

Labor relations

Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests

1. Employee benefit measures:

(1) A Welfare Committee has been established to plan and execute various employee welfare programs. The main welfare measures and implementation are as follows: offering gift money for the Dragon Boat Festival, Mid-Autumn Festival, birthdays, marriage, and childbirth; providing subsidies for funerals, hospitalization, and injuries; providing health check ups, group insurance, and housing discounts; organizing various sports and recreational activities, such as sports day; providing occasional travel subsidies; and allocating and distributing employee remuneration according to the Company's Articles of Incorporation.

(2) In addition to the mandatory labor insurance, health insurance, and labor pension, the merged company also provides group insurance (life insurance, accident insurance, cancer insurance, and hospitalization insurance) for employees.

2. Continuing education and training of employee:

(1) In 2022, the merged company actively created a learning environment by utilizing video conferencing platforms and multimedia tools, combining both offline and online training to provide a more convenient and efficient way of acquiring new knowledge. Training courses were designed based on job requirements and positions to ensure the enhancement of professional skills and the development of necessary abilities for each role, thereby retaining talented individuals and cultivating the foundation for the Company's future.

(2) Overview of annual education and training in 2022:

Unit: NT\$thousand

Type		Hours of Course	Costs	Cost Ratio	Number of Participant	Participant ratio
Internal Training	Internal Instructor Course	53	76	3%	1,420	27%

	External Instructor Course	30	499	18%	574	11%
	Middle-level Executive Training Program	9	792	28%	135	3%
Lifelong Learning	Professional Study Subsidy (License/Certificate Subsidy)	24	250	9%	24	0.0%
	Graduation Subsidy (Continuing Education of Master)	-	433	15%	Learning: 7 Graduated: 0	0.0%
	General external training subsidy	313	769	27%	313	6%
	Online session	65	-	0%	2,776	53%
	Total	494	2,819	100%	5,242	100%

3. Code of conduct and ethics for employees:

- (1) In order to maintain order in the workplace and clearly stipulate the rights and obligations of employers and employees, all employees of the company shall abide by laws and regulations and the company's internal control system when dealing with the company's affairs, and adhere to personal integrity and social ethics standards in order to protect the company's assets, rights and interests and image.
- (2) The Company hopes that every employee can do their best to achieve the company's highest business goals and enhance their own sense of ethics. Therefore, we have established the "Code of Conduct and Ethical Corporate Management Operating Procedures and Guidelines", which covers the following areas:

Protection of confidential information: The basic information form of employees filled in by each colleague during job hunting with an consent form signed shall only be used for collection, disposal and utilization within the company. At the time of employment, a "Statement of Employee Confidentiality" shall also be signed, promising that one shall not disclose any business secrets of the company during the period of employment or after dimission.

- Prohibition of seeking personal gain: Each colleague shall not use the company's property, information or position for personal gain, and shall not run the same business for himself or for others.
- Shall not solicit improper interests: Each colleague shall not claim a gift, kickback, entertainment or other improper interests from the company's vendors. The executives shall not accept any form of financial gift from his/her subordinates.
- Rules of fair trade: Each colleague shall treat the Company's supplier (clients) of goods purchased (sold), competitors and employees fairly.
- Prohibition of insider trading: Each colleague shall not use the insider information obtained from the execution of the business for the interests of others or for personal gain. The financial business information of the company shall not be published arbitrarily without permission or before disclosure, so as not to affect the rights and interests of other shareholders.

4. Retirement plan:

- (1) The Company has formulated a retirement policy for the formal employed employees, and the retirement conditions, pension payment and calculation method of employees shall be handled in accordance with the Labor Standards Act, the Labor Pension Act and the relevant laws and regulations.
- (2) For employees under the new pension system, labor pension fund contributions shall be made on a monthly basis at a rate not less than 6% of the employee's monthly salary and to the individual labor pension accounts at the Bureau of Labor Insurance. The Company also sets aside a retirement reserve for employees who choose to apply the old system or retain some of their seniority, with a monthly contribution of 3% of their total monthly salary. In accordance with

the Labor Standards Act, the retirement reserve is supplemented by the Company, and the fund is stored in a designated account with the Bank of Taiwan.

