their insured salary to their personal pension account every month.

Employees may also voluntarily contribute within 6% of their monthly wages to pension funds. The portion voluntarily contributed by laborers can be fully deducted from the total comprehensive personal income of the year. In addition, employees are entitled to various insurance benefits in accordance with relevant laws and regulations. Statutory insurances: labor insurance, national health insurance, and company group insurance.

7.4.3 Diverse welfare systems

Kaori arranges Labor Insurance and National Health Insurance coverage for employees as required by laws and ensures that employees are paid the benefits they are entitled to. By promoting a harmonious labor-management relationship and catering to employees' wellbeing and health, the Company aims to help employees grow in life and at work. In 2024, Kaori paid birth and child care subsidies totaling NTD 1.58 million.

Expenses of benefits of the past two years

Unit: NTD

Benefits/year	2023	2024
Life insurance	2,865,954	2,448,626
Health checkup	1,130,986	1,277,437
Childbirth and childcare subsidies	1,450,000	1,580,000
Wedding subsidies	543,400	447,020

Key Benefit Measures

Benefit Category	Benefit details
Life insurance	Life insurance, accident insurance, medical insurance, cancer insurance, occupational hazard insurance
Health insurance	Health insurance
Health checkup	Health checkups once a year
Employee catering	Establishment of employee cafeterias (subsidized 50%)

Pension Plan

Contribution Plan	Description
Pension fund contribution plan	- Old scheme: The employer makes contributions equal to 2% of workers' monthly salaries into a labor pension fund account - New scheme: Contributions equal to 6% of employees' monthly compensations are made into their individual accounts held with the Bureau of Labor Insurance
Contribution as a percentage of remuneration	7%

Other Benefit Measures

The Company's Employee Welfare Committee ensures that 0.15% of the operating revenue and 20% of the income from the sale of scrap are contributed to the benefits pool on a monthly basis. The Employee Welfare Committee continues to organize activities that aim to relieve stress and promote interactions between employees. Below are some of the benefits arranged by the committee:

1. Domestic and foreign group trips
2. Childbirth, wedding, funeral, hospitalization, and military service subsidies
 - 2.1 Childbirth subsidy:
 - Single birth: NT\$50,000
 - Twins: NT\$100,000
 - Triplets: NT\$150,000
 - Additional births are calculated at a proportional rate
 - 2.2 Childcare subsidy:

Applicable to children below the age of 6 who are registered in the same household as the Company's employee; paid at NTD 10,000 per child per household per year.
3. Emergency relief
4. Children's scholarships
5. Festival bonuses
6. Sports and recreational equipment
7. Birthday celebrations: birthday cake, birthday cash





Childcare benefits and unpaid parental leave

Employees who have childcare needs are entitled to apply for unpaid parental leave according to laws. Kaori not only offers childbirth subsidies in response to the government's birth incentives, but also tends to the needs of working mothers with the establishment of nursery rooms that cater to employees' individual and family needs. In 2024, three male employees and two female employees applied for unpaid parental leave. During the same year, three male employees and seven female employees returned to work upon completion of their leave, resulting in a reinstatement rate of 100%.

	Single birth: NT\$50,000
	Twins: NT\$100,000
	Triplets: NT\$150,000
Additional births are calculated at a proportional rate	

Reinstatement and retention of unpaid parental leave

Category Items	Gender	2023	2024
No. of employees qualified for parental leave in the current year	Male	11	14
	Female	5	1
	Total	16	15
No. of employees applied for parental leave in the current year	Male	3	3
	Female	4	0
	Total	7	3
No. of people due for reinstatement in the current year (A)	Male	3	3
	Female	2	7
	Total	5	10
No. of people reinstated in the current year (B)	Male	3	3
	Female	2	7
	Total	5	10
Reinstatement rate (B/A)	Male	100%	100%
	Female	100%	100%
No. of reinstated employees due for reinstatement from unpaid parental leave in the previous year (C)	Male	0	3
	Female	2	2
	Total	2	5
No. of employees having worked for more than 12 months after reinstatement (D)	Male	0	3
	Female	2	2
	Total	2	5
Retention rate (D/C)	Male	-	-
	Female	100%	100%

Note: Reinstatement rate = actual total number of employees after parental leave (B) / total number of employees who should be reinstated after parental leave (A) * 100%.

Retention rate = Total number of employees who remained on the job for 12 months after completing the parental leave (D) / Total number of employees who were reinstated from the parental leave during the previous reporting period (C) * 100%

7.5 Human rights protection and diversity inclusion

7.5.1 Human rights promotion and management

Kaori values human rights and enforces labor policies and a proper work spirit in a fair and respectful manner. The Company is committed to creating a culture of fairness, inclusivity, and open communication as well as shaping a work environment that protects human rights; it goes to great lengths to incorporate relevant values into employees' work activities and corporate culture. In addition to complying with national laws, the Company protects workers out of respect for their human rights and observes international conventions regarding gender equality, prohibition against all forms of discrimination, forced labor, child labor, and avoidance of long work hours. We do not tolerate any form of harassment, discrimination, or any behaviors that are against employment laws. Kaori reported no human rights violations in 2024. The Company completed its first third-party human rights due diligence during the year, in accordance with international human rights conventions, and continues to foster a culture of diversity, equality, and inclusion.

No human rights violations were reported in 2024

The first third-party human rights due diligence was completed

Introduction to the Background of Human Rights Due Diligence

The assessment period for this due diligence was from July 2023 to June 2024. The assessment covered all employees in Kaori's Taiwan operations. Based on their past experiences at Kaori, the survey participants completed a human rights risk assessment questionnaire, which was subsequently verified by Deloitte. This assessment was conducted in accordance with the following international guidelines, directives, sustainability ratings, and standard-based issue frameworks: the UN Global Compact, the International Bill of Human Rights, the UN Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration), and the EU Corporate Sustainability Due Diligence Directive (CSDDD). Through this process, Kaori aims to respond to customer expectations regarding robust human rights management and to demonstrate the Company's proactive approach to addressing actual and potential human rights risks arising from its operations.

Scope and Subjects of the Human Rights Due Diligence

- Assessment Scope:

The scope of this human rights due diligence covers all members of Kaori Heat Treatment Co., Ltd.'s owned and operated facilities in Taiwan, including the Headquarters and Zhongli Plant 3, Zhongli Plant 1, Zhongli Plant 2, Zhongli Ziqiang Plant, and the Kaohsiung Plant.

- Survey subjects:

Kaori's business model involves directly selling products and services to other enterprises rather than end consumers. Its production sites in Taiwan are located within the Zhongli Industrial Park and the Gangshan Benzhou Industrial Park. Under this operating structure, the identification of stakeholders is relatively straightforward. Considering the progress of human rights management and its practical implementation, this assessment targeted all employees within Kaori's owned and operated facilities in Taiwan, including both local and foreign employees. The human rights risk assessment questionnaire was distributed to all staff, with an emphasis on factual accuracy and relevance to real conditions to ensure precise risk identification. This approach helps maximize the effectiveness of the due diligence process based on sound risk management principles.

Human Rights Due Diligence Process

Phase	Description
Establishment of Human Rights Awareness	Designed training programs for both senior management and mid-level to frontline supervisors to help establish a foundational understanding of human rights management, thereby facilitating the effective execution of each stage of the due diligence process.
Identification of Human Rights Issues	Data Analysis: Conducted a contextual analysis of the target industry, business model, and management practices. This included reviewing international human rights standards, customer audit requirements, Kaori's internal human rights management policies, and competitor practices to define the potential scope of human rights risks within Kaori's own operations. Key Interviews: Conducted key interviews with senior decision-makers to identify human rights issues valued by Kaori's leadership. The interview results were analyzed to confirm the scope of relevant human rights topics. - These findings served as the foundation for the formal risk assessment phase.
Human Rights Risk Assessment	Based on the human rights topics identified during the issue identification phase, a human rights risk assessment questionnaire was developed and implemented through a third-party survey platform. To ensure employees could respond in their native language, the Kaori team translated the questionnaire into English, Vietnamese, and Thai.
Verification of Human Rights Questionnaire Results	Based on the results of the human rights risk assessment questionnaire, document reviews and on-site inspections were conducted at Kaori's Zhongli and Kaohsiung facilities. Deloitte also carried out multiple employee interviews, including both random interviews and voluntary one-on-one meetings, to verify the questionnaire results and gain insight into Kaori's actual internal management practices.
Preparation of the Human Rights Investigation Report	A human rights due diligence report for Kaori was compiled to fully disclose the investigation process, related risk analysis results, and recommended actions.

