

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. 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. In 2023, the average salary of all employee not holding managerial positions increased, indicating that the company is also giving back to its employees in the process of growth.

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%

Average and median salary of full-time employees who are not in managerial positions

Unit: Person/NT\$ thousand

Full-time employees in non-managerial positions	Number of employees	Average of annual salary	Median annual salary
2022	324	770	671
2023	333	796	690
Difference	+9	+26	+19

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 Grand Hi-Lai Hotel in Kaohsiung in 2023. 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 2023.

2 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 2023, 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 times labor-employer meetings were held in 2023. Representatives from the two parties discuss labor and employer rights and interests or promote policies. In 2023, the Employee Welfare Committee organized an employee trip to Tokyo, Japan. The labor-employer meeting held in December 2023 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, due to the increase in minimum wage to NT\$27,470 starting January 1, 2023.

3. Employee diversity

According to the employee diversity statistics (gender/age/education), more than 90% has a college degree or above, and more than 70% of them are under the age of 50. This shows that the Company's industrial human resource structure is stable.

Diversity statistics/year				2022		2023	
				Number of people	Percentage	Number of people	Percentage
Employees	Direct	Gender	Male	27	8.18%	25	7.29%
			Female	2	0.61%	1	0.29%
		Age	≤30 years old	6	1.82%	4	1.17%
			31-50 years old	23	6.97%	22	6.41%
			>50 years old	0	0.00%	0	0
		Education	Doctoral degree	0	0.00%	0	0
			Graduate school	0	0.00%	0	0
			University	25	7.58%	22	6.41%
	Others		4	1.21%	4	1.17%	
	Indirect	Gender	Male	223	67.58%	240	69.97%
			Female	78	23.64%	78	22.45%
		Age	≤30 years old	44	13.33%	46	14.47%
			31-50 years old	226	68.48%	233	73.27%
			>50 years old	31	9.39%	39	12.26%
		Education	Doctoral degree	2	0.61%	2	0.63%
			Graduate school	79	23.94%	84	26.42%
University			197	59.70%	206	64.78%	
Others	23		6.97%	26	8.17%		

Employee recruit/resignation ratio

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

<New hires>

2021			2022			2023		
Age	Male	Female	Age	Male	Female	Age	Male	Female
≤30 years old	21	10	≤30 years old	22	4	≤30 years old	19	1
31-50 years old	25	14	31-50 years old	22	3	31-50 years old	24	14
>50 years old	0	0	>50 years old	0	0	>50 years old	1	0
Total number of people	46	24	Total number of people	42	7	Total number of people	44	15
Total	70		Total	49		Total	59	
New recruit ratio	13.81%	7.21%	New recruit ratio	12.65%	2.10%	New recruit ratio	12.83%	4.37%
Total	21.02%		Total	14.75%		Total	17.20%	

<Resigned>

2021			2022			2023		
Age	Male	Female	Age	Male	Female	Age	Male	Female
≤30 years old	19	8	≤30 years old	11	1	≤30 years old	10	2
31-50 years old	27	7	31-50 years old	28	10	31-50 years old	19	15
>50 years old	1	2	>50 years old	0	0	>50 years old	1	0
Total number of people	47	17	Total number of people	39	11	Total number of people	30	17
Total	64		Total	50		Total	47	
New recruit ratio	14.11%	5.11%	New recruit ratio	11.75%	3.31%	New recruit ratio	8.75%	4.95%
Total	19.22%		Total	15.06%		Total	13.70%	

4. Human rights policy

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.

- **Prohibition 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

- Practical Training 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 2023, a total of 57 people participated in a total of 57 hours of training promoting human rights policy concerns and practices. Information is disseminated to current employees from time to time to ensure that they are aware of the relevant regulations.

5. Employment Protection

The percentages of the reinstatement and retention after parental leave broken down by gender for the year. In 2023, the reinstatement rate was 100%, indicating that the company environment is friendly to those who have childcare needs.

Item	Number of male employees			Number of female employees			Total number of people		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total number of employees entitled to parental leave (A)	14	32	27	3	12	14	17	44	41
Total number of employees who actually took the parent leave (B)	0	2	2	2	2	3	2	4	5
Total number of employees required to resume work after parental leave (C)	2	3	1	3	8	1	5	11	2
Total number of employees who resumed work on-	0	0	1	3	5	1	3	5	2

Item	Number of male employees			Number of female employees			Total number of people		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
board after completing the parental leave (D)									
Total number of employees who resumed work on-board after completing the parental leave (E)	0	0	0	3	7	2	3	7	2
Total number of employees completing the parental leave and remaining at a job position 12 months after resuming the work (F)	0	0	0	3	6	1	3	6	1
Application rate of parental leave without pay (B/A)	0	0	0	67%	17%	21.43%	12.00%	9.00%	12.20%
Rate of resuming back to work (D/C)	0	0	0	100%	62.5%	100%	60%	45.45%	100%
Rate of remaining at job position (F/E)	-	-	-	100%	86%	50%	100%	86%	50%