

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:

Assessment of the opening of in-plant cafeterias

New business development - hydrogen over-lead (Pb) operations

Assessment of the implementation of ammonia power generators

Assessment of COVID-19 infection measures

In-plant work safety investigation

By eliminating hazards and making ongoing improvements, the Company takes steps toward preventing accidents. The Company has also assembled an Occupational Safety and Health Committee that consists of plant managers, occupational safety personnel, and worker-elected representatives. Kaori has a total of 18 committee members in the Zhongli Site, including seven in the Zhongli 1st Plant, four in the Zhongli 2nd Plant, and seven in the Zhongli 3rd Plant (including worker health service personnel), as well as 8 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.

Occupational Safety and Health Committee

Number of occupational safety and health committee members		Total worker representatives in committees	
Zhongli Site	Kaohsiung Plant	Zhongli Site	Kaohsiung Plant
18	8	8	2

Note: The Zhongli Site includes the Zhongli 1st Plant, Zhongli 2nd Plant, and Zhongli 3rd Plant

Overview of Occupational Safety and Health Committee Meetings in 2022:

Safety and health committee meetings/year	4 sessions
Key resolutions and actions	<ul style="list-style-type: none"> • Installation of security system at the Zhongli Site • On-site service by occupational health specialist at the 1st Plant • Fire safety investigation - in-plant private appliance survey • COVID-19 monitoring and survey • The Kaohsiung Plant has a nursery room for use by female employees

Organizational Chart of the Occupational Safety and Health Committee



Professional Certification and Training

Zhongli Site

Certified occupational safety and health officers: 11

- 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: 1
- Class A occupational safety and health officers: 2
- Professional nurses: 1

Employees subjected to relevant safety and health training: 208

- Fire safety managers: 4
- Organic solvent operations managers: 4
- Dust operations supervisors: 1
- Hypoxia operations supervisors: 3
- Pressurized gas supply and consumption supervisors: 4
- Pressurized gas production safety officers: 2
- Special chemical substances supervisors: 2
- 1-tonne+ forklift operators: 34
- First-aid personnel: 24
- Oxy-fuel welding operators: 3
- Crane operators: 55
- Crane operators for loads of 3 (5) tonnes or more: 3
- Stationary crane operators (for loads less than 3 tonnes): 52
- Radiation protection training in place of Radiation Safety Certificate: 3
- Pressurized gas equipment operators: 14

Kaohsiung Plant

Certified occupational safety and health officers: 2

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

Employees subjected to relevant safety and health training: 33

- Forklift operators: 7
- Stationary crane operators: 18
- Pressurized gas equipment operators: 3
- Training for first-aid personnel: 4 persons

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

Worker Health Service Nurses (Stationed Nurses)

- Primary tasks:
 1. Complete employee health checkups (for general and special operations).
 2. Apply tier-based management for general and special health checkups and offering 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. Create the Company's health promotion account on LINE, which is intended to provide employees with useful health information.
- Future plans:
 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 on a monthly basis 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. Improve employees' health consciousness:

Health-related articles will be disseminated to strengthen employees' health knowledge.
 4. ESG practices and social responsibilities:

Plan and organize blood donation events in line with the Company's sustainability philosophy and mobilize employees toward supporting the cause.



Responsibilities and Future Plans for Worker Health Service Personnel

- Duties:
 1. Organize health checkups.
 2. Enforce tier-based management for general and special health checkups.
 3. Select and assign new recruits; assign and reinstate existing employees.
 4. Organize health promotion activities.
 5. Annual worker health promotion campaigns.
 6. Execute the four main programs (abnormal workload, ergonomic, maternity, and over-stress), the middle/senior age program, and the respiratory protection program according to guidelines.
 7. Organize first-aid personnel training programs.
- Future plans:

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. Improvement and prevention of occupational illness at plant sites: Instead of general practitioners, the Company is starting to engage physicians specialized in occupational medicine to station at plant premises, where they contribute their expertise by evaluating the employees' work environment and work practices and raising suggestions that help improve the work environment and prevent occupational illness.
 2. Enhancement of emergency response and first-aid skills: The Company helps medical personnel develop professional skills and attain certification for EMT-1 emergency medical technician. The certified personnel then organize internal training for plant workers.
 3. Promotion of employees' self-health awareness: The Company organizes health seminars and distributes articles on health to raise employees' health awareness.