Establishment of Human Rights Awareness

Human rights awareness training enhances employees' understanding of their rights and helps establish proper values. It supports the Company in reducing legal risks, strengthening brand image, increasing employee loyalty, and improving its capacity for diversity management in the context of international development.



The implementation status of human rights-related training in 2024 is shown in the table below:

Date	Training topic	Hours	Training group	Number of participants
May 20	Human Rights Awareness Training	1.5 hour(s)	Senior Management Team	21
June 12	Human Rights Awareness Training	1.0 hour(s)	Managerial Team	73
October 30	Human Rights Mitigation and Remedy Workshop	2.0 hour(s)	Business Units	21
December 5	Corporate Human Rights and Audit Response: The Critical Role of the Sales Department	1.0 hour(s)	Business Units	36

Identification of Human Rights Risk Issues

Potential human rights risks in Kaori's operations were identified through interviews with senior management. Kaori identified a total of 23 human rights risk issues across four major categories, namely labor conditions, physical and mental health, diversity and inclusion, and ethical governance.



Labor Conditions

- A. Forced labor
- B. Talent Training and Development
- C. Working Hours
- D. Wages and Benefits
- E. Child Labor and Protection of Minors



Physical and Mental Health

- F. Physical and Mental Health
- G. Work-Life Balance
- H. Occupational Injuries and Diseases
- I. Public Health, Food, and Accommodation
- J. Safe Operating Guidelines
- K. Occupational safety



Diversity and Inclusion

- L. Maternity Protection
- M. Diversity and Inclusion
- N. Freedom of Speech and Expression
- O. Rights of Persons with Disabilities
- P. Freedom of Religion
- Q. Gender Discrimination
- R. Occupational Discrimination
- S. Freedom of Association
- T. Bullying and Harassment



Ethical Governance

- U. Collective Bargaining
- V. Personal Data and Privacy Protection
- W. Human Trafficking

Human Rights Risk Issues and Corresponding Stakeholders

Issue Code	Issue	Risk Assessment Scenario	Stakeholders
A	Forced labor	The company restricts employees' personal freedom or forces them into involuntary labor, such as coercing them to work by withholding personal identification documents.	All employees
B	Talent Training and Development	The company does not provide adequate job training or internal transfer opportunities, thereby limiting employees' career development. Examples include insufficient training content, lack of clear career advancement paths or channels, or obstruction when employees apply for internal transfers.	All employees
C	Working Hours	Due to peak seasons, urgent business needs, or special operational circumstances, employees are required to work beyond the legal working hours. The company fails to implement proper overtime management, such as requiring employees to work overtime without their consent, failing to accurately record overtime hours, or imposing compensatory leave or schedule adjustments without employee approval.	All employees
D	Wages and Benefits	The wages paid by the company do not meet statutory standards, or there are practices such as arbitrary wage reductions, withholding of salaries, refusal to pay wages (including overtime pay), or unjust cancellation of legally mandated benefits.	All employees
E	Child Labor and Protection of Minors	The company fails to verify minimum age requirements when hiring underage employees or assigns them to hazardous or harmful work.	Child and underage job applicants
F	Physical and Mental Health	The company does not fulfill basic legal obligations regarding employee management and care. Examples include non-compliance with legal shift arrangements, inadequate rest periods, failure to implement epidemic prevention measures (such as not providing necessary protective supplies), or neglecting employees' physical and mental well-being by not offering access to psychological counseling services.	All employees



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Friendly Workplace

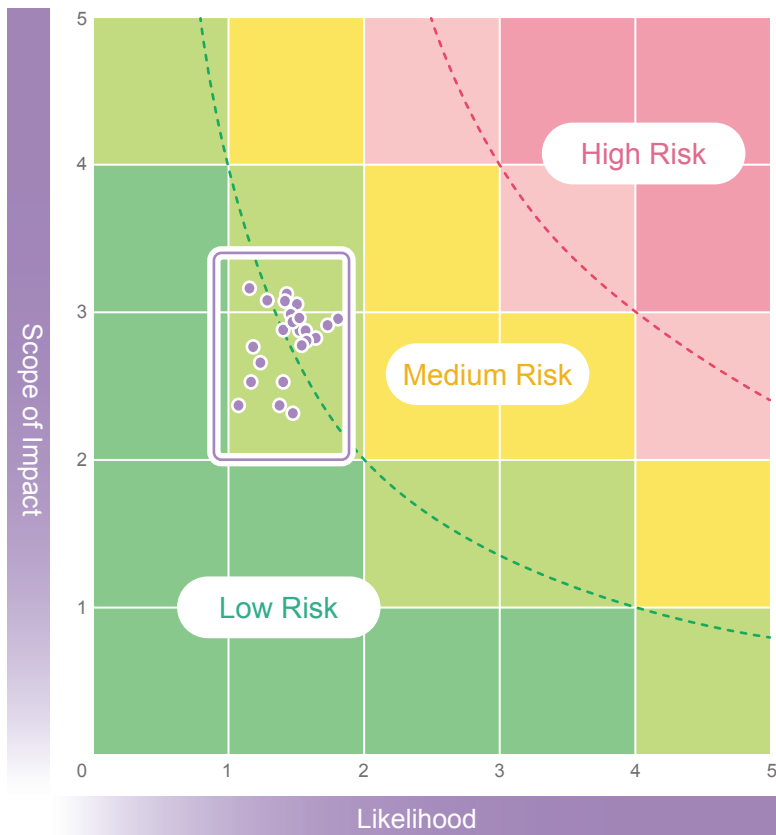
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Issue Code	Issue	Risk Assessment Scenario	Stakeholders
G	Work-Life Balance	The company provides limited support to employees, making it difficult for them to balance work and personal or family life.	All employees
H	Occupational Injuries and Diseases	The company neglects occupational injuries or diseases, failing to properly prevent, manage, and follow up on employee illness or injury cases.	All employees
I	Public Health, Food, and Accommodation	The company does not provide clean and sanitary restroom facilities, drinking water, or dining areas for employees, or lacks adequate emergency shelters, thereby endangering employee health and safety.	All employees
J	Safe Operating Guidelines	The company does not provide safety operation instructions or emergency response guidelines that are accessible and understandable to all employees, making it difficult for them to perform their duties safely.	All employees
K	Occupational safety	The company fails to provide sufficient protective equipment and occupational safety training, exposing employees to safety risks. For example, workers are exposed to extreme temperatures without adequate protective gear.	All employees
L	Maternity Protection	The company lacks adequate and appropriate protection measures for pregnant or breastfeeding female employees, such as suitable work arrangements, health assessments, and ongoing monitoring.	Female employees
M	Diversity and Inclusion	The company fails to accommodate the diverse needs of different groups and does not provide a friendly and inclusive work and living environment. Examples include only providing policies in Chinese or showing a lack of respect for religious dietary or lifestyle practices.	All employees
N	Freedom of Speech and Expression	The company suppresses or restricts various forms of expression, preventing employees from filing complaints or freely expressing their opinions.	All employees
O	Rights of Persons with Disabilities	The company lacks accessible facilities, creating mobility barriers or making it difficult for employees with disabilities to perform their work.	Employees with disabilities
P	Freedom of Religion	The company forces employees to participate (or prohibits them from participating) in religious activities, treats employees unequally due to religious beliefs, or fails to respect religious practices by neglecting the need for appropriate spaces, food, or accommodations.	All employees
Q	Gender Discrimination	The company treats employees and job applicants unequally based on gender in recruitment, compensation, training, career development, or workplace interactions. Examples include gender-based filtering for certain positions or promotions.	All employees and job applicants
R	Occupational Discrimination	The company evaluates job applicants or treats employees differently based on non work-related factors, including but not limited to nationality, marital status, age, health information, or religious beliefs. Examples include unfair promotion policies, unequal task assignments, or discriminatory compensation practices.	All employees and job applicants
S	Freedom of Association	The company obstructs or prohibits employees from organizing or participating in civil groups such as political parties, labor unions, or associations.	All employees
T	Bullying and Harassment	The workplace involves situations where supervisors or colleagues abuse their power or position to mistreat others, including incidents of verbal or physical violence, intimidation, threats, bullying, or harassment (including sexual harassment).	All employees
U	Collective Bargaining	The company lacks a proper mechanism for labor-management negotiation, or fails to honor agreements reached after full communication between labor and management. For example, labor-management meetings are not held regularly, or resolutions passed during such meetings are not implemented.	All employees
V	Personal Data and Privacy Protection	The company arbitrarily collects employees' personal data without consent or monitors employees through unlawful means, thereby infringing on their right to privacy.	All employees
W	Human Trafficking	The company fails to implement appropriate preventive measures against human trafficking, such as establishing comprehensive monitoring procedures and systems, or providing educational training on human trafficking awareness.	All employees

