

## Employee Care and Social Participation

### 1. Employee Rights and Labor Relations

AblereX believes that talents are the Company's most important assets. Employees are provided with a safe, healthy and high-quality work environment. Investment in and cultivation of talents can help employees maximize their potential in job performance. Providing comprehensive remuneration and benefits and creating a worry-free workplace with transparent and appropriate labor-employer communication practices can build friendly labor-management relations help the Company continue to grow.

#### 1.1 Remuneration and benefits

The Company has formulated the Work Rules in accordance with the Labor Standards Act. The content includes salary, bonus, working hours, leave, attendance and performance assessment, welfare measures, etc., and it clearly defines the rights and obligations of both employers and employees, so that they can work together to find more growth. According to the Articles of Incorporation, the Company shall allocate 6% to 10% of the profit of the year as employee bonus. In addition, the Remuneration Committee consolidates relevant company policies, employee performance appraisal systems and corporate social responsibility policies every year, and takes the policies, practices, standards and structure into the consideration for remuneration.

Remuneration at main business locations of AblereX and the employment of local residents as senior officers:

< Proportion of senior management hired from the local community>

Employment situation	Number of people/Percentage
Local senior management	11
All senior managers	11
Proportion of senior management hired from the local community	100%

Employee welfare is subject to the Labor Standards Act and relevant laws and regulations, and the Company has provided group medical insurance, accident insurance, health check and other measures for employees. The Employee Welfare Committee was also established employee welfare programs which offer wedding, funeral, hospitalization and childbirth subsidies, and organized welfare activities such as domestic or overseas trips to improve employees' quality of life.

Employees attended the year-end banquet party held at Howard Hotel in 2022. The chairman generously gave out a year-end bonus red packets to reward everyone for their hard work and joint efforts in achieving the good performance, and the employees also joyfully participated in singing and dancing and enjoyed the fine dining and delicacies on offer.



### **Retirement system and implementation progress**

The company established employee retirement regulations according to the Labor Standards Act, and the company also appropriates a certain ratio of pension reserve according to the total amount of salary payment on a monthly basis in compliance with the Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds, and the pension reserve is deposited into the Bank of Taiwan (Trust Department) for utilization such that during the actual payment of pension, in case where the reserve account is insufficient for the payment, the deficit part is listed as an expense of the current period.

Since July 1, 2005, in accordance with the implementation of the Labor Pension Act, (hereinafter referred to as the "New System"), the service years of employees with the applicability of the old system for the payment of pension choose the use of the New System, or the service years of employees on board after the implementation of the New System change to use the affirmed appropriation system, then the payment of the pension shall be handled by the company by appropriating no less than 6% of the monthly wage on a monthly basis for saving into the labor pension personal account. For the affirmed appropriation pension part, the company shall appropriate 6% of the monthly wage of the employee to the Bureau of Labor Insurance according to the regulations of the Labor Pension Act, and the appropriated amount is listed as an expense of the current period. At the end of each year, the actuary estimates the number of people close to retirement to calculate the allocation amount, which has been fully allocated in 2022.

### **Employee communication**

Employees can properly participate in the Company's management and express opinions through various channels. Labor unions or different committees are established to demonstrate how employees can participate in the Company's decision-making. The Company also regularly holds labor-employer meetings or provides a grievance filing system. In accordance with Article 23 of the "Ethical Corporate Management Best Practice Principles", whistleblowers are protected from inappropriate treatment due to their grievance filing. In 2022, there were no employee complaints filed.

< Communication channels >

Communication channel	Function	Responsible department
Laborer and employer meeting	Labor rights or policy communication	Representatives from labor and employer
Employee complaints	Develop good labor-employer relations and listen to employees' needs and expectations	Head of human resources
Prevention of sexual harassment	Prevention of sexual harassment and protection of victims' rights and interests	Head of human resources
Anti-corruption reporting	Anti-corruption reporting to maintain the culture of ethical management	Head of human resources
Official website	Policy announcement	Head of human resources
Factory manager's email	Establish various one-way/two-way communication methods and assist employees to solve problems	Factory manager

Four labor-employer meetings were held in 2022. Representatives from the two parties discussed labor and employer rights and interests and related policies. Due to the pandemic, the Employee Welfare Committee is asked to cancel company trips, and issue travel subsidy to employees instead.

The labor-employer meeting held in December 2022 disseminated information on new regulatory policies in response to the change in the rate table of the National Health Insurance introduced by the National Health Insurance Administration of the Ministry of Health and Welfare, in which Level 1 was adjusted to NT\$26,400 due to the increase in minimum wage starting January 1, 2023.

