

7.5.1 Attention to human rights

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 committed no human rights violations in 2023. In 2024, the Company expects to introduce a human rights protection system by conducting human rights due diligence, adhering to international human rights conventions, and fostering a culture of diversity, equality, and inclusion. The photo on the right shows human rights promotion during the all-hands meeting.



We comply with labor laws and regulations and the regulations for the management of migrant workers to protect the human rights and interests of our employees. We are committed to 100% compliance with the requirements of relevant labor laws and regulations and publicly disclose our labor policies in accordance with the RBA standards. Additionally, we require our suppliers to sign a Corporate Social Responsibility Code of Conduct statement, prohibiting the employment of child labor, the use of young workers in hazardous work, and forced labor. At the same time, we regularly assess the risk of forced labor.

The Company's "Personnel Management Rules" explicitly state that no form of forced labor, confinement, bondage, prison labor, mortgaged (including debt-bonded), anti-trafficking, or slave labor is used and that employment must be voluntary. In addition to complying with labor laws and regulations, the management measures for foreign migrant workers are specially formulated to protect their labor rights.

The management department regularly assesses the risk of violating labor rights, such as non-discrimination, forced labor, and prohibition of child labor. If there is any violation, the risk and control measures are described in the table below, and the information is disclosed to the supervisor to ensure that similar situations will not occur in the future.

Prohibition of forced labor	
<p>Risk assessment</p> <p>Internal control work hours</p> <p>Implementation principles</p> <p>Not forcing or coercing unwilling employees to perform labor services or work overtime</p> <p>Control measures</p> <ul style="list-style-type: none"> Working hour control Continuous attendance, regular/holiday attendance tracking Provide feedback channels 	<p>Risk assessment</p> <p>Verify the interviewee's age using their ID to ensure they are at least 16 years old.</p> <p>Implementation principles</p> <p>No hiring of child workers under the age of 16</p> <p>Control measures</p> <ul style="list-style-type: none"> The HR department verifies identity using the National ID Card during interviews Control and manage the date of birth when receiving resumes.
<p>Prohibition of child labor</p>	<p>Eliminate unlawful discrimination</p>



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Friendly Workplaces

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Risk assessment

In accordance with Taiwan's labor laws and regulations, newcomers are subject to the principle of non-discrimination in interviews, on-the-job employee training, compensation, and promotion.

Implementation principles

No personal information unrelated to work is asked during new employee interviews, and verbal discrimination is prohibited between incumbent colleagues and their supervisors, or between colleagues

Control measures

Regularly review whether regulations and the internal management system comply with legal requirements

Safety and health environment

Risk assessment

- Conduct thorough hazard identification and risk assessment → High-risk job positions should be closely monitored
- Implement occupational disease prevention and promote employee physical and mental health.

Implementation principles

establish a company safety culture and create a friendly work environment.

Control measures

- Set up personal safety and workplace protection measures.
- Provide medical assistance and on-site doctor services.
- Conduct employee education and promotion

Work-life balance

Risk assessment

Expand interpersonal interactions among colleagues through participation in leisure activities, and strive to maintain work-life balance and physical and mental health of employees.

Implementation principles

The Welfare Committee organizes activities related to tourism, manual labor, and sports.

Control measures

Strengthen internal publicity channels, encourage employees to participate, and distribute questionnaires to participants after the event to optimize future events.

Kaori is committed to complying with Taiwan's labor-related laws and regulations. We have established guidelines that include working hours and wages, humane treatment, non-discrimination, anti-bullying at

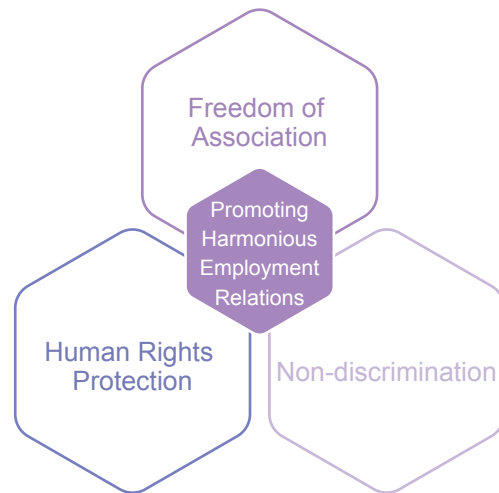
the workplace, and freedom of association. These guidelines also cover the prevention of involuntary labor, sexual harassment prevention, maternity protection in the workplace, and measures to prevent unlawful harm while performing job duties.

Implementation of various human rights indicators in the past two years

2022	2023
<ul style="list-style-type: none"> • No incident of discrimination • No prohibition against freedom of association • No incident of child labor occurred • No major incidents of forced and compulsory labor 	<ul style="list-style-type: none"> • No incident of discrimination • No prohibition against freedom of association • No incident of child labor occurred • No major incidents of forced and compulsory labor

7.5.2 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 2023. 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 four such meetings were convened in 2023, and each meeting had 20 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	2023 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. Kaori employees do not have an employee union, but the Company still provides open communication channels.

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.



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