The results of the human rights risk analysis indicate a medium-low level of risk

Human Rights Risk Matrix

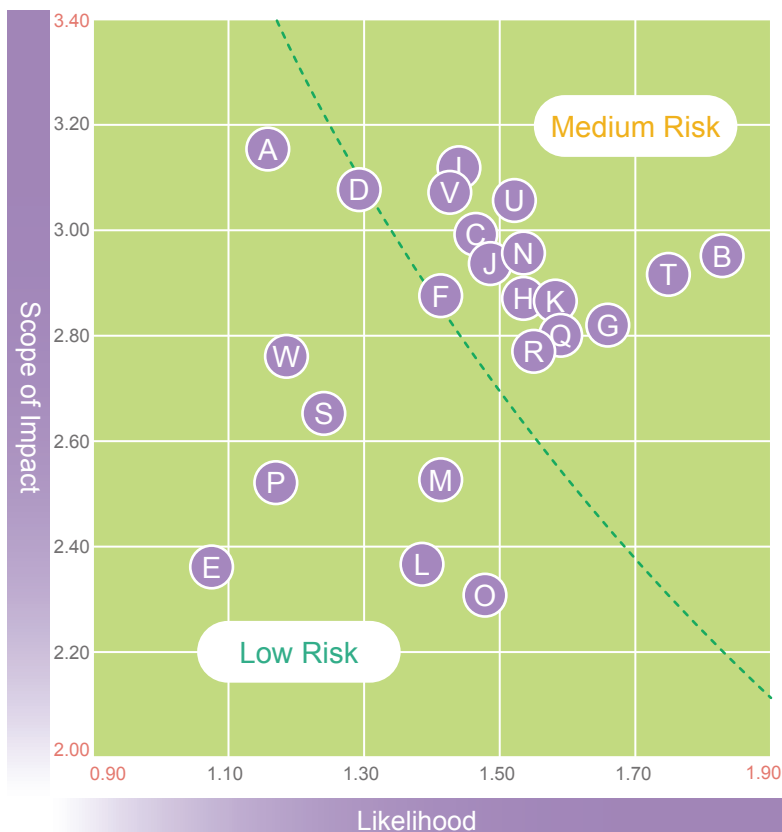


Overall

Each topic is classified as high, medium, or low risk based on the risk score calculated from the likelihood of occurrence and the scope of impact. A risk score of ≤ 4 is considered low risk, located to the left of the green line in the chart on the left; a score of >4 and ≤ 12 is considered medium risk, located between the green and red lines; a score of >12 is considered high risk, located to the right of the red line.

According to the results of the Human Rights Risk Assessment Questionnaire, the evaluation of 23 human rights topics falls within the low- to medium-risk range overall. This indicates that employees generally perceive a low likelihood of human rights violations occurring at Kaori and believe the potential impact to be limited.

- High Risk > 12
- Medium Risk $\leq 12, > 4$
- Low Risk ≤ 4



Specific Scope

Based on the questionnaire results, the likelihood scores for the 23 human rights risk topics ranged from 0.9 to 1.9, the impact scope scores ranged from 2 to 3.4, and the resulting risk scores ranged from 2.54 to 5.36. Of the 23 topics, 9 were classified as low risk and 14 as medium risk.

- | | |
|--|--|
| A Forced labor | M Diversity and Inclusion |
| B Talent Training and Development | N Freedom of Speech and Expression |
| C Working Hours | O Rights of Persons with Disabilities |
| D Wages and Benefits | P Freedom of Religion |
| E Child Labor and Protection of Minors | Q Gender Discrimination |
| F Physical and Mental Health | R Occupational Discrimination |
| G Work-Life Balance | S Freedom of Association |
| H Occupational Injuries and Diseases | T Bullying and Harassment |
| I Public Health, Food, and Accommodation | U Collective Bargaining |
| J Safe Operating Guidelines | V Personal Data and Privacy Protection |
| K Occupational safety | W Human Trafficking |
| L Maternity Protection | |

Risk Mitigation and Remedy Measures for Human Rights Issues

Talent Training and Development

Stakeholders

All employees

Preventive and Mitigation Measures

- Propose the following year's training plan in the fourth quarter each year and implement internal and external training programs accordingly to enhance employee skills.
- Assign mentors to new employees to strengthen on-the-job training.
- Provide internal transfer opportunities based on business needs, employees' competencies, and individual preferences.
- Incorporate training and talent development into performance reviews. Department heads are required to conduct self-assessments and evaluate the competency development and training outcomes of their team members during the appraisal process.
- Foster a corporate culture that encourages employees to learn new technologies and methods to improve individual work efficiency.

Follow-up Remedy Measures

- The Human Resources unit provides each department with the implementation results of the annual training plan, which serve as the basis for improving and adjusting the talent development plan for the following year.
- Based on performance evaluation results, the Company identifies the professional or managerial competencies that need to be strengthened in each department and organizes relevant training programs accordingly.

Bullying and Harassment

Stakeholders

All employees

Preventive and Mitigation Measures

- Establish a code of conduct for employees that explicitly prohibits all forms of bullying and harassment, and regularly promote awareness of the policy.
- Organize regular anti-bullying and anti-harassment training sessions to enhance employees' understanding of these issues. Help employees learn how to identify, prevent, and respond to bullying behaviors.

Follow-up Remedy Measures

- Multiple grievance channels are available within the organization, with the privacy of complainants fully protected to ensure employees have adequate and trustworthy means of seeking redress.
- Upon receiving a complaint, an investigation procedure must be initiated immediately. During the investigation, temporary protective measures should be taken, such as appropriate separation between the alleged offender and the victim.
- Victims of bullying or harassment should be provided with necessary support and protection, including legal assistance, psychological counseling, and job reassignment if needed. Regular employee care and follow-up should be conducted.
- Disciplinary actions should be taken against the offender, and legal liability should be pursued where applicable.

Work-Life Balance

Stakeholders

All employees

Preventive and Mitigation Measures

- In accordance with the Labor Standards Act, flexible working hour options are provided to help employees balance work and family life.
- Designated occupational safety and health personnel are assigned to offer health and psychological counseling services, supporting employees in addressing personal and family-related issues.
- Annual assessments of employee workload are conducted to prevent overwork and ensure appropriate adjustments to assigned tasks.
- Health seminars on time management and stress management are held to help employees improve work efficiency and strengthen their ability to cope with pressure.

