

7.6 Workplace Safety and Health

Material issues	Management Approach
	<p>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</p> <hr/> <p>Goal To establish a safety culture and create an occupational disaster-free work environment.</p> <hr/> <p>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.</p> <hr/> <p>Measures</p> <ul style="list-style-type: none"> • Based on "ISO 45001:2018 Occupational Safety and Health Management System" and the "Occupational Safety and Health Act" • Comply with occupational safety and health laws and other requirements, establish hazard identification and classification management system to reduce occupational safety and health risks • Occupational safety and health system, self-inspection, maintenance, repair, and management, and safety and health audit operations • Occupational safety and health education and training, emergency response and drills, and work environment measurement



Workplace safety and health

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.

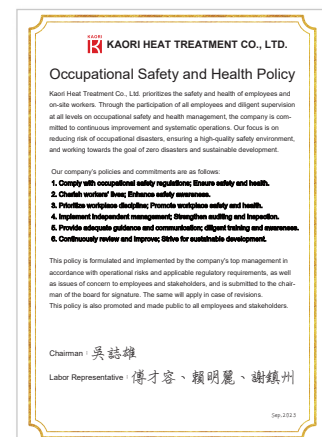
With the management system framework, we implement the PDCA cycle concept focusing on safety and health to continuously improve the safety of the working environment in each factory, reduce and eliminate workplace hazards and related illness, and aims to achieve sustainable operations while fulfilling our social responsibility.



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.

2023 Benchmark Implementation Results




Hazard identification

- Total Identified at the Plants: **1144**
- Risks and Opportunities: **36**




Accident investigation

- Occupational Incidents: **4**
- False Alarm Investigations: **1**




Goals and Management Plans

- Total: **11**



Regulatory Audits

- No. of Regulations: **125**



Internal Safety and Health Audits

- No. of Audit Items: **195**
- No. of Non-Conformances: **120**

Implementation of safety and health indicators in 2023

Occupational safety and health indicators	Scoring criteria	Target value	Actual value
Proactive performance indicators			
1 Target management program achievement rate (%)	[1 - (Number of overdue cases/total cases)] *100%	100%	100%
2 Operational control achievement rate (%)	[1 - (Number of overdue cases/total cases)] *100%	100%	100%
3 Improvement rate of risks and opportunities (%)	(Number of risk improvement cases/Number of discovered cases) *100%	100%	100%
4 Compliance rate of the actual values with legal standards for the operating environment monitoring (%)	[1 - (Number of cases exceeding the legal standard value/Total measured cases)] *100%	100%	100%
5 Education and training efficiency (%)	[1 - (Number of outstanding cases/total cases)] *100%	100%	100%
4 Readiness rate of personnel with recognized certifications (%)	[1 - (Number of employees without recognized certificates/Number of employees required to have recognized certificates)] *100%	100%	100%
6 Compliance rate with regulations and other requirements (%)	(Number of action plans taken/Total number of nonconformities) *100%	100%	100%
7 Automated inspection implementation rate (%)	(Items implemented/items to be implemented) *100%	100%	100%
8 Health checkup implementation rate (%)	(Number of people who underwent the check / Number of people required to undergo the check) *100%	100%	100%
9 Occupational safety and health committee participation rate (%)	(Number of participants/total number of participants required) *100%	100%	83%
Passive performance indicators			
1 Disabling injury frequency rate (FR)	(Number of disabling injuries x 1,000,000)/Total working hours	<1.77	4.08
2 Disabling injury severity rate (SR)	(Number of days lost due to disabling injuries x 1,000,000)/Total working hours	<35	4.08
3 Fragile States Index (FSI)	√(F.R.·I.S.R./1,000)	0.249	0.129
4 Annual health checkup abnormality rate (%)	(Number of people with abnormality/total number of people undergoing annual health checkup) *100%	85%	82%
5 Contractor disabling injury frequency rate (FR)	(Number of disabling injuries x 1,000,000)/Total working hours	<1.77	0
6 Percentage of false alarms, ill health, and property damage cases investigated and analyzed (%)	[1 - (Number of cases not investigated and analyzed/ 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 2022 (peers reference)

