

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.

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 (%)	$[1 - (\text{Number of overdue cases}/\text{total cases})] \times 100\%$	100%	95%
2	Operational control achievement rate (%)	$[1 - (\text{Number of overdue cases}/\text{total cases})] \times 100\%$	100%	100%
3	Improvement rate of risks and opportunities (%)	$(\text{Number of risk improvement cases}/\text{Number of discovered cases}) \times 100\%$	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 (%)	$[1 - (\text{Number of cases exceeding the legal standard value}/\text{Total measured cases})] \times 100\%$	100%	100%
8	Education and training efficiency (%)	$[1 - (\text{Number of outstanding cases}/\text{total cases})] \times 100\%$	100%	100%
9	Readiness rate of personnel with recognized certifications (%)	$[1 - (\text{Number of employees without recognized certificates}/\text{Number of employees required to have recognized certificates})] \times 100\%$	100%	100%
10	Compliance rate with regulations and other requirements (%)	$(\text{Number of action plans taken}/\text{Total number of nonconformities}) \times 100\%$	100%	100%
11	Automated inspection implementation rate (%)	$(\text{Items implemented}/\text{items to be implemented}) \times 100\%$	100%	100%
12	Health checkup implementation rate (%)	$(\text{Number of people who underwent the check} / \text{Number of people required to undergo the check}) \times 100\%$	100%	100%
13	Occupational safety and health committee participation rate (%)	$(\text{Number of participants}/\text{total number of participants required}) \times 100\%$	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 (%)	$(\text{Number of people with abnormality}/\text{total number of people undergoing annual health checkup}) \times 100\%$	<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 (%)	$[1 - (\text{Number of cases not investigated and analyzed}/\text{Number of cases to be investigated and analyzed})] \times 100\%$	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	91%
13	18	4	7	



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)



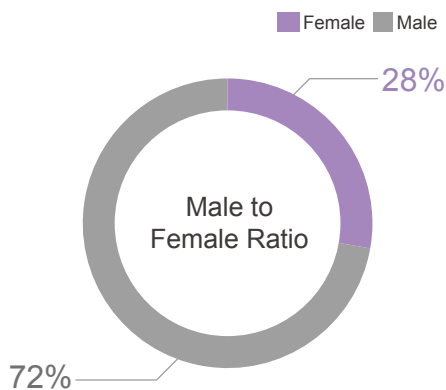
Employee health checkups

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.

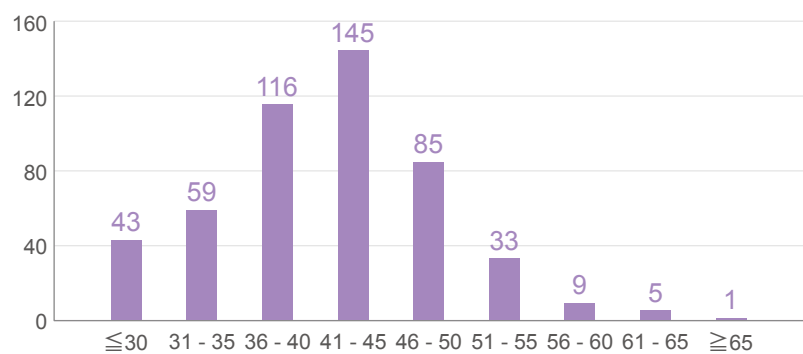


- Execution of employee care programs in 2024:

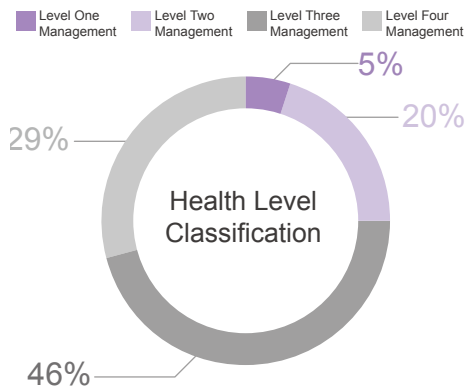
Male to Female Ratio



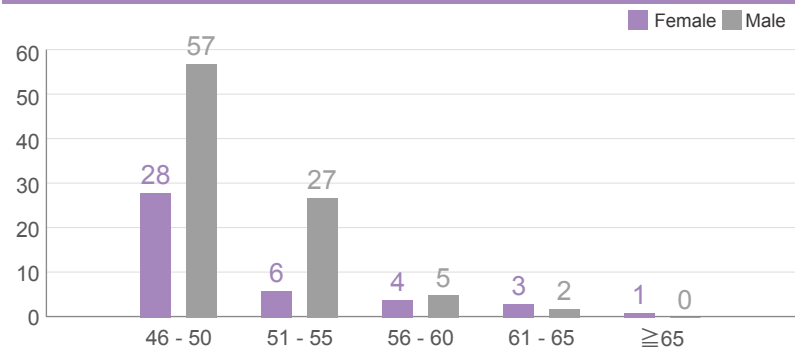
Age distribution



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.