## 1.2 Employee diversity

Employee diversity statistics (gender/age/education)

Diversity statistics/year				2022	
				Number of people	Percentage
Employees	Direct	Gender	Male	27	8.18%
			Female	2	0.61%
		Age	Under 30	6	1.82%
			More than 30 and under 50	23	6.97%
			More than 50	0	0.00%
		Education	Doctoral degree	0	0.00%
			Graduate school	0	0.00%
			University	25	7.58%
			Others	4	1.21%
	Indirect	Gender	Male	223	67.58%
			Female	78	23.64%
		Age	Under 30	44	13.33%
			More than 30 and under 50	226	68.48%
			More than 50	31	9.39%
		Education	Doctoral degree	2	0.61%
			Graduate school	79	23.94%
			University	197	59.70%
			Others	23	6.97%

### Employee recruit/resignation ratio

Between 2020 and 2022, the basic employee structure of new hires, resignations and age status is as follows. The Company's operation is stable, and the status of new hires and resignations is not significantly changed.

#### <New hire>

2020			2021			2022		
Age	Male	Female	Age	Male	Female	Age	Male	Female
<30 years old	14	0	<30 years old	21	10	<30 years old	20	4
31-50 years old	26	7	31-50 years old	25	14	31-50 years old	22	3
>51 years old	0	0	>51 years old	0	0	>51 years old	0	0
Total number of people	40	7	Total number of people	46	24	Total number of people	42	7
Total	47		Total	70		Total	49	
New recruit ratio	12.38%	2.17%	New recruit ratio	13.81%	7.21%	New recruit ratio	12.72%	2.12%
Total	14.55%		Total	21.02%		Total	14.84%	

#### < Resigned >

2020			2021			2022		
Age	Male	Female	Age	Male	Female	Age	Male	Female
<30 years old	13	3	<30 years old	19	8	<30 years old	11	1
31-50 years old	21	3	31-50 years old	27	7	31-50 years old	28	10
>51 years old	1	1	>51 years old	1	2	>51 years old	0	0
Total number of people	35	7	Total number of people	47	17	Total number of people	39	11
Total	42		Total	64		Total	50	
Resignation ratio	10.84%	2.17%	Resignation ratio	14.11%	5.11%	Resignation ratio	11.81%	3.33%
Total	13.00%		Total	19.22%		Total	15.15%	

### 1.3 Human rights policy

The Company values the promotion of labor and business ethics policies. The Company has adopted the principles of the GRI Standards for sustainability reporting issued by the Global Reporting Initiative (GRI) in 2021 to establish and implement human rights-related policies, and followed the Labor Standards Act, the Employment Service Act, the Act of Gender Equality in Employment and other relevant regulations promulgated by the competent authority to formulate the Company's Work Rules to define the rights and obligations of the Company and its employees. It is believed that every employee is treated equally and with respect, and we have established the Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at the Workplace and channels for grievance filing to protect the rights and interests of female employees.

## **Human right assessment**

The Company is committed to sustainable development and operation, and also pays attention to enhancing the concern for people and the environment, and undertakes and promotes social responsibility for employees, consumers and the overall environment. In order to fulfill the commitment to providing a safe and healthy workplace, an environmental, occupational and health management unit has been set up to manage employees' occupational safety and health operations, and regularly hold general health inspections for current employees. The Company also established the “Supplier Social Responsibility Rules” jointly with the cooperating partners and have them sign the CSR Commitment in order to expand influence.

## **Human rights concerns and practices**

- **Comply with local government regulations and international standards**

We have the ethical standard which requires us to abide by the local government regulations and international standards, and adopt the standard which provides employees with the greatest assurance when performing their business activities.

Ablerex complies with the government laws and regulations of each region. In case of any major changes in the company operations such that the rights and benefits of employees may be affected or where there is a major change in the duties of employees, the company will provide advance notices and discussions.

If an employment contract is to be terminated, the advance notice period is provided according to the Labor Standards Act as follows:

  - ✧ Where an employee has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance.
  - ✧ Where an employee has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance.
  - ✧ Where an employee has worked continuously for more than three years, the notice shall be given thirty days in advance.
- **Prohibit unlawful discrimination to reasonably ensure equal job opportunities**

The Company ensures equal treatment in hiring, remuneration and benefits, training opportunities, promotion, dismissal or retirement and other labor rights matters, and does not discriminate on the basis of age, gender, physical and mental disability, ethnicity, race, nationality, religion or other status, etc.
- **Prohibit of child labor**

In case where the company and suppliers are subject to the condition of employing child labors (age above 15 but less than 16 years old according to the Labor Standards Act), then it shall be handled according to the relevant regulations of the Labor Standards Act. In addition, it is strictly prohibited to employ child labors in performing works from 8:00PM to 6:00AM of the next morning or performing heavy and hazardous works in order to comply with the No. 138 of the International Labour Convention and the contents of the Convention on the Rights of the Child

of the United Nations. The Company complies with laws and regulations and has not employed child labor.