2. Number of people with abnormal health checkup: Personnel classified as Levels 3-4 according to the health checkup report in 2023



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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:


<p>Raise safety and health awareness</p>	<p>By participating in safety and health management, workers can raise their awareness of and attention to safety and health.</p>
<p>Improve safety and health performance</p>	<p>Workers can provide first-line information and advice to help enterprises effectively identify and control hazards.</p>
<p>Improve job satisfaction</p>	<p>By participating in safety and health management, workers can feel the Company's respect and care for them, thereby improving work satisfaction.</p>



Consultation and Communication

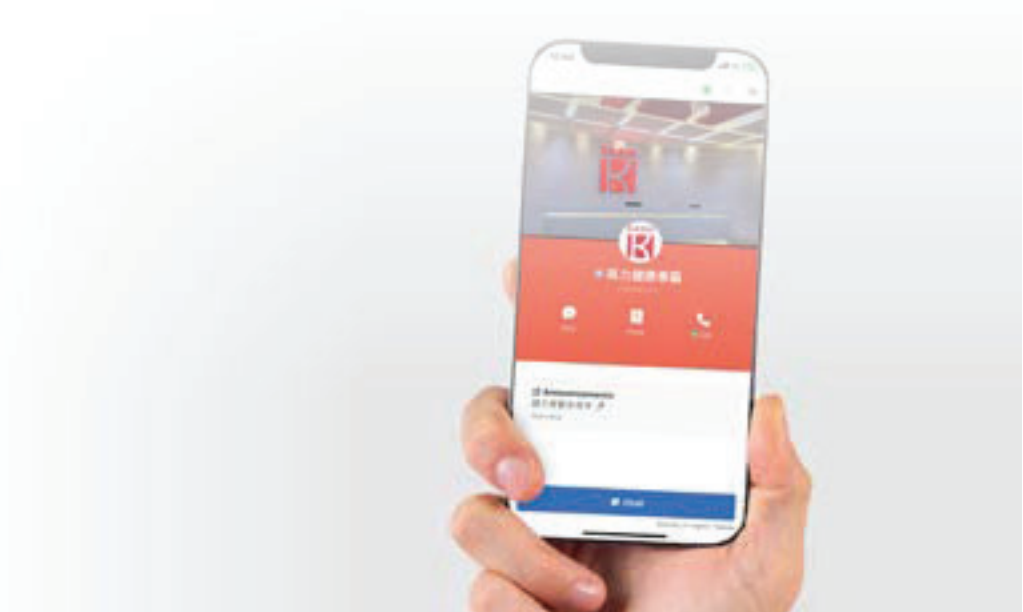
Workers have the right to offer opinions and suggestions on safety and health matters.

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 2023

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	367.50	1,803.80	140.00	581.00	288.0	1,385.0	49.0	258.0
	Indirect	722.10	1,495.50	328.00	535.00	72.0	170.0	24.0	41.0
Job Classification	Managerial role	169.50	641.00	68.00	233.00	4.0	37.0	1.0	10.0
	Non-managerial role	920.10	2,658.30	400.00	883.00	356.0	1,518.0	72.0	289.0
Nationality Classification	Domestic	1,089.60	3,201.80	468.00	1,049.00	360.0	1,424.0	73.0	264.0
	Foreign	-	97.50	-	67.00	-	131.0	-	35.0
Age Classification	30 and below	109.50	307.60	49.00	127.00	52.0	334.0	6.0	44.0
	30-50	845.60	2,567.40	361.00	835.00	255.0	1,172.0	49.0	241.0
	50 and above	134.50	424.30	58.00	154.00	49.0	53.0	16.0	16.0
Total		4,388.90		1,584.00		1,915.0		372.0	
Average training hours		2.77 hours/person				5.15 hours/person			