5. Workplace safety and health:

- (1) The merged company is committed to providing employees with a safe, healthy, and comfortable working environment. The company was awarded the "ISO 45001 Occupational Health and Safety Management System" certification by the international verification organization SGS on December 2, 2018, and the first TAF certificate in the domestic construction industry. The system tracking verification has been carried out every year (2019 to 2023) and has passed the verification, and it is specified that all departmental ISO45001 occupational safety and health management system procedures, standard books, and other documents must be comprehensively reviewed, reviewed, and revised before the third quarter of each year. The Company has completed annual inspection and review on and amendment to ISO45001 occupational safety and health management system procedures and standards before the end of October 2022, and these procedures and standards will be implemented after the amendment.
- (2) The Company plans and continues to provide various safety and health education and training, publicity, competitions and drills every year. The Company has formulated the annual employee health promotion plan and subsidized health check-ups in accordance with the law, and the implementation results are as follows:

- Follow relevant laws and regulations and actively participate in relevant organizations:

The Company complies with relevant occupational safety and health laws and regulations, and adjusts and responds accordingly. We actively participate in activities organized by the Occupational Safety and Health Administration of the Ministry of Labor and various labor inspection units, including the "Construction Industry Site Independent Management Strategic Alliance" and the "Construction Industry Occupational Safety and Health Promotion Association" in various project locations. We attend regular meetings and safety observation trips.

- Formulation of occupational safety and health management related plan:

Each project has a specific occupational safety and health management plan, and a dedicated unit and personnel are assigned to implement it. Facilities and equipment that meet legal standards are set up and regularly inspected and maintained to improve the safety of workers on construction sites. Additionally, personal protective equipment is reviewed and improved comprehensively.

- Provide staff with occupational safety and health education and training, promotion, competition, and disaster prevention drills periodically:

The Company encourages employees to obtain professional safety and health-related certifications, such as safety and health managers, construction industry safety and health business managers, etc. We established safety and health QR code inspections and evaluation methods to enhance the ability of site autonomous management and organize relevant education and training courses from time to time, such as ISO 45001 internal auditor training, risk assessment training courses, and Taiwan occupational safety card training.

(3) Preventive measures taken to ensure a safe working environment and maintain employee safety:

- Self-management: Each construction project has a occupational safety and health management plan, which is developed, planned, supervised, promoted and guided by the occupational safety and health management unit (personnel) that has been established and reported. This includes controlling personnel, machinery and materials entering the site; regularly inspecting all construction, machinery and equipment and keeping detailed records, providing construction drawings and calculation sheets approved by professional technicians for implementation, and requiring operations supervisors from partner companies to supervise and direct operations on-site.
- Qualified and sufficient first aid personnel are designated for each construction project. They are responsible for the investigation of

medical and rescue units and systems around the construction site, notification procedures, and hospital transport routes included in the emergency response plan.

- Each construction project site involves operations related to noise, elevated work, welding with electricity or gas, dust, electrical work, and confined spaces. To ensure safety, relevant operation and safety control measures are formulated, including entry and exit permits, inspection and maintenance of protective equipment, and emergency response measures.

(4) The review, improvement, and preventive measures for occupational accidents of the merged company in 2022:

Year	2019	2020	2021	2022
Number of work-related death accidents	0	0	2	2
Number of injury accidents occurred to 3 persons	0	0	0	0
Number of injury accidents requiring hospitalization occurred to more than 1 persons	1	11	1	4

- In 2022, there were two cases of occupational accidents leading to death among contractors. After reviewing the causes of the hazards, it was found that they were caused by "falling" and "being clamped". The company has taken measures to improve the situation on-site, and the improvements have been approved by the labor inspection unit in charge of the project.
- Stipulated management measures: Clearly define the responsibility allocation table for project site engineers to implement occupational safety and health management responsibilities; increase inspections for high-altitude operations, assign engineers and supervisors to monitor them; promote occupational safety and health checkpoints and QR code inspections in construction areas; assist incoming workers to obtain occupational safety cards; provide appropriate rewards for contractors and occupational safety personnel; strengthen inspection frequency according to the

work progress and risk level of each project; and hold monthly occupational safety meetings for the engineering department, chaired by the chairman and general manager, to review occupational safety risks and countermeasures.