Follow-up Remedy Measures

- Communicate and coordinate with affected employees to understand their needs and difficulties, and adjust working hours or job assignments based on their feedback.

7.5.2 Human Rights Management Implementation Status

Kaori's "Personnel Management Regulations" clearly prohibit all forms of forced labor, imprisonment, bonded labor, prison labor, debt bondage (including labor in repayment of debt), human trafficking, and slavery. All employment must be based on the free will of the employee. In addition to complying with labor laws, the Company has established specific regulations for the management of migrant workers to protect their labor rights and interests. Kaori is committed to 100% compliance with relevant labor laws and regulations. In accordance with RBA standards, we publicly disclose our labor policies and require our suppliers to sign a Corporate Social Responsibility Code of Conduct Statement, which strictly prohibits the employment of child labor, the assignment of hazardous work to young workers, and all forms of forced labor.

Implementation Status of the Eight Key Human Rights Indicators in 2024

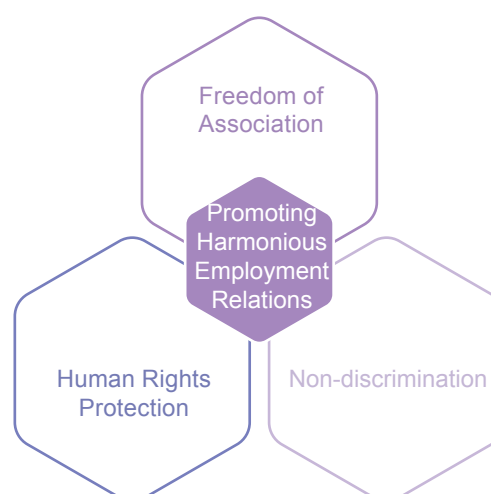
Human rights management policy	Specific plans
Diversity, inclusion, and equal opportunity	1. We value the diversity of all employees and ensure equal treatment. Regardless of position, age, gender, or nationality, all team members are entitled to equal opportunities. 2. Menstrual leave is better than the one under the Gender Equality in Employment Act. 3. Full compliance in employing the legally required number of employees with disabilities. 4. Home leave provided for migrant workers.
Against discrimination, bullying, and harassment.	1. Issue a statement against unlawful conduct, promote it through emails and the official LINE account, and display it on bulletin boards across all plant locations. 2. Install anonymous suggestion boxes at each plant site. 3. Invite psychologists or legal professionals to hold lectures or seminars. 4. Upon identifying relevant issues, the Occupational Safety and Health Department will immediately initiate an investigation. 5. Provide promotional materials in multiple languages.
Comply with basic wage and reasonable working hours	1. The working hours for mid-day and night shifts are reduced by 0.5 hours, which is more favorable than the daily working hour requirements stipulated by the Labor Standards Act. 2. Entry-level employees are offered starting salaries that exceed the minimum wage requirements set by local regulations. 3. Meal allowances are provided based on overtime hours.
Prohibition of forced labor and child labor	1. Comprehensive explanations of Company policies and job responsibilities are provided during interviews to reduce issues arising from information asymmetry. 2. Comply with all relevant laws and regulations by strictly prohibiting the use of child labor, and implement a comprehensive review mechanism to prevent any misuse. 3. Dispatch contracts explicitly prohibit the use of child labor.
Healthy and Safe Workplace Environment	1. Obtained the ISO 45001:2018 Occupational Health and Safety Management System certification. 2. Fully equipped nursing rooms and medical rooms are available. 3. Clean and well-lit office environment. 4. Company facilities include heating and air conditioning, warm water sinks, and bidet toilet seats. 5. Rest areas feature a coffee bar and massage chairs. 6. Irregular health seminars are held and health information is provided. 7. Doctors are stationed at the plants to provide health education and health consultations regularly. 8. Employee health is managed, with follow-up and health guidance provided to those with abnormal health examination results. 9. Provide a variety of club activities. 10. Free physical health examinations are provided to employees annually.

Human rights management policy	Specific plans
Implementation of Cybersecurity	1. Obtained the 27001 - Cybersecurity Management System certification. 2. Employees undergo regular cybersecurity testing. 3. Computer security updates are performed on a regular basis. 4. Cybersecurity awareness campaigns are regularly conducted to enhance all employees' cybersecurity awareness. 5. Signed the "Computer Software Usage Agreement (Consent to Information Security Compliance)".
Promoting Harmonious Employment Relations	1. Regularly hold labor-management meetings. 2. Hold seminars for migrant workers from time to time.
Grievance and Reports	1. Set up grievance mailboxes and telephone numbers. 2. Install anonymous suggestion boxes at each plant site.
Others	1. Recognized as an outstanding enterprise in the "Active Evaluation of Occupational Health and Safety Performance Disclosure in Corporate Sustainability Reports" by the Occupational Safety and Health Administration, Ministry of Labor. 2. Completed the first third-party human rights due diligence. 3. Approximately 425 participants attended the annual "Human Rights Re-education" program. 4. Approximately 315 participants attended the "Climate Change and Environmental Policy" course. 5. Approximately 540 participants attended the "Occupational Safety and Health Education and Training" program. 6. Approximately 150 participants attended the "Corporate Human Rights and Practice Management" course. 7. Since 2022, a total of 200 consultations have been provided by on-site physicians.

Human rights and anti-discrimination

Kaori prohibits any form of sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuse or inhumane treatment of employees. If employees have doubts about the Company's system or the management of officers, they can file a grievance in writing. The Administrative Management Division will handle the discrimination against the employee in accordance with the "Employee Reporting and Grievance Handling Procedures." With an independent and objective attitude, we seek to understand as soon as possible. If the investigation results are true, the Company will punish the discriminator and inform the complainant of the outcome.

Under the control of the effective mechanism, there were no related discrimination cases in 2024. In addition, we also conduct human rights communication and training, such as getting new employees to sign documents through new employee training courses, electronic official document reminders, requiring on-site personnel to sign, requiring suppliers to sign an ethical commitment, and customer confirmation during audits.



7.5.3 Labor-Management Communication

Good labor-management communication helps the Company improve weaknesses and develop the solid foundation needed to raise competitiveness. The Company provides a broad diversity of communication channels that employees can use to express opinions. Kaori believes that effective communication and bilateral interaction between labor and management is a useful way of uniting employees. Employees who have physical or mental disabilities are offered assistance from a variety of sources; meanwhile, efforts are made to learn and adjust their workload and to provide care, support, and assistance where possible.

Employees are able to express opinions through the Employee Welfare Committee, labor-management meetings, the grievance mailbox, and the grievance hotline. Kaori has the “Regulations for Implementing Labor-Management Meeting” in place to support a harmonious work environment. Labor-management meetings are held once every three months to facilitate communication and cooperation between labor and management for the benefit of both sides. The Company also ensures that all of the employees' opinions, suggestions, and feedback are handled by dedicated personnel. Meanwhile, systems have been implemented to protect employees from all forms of retaliation and threat. Although the Company does not have a labor union or collective bargaining agreement, it holds regular labor-management meetings and has transparent communication channels in place.

Matters to be discussed in labor-management meetings:

- Regular announcements and reminders of various bonus distribution matters
- Employee annual physical examination and employee health consultation services
- Distribution of employee remuneration
- Promote various employee activities and organize publicity, including annual year-end parties.
- Annual calendar publication
- Establish online employee communication channels, such as various social networking sites, to increase two-way communication with employees without time difference

A total of five such meetings were convened in 2024, and each meeting had 10 participants. No grievance were raised internally and no misconduct report was raised externally during the year. Kaori handled the report according to relevant policies and will continue following up on subsequent progress while taking preventive measures.