- Prohibition of inhumane treatment

The Company prohibits physical harm, inappropriate corporal punishment, threats of physical, sexual and other harassment, verbal violence or any other form of intimidation.

- Prohibition of forced labor

The Company specifies that the working hours (including overtime) shall not exceed the regulations of the local laws, and one rest day shall be provided in seven working days. The company establishes the attendance system in order to list abnormal attendance conditions. In addition, dedicated personnel are designated to review records of abnormality. Relevant unit supervisors are informed to understand the working conditions of employees and to make appropriate working arrangements in order to care the health of employees and the quality of their family lives.

- Respect employees' freedom of association and collective bargaining

We respect employees' freedom of association and collective bargaining. According to the Labor Union Act, employees have the right to organize and joint labor unions. Current employees have formed the Employee Welfare Committee to facilitate various measures for employee welfare.

- Provide a safe and healthy work environment

Employees' health is the greatest fortune of an enterprise! Regarding the occupational health promotion, the company provides complete health and safety program in order to increase the corporate sense of honor and responsibility, to establish corporate image and to implement corporate social responsibility. For employees, it is more than providing a safe and healthy working environment; in addition, it is able to improve the employee morale, to enhance health and to increase the work satisfaction in order to expand the benefit to families and communities, creating win-win situation.

- Physical and mental health and work balance

The company provides a gym in order to allow employees to improve physical strength during their free time. In addition, the company also provides general physical examinations to all of the employees once every three years, and the cost for such examination is borne by the company. As for safety, the company organizes on time labor safety, health and fire safety training once every half year. To monitor the office environment quality, we implement office area cleaning and maintenance according to the annual plan in order to perform environmental disinfection operation. We also periodically appoint professional institutions to perform the water quality testing on the drinking water of the drinking machines. In view of the above, the company provides a healthy, safe and sanitary environment to employees.

### **Mitigation measures for human rights risk**

- Training practices for human rights protection

- Provide relevant regulations for training new hires

The Company arranges training programs for new hires, which include the company profile, business philosophy, quality policy, work rules, employee ethics and code of conduct, management of personal data protection, employee environmental safety and health, ethical management, CSR principles, supplier social responsibility principles, human rights policy, internal material information



handling and insider trading management regulations, product introduction, information security risk management, respect for intellectual property rights, welfare and other courses, so that employees can understand the corporate culture, vision and work environment. The relevant measures are placed on the Company's website and internal system for all employees to follow.

- Provide communication channels for employee opinions or grievance filing.  
The Company prohibits physical harm, inappropriate corporal punishment, threats of physical, sexual and other harassment, verbal violence or any other form of intimidation. Establish internal and external feedback or grievance filing channels.
- Occupational safety training  
The company holds labor safety and health and fire safety training every six months to enhance the awareness of environmental, industrial and health concepts. Occupational safety and health personnel may apply for return training in accordance with the regulations of the competent authority to ensure continuous improvement.
- Number of participants in training related to promotion of human rights protection
- In 2022, a total of 41 people participated in a total of 164 hours of training promoting human rights policy concerns and practices.

## 1.4 Maternity Employment Protection

From 2020 to 2022, the percentages of the required resume of work after parental leave and remaining at job position according to the gender are as follows:

Item	Number of male employees			Number of female employees			Total number of people		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of employees entitled to parental leave (A)	14	14	32	4	3	12	18	17	44
Total number of employees who actually took the parent leave (B)	1	0	2	4	2	2	5	2	4
Total number of employees required to resume work after parental leave (C)	1	2	3	4	3	8	5	5	11
Total number of employees who resumed work on-board after completing the parental leave (D)	0	0	0	4	3	5	4	3	5
Total number of employees who resumed work on-board after completing the parental leave (E)	0	0	0	3	3	7	3	3	7
Total number of employees completing the parental leave and remaining at a job position 12 months after resuming the work (F)	0	0	0	2	3	6	2	3	6
Application rate of parental leave without pay (B/A)	7%	0	0	100%	67%	17%	28%	12%	9%
Rate of resuming back to work (D/C)	0	0	0	100%	100%	62.5%	80%	60%	45.5%
Rate of remaining at job position (F/E)	-	-	-	67%	100%	86%	67%	100%	86%

## 2. Talent Cultivation

Enterprise sustainability requires the improvement of products and services, and requires employees to elaborate on their strengths and grow with the ever-changing business environment. The personnel unit and various departments formulate plans and arrange education and training according to the Company's needs. New hires are given training so that they can understand the Company's corporate culture, vision and work environment. In order to help employees grow with the ever-changing business environment, we encourage them to participate in specialization training and career development to enrich their knowledge and skills and improve work efficiency and quality, and connect their learning and growth with the Company's development goals to create sustainable business growth and development.