Safety and Health Policy

Driven by its goal toward sustainability, Kaori is fully committed to developing a culture of safety and self-management. The Company has implemented the following “Occupational Safety and Health Policy” as a way to reduce occupational safety and health hazards:



Respect for life



Safety discipline



General participation



Ongoing improvement



Preamble

1

Sustainability and development

2

Honor and Integrity

3

Innovation and quality

4

Responsibility and care

5

Environmental protection and inclusion

Commitments of the Occupational Safety and Health Policy:

- To adopt practices that are appropriate given the nature and scope of the organization's safety and health risks
- To prevent injuries and illnesses and make ongoing improvements to safety and health management and performance
- To comply with the regulations that are relevant to the organization's safety, health, and hazards, as well as other requirements that the organization is bound to comply with
- To provide a framework for setting and reviewing safety and health goals
- To implement and ensure proper documentation of the occupational safety and health management system
- To properly communicate with all personnel within the organization, so that they are made aware of individual safety and health responsibilities
- To communicate openly with stakeholders
- To review policies on a regular basis and ensure that they remain relevant and appropriate for the organization
- To gather opinions from employees and their representatives and encourage them to actively take part in all activities of interest under the occupational safety and health management system

ISO 14001 Environmental Management System

- Scope of the management system:
The certification covers the manufacturing of plate heat exchangers at Kaori's Benzhou Plant (No. 3, Bengong 2nd Road, Benzhou Industrial Park, Kaohsiung City).
- To ensure that all requirements of environmental management are met, the Company conducts a total investigation and evaluation of possible risks that may pose environmental concern before the establishment or implementation of an environmental management system. Past and current environmental management performance are also examined and evaluated to provide reference for new environmental policies, goals, and systems. These practices help improve the efficiency of management practices and allow Kaori to better conform with environmental standards while making persistent improvements.
- Kaori examines its products, activities, and services on a yearly basis for issues that may impact the environment, such as waste, noise, effluents, pollutants, storage/transfer/use of chemicals or supplies, use of energy sources, work environment, etc. These assessments also cover suppliers and business partners that are relevant to the Company's operations and include both direct and indirect impacts. Based on the outcomes of environmental assessments, Kaori convenes meetings to discuss and select issues of material concern in line with environmental policies and commitments, while taking various factors into consideration such as costs, laws, technologies, finances, market requirements, and other requirements of stakeholders. Improvements are made in conformity with applicable laws and principles of persistent improvement, whereas environmental goals and management solutions are devised and executed accordingly. If the actual performance differs significantly from the goals or if the environmental targets cannot be achieved, the Company may convene review meetings to adjust target values or execution plans and decide whether to follow the "Correction and Prevention Procedures" depending on the level of deviation. Meanwhile, the Company adopts its quality management PDCA cycle to facilitate ongoing improvements.
- Preparation and response to emergency events:
Kaori has the "Emergency Response Protocol" in place that requires analyses to be performed on the most likely plant incidents. Outcomes of the analyses are used to plan responses and training, so that employees know how to react to incidents and what actions to take to minimize damage and loss.

Prominent Outcomes for 2022 - Work Safety and Identification of Systematic Risks

Kaori has developed and implemented occupational safety and health procedures to address safety and health issues on the plant premises. Some of the prominent accomplishments made in 2022 include:

- Assessment of work safety and systematic risks:

1. Monthly compliance audits:

Kaori adopts the PDCA concept and regularly inspects plant premises for compliance with safety, health, and fire regulations while correcting non-compliant issues. The 2022 audits found full compliance with regulations.

2. Production procedure safety evaluation and management:

All new production procedures and equipment have to be evaluated for possible risks and adjustments. In 2022, evaluations were performed on the experiment and manufacturing of ammonia power generator by the New Business Development - Hydrogen Power and the improvement of high temperature processes involving continuous furnace for fuel cell production.

3. Assessment of potential risks:

Considering how COVID-19 affected employees' health, Kaori took a more favorable approach than what the laws required and instructed infected employees who had served their quarantine to return to work only if the rapid test showed a negative result, thereby preventing spreading disease to others. These off-work days were treated as official leave.

4. Testing of respiratory protection gear:

Respiratory protection gear is employees' final line of defense, and the incorrect choice or use of gear may still expose workers to potential risks. For this reason, Kaori organized a fit test in 2022, during which it instructed emergency response personnel, such as the rescue team and cleanup team, to test the fit of their respiratory protection gears, thereby ensuring the safety of rescue and response team members. Fit tests are organized at least once a year. The test involves using instruments to measure the fit of protection gear. Adjustments are made to the size or the method by which gear is worn in the case of poor fit.

5. Creation of the Kaori Health Section on LINE:

This approach takes advantage of LINE's popularity and responsiveness for COVID-19 surveys, infection reports, safety alerts, and dissemination of health information.



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. A total of 312 employees underwent health checkup in 2022, for which the Company paid more than NT\$434 thousand in subsidies.