Grievance Channels



Grievance mailbox: jocelyn@kaori.com.tw



Grievance hotline: 03-4527005 #236

All-round communication channels, diverse, two-way, and open response mechanism, through the implementation of employee communication and feedback, so that colleagues' voices can be effectively handled and responded to, and colleagues' doubts are resolved through a fair, confidential, and expedited handling process to build a good labor-management relationship.

Diversification of Labor-management Communication Channels

The Company respects employees' legal rights to freedom of assembly and association. Establish labor-management meetings, occupational safety and health committees, and employee welfare committees in accordance with the following table:

Meeting name	Meeting chairperson	Frequency of meetings	2024 Feedback issues
Labor-management meetings	Labor-employer rotation	Once a quarter	No material issues
Occupational Safety and Health Committee	Labor-employer rotation	Once a quarter	No material issues
Employee Welfare Committee	Chairperson	Once a quarter	No material issues
Grievance/Whistleblowing Evaluation Committee	Committee rotation	According to actual needs	No material issues
Sexual Harassment Review Committee	Committee rotation	According to actual needs	No material issues

We adhere to the principle of information confidentiality. Employees or potential employees raise any questions, suggestions, complaints or grievances to their supervisors or managers in good faith, or participate in the investigation or handling of any of them in any way. No employee will be subjected to dismissal, blacklisting, discrimination, harassment, intimidation, retaliation, or any other adverse employment decision for doing so.

7.5.4 Freedom of Association

Kaori respects and protects the legal rights of employees to form or join organizations, as well as their rights to collective bargaining and peaceful assembly. Furthermore, we undertake not to inflict unequal treatment on employees who participate in the above association activities, nor to use rewards or intimidation to control or attempt to control employees. The Company shall not interfere with employees in establishing their own charters and rules, freely choosing their representatives, managing their organization and activities, and creating their own plans. Under the open association system, employees are not subject to retaliation, threats, or harassment, and they can openly communicate with the Company about work and management issues. Although Kaori does not have a collective agreement, employee rights are protected through mechanisms such as labor-management meetings.

7.5.5 Minimum notice periods regarding operational changes

Should the Company encounter a major change of operation that affects employees' rights or terms of employment, we comply with the "Labor Standards Act" regarding the minimum notice period for terminating labor contracts, as outlined below:

- If the individual has served at the Company for more than three months but less than one year, the notice shall be given ten days in advance.
- If the individual has served at the Company for more than one year but less than three years, the notice shall be given twenty days in advance.
- If the individual has served at the Company for more than three years, the notice shall be given thirty days in advance.

7.6 Workplace Safety and Health

Material issues	Management Approach
 Workplace safety and health	Policy 1. Comply with occupational safety laws and regulations; protect safety and health; 2. Cherish workers' lives; raise safety awareness; 3. Emphasize workplace discipline; promote workplace safety and health; 4. Implement self-management; strengthen audit and inspection; 5. Provide adequate counseling and communication; 6. Continuously review and improve; move towards sustainable development
	Goal To establish a safety culture and create an occupational disaster-free work environment
	Commitment To reduce the risk of occupational accidents and provide a quality occupational safety and health work environment through continuous improvement and systematic operation, moving towards the goal of zero incidents and sustainable development
	Measures 1. Based on "ISO 45001:2018 Occupational Safety and Health Management System" and the "Occupational Safety and Health Act" 2. Comply with occupational safety and health laws and other requirements, establish hazard identification and classification management system to reduce occupational safety and health risks 3. Occupational safety and health system, self-inspection, maintenance, repair, and management, and safety and health audit operations 4. Occupational safety and health education and training, emergency response and drills, and work environment measurement

In order to establish a corporate safety culture, Kaori is committed to providing employees, customers, business partners and other stakeholders with a safe, comfortable and healthy workplace environment. In 2023, Kaori successfully implemented the ISO 45001:2018 Occupational Health and Safety Management System and obtained third-party international certification. With the management system framework, we implement the PDCA cycle concept focusing on safety and health to continuously improve the safety of the working environment in each factory, reduce and eliminate workplace hazards and related illness, and aims to achieve sustainable operations while fulfilling our social responsibility.

Awarded in 2024 as an outstanding enterprise in the "Active Evaluation of Occupational Health and Safety Performance Disclosure in Corporate Sustainability Reports" by the Occupational Safety and Health Administration, Ministry of Labor, in recognition of the Company's performance in occupational health and safety management and its contribution to enhancing the sustainable value of a healthy workforce.

To guide enterprises in practicing the Sustainable Development Goals (SDGs) and promote the mainstreaming of occupational health and safety across supply chains, the Occupational Safety and Health Administration, Ministry of Labor encourages companies to disclose their sustainability performance in accordance with the GRI 403: Occupational Health and Safety standards. By using leading indicators to demonstrate their performance in occupational health and safety management, companies are able to create dignified, friendly, healthy, and joyful workplaces. These indicators are widely applicable to all enterprises for disclosing relevant performance, showcasing their resource investment and quantifiable outcomes in occupational health and safety, thereby enhancing both a healthy workforce and corporate competitiveness.

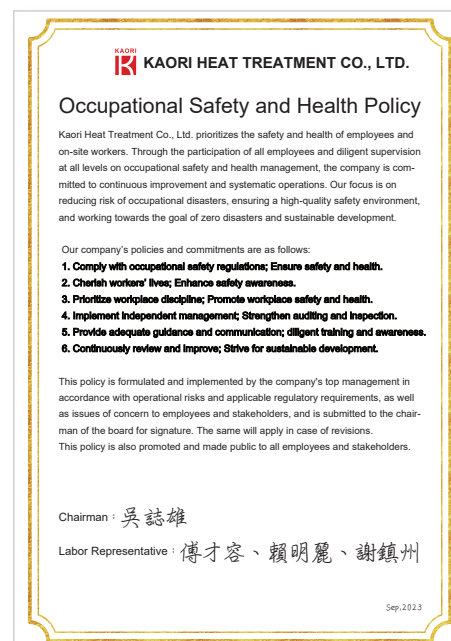


Receiving this award once again highlights Kaori's long-term planning and commitment to sustainable development. Looking ahead, Kaori will continue to promote more innovative and concrete measures to further enhance its occupational health and safety standards, strengthen corporate social responsibility, and build a safe and sustainable workplace.

7.6.1 Occupational Safety and Health Policy and System

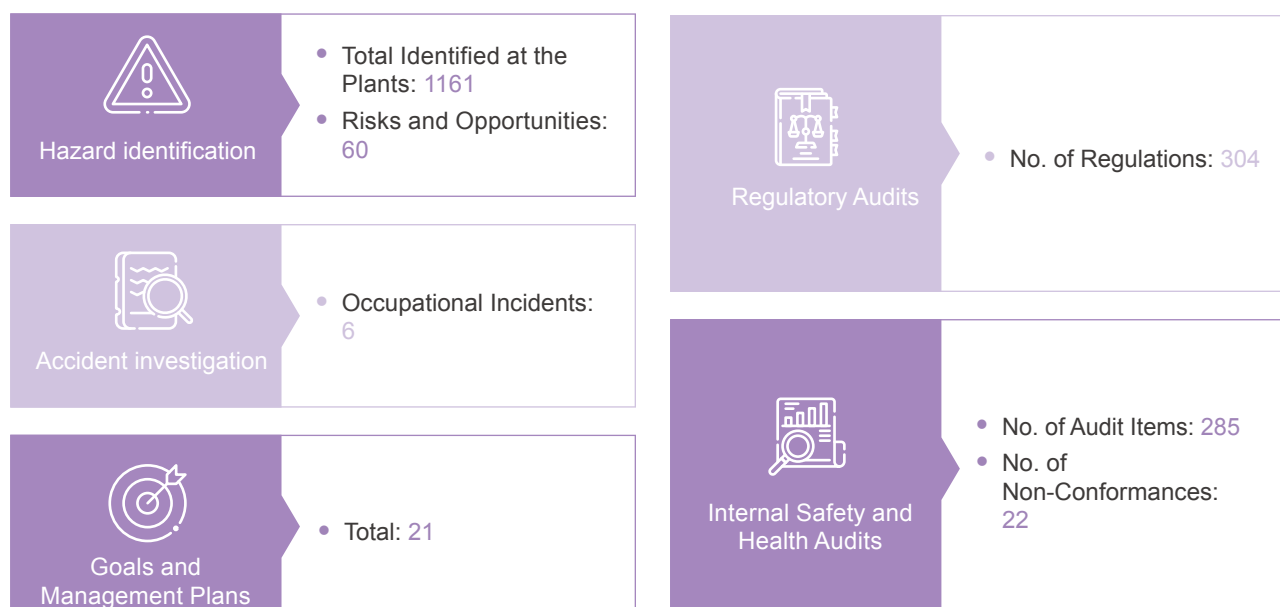
Kaori's occupational health and safety policy has taken into account the following considerations:

Organizational Characteristics	Including the organization's mission, scale, the nature of its products or services, and the complexity of the workplace.
Occupational Health and Safety Risks and Opportunities	Understand the occupational health and safety risks and opportunities faced by the organization through hazard identification and risk assessment.
Legal and other requirements	Comply with all legal and other requirements applicable to the occupational health and safety of the organization.
Stakeholders' expectations	Consider the expectations of the organization's stakeholders, including employees, customers, investors, and regulatory authorities.



With the above considerations in mind, Kaori has redefined appropriate occupational safety and health policies to ensure a safe and healthy work environment, prevent work-related injuries and diseases, and continuously improve occupational safety and health performance.

2024 Benchmark Implementation Results



Implementation of safety and health indicators in 2024

Occupational safety and health indicators		Scoring criteria	Target value	Actual value
Proactive performance indicators				
1	Target management program achievement rate (%)	$[1 - (\text{Number of overdue cases}/\text{total cases})] * 100\%$	100%	95%
2	Operational control achievement rate (%)	$[1 - (\text{Number of overdue cases}/\text{total cases})] * 100\%$	100%	100%
3	Improvement rate of risks and opportunities (%)	$(\text{Number of risk improvement cases}/\text{Number of discovered cases}) * 100\%$	100%	100%
4	Total Recordable Incident Rate (TRIR)	$(\text{Number of recordable occupational injuries} / \text{Total hours worked} \times 200,000)$	<0.39	99%
5	Occupational Injury Fatality Rate per Thousand Employees	$(\text{Number of occupational injury fatalities} / \text{Average number of employees per year})$	0	0
6	Near Miss Frequency Rate (NMFR)	$(\text{Number of near miss incidents} / \text{Total hours worked}) \times 1,000,000$	-	0
7	Compliance rate of the actual values with legal standards for the operating environment monitoring (%)	$[1 - (\text{Number of cases exceeding the legal standard value}/\text{Total measured cases})] * 100\%$	100%	100%
8	Education and training efficiency (%)	$[1 - (\text{Number of outstanding cases}/\text{total cases})] * 100\%$	100%	100%
9	Readiness rate of personnel with recognized certifications (%)	$[1 - (\text{Number of employees without recognized certificates}/\text{Number of employees required to have recognized certificates})] * 100\%$	100%	100%
10	Compliance rate with regulations and other requirements (%)	$(\text{Number of action plans taken}/\text{Total number of nonconformities}) * 100\%$	100%	100%
11	Automated inspection implementation rate (%)	$(\text{Items implemented}/\text{items to be implemented}) * 100\%$	100%	100%
12	Health checkup implementation rate (%)	$(\text{Number of people who underwent the check} / \text{Number of people required to undergo the check}) * 100\%$	100%	100%
13	Occupational safety and health committee participation rate (%)	$(\text{Number of participants}/\text{total number of participants required}) * 100\%$	100%	91%
Passive performance indicators				
1	Disabling injury frequency rate (FR)	$(\text{Number of disabling injuries} \times 1,000,000)/\text{Total working hours}$	<1.92	4.95
2	Disabling injury severity rate (SR)	$(\text{Number of days lost due to disabling injuries} \times 1,000,000)/\text{Total working hours}$	<65	49
3	Fragile States Index (FSI)	$\sqrt{(\text{F.R.} \times \text{S.R.})/1,000}$	<0.35	0.49
4	Annual health checkup abnormality rate (%)	$(\text{Number of people with abnormality}/\text{total number of people undergoing annual health checkup}) * 100\%$	<85%	70%
5	Contractor disabling injury frequency rate (FR)	$(\text{Number of disabling injuries} \times 1,000,000)/\text{Total working hours}$	<1.92	0
6	Percentage of false alarms, ill health, and property damage cases investigated and analyzed (%)	$[1 - (\text{Number of cases not investigated and analyzed}/\text{Number of cases to be investigated and analyzed})] * 100\%$	100%	100%

Note:

1. The FR and SR targets are based on the data of "Machinery and Equipment Manufacturing Industry" according to the statistics of the Ministry of Labor in 2024 (peers reference)
2. The TRIR target is estimated based on the data of "Machinery and Equipment Manufacturing Industry" according to the statistics of the Ministry of Labor in 2024 (peers reference)
3. No target value is defined for the Near Miss Frequency Rate (NMFR), as the number of near miss incidents is often closely related to employees' willingness to report rather than the actual level of risk. To prevent data distortion caused by over-reporting or selective reporting, no target value is set.
4. Number of people with abnormal health checkup: Personnel classified as Levels 3-4 according to the health checkup report in 2024

Worker involvement

Safety and health are an eternal issue for enterprises and the basic right of every worker. Worker participation in safety and health is a key factor in improving occupational safety and health performance. According to the ISO 45001 occupational safety and health management system standard, worker participation refers to the participation of workers at all stages of the planning, implementation, evaluation, and review of an occupational safety and health management system.

In order to encourage workers to participate in the PDCA, Kaori expects to:

Raise safety and health awareness

By participating in safety and health management, workers can raise their awareness of and attention to safety and health.

Improve safety and health performance

Workers can provide first-line information and advice to help enterprises effectively identify and control hazards.

Improve job satisfaction

By participating in safety and health management, workers can feel the Company's respect and care for them, thereby improving work satisfaction.



Consultation and Communication

Workers have the right to offer opinions and suggestions on safety and health matters.

Create a Kaori's dedicated safety, health, and wellness area, leveraging the convenience, immediacy, and privacy of LINE to lower the threshold for workers to participate in safety and health management.



Education and Training

Workers shall receive necessary safety and health education and training.



Occupational Safety and Health Training Implementation Results in 2024

Plant		Zhongli Plant				Kaohsiung Plant			
Safety and Health		Total training hours		No. of participants		Total training hours		No. of participants	
		Female	Male	Female	Male	Female	Male	Female	Male
Employee category	Direct	58.00	436.00	31.00	127.00	67.0	1,090.0	25.0	255.0
	Indirect	187.00	570.00	74.00	181.00	22.0	191.0	10.0	38.0
Job Classification	Managerial role	33.00	248.00	16.00	80.00	1.0	67.0	1.0	16.0
	Non-managerial role	212.00	758.00	89.00	228.00	88.0	1,214.0	34.0	277.0
Nationality Classification	Domestic	245.00	1,006.00	105.00	308.00	89.0	1,257.0	35.0	269.0
	Foreign	-	-	-	-	-	24.0	-	24.0
Age Classification	30 and below	22.00	112.00	11.00	39.00	1.0	104.0	1.0	24.0
	30-50	187.00	688.00	76.00	224.00	69.0	1,069.0	23.0	233.0
	50 and above	36.00	206.00	18.00	45.00	19.0	108.0	11.0	36.0
Total		1,251.00		413.00		1,370.0		328.0	
Average training hours		3.03 hours/person				4.18 hours/person			

2024 Safety and Health Committee Meeting Operations

Number of labor and management representatives on the Occupational Safety and Health Committee				Attendance and participation rate
Zhongli Plant		Kaohsiung Plant		
Labor	Employer	Labor	Employer	
13	18	4	7	91%



7.6.2 Occupational Safety and Health Committee

In order to listen to the opinions of employees and their representatives and encourage them to actively participate in all activities of interest in the occupational safety and health management system, we are committed to continuously eliminating the chance of hazards and achieving the effect of disaster prevention through continuous improvement. The Company has also assembled an Occupational Safety and Health Committee that consists of plant managers, occupational safety personnel, and worker-elected representatives. No. of committee members in the Zhongli Plants: A total of 31 committee members in the Zhongli Plants, including 9 in Zhongli Plant 1, 8 in Zhongli Plant 2, 7 in Zhongli Plant 3 (including worker health service personnel), and 7 in Ziqiang Plant, as well as 11 committee members in the Kaohsiung Plant.