The operation status of the safety and health committee meetings in 2023 (workers should be represented on the safety and health committee)

Number of labor and management representatives on the Occupational Safety and Health Committee				Attendance and participation rate
Zhongli Site		Kaohsiung Plant		
Labor	Employer	Labor	Employer	
13	16	4	7	83%
29		11		



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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 29 committee members in the Zhongli Plants, including 8 in Zhongli Plant 1, 7 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
8	7	7	7	11
There are a total of 29 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 2023:

Safety and health committee meetings	Meetings are held quarterly/four meetings per year according to law
Key resolutions and actions	<ul style="list-style-type: none"> • Establishment of a safety and health management system • Adjustment of pandemic prevention policies at the plants • Improvement of lane warning at Zhongli Plant 3 • Labor health management and promotion • Safe Site Certification • Respiratory fit test and evaluation

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

*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: 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
- 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

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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.

2023 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:
 - In order to improve colleagues' knowledge of emergency care and first aid, AED and CPR training courses were arranged and held for the entire Zhongli Plants in September 2023, and the "Safe Place" certification was obtained from the Department of Public Health of the Taoyuan City Government.
 - 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:

Organize blood donation events in line with the Company's sustainability philosophy, with employees actively participating in the initiative.



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.



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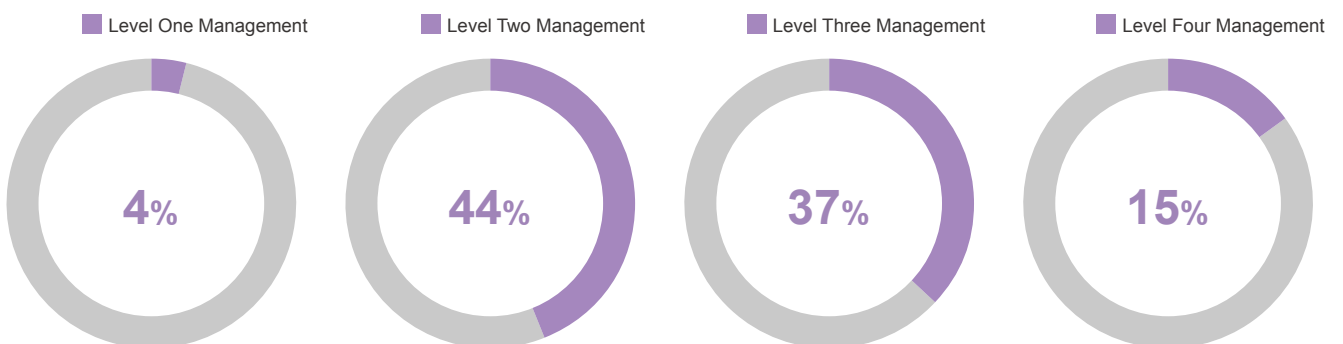
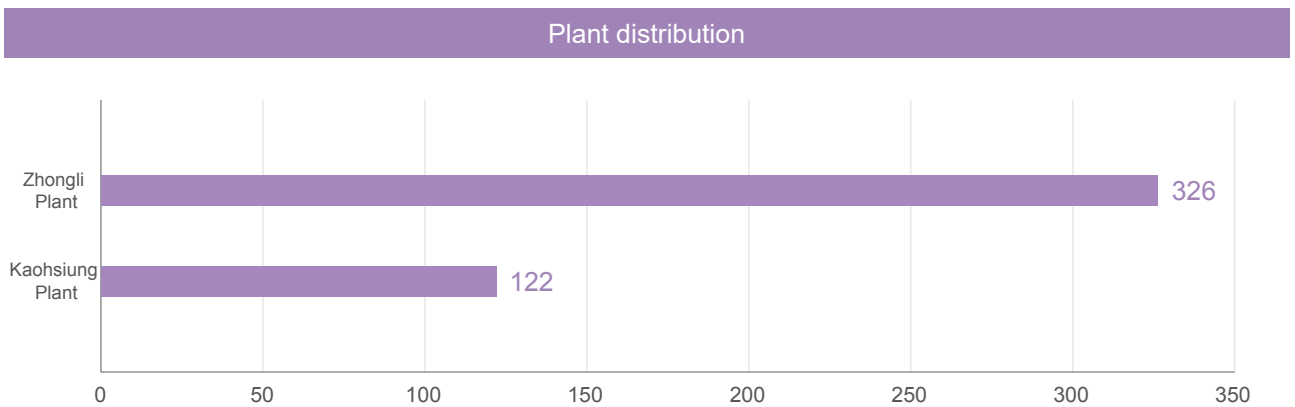
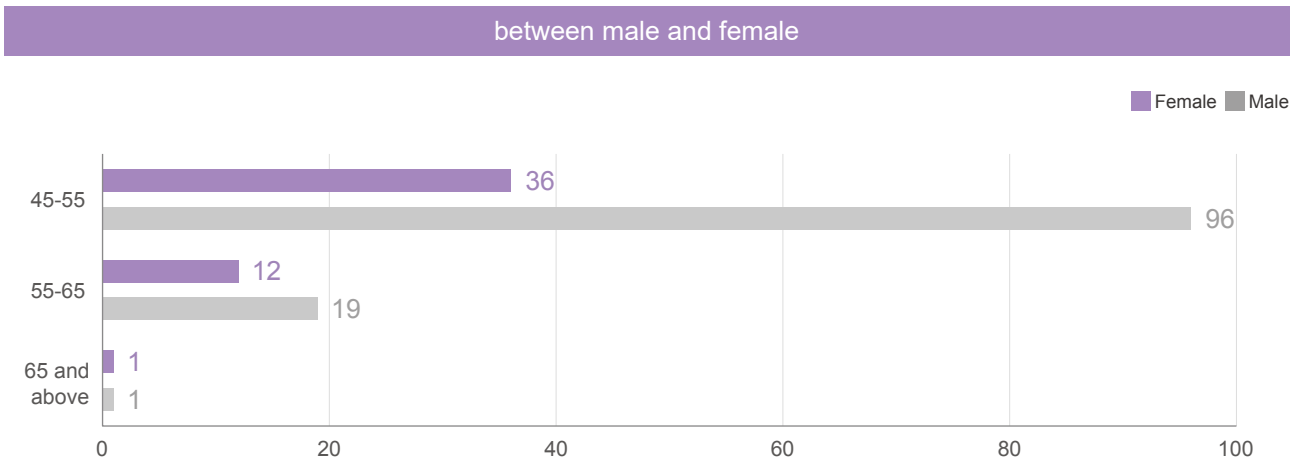
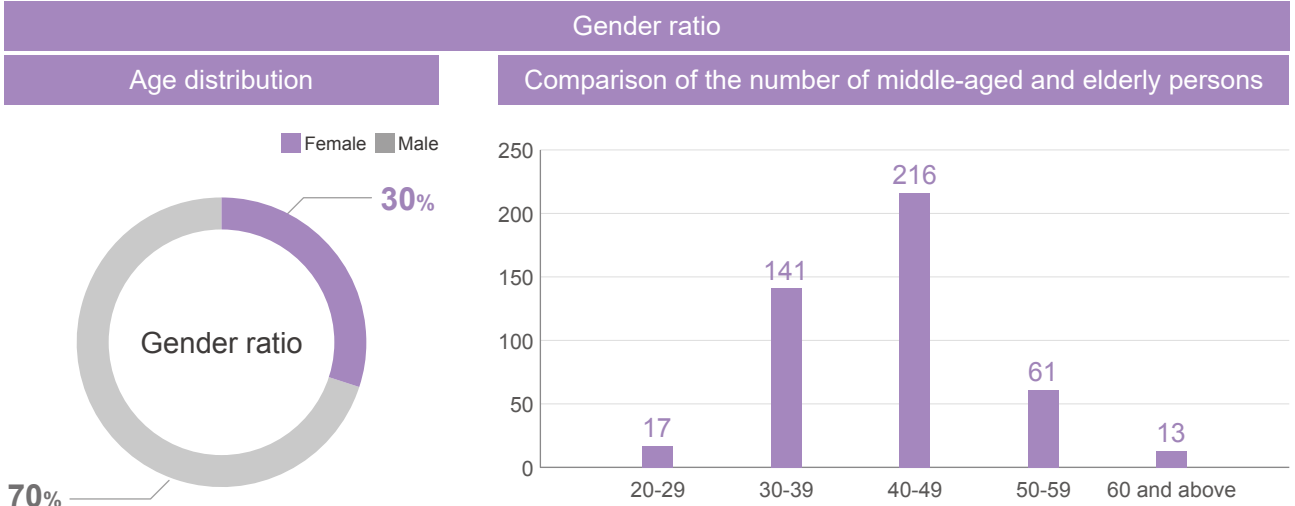
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• Execution of employee care programs in 2023:





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• Health checkup with five major protection plans

▸ Maternity health protection program	No. of people the medical staff interviewed: 8
▸ Respiratory protection plan	No. of people the doctors interviewed: 12
▸ Middle-aged and elderly job suitability assessment plan	No. of people the doctors interviewed: 3
▸ Ergonomic hazard prevention plan	No. of people the medical staff interviewed: 13
▸ Illness prevention program for abnormal workload	No. of people the medical staff interviewed: 17
▸ 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: 20
▸ Annual health checkup	No. of people who received medical consultations and recommendations: 198

• Injury and illness care and support

▸ General injury and illness health care follow-up:	10 persons
▸ Occupational injury health care follow-up	Commuting traffic accidents: 1 person

• Regular follow-up and support

▸ Health care follow-up for employees with chronic illnesses:	41 persons
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• Measures taken for promoting employees' health in 2023

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.



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 2023:
 1. Plant safety and health education and training: Explain the safety and health concepts through on-site operations.
 2. Organizational background analysis and hazard identification, risk and opportunity assessment education and training: Teach employees effective methods to assess workplace safety and quantify risks, using engineering controls, management measures, and personal protective equipment to reduce workplace hazards.
 3. Emergency response education and training: Regular practice is essential for implementing effective response measures in the event of a future accident. To simulate real accident scenarios, a full-scale emergency response drill was conducted at the plant, involving all personnel. The drill was accompanied by a scripted scenario and video recording, which not only enhanced response capabilities but also allowed for post-event review through the video.



- Safety and health-related training organized for employees in 2023 included: 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

ISO 45001 occupational safety and health management system-related training, such as change/procurement/contract management personnel training, occupational safety and health policies, goals, management plan formulation training, organizational background analysis and hazard identification, risk and opportunity evaluation education and training.





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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 2023 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 5 reports of occupational disasters in 2023, FR=4.08, SR=4.08, and FSI=0.129.

Plant	Zhongli		Kaohsiung		
	Occupational injury rate/index	2022	2023	2022	2023
No. of reported cases		5	4	0	1
Disabling injury frequency rate (FR)		6.7	4.9	0	2.43
Disabling injury severity rate (SR)		29.3	4	0	2
Fragile States Index (FSI)		0.44	0.15	0	0.06
Occupational injury fatality rate		0	0	0	0

Note: Occupational accident statistics excluding traffic accidents

Disabling injury frequency rate (FR) = Total No. of disabling injuries/Working hours x 1,000,000

Disabling severity rate (SR) = total days lost due to disabling injuries (excluding deaths)/working hours x 1,000,000

Fragile States Index (FSI) = $\sqrt{\text{frequency of disabling injuries} \times \text{severity of disabling injuries}/1000}$

Rate of fatalities due to occupational injuries = Number of fatalities due to occupational injuries/working hours x 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.