- (5) As of May 1, 2022, the "Labor Occupational Accident Insurance and Protection Act" was implemented, and the merged company has required subcontractors to purchase labor insurance for their employees and provide group insurance with a coverage of at least NT\$5 million in their contracts to ensure compliance with the law and strengthen protection.

(6) Information related to occupational accidents of the merged company in 2022:

Type	Number of Disabled Persons	Total Days Lost	Experienced Working Hours	Disabling Frequency Rate (FR)	Disabling Severity Rate (SR)	Frequency-Severity Indicator (FSI)
Kedge's employee	0	0	1,334,306	0	0	-
Foreign worker	0	0	397,072	0	0	-
Dispatch employee	1	6,000	308,128	3.24	19472	7.94
Third-party worker	5	6,028	4,155,208	1.20	1450	1.31
Total	6	12,028	6,194,714	0.96	1941	1.36

- 28 days lost due to injury occurred to third-party worker (May 7, July 25, September 30, and December 14, 2022);
- 6000 days lost due to death occurred to third-party worker (January 21 and August 12, 2022) * 2=12,000 days
- $\text{Disabling Frequency Rate (FR)} = \text{Number of Disabled Persons} / \text{Experienced Working Hours} * 1,000,000$
- $\text{Disabling Severity Rate (SR)} = \text{Total Days Lost} / \text{Experienced Working Hours} * 1,000,000$
- $\text{Frequency-Severity Indicator (FSI)} = (\text{Disabling Frequency Rate (FR)} \times \text{Disabling Severity Rate (SR)} / 1,000) ^{0.5}$

6. Promoting a healthy workplace:

(1) The Company complies with the "Labor Health Protection Regulations" and provides employees with one health check-up per year. We also established a health service plan for workers according to the law, including prevention plans for abnormal workloads that may lead to diseases, human hazards, illegal infringement, and heat hazards, as well as a maternal employee health protection plan. We provide related health education courses to enhance health knowledge and promote workplace health.

(2) COVID-19 prevention and care:

During 2022, in response to the COVID-19 pandemic, the company prioritized employee health and implemented various measures to prevent the spread of the virus, including regular disinfection of the work environment, providing all employees with rapid screening tests and masks, and offering health care and care packages to confirmed cases. During the pandemic, work from home and rotating shifts were implemented, and the Company encouraged staff to administer vaccines, provided fully-paid leave for employees to administer vaccines, and effected anti-epidemic insurance, vaccine insurance, etc. to protect their health in an all-round way, so that employees can work and start a family and business without worry to minimize risks.

(1) Any Losses Suffered by the company in the Most Recent Fiscal Year and up to the Annual Report Publication Date due to Labor Disputes, and Disclosing an Estimate of Possible Expenses that could be Incurred Currently and in the Future and Measures Being or to be Taken: None.

1. As the company has always attached great importance to labor relations, there is no loss caused by labor disputes at present, so no loss is expected to be incurred at present and in the future.
2. The estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:
 - (1) Establish interactive communication and appeal channels. In order to protect all employees from physical or mental unlawful infringement when performing their duties, the company provides the complaint channels of Occupational Safety and Health Office and the Human Resources Department, encourages colleagues to adopt the established internal complaint handling system for such disputes, and will make every effort to provide additional assistance if required.
 - (2) Comply with relevant labor laws and regulations and strengthen welfare measures. In view of the improvement of labor welfare in recent years, the company has set up and improved the mechanism to protect the physical and mental health of employees in accordance with relevant labor laws and regulations.