The Occupational Safety and Health Committee convenes meetings regularly to discuss, promote, review, supervise, and resolve issues concerning occupational safety, health, and environmental protection. Through regular supervision and execution of improvement plans, the committee is able to promote work safety awareness among plant workers and take steps toward reducing the injury rate and contributing to the Company's zero hazard vision.

Number of Occupational Safety and Health Committee members in each plant				
Zhongli Plant 1	Zhongli Plant 2	Zhongli Plant 3	Ziqiang Plant	Kaohsiung Plant
9	8	7	7	11
There are a total of 31 committee members in the Zhongli Plants				There are a total of 11 committee members in the Kaohsiung Plant

Overview of Occupational Safety and Health Committee Meetings in 2024:

Safety and health committee meetings	Meetings are held quarterly/four meetings per year according to law
Key resolutions and actions	- Stakeholder needs and expectations. - Ensuring compliance with legal and other requirements. - Planning, establishing, implementing, and maintaining audit programs. - Implementation plan for safety and health education and training. - Work environment monitoring plans, monitoring results, and corresponding actions. - Health management, occupational disease prevention, and health promotion measures. - Safety and health proposals. - Self-inspections and safety and health audit matters. - Preventive measures for hazards related to machinery, equipment, raw materials, or substances. - Occupational incident investigation reports. - Assessment of on-site safety and health management performance. - Safety and health management for contracted operations.

Organizational Chart of the Occupational Safety and Health Committee



Professional Certification and Training

Zhongli Site

Certified occupational safety and health officers: 12

- Class-C occupational safety and health managers: 2
- Class-C occupational safety and health managers (construction industry): 1
- Class-A occupational safety and health managers: 4
- Class B occupational safety and health officers: 2
- Class A occupational safety and health officers: 2
- Professional nurses: 1

*The above licenses are in compliance with the laws and regulations and are valid and have completed the retraining.

Employees subjected to relevant safety and health training: 226

- Fire safety managers: 6
- Organic solvent operations managers: 5
- Dust operations supervisors: 1
- Hypoxia operations supervisors: 3
- Pressurized gas supply and consumption supervisors: 3
- Pressurized gas production safety officers: 2
- Special chemical substances supervisors: 4
- 1-tonne+ forklift operators: 36
- First-aid personnel: 18
- Oxy-fuel welding operators: 2
- Crane operators: 73
- Crane operators for loads of 3 (5) tonnes or more: 3
- Stationary crane operators (for loads less than 3 tonnes): 55
- Radiation protection training in place of Radiation Safety Certificate: 3
- Pressurized gas equipment operators: 12

Kaohsiung Plant

Certified occupational safety and health officers: 2

- Class-A occupational safety and health managers: 1
- Class B occupational safety and health officers: 1

*The above licenses are in compliance with the laws and regulations and are valid and have completed the retraining.

Employees subjected to relevant safety and health training: 34

- Forklift operators: 7
- Stationary crane operators: 18
- Pressurized gas equipment operators: 3
- Retraining for first-aid personnel: 4
- Fire safety managers: 1

7.6.3 Labor health services

- Nurse (occupational health) primary tasks:
 1. Complete employee health checkups (for general and special operations).
 2. Apply tier-based management for general and special health checkups and offer health guidance and knowledge.
 3. Suitability assessment and reinstatement of new recruits and existing employees.
 4. Implement and evaluate the four main programs (abnormal workload, ergonomic, maternity, and over-stress).
 5. Implement and evaluate the senior program, respiratory protection program, and hearing protection program.
 6. Organize first-aid personnel training programs.
 7. Maintain the Company's LINE health promotion fan group. Through the fan group's functions, establish occupational safety and health-related reporting content (including occupational hazard reports, false alarm incident reports, maternity protection reports, and unlawful harassment reports). This platform not only provides employees with more accessible health consultations and promotion channels but also enables real-time reporting, allowing occupational safety personnel to intervene and address issues promptly.

2024 Promotion Highlights:

Kaori values the health and safety of its employees. In addition to annual health checkups, the Company is progressively enhancing health management and skill training for employees through the following measures:

1. Improve and prevent occupational illness at plant sites:

By leveraging the expertise and knowledge of both general practitioners and medical specialists, Kaori aims to identify hazards associated with the workplace and operations and provide employees with the knowledge and recommendations needed to avoid occupational hazards and accidents.



2. Enhance emergency response and first-aid skills at plant sites:

Kaori will train first aid personnel from time to time and organize courses that other employees may take part in from time to time. These training efforts will help improve emergency response and crisis awareness of plant workers, and strengthen employees' knowledge on emergency aid.

3. Promote employees' health awareness: Distribute health-related articles to enhance employees' knowledge of health.

4. Fulfill ESG and corporate social responsibility: Organize blood donation events in line with the Company's sustainability philosophy, with employees actively participating in the initiative.

5. Organize health promotion activities:

A three-month small-group weight loss program was held, featuring courses led by dietitians and fitness coaches. The initiative aimed to help employees learn how to choose healthy and nutritious foods and manage their weight effectively.

6. Actively promoted workplace health promotion activities and measures, and obtained the "Badge of Accredited Healthy Workplace" from the Health Promotion Administration, Ministry of Health and Welfare. The certification is valid from January 1, 2025 to December 31, 2027. (As shown on the left)



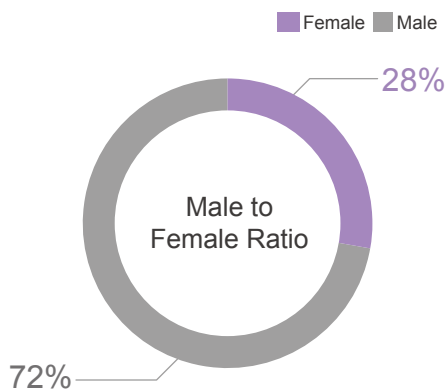
Employee health checkups

Kaori has long been committed to “protecting the safety, health, and welfare of workers and stakeholders, preventing occupational hazards, and promoting employees' physical and mental health”, and has implemented policies that are more stringent than what the laws require. The Company organizes employee health checkups once a year. An organization-wide health risk assessment is conducted after each checkup report to highlight high-risk employees for consultation and regular follow-up with physicians and to identify medium-risk employees for health-related discussions.