- Execution of employee care programs in 2022:
 - No. of employees consulted under the maternity health protection program: **8**
 - No. of employees evaluated by physicians under the respiratory protection program: **12**
 - No. of new employees consulted for abnormal checkup results: **20**
 - No. of employees subjected to occupational hazard follow-up (commuting accident): **3**
 - Employees subjected to general injury/illness follow-up: **13**
 - Employees subjected to reinstatement evaluation: **2**
 - Middle-age and senior employees subjected to health management: **3**
 - Employees with hypertension subjected to regular testing and follow-up: **33**
 - No. of high-risk employees surveyed through ergonomic hazard prevention questionnaires: **44**
 - No. of high-risk employees surveyed through abnormal workload questionnaires: **16**
 - No. of employees subjected to health checkup risk management interviews: **150**

Health Promotion

Kaori has committed significant resources to the prevention of occupational illness as well as health promotion activities in an attempt to alleviate employees' concerns toward occupational safety while providing better care for their physical and mental health. The Company has also been actively promoting a smoke-free workplace for health reasons and compliance with the Tobacco Hazards Prevention Act.

- Measures taken for promoting employees' health and safety in 2022
 - 1.** Improvement of high temperature operating environments:
Installed barriers and insulation for thermal radiation from continuous furnaces.
 - 2.** Health risk management:
16 high-risk employees and 137 medium-risk employees were identified, all of whom had completed health consultation and guidance.
 - 3.** COVID-19 monitoring and survey:
Kaori surveyed COVID-19 infections and disseminated government-subsidized rapid test kits on a daily basis.
 - 4.** All stamping presses purchased by the Occupational Safety and Health Administration were certified with the TS mark (a safety certification for machinery)



- Measures taken for promoting employees' health in 2022

- 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.

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

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

- Arrangements are made to have physicians provide medical advice at plant sites on a regular basis.



Occupational Safety and Health Training and Promotion

Kaori plans to introduce ISO 45001 Occupational Health and Safety Management System in 2023 as a solution to minimize occupational hazards, strengthen management practices, and enforce supporting measures. This system not only contributes to the safety and health of the entire industry, but raises Kaori's overall competitiveness as well.

- Themes and focuses of occupational safety-related training in 2022:

1. Occupational hazard awareness at plant sites:

Through case studies, employees were reminded to stay alert and check the safety of their work activities.

2. Training for supervising personnel:

Help employees develop the ability to check work safety and enhances safety awareness.

3. Training on hazard identification:

The ability to anticipate hazards ahead of time minimizes potential damage.

4. Training on prevention of physical or mental abuse while performing duties:

Incidents of workplace violence were lessened through training.

5. Awareness of machinery safety, use of fire safety equipment, escape routes, and safe use of chemicals.



- Safety and health-related training organized for employees in 2022 included:
 - Training for new recruits
 - Training for occupational safety and health managers
 - Training for fire safety officers
 - Fire safety drills
 - Training for forklift operators
 - Organic solvent operations managers
 - Training for first-aid personnel
 - Training for stationary crane operators
 - Training for pressurized gas equipment operators
 - Training for hypoxia operations supervisors
 - Training for special chemical substances supervisors
 - Training for respiratory gear fit tests



Contractor Occupational Safety Management

Kaori maintains close relationships with suppliers and contractors, as they are essential business partners for the Company's continuity. This is also why we have directed significant attention to the work safety of our business partners. To assure the safety of Kaori employees and contractors, the Company has directed special attention to work safety planning and work supervisor training and made sure that safety is supervised throughout entire projects.

Management of Transportation Vehicles

All employees who drive transportation vehicles are properly certified and licensed. Vehicle inspections and repairs are arranged on a regular basis. All transportation vehicles (trucks) used in the Kaohsiung Plant have been fitted with digital video recorders and vision-based driver-assistance systems. Furthermore, Kaori imposes eligibility requirements on suppliers' truck drivers and requires the use of temporary permits for hazardous supplies. Suppliers are audited on a yearly basis; the 2022 audit found no illegal conduct and assured the legitimacy of suppliers' transportation vehicles.

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: employees are trained on the prevention of physical or mental abuse while performing duties.



Work Injury Statistics and Reporting

Kaori investigates each incident of occupational hazard according to its accident reporting, resolution, and investigation procedures (SH-P-00-0009). Findings have been reported in the 2022 In-plant Hazard Report (including Occupational Traffic Accidents). 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. A total of seven occupational injuries were reported for permanent employees and no cases were reported for contract workers in 2022. As for the types of injury suffered, two were from falling objects, one was from crushing, one was from cutting, one was from accidental kicking, and two were commuting accidents. The Company will continue promoting awareness and enhance safety training and audits to prevent accidents.

Occupational Injuries for the Year

Employment type	Year	Total work hours	Deaths by occupational injury		No. of people suffering severe occupational injury	
			Head count	Percentage	Head count	Percentage
Permanent employees	2022	1,048,508	0	0.00	7	6.68
	2021	963,984	0	0.00	3	3.11
Contract workers	2022	34,728	0	0.00	0	0.00
	2021	2,880	0	0.00	0	0.00

4.4 Human Rights Protection and Employee Welfare

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 has not established a union or signed a collective bargaining agreement, it convenes labor-management meetings on a regular basis. A total of four such meetings were convened in 2022, and each meeting had 20 participants. No complaints were raised internally but one 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