

5.2 Providing a Safe and Healthy Work Environment

5.2.1 Occupational Health and Safety Operations

In addition to complying with Taiwan's occupational health and safety regulations, Zig Sheng is also actively working toward its goal of zero occupational accidents through its health and safety policy. In 2019, we switched from the OHSAS 18001 occupational health and safety management system to the ISO 45001 in accordance with the requirements of new standards, which covers employees and contractors of the company as "workers" and Zig Sheng as the workplace. We are certified and approved by a neutral third party (DNV Business Assurance) annually and we continue to perform hazard identification and risk assessment operations every year in accordance with our occupational health and safety risk assessment procedures, and propose preventive management measures to eliminate hazards and reduce risks.

Each of our five plants has an Occupational Health and Safety Committee, which consists of occupational health and safety personnel, plant supervisors, and employee representatives elected through employee-employer meetings (with at least 1/3 of the members being employee representatives). The committee meets every three months to review and adjust occupational health and safety programs and health promotion, so that employee representatives can participate in decisions regarding occupational health and safety and make the implementation of policies more suited to the needs of the employees on site for the health and safety of all employees.

To ensure the health and safety of all workers engaged in business-related operations, we have formulated regulations to regulate the health and safety of employees and contractors, and those regulations have been approved by employee representatives. Our health and safety regulations stipulate the rights and obligations of employees and contractors in terms of operational safety standards, education and training, health education, first aid and disaster relief, and incident notification.

Health education and management measures include:

Zig Sheng strictly abides by the Personal Data Protection Act regarding the collection, handling, and utilization of employees' health checkup information, and such information is kept by dedicated staff to ensure the safety of our employees' personal data. For employees who have abnormal results in their health checkup report or suspect they have musculoskeletal or overexertion issues through symptoms they experience, our occupational health nurse will provide health education and arrange a time for employees to meet with the occupational medicine specialist. If the employee is deemed by the doctor to be unsuited for their original post, we will take the doctor's advice and move the employee to another workplace/post or shorten working hours, and take health management measures.

We take preventive and protective measures against diseases that may be triggered by repetitive work, shift work, night work, etc. We also instruct our employees to report to their supervisors immediately if they feel unwell or abnormal. By providing care in multiple aspects, including in terms of personnel, equipment, environment and regulations, the occupational disease rate at Zig Sheng is 0. For special operation areas (those with noise, dust, or Confined Spaces, etc.), there are visible signs to inform employees of the hazards of the operation area and precautions to take, and require them to wear protective equipment when entering the area to ensure their health and safety.



Safety Policy

5.2.2 Hazard Identification and Risk Assessment

(1) Health and Safety Hazard Identification and Risk Assessment

Zig Sheng continues to perform hazard identification and risk assessment on a regular basis each year in accordance with our occupational health and safety risk assessment procedures, and proposes preventive management measures to eliminate hazards and reduce risks.

Workers in each unit analyze the operations and work environment they are responsible for and propose potential hazards in activities, equipment, materials, or the environment. The identified hazards are scored according to their frequency and severity, and the risk matrix is used to determine their risk level. The risk assessment results are submitted to the Occupational safety and health management entities and then control measures are set, including equipment replacement, workflow changes or the addition of new protective devices, etc. Occupational safety and health management entities assists in and checks on the progress of making the improvements.

(2) Prevention of Workplace Abuse

In order to prevent employees from suffering physical or mental abuse due to the behavior of others in the performance of their duties, Zig Sheng implemented the workplace abuse prevention measure in 2023. The Company evaluated employee job assignments, job design, workplaces, physical environments and administrative management. Additionally, a comprehensive consultation and grievance system was established. Senior-level managers and employees participated in workplace violence awareness training. A psychologist was invited to conduct training sessions on harm prevention and communication skills. Different educational programs were designed based on job positions. A total of 8 training sessions were held, with 342 employees completing the courses. These efforts aimed to enhance employees' awareness of workplace violence prevention and foster a positive, safe work environment. There were no illegal infringement incidents in 2023.



(3) Occupational Accident Statistics

The Company provides employees with a healthy and safe workplace and prevents occupational accidents by formulating a comprehensive accident investigation and prevention program. When an occupational accident or a suspected case of occupational disease occurs in the workplace, an investigation team consisting of occupational health and safety management personnel, plant nurses, occupational medicine specialists, manager of the workplace where the case occurred, labor representatives and victims will come together to investigate the cause of the disaster, conduct an analysis, record results, and develop appropriate responses.

