

4.2 Talent Recruitment and Development

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 in 2022, 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. Kaori currently engages Cheng-kung Senior Industrial Commercial Vocational School and Lunghwa University of Science and Technology in a series of industry-academia collaborations to bring fresh graduates into the professional field.

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.

Annual Total Compensation Ratio and Variation

Year	2020	2021	2022
Annual total compensation ratio (Note 1)	5.7460 : 1	5.1955 : 1	5.1303 : 1
Variation of annual total compensation ratio (Note 2)	N/A	0.1330 : 1	0.7875 : 1

Note 1: Formula for annual total compensation ratio: Annual total compensation for the organization's highest-paid individual / the median annual total compensation across all employees (excluding the highest-paid individual)

Note 2: Variation of annual total compensation ratio is calculated as: Percentage increase in annual total compensation for the organization's highest-paid individual / percentage increase in the median annual total compensation across all employees (excluding the highest-paid individual)

Compensation Distribution by Gender for 2022

Salary ratio	Managerial role	Non-managerial role
Female	1	1
Male	1	1

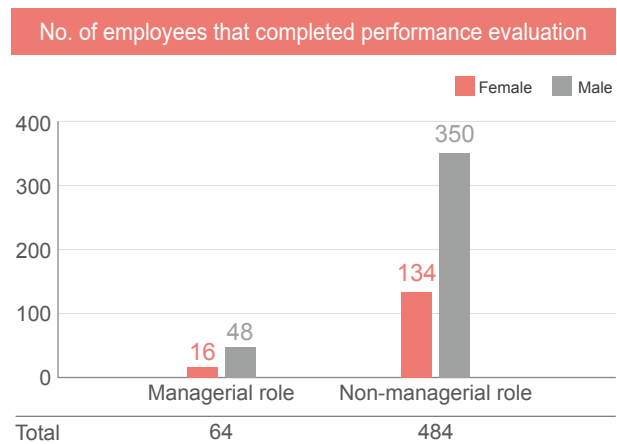
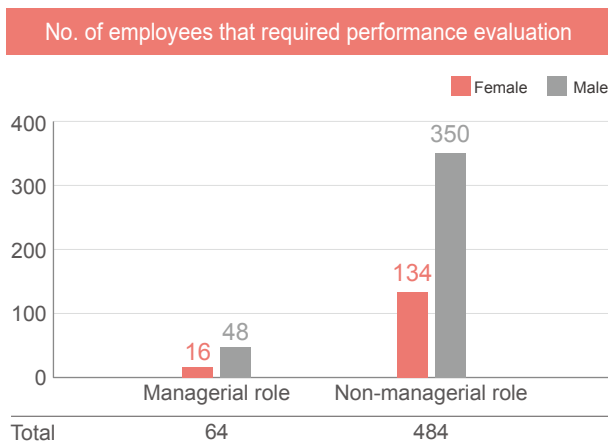
Note: managerial role refers to section chief and above; salary adjustments were consistent across employees and were not discriminated by gender

Performance Evaluation

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.

In 2022, **100% of Kaori employees underwent performance evaluation**. Employees' annual performance evaluations are conducted by their respective line managers. The evaluation covers work performance, attendance, work attitude, and other work-related aspects. The Company also requires all managers to pay particular attention to the fairness of the performance evaluation and to avoid all forms of discrimination and unfair treatment whether due to gender, age, or other factors unrelated to work.

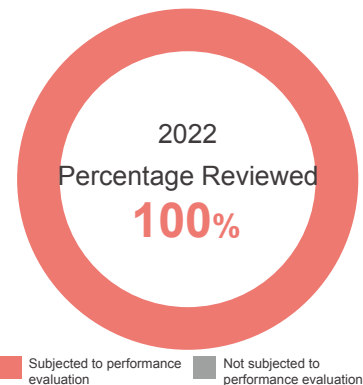
Number of Employees Receiving Regular Performance and Career Development Reviews in 2022



- Percentage of employees that completed performance evaluation in 2022

Percentage	Managerial role	Non-managerial role	Subtotal
Female	100%	100%	100%
Male	100%	100%	100%
Subtotal	100%	100%	100%

Note: managerial role refers to section chief and above



Retention Incentives

For senior employees, the Company has a talent retention program that offers special benefits such as life insurance, full health checkup, and trust subsidies. Employees that exhibit outstanding performance are entitled to extraordinary salary adjustment as encouragement.

