



4

CHAPTER

Employee Relations



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| | Management Approach | Responsible Unit | Action Plans | Grievance Mechanism |
|----------------------------------|---|--------------------------------|---|---|
| Talent Development and Education | CMP Group consolidates employee loyalty with comprehensive welfare measures, reduces turnover rate and build a more competitive organizational structure to attract outstanding talents, and strengthens employee training to unleash their potential and enhance employee competitiveness. | HR & Administration Department | <ol style="list-style-type: none"> With CMP Academy, internal lecturer system and digital learning platform, CMP Group transforms employees into experts with core competencies and creates a learning organization. The Company provides education allowance for strategic development and subsidies for technical skills advancement to encourage employees to continue their studies. We also encourage employees to take part in professional skill contests. The long-term industry-academia collaboration provides a learning platform that integrates academic theories and industrial practices to cultivate new talents. | |
| Employee Care | Comply with regulatory requirements and provide protection. Set up internal communication channels to make communication barrier-free. | HR & Administration Department | <ol style="list-style-type: none"> Barrier-free communication through monthly meetings, employee suggestion boxes, communication software groups, and labor-management meetings Regulations and Handling Procedures for Sexual Harassment have been established to protect and support gender equality We attach great importance to the rights and interests of employees and their physical and mental health, and have established the Employee Care Management Measures, Health Examination Management Measures, Planned Work Incentive Measures, etc., sparing no effort to care for employees and their families Won the Happiness Enterprise Manufacturing Group Gold Award from 1111 Job Bank In terms of employee welfare, we added three days of fully paid menstrual leave, which was used 533 hours this year. | <p>Independent grievance mailbox Audit Office ethics@cmp.com.tw</p> <p>Designated grievance mailbox for sexual harassment hr@cmp.com.tw</p> <p>Sexual harassment hotline +886-2-2711-2831 Ext. 8189</p> |
| Occupational Health and Safety | Setting zero industrial safety incident as our goal, follow the regulations of occupational safety and health to hold its relevant activities and shape a safe, healthy, and friendly work environment. | Occupational Safety Department | <ol style="list-style-type: none"> Conduct the safety and health education and daily safety drills to raise the employee's awareness of industrial accidents. Voluntarily receive inspection and entrust professionals to conduct on-site inspections Conduct the Group's internal exchanges and audits of the issues on the environment, safety, and health. Assist our vendors to conduct audits to fully minimize the risk of on-site industrial accidents. | Grievance mailbox at each operation of location |

| Target Item | Actual Performance in 2023 | Short-Term Goals | Medium-Term Goals | Long-Term Goals | Detail |
|---|----------------------------|------------------------------|------------------------------|------------------------------|--|
| Number of the headcount remaining in office after joining Industry-academia collaboration | 86 | 58 | 60 | 65 | Achieve Long-Term Goals |
| Occupational Injury | 3 projects | No major occupational injury | No major occupational injury | No major occupational injury | All occupational accident cases were investigated and controlled in levels according to procedures. The current situation in the factory has been reviewed and optimized, and education and training have been strengthened to avoid recurrence. |

4.1 Demographics

CMP Group has two main locations of operations in Taiwan and China. As of December 31, 2023, CMP Group employed a total of 1,809 employees⁹ mainly comprising of the experienced and knowledgeable employees aged between 31 to 50 (around 68% of the group), while around 18% at the age of 30 or below can infuse new innovative energy to CMP Group. CMP Group hired a total of 17 people with disabilities¹⁰ and 6 employees from indigenous backgrounds. The overall new recruits rate was 13.16% and the overall separation rate was 17.58%. Statistically, 90% of the CMP Group employees are in the Metal Manufacturing business, where most of the employees and management are male due to the nature of the industry. In terms of management, 92% of managers in the Metal Manufacturing business are recruited locally while 100% of managers in the rest of the business units are locally employed. Other than employees, the Company has 1,015 male workers and 253 female workers in Metal Manufacturing. They mainly include contractors, security guards, restaurant personnel, and dispatched personnel on the production line.

| | | Number of people | By Gender | | | |
|--------------------|-------------------------|------------------|-----------|------------|--------|------------|
| | | | Male | | Female | |
| | | | Number | Percentage | Number | Percentage |
| Staff Distribution | Headquarters | 79 | 35 | 1.93% | 44 | 2.43% |
| | Metal Manufacturing | 1,625 | 1,324 | 73.19% | 301 | 16.64% |
| | Land Development | 92 | 49 | 2.71% | 43 | 2.38% |
| | Lifestyle Innovation | 13 | 4 | 0.22% | 9 | 0.50% |
| Position Type | Management position | 269 | 204 | 11.28% | 65 | 3.59% |
| | Non-management position | 1,540 | 1,208 | 66.78% | 332 | 18.35% |
| Age | Under age 30 | 333 | 245 | 13.54% | 88 | 4.86% |
| | Age 31-50 | 1,222 | 947 | 52.35% | 275 | 15.20% |
| | Age 51 and above | 254 | 220 | 12.16% | 34 | 1.88% |

9. A total of 1,809 employees and the number of non-employees are from China Metal Products Co., Ltd., CMS, CMW, CMB, and PUJEN Land Development. CMH was added in 2023. The scope does not include the entire CMP Group. Compared with last year, the increase in the number of employees and non-employees this year was mainly due to the addition of the group's new plant CMH to the scope of the report.

10. As for the employment of people with disabilities, the CMP Group has paid for the subvention and security, for hiring less people with disabilities in accordance with the "People with Disabilities Rights Protection Act" in Taiwan, the "Collection