5.2.3 Safety Training

Personnel Hazard Awareness Training

To enhance the Company's safety culture and the employees' awareness of health and safety, the Company provides quality education and training. In accordance with the law, we provide occupational health and safety education and training for new recruits, education and training for contractors entering the plants, education and training for current employees, fire drills, special operation training and promotion of health issues, as well as emphasize the employees' ability to carry out their duties in a healthy and safe way. For forklifts, fixed cranes, aerial work platforms, hazardous equipment or machines and supervisors of hazardous tasks, the Company appoints qualified organizations or collaborates with Guanyin Service Center to provide training courses for employees to receive professional training and obtain relevant licenses.

As required by regulations, starting from January 1, 2024, only personnel who have completed specialized occupational safety and health training for high-risk operations will be permitted to operate aerial work platforms. In the first half of 2023, the Company conducted training sessions for aerial work platform operators and invited partner contractors to participate. This approach, where larger companies assist smaller ones, was designed to improve the occupational safety and health standards of contractor employees. A total of 6 training sessions were held, with 178 participants (112 from Zig Sheng and 66 from partner contractors) completing the training, passing the exam, and receiving their certification.

Occupational health and safety courses are planned not only for Taiwanese employees, but also for expatriate employees, who are important target audiences for education at our company. To facilitate effective communication and convey the correct health and safety information, we hire interpreters to assist in the courses.



Professional First-Aid Training

To ensure that first aid personnel can provide immediate assistance during emergencies and comply with legal requirements, the Company annually invites instructors to conduct on-site first aid training for employees. In 2023, two sessions were held, with a total of 62 participants. The goal is to equip all employees with first aid response skills for emergencies, emphasizing the importance of the golden 3-6 minute window for effective rescue and ensuring the accuracy of employees' first aid knowledge. Additionally, 15 CPR and AED training sessions were conducted by professional instructors, with a total of 346 participants (278 local employees and 68 foreign employees), further enhancing the quality of emergency response and first aid skills across the workforce.

In alignment with the government's promotion of Automated External Defibrillators (AED) for emergency response, the Company began installing AEDs across all plant sites and the Guanyin dormitory in 2011. These devices are managed by designated AED personnel who conduct regular maintenance to ensure they remain in operable condition.



Emergency Response Training

To prevent casualties in the event of an accident, fire drills and accident prevention drills for hazardous materials are conducted regularly at each plant every six months, so that employees can understand the essentials and techniques of dealing with a fire and how to escape one, ensuring that workers know how to survive as well as emergency response measures in the event of an accident to ensure their own safety.



Anti-Fraud Awareness Seminars

To address the growing sophistication of fraud schemes, the Company organized anti-fraud awareness seminars. Local police precincts or stations were invited to conduct seven sessions, with a total of 183 employees participating. The seminars covered various types of fraud, including fake online shopping auctions, investment scams, ATM installment payment scams, romance scams, and impersonation of family and friends. The crime methods were thoroughly explained to help employees avoid falling into fraud traps, thereby raising fraud awareness and improving their ability to detect and prevent scams.



5.2.4 Health Promotion

Health Check-ups

The Company places great emphasis on employee health, offering annual general health check-ups to all employees, exceeding legal requirements. In addition, screenings for diseases such as cerebrovascular conditions and cancer are provided. In 2023, a total of 1,052 employees participated in these check-ups. Based on the results, the Company analyzed and evaluated employees' health status, providing care and tracking health indices. When necessary, occupational doctor consultations and work adjustments were arranged to help employees better understand their health.



Occupational Disease Prevention

In 2023, special health examinations were conducted for workers in high-risk operations (e.g., exposure to noise, ionizing radiation and dust), with a total of 643 employees screened across all plants. To ensure workplace safety and establish safety and health awareness among employees, health management specialists from Cardinal Tien Hospital were invited to conduct 5 workshops on special health hazards in the plants. A total of 170 employees (116 local, 54 foreign) participated, and employees were guided on proper usage of protective gear.