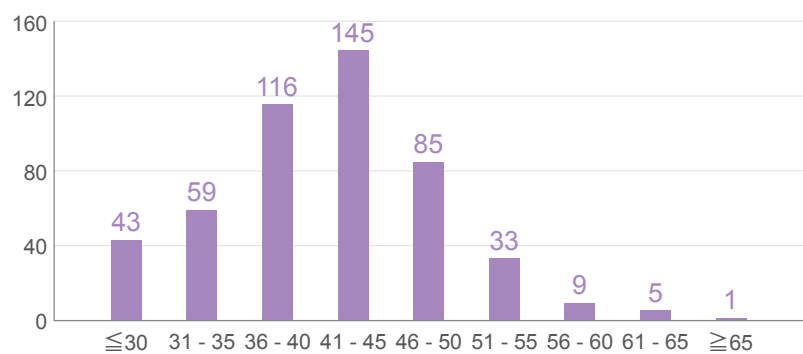


- Execution of employee care programs in 2024:

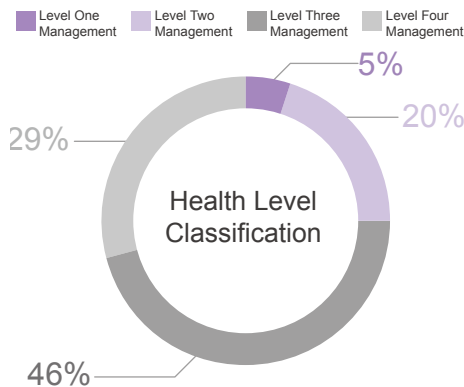
Male to Female Ratio



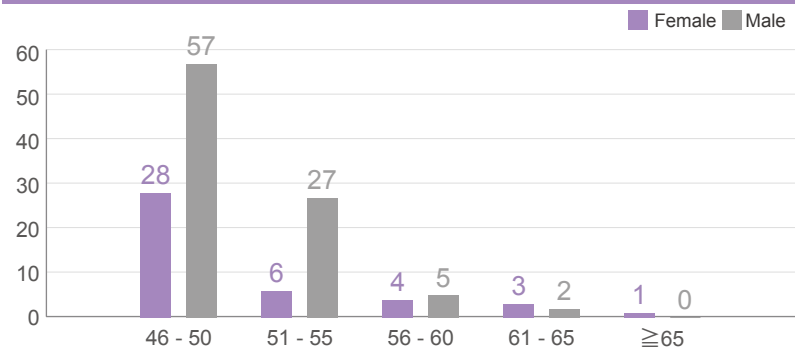
Age distribution



Health Level Classification



Distribution Chart of Middle-aged and Older Male and Female Employees



• Five Major Protection Programs

▶ Maternity health protection program	No. of people the medical staff interviewed: 8
▶ Respiratory protection plan	No. of people the doctors interviewed: 20
▶ Middle-aged and elderly job suitability assessment plan	No. of people the doctors interviewed: 0 (no eligible cases required interviews this year)
▶ Ergonomic hazard prevention plan	No. of people the medical staff interviewed: 34
▶ Illness prevention program for abnormal workload	No. of people the medical staff interviewed: 36
▶ Unlawful harassment prevention plan	No. of cases accepted this year: 0

• Health checkups risk management

▶ New recruits	No. of people who received medical consultations and recommendations: 38
▶ Annual health checkup	No. of people who received medical consultations and recommendations: 409

• Injury and illness care and support

▶ General injury and illness health care follow-up:	17 persons
▶ Occupational injury health care follow-up	18 persons (including commuting accidents)

• Regular follow-up and support

▶ Health care follow-up for employees with chronic illnesses:	50 persons
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• Measures taken for promoting employees' health in 2024

1. Sports Clubs:

Kaori has established a yoga club and a fitness boxing club and hired professional instructors to teach and improve employees' state of health.

2. The Company also engages qualified caterers to manage employee cafeterias and invites professional nutritionists to design menus that correct the irregular, high-fat, high-salt, and high-sugar diets of the modern population, thereby improving employees' state of health.



3. Health-related articles are disseminated on a weekly basis.

4. Weight Loss Program:

A total of NTD 25,000 in rewards was distributed (including group and individual prizes).

Program Results and Performance

Weight↓3.09%

Waistline↓2.73%

Body fat percentage

↓9.34%

Visceral fat↓11.65%

Body Mass Index

↓2.31%

7.6.4 Occupational Safety and Health Training and Promotion

In order to reduce occupational hazards and establish a safety culture at Kaori, we first emphasize safety and health education and training. Only by instilling safety awareness in everyone can we unite the entire team to create a safe working environment together.

- Themes and focuses of occupational safety-related training in 2024:

1. Occupational Safety and Health Training at the Plant:

Safety and health awareness is promoted irregularly during monthly meetings. The topics covered include recent plant safety issues, current social events, and themed training sessions.

2. Occupational Incident Investigator Training:

Employees received training to become occupational incident investigators, enabling them to identify the root causes of workplace accidents and implement corrective measures to reduce the incidence of occupational injuries.

3. Safety and Health Training for Contractors:

As contractor operations are often a source of safety vulnerabilities within the plant, Kaori conducted a safety and health training session specifically for all outsourced contractors on April 12, 2024. This initiative aimed not only to strengthen overall plant safety and hygiene but also to foster shared growth and address potential safety gaps.

4. Prevention of Unlawful Infringement in the Workplace:

Workplace violence is not limited to physical assaults; it also includes verbal abuse, exclusion, and sexual harassment. Since most incidents stem from inappropriate verbal expressions, Kaori invited a counseling psychologist to use their professional knowledge and experience to guide employees on how to communicate effectively and express their thoughts and emotions in a kind and respectful manner.

5. New employee education and training, occupational safety and health management personnel training, fire management personnel training, plant fire drills, forklift operator training, training for pressurized gas equipment operators, first aid personnel training, training for stationary crane operators, training for pressurized gas equipment operators, hypoxic work supervisor training, respiratory gear fit test training, acetylene welding equipment operator training



6. Ergonomic Hazard Prevention Training

Repetitive tasks are often a primary cause of musculoskeletal injuries. To address this, Kaori specially invited a physical therapist to visit the plant workplaces, helping employees identify the ergonomic risks associated with their jobs. The therapist also provided preventive measures and self-directed musculoskeletal exercises to alleviate physical discomfort caused by prolonged work.



7.6.5 Promotion of Work Injury Prevention

The following measures have been taken to promote employees' awareness of work injury prevention:

- Unscheduled promotion during monthly meetings
- Occupational hazard awareness at plant sites
- Training for first-aid personnel
- Training for supervising personnel:
- Training on hazard identification

7.6.6 System for statistical recording of work-related injuries and reporting of false alarms

Kaori investigates each incident of occupational hazard according to its accident reporting, resolution, and investigation procedures (SH-P-00-0017). Findings have been reported in the 2024 In-plant Hazard Report. The report not only records the occurrence of occupational incidents, but also includes detailed analysis of statistical data. Meanwhile, occupational hazard data is reported on the Ministry of Labor's safety and health resume intelligent cloud website on a yearly basis. The Company will continue promoting awareness and enhance safety training and audits to prevent accidents.

Occupational Injuries for the Year

- There were 6 reports of occupational disasters in 2024, FR=4.95, SR=49, and FSI=0.49.

Plant	Zhongli		Kaohsiung	
Year	2023	2024	2023	2024
No. of reported cases	4	3	1	3
Disabling injury frequency rate (FR)	4.9	5.46	2.43	10
Disabling injury severity rate (SR)	4	7	2	185
Fragile States Index (FSI)	0.15	0.195	0.06	1.36
Occupational injury fatality rate	0	0	0	0

Remarks: Occupational injury statistics exclude traffic accidents.

Disabling Injury Frequency Rate (FR) = Total number of disabling injuries / Total hours worked × 1,000,000

Disabling Injury Severity Rate (SR) = Total lost workdays due to disabling injuries (excluding fatalities) / Total hours worked × 1,000,000

Frequency-Severity Index (FSI) = $\sqrt{(FR \times SR / 1,000)}$

Occupational Injury Fatality Rate = Number of fatalities caused by occupational injuries / Total hours worked × 1,000,000

7.6.7 Occupational safety and health management review

To ensure that the occupational safety and health management system can continue to maintain its appropriateness and effectiveness, and comply with national and international standards, all occupational safety and health management-related operations, activities, and services are compliant with occupational safety standards through the leadership commitment of the senior management and all occupational safety and health management-related operations, activities, and services. The 2024 review meeting was held on December 24, with a total of 22 participants.