### 2.1 Education and training

#### 2.1.1 Orientation Training

The Company runs orientation programs for new hires, which include the company profile, business philosophy, quality policy, human rights policy, ethical management, CSR principles, rules and regulations, product introduction, welfare environmental safety and health and other courses, so that employees can understand the corporate culture, vision and work environment. The relevant measures are placed on the Company's website and internal system for all employees to follow.

#### 2.1.2 External professional training

Department supervisors of the company may assign their staff to participate in external professional trainings depending upon the job needs in order to assist to improve knowledge and technical skills as well as to increase work efficiency and quality. In addition, employees' learning and growth can be linked with the development goal of the company. Employees can also request for learning based on the needs of individual job duties and professional development. Due to the pandemic situation in 2022, we reduced the offering of internal and external training courses. After the pandemic eases off, we will hold on-site courses and video courses to maintain a good environment and channels for nurturing talent. For the year, the total hours of training reached 2071.5 hours, and NT\$173,116 was committed to the education and training courses.

#### External training expenses

Unit: NT\$

Item	Total in 2020	Total in 2021	Total in 2022
Manufacturing -- Education and training expenses	10,072	30,539	3,900
Labor services -- Education and training expenses	20,595	17,545	11,600
Sales -- Training fees	193,704	135,321	49,472
Management -- Education and training expenses	61,414	68,014	84,287
R&D -- Education and training expenses	39,202	26,483	23,857
Total expenses	324,987	277,902	173,116



### 2.1.3 Internal training

When new employees enter the company, they are guided by personnel and the experience is passed on. In addition, educational training on professional skills are also conducted on internal personnel periodically. Due to the pandemic easing off in 2022, the proportion of internal training increased, and the average training hours have returned to the pre-pandemic level. According to the gender and type, the employee educational training status is disclosed in the following. Because male employees are generally specialized technical personnel, the training hours are higher than female employees. The average training hours for each employee is 6.3 hours. The long-term goal is to raise the average training hours for all employees to 8 hours.

#### < According to Employee Gender >

Unit: hours

	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Total number of training hours received	1668	193.5	650.5	155	1909.5	162
Total number of employees	248	75	251	82	250	80
Average hours of training received by each employee	6.73	2.58	2.59	1.89	7.64	2.03

#### < According to Employee Type >

Unit: hours

	Senior managerial officer			Intermediate management level			Professionals			Technicians			Total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Total number of training hours received	79	102	226	81	170	750	976.5	216.5	127	725	317	968.5	1862	805.5	2071.5
Total number of employees	17	16	17	85	107	100	106	94	89	115	116	124	323	333	330
Average hours of training received by each employee	4.6	6.4	13.3	1.0	1.6	7.5	9.2	2.3	1.4	6.3	2.7	7.8	5.8	2.4	6.3

## 2.2 Performance Management Regulations

Each year, a performance evaluation is conducted on employees periodically in order to encourage employees to continue to improve the operating content, to enhance the on-the-job training in order to improve individual's professional skills and to further combine personal career planning with the company growth at the same time. Relevant performance evaluation status is as shown in the following:

< According to Employee Gender >

	2020		2021		2022	
	Male	Female	Male	Female	Male	Female
Number of employees receiving regular performance and career development reviews	239	72	231	74	242	79
Number of people participating in review	311		305		321	
Percentage of people participating in review	73%	22%	71%	23%	75%	24%
Total number of employees (8/31)	329		327		324	
Total percentage	95%		94%		99%	

\* The review period is for the current employees (new hires who have started to work less than 3 months ago are not included) by 8/31 every year

< According to Employee Type >

Unit: hours

Type	Senior managerial officer			Intermediate management level			Professionals			Technicians			Total		
Year	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022
Number of employees receiving regular performance and career development reviews	17	17	16	99	91	99	92	98	88	103	99	118	311	305	321
Total number of employees (8/31)	329	327	324	329	327	324	329	327	324	329	327	324	329	327	324
Percentage	5%	5%	5%	30%	28%	31%	28%	30%	27%	31%	30%	36%	95%	94%	99%

\* The review period is for the current employees (new hires who have started to work less than 3 months ago are not included) by 8/31 every year