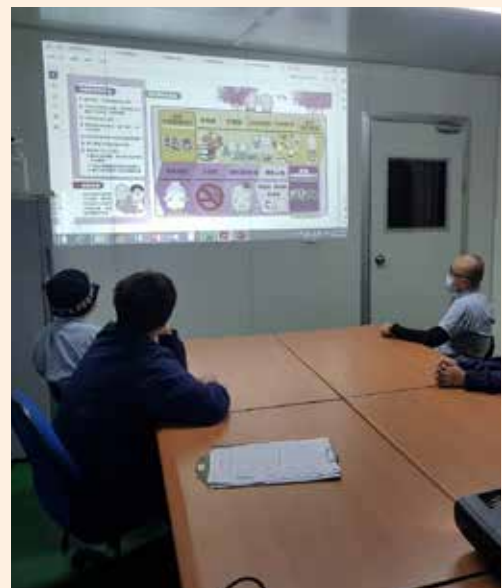
Vaccination

To enhance employee access to vaccines for COVID-19 and influenza, Dongxing Clinic was invited to the plants to assist with vaccinations. A total of 28 employees received the COVID-19 XBB1.5 vaccine and 41 received the flu vaccine, helping to reduce the risk of severe complications.



Health Promotion

In collaboration with the Public Department of Public Health's chronic disease prevention initiatives, occupational health nurses produced educational materials on topics such as metabolic syndrome and dementia awareness. These materials were posted on bulletin boards and shared during morning meetings, shift handovers and training sessions to raise awareness of chronic diseases.



5.3 Health and Safety Performance Management

5.3.1 Implementation Results

2023 Implementation Performance

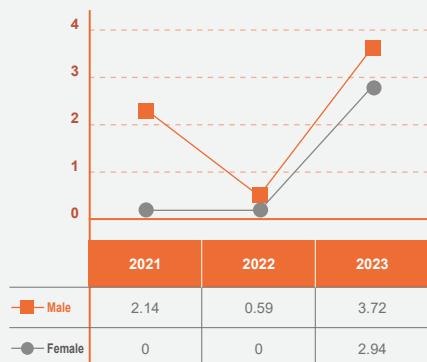
| Item | Target Value | Actual Value | Unit |
|--------------------------------------|--------------|--------------|--------------------------|
| Disabling Injury Frequency Rate (FR) | ≤ 1.80 | 3.49 | Times/million work hours |
| Disabling Injury Severity Rate (SR) | ≤ 6 | 99 | Days/million work hours |
| Property loss | ≤ 7 | 6 | Cases |
| Minor injuries | ≤ 5 | 7 | Cases |
| Health check execution rate | 100 | 99 | % |
| Overload interview rate | ≥95 | 100 | % |

1. Disabling Injury Frequency Rate (FR): (Annual number of people who suffer disabling injuries×1,000,000) ÷ Total work hours
2. Disabling Injury Severity Rate (SR): (Annual number of people who suffer disabling injuries×1,000,000) ÷ Total work hours
3. Property loss: Refers to losses of assets occurring during the production and operational process due to natural disasters, accidents, or abnormal operations, resulting in shortages, damage or discrepancies in assets (excluding normal wear and tear).
4. Minor Injury: An injury resulting in less than one day of lost work due to disability
5. Health Check Execution Rate: (Number of people who completed health checks ÷ Number of people required to undergo health checks) × 100%
6. Overload Interview Rate: (Number of people who completed required interviews for abnormal workloads ÷ Number of people identified as needing interviews) × 100%

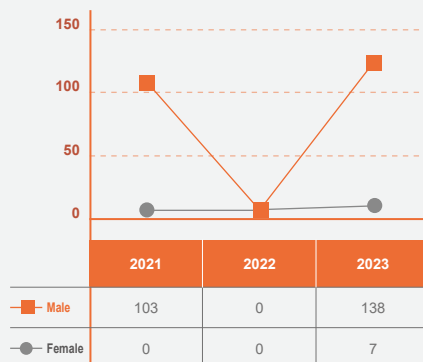
| Plant | Gender | 2021 | | 2022 | | 2023 | |
|-----------------|--------|------|-----|------|----|------|-----|
| | | FR | SR | FR | SR | FR | SR |
| Guishan Plant 1 | Male | - | - | - | - | 4.67 | 44 |
| | Female | - | - | - | - | - | - |
| Guanyin Plant 2 | Male | - | - | - | - | 4.68 | 386 |
| | Female | - | - | - | - | 5.81 | 11 |
| Guanyin Plant 3 | Male | 4.13 | 262 | 1.55 | 1 | 4.89 | 78 |
| | Female | - | - | - | - | 4.7 | 14 |
| Guanyin Plant 4 | Male | - | - | - | - | - | - |
| | Female | - | - | - | - | - | - |
| Dayuan Plant 5 | Male | 3.18 | 9 | - | - | - | - |
| | Female | - | - | - | - | - | - |
| All Plants | Male | 2.14 | 103 | 0.59 | - | 3.72 | 138 |
| | Female | - | - | - | - | 2.94 | 7 |

Note: FR is the Disabling Injury Frequency Rate; SR is the Disabling Injury Severity Rate.

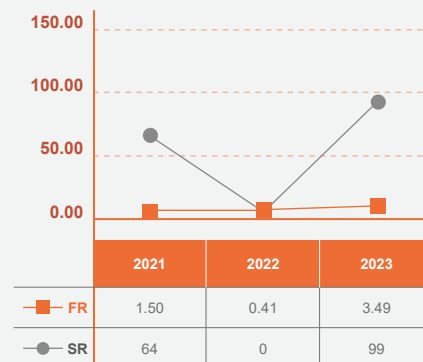
Disabling Injury Frequency Rate (FR)



Disabling Injury Severity Rate (SR)



Disabling Injury Frequency Rate & Severity Rate



We will continue to promote accident reduction programs and move toward our goal of zero occupational accidents.

Implemented measures are as follows:

Enhance personnel awareness through training to prevent hazards-as in 5.2.3

5.3.2 Occupational Injury

In 2023, there were no employee fatalities. The Company recorded 8 incidents of disabling injuries and 7 incidents of minor injuries. The employee disabling injury frequency rate (FR) was 3.49 and severity rate (SR) was 99. In addition, there was one disabling accident involving non-employee workers (such as contractor, customer, self-employed worker, etc.). All of the above accidents were reviewed and improvements were made.

In addition to reviewing the accidents, we have strengthened the management of contractors and non-employee workers by holding toolbox meetings before they enter the plants, making it necessary for them to submit construction plans in contracts, conducting safety inspections from time to time, conducting 6S workplace management and engaging in self-care, mutual care and monitoring behaviors in order to achieve continuous improvement.



In 2023, there were 307 cases of noncompliance during health and safety audits (with 97% of them already rectified). The deficiencies found in the audits were submitted to managers for review and investigation and the units with deficiencies were notified immediately for them to make improvements. The deficiencies were also reviewed during Health and Safety Committee meetings and interim meetings, which aids the management and improvement of on-site health and safety.

In addition to immediate hazards, Zig Sheng also places great importance on the health of its employees. Therefore, we have established prevention and protection regulations for work items that may cause occupational diseases, such as posting hazard notices at the entrances and exits of areas with noise and dust. Furthermore, we test for noise levels, dust, chemical hazards, and other factors that may impact health. Employees working in noisy areas or in areas where special operations are carried out are required to undergo special medical checkups and related consultations every year, and complete hazard protection training, so there are currently no cases of occupational diseases.

Occupational Injury Statistics 2023

| | Employees | Contractors |
|--|-----------|-------------|
| Number of Occupational Injuries (cases) | 8 | 1 |
| Rate of Occupational Injuries (%) | 0.70 | 7.56 |
| Number of Severe Occupational Injuries (cases) | 1 | 0 |
| Rate of Severe Occupational Injuries (%) | 0.09 | 0 |
| Job-related Deaths (persons) | 0 | 0 |
| Rate of Job-related Deaths (%) | 0 | 0 |
| Working hours (hours) | 2,291,741 | 132,320 |

In addition to employees, the people we most commonly see are engineering contractors. Based on the number of visits to the plants every day, there were a total of 16,540 visits in 2023, significantly higher than the previous year's 10,783 visits. This increase was primarily due to the expansion of the Polymerization Plant 3 and the installation of related equipment.

Notes:

| | |
|--------------------------------------|--|
| Rate of Occupational Injuries | Employee = (Number of occupational injuries/total work hours)*200,000 Contractor = (Number of occupational injuries/total work hours)*1,000,000 |
| Rate of Severe Occupational Injuries | Employee = (Number of severe occupational injuries - number of fatalities/total work hours)*200,000 Contractor = (Number of severe occupational injuries - number of fatalities/total work hours)*1,000,000 |
| Rate of Job-related Deaths | Employee = (Number of job-related deaths/total work hours)*200,000 Contractor = (Number of job-related deaths/total work hours)*1,000,000 |

Injury Statistics 2023

The Company reviews and makes improvements based on incidents in which personnel are injured during their work:

| Injury Type | Employees | | Contractors | | Improvement Measures |
|-------------------|-----------------|------------|-----------------|------------|--|
| | Number of Cases | Percentage | Number of Cases | Percentage | |
| Falling | 0 | 0% | 1 | 100% | Strengthen the safety requirements for contractors, such as hazard notification, setting of safety operating standards and safety inspections. |
| Tripping | 2 | 25% | 0 | 0% | Safety advocates should walk along the planned path and at the same time check the workplace to see if the lighting is insufficient. If so, it should be improved upon immediately to prevent people from falling. |
| Falling objects | 1 | 13% | 0 | 0% | When assembling or disassembling valves, it is important to use the correct tools. Valve replacement must be performed in the prescribed sequence according to regulations. If any issues arise during the work process, they must be reported immediately and further instructions should be requested before proceeding. |
| Spray or Burns | 1 | 13% | 0 | 0% | During filter replacement on the extrusion machines, molten nylon chips were expelled due to residual internal pressure, resulting in burns. In response, the relevant operating procedures were revised and the use of personal protective equipment was reinforced. Education and training were also implemented to ensure all personnel are aware of the proper procedures. |
| Caught In | 2 | 25% | 0 | 0% | Enhanced personnel training was provided, emphasizing the importance of stopping machinery during abnormal operations to prevent accidental activation by other individuals. |
| Traffic Accidents | 1 | 13% | 0 | 0% | Traffic safety awareness campaigns were conducted to increase risk awareness and promote defensive driving concepts. |
| Cuts | 1 | 13% | 0 | 0% | A new risk assessment was conducted for this task, and additional education and training were provided to improve safety awareness. |

| All Employees | | | | | | | Contractors |
|-----------------|--------|-----------------------------|-------------------------------|--------------------|---------------------|-----------------------|-----------------------|
| Plant | Gender | Occupational Injury Rate IR | Occupational Disease Rate ODR | Lost Day Ratio LDR | Absenteeism Rate AR | Occupational Injuries | Occupational Injuries |
| Guishan Plant 1 | Male | 0.93 | 0 | 8.97 | 0.41 | 1 | 1 |
| | Female | 0 | 0 | 0 | 0.73 | 0 | 0 |
| Guanyin Plant 2 | Male | 0.94 | 0 | 77.20 | 0.52 | 3 | 0 |
| | Female | 1.16 | 0 | 2 | 0.54 | 1 | 0 |
| Guanyin Plant 3 | Male | 0.98 | 0 | 15.65 | 0.59 | 3 | 0 |
| | Female | 0.94 | 0 | 2.82 | 1.64 | 1 | 0 |
| Guanyin Plant 4 | Male | 0 | 0 | 0 | 0.27 | 0 | 0 |
| | Female | 0 | 0 | 0 | 1.13 | 0 | 0 |
| Dayuan Plant 5 | Male | 0 | 0 | 0 | 0.55 | 0 | 0 |
| | Female | 0 | 0 | 0 | 1.37 | 0 | 0 |
| All Plants | Male | 0.74 | 0 | 221 | 4.21 | 7 | 1 |
| | Female | 0.59 | 0 | 11.76 | 8.80 | 2 | 0 |

- Occupational Injury Rate (IR) = Total number of occupational injuries/Total work hours × 200,000
- Occupational Disease Rate (ODR) = Cases of occupational diseases/Total work hours × 200,000
- Lost Day Ratio (LDR) = Total number of days missed from work/Total work hours × 200,000
- Absenteeism Rate (AR) = Total number of days absent from work/Total work days × 100%
- Occupational injuries (workers) = Number of workers who suffered injuries in the current year.

5.3.3 Future Planning for Health and Safety

2024 Targets

| Item | Target Value | Unit |
|--------------------------------------|--------------|--------------------------|
| Disabling Injury Frequency Rate (FR) | ≤1.8 | Times/million work hours |
| Disabling Injury Severity Rate (SR) | ≤6 | Days/million work hours |
| Number of property loss cases | ≤6 | Cases |
| Minor injuries | ≤5 | Cases |
| Frequency-Severity Indicator (FSI) | ≤0.18 | Million work hours |
| Health Check Achievement Rate | 100 | % |
| Overload Interview Rate | 100 | % |

Note: Frequency-Severity Indicator (FSI): $[(\text{Disabling Injury Severity Rate SR} \times \text{Disabling Injury Frequency FR}) \div 1000]^{0.5}$

Planned Measures

01

Participating in the industrial zone's firefighting competition



02

Increasing the strength of safety inspections



03

Health promotion courses and activities



04

Occupational health and safety self-management contests