Talent Development

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 diverse training methods and opportunities and implements training programs that are closely aligned with employees’ duties and corporate strategies. 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 roadmap 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.

Short-, Medium-, and Long-Term Focus of Employee Training and Succession Plans

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

Short-term

In addition to providing a general introduction and description on human resources, work safety, quality, and the Employee Welfare Committee, each business department arranges its own orientation training to help new employees familiarize themselves with the products offered, the technologies involved, and the application scopes.

Medium-term

Kaori has developed its own training roadmap and annual training plan; through capacity analysis and performance evaluation, employees are assigned to internal and external training courses that are suitable for them.

Long-term

Kaori offers educational subsidies to help employees learn skills in their own capacity, grow careers, and improve work performance. The Company also adopts an internal instructor system that turns individual knowledge into a corporate resource, thereby helping employees improve competence and progress beyond their limits.

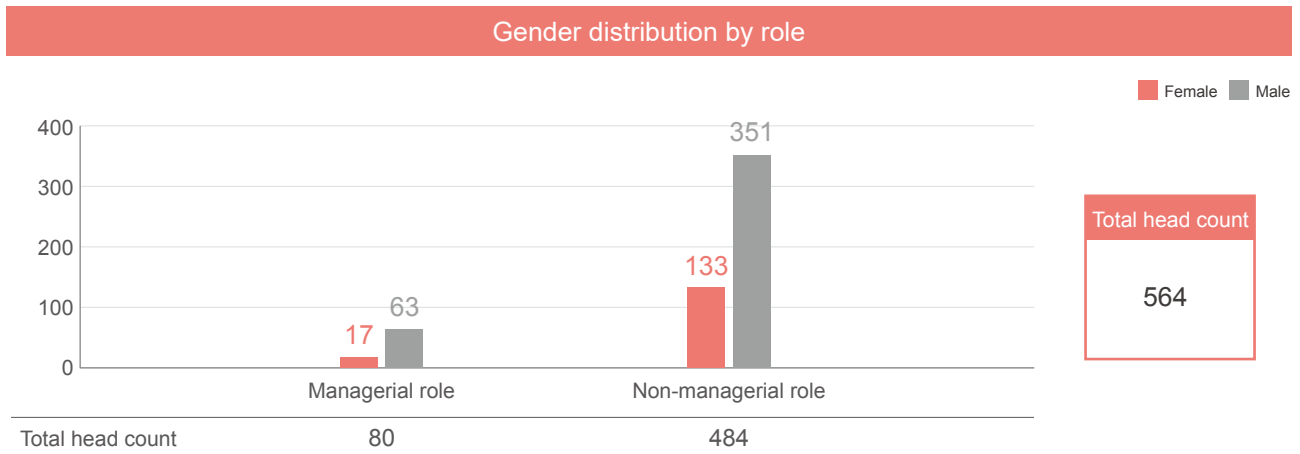
Kaori organized a total of 444 training sessions in 2022, which received 3,376 enrollments and delivered 11,595 hours of training in total, averaging 21 hours per employee. More than NT\$540 thousand in training expenses was committed.

Training and Certifications Completed by Employees in 2022:

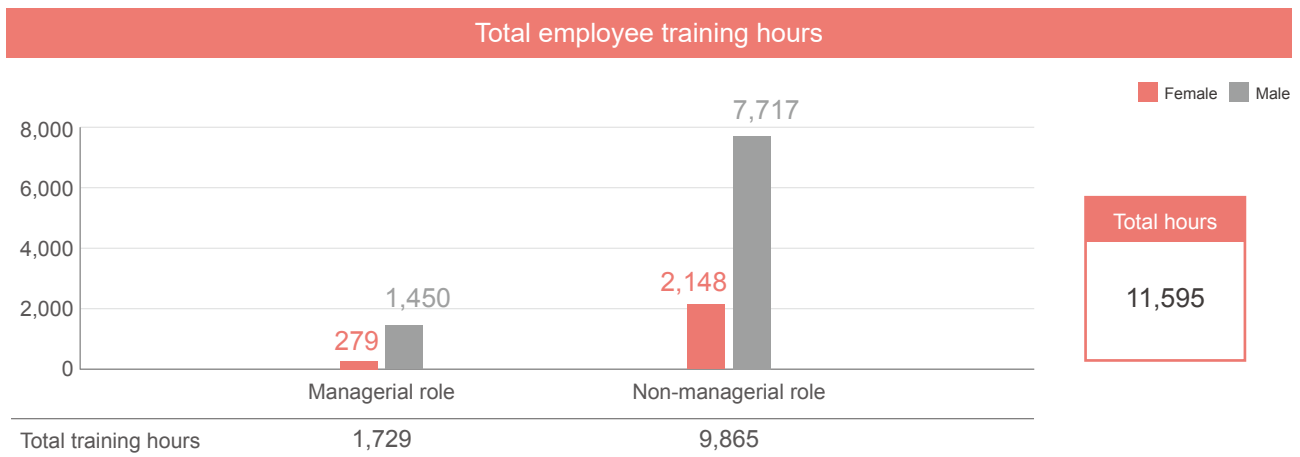
- Internal auditor
- Occupational safety and health officer
- Occupational safety and health manager
- Training for stationary crane operators and operators of forklifts weighing 1 tonne or more
- Fire safety manager
- First-aid personnel
- Radiation protection training

- Preamble
- 1 Sustainability and development
- 2 Honor and integrity
- 3 Innovation and quality
- 4 Responsibility and care
- 5 Environmental protection and inclusion

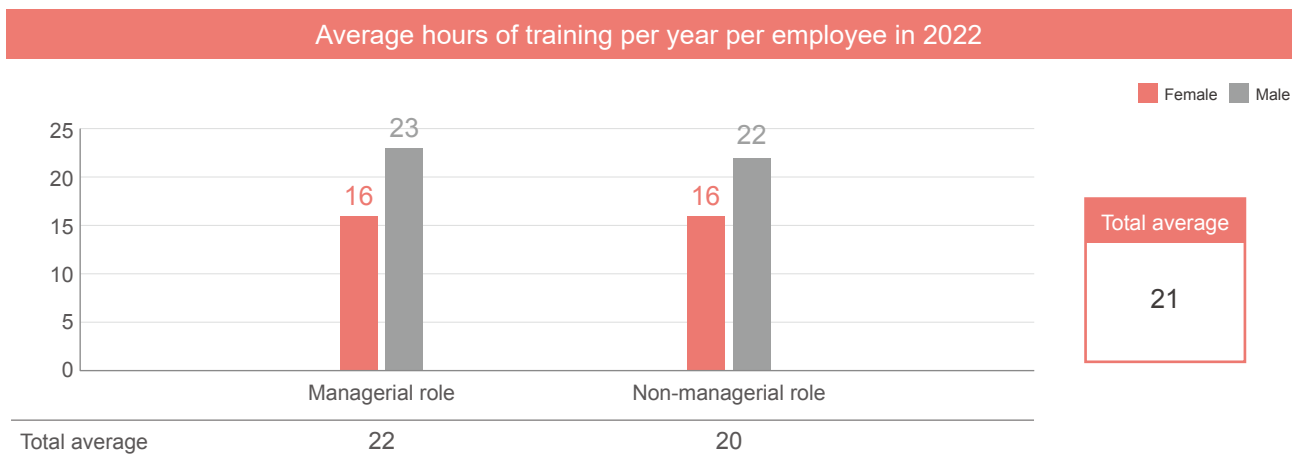
Training Overview for 2022



Note: managerial role refers to section chief and above



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Outcomes of Training Conducted in 2022

#	Item	Course sessions	Total enrollments	Total training hours	Total expenses (NT\$)
1	Training of managerial skills	3	10	31	29,560
2	Self-inspiration training	8	8	1,422	165,670
3	Specialist training	351	2,355	6,011	228,634
4	General knowledge training	25	309	2,234	0
5	Worker safety and health	57	694	1,897	118,070
	Total	444	3,376	11,595	541,934



▲ General knowledge course for new recruits



▲ Insider Prevention for Directors and Senior Managers; Legal Responsibilities and Case Studies

4.3 Occupational Health and Safety

Kaori values the safety of its workplace and is committed to providing a safe, comfortable, and healthy work environment for stakeholders including employees, customers, and business partners. The Company has begun planning for the introduction of ISO 45001 Occupational Health and Safety Management System to support future operations and capacity expansion. Construction activities are expected to commence in 2023 to further improve the safety of the work environment, lessen or even eliminate workplace hazards and illnesses, and accomplish the Company's goals toward business continuity and social responsibility.

With regards to risk assessment, the Company assesses plant premises regularly for potential risks, and it conducted a total of 5 special risk assessments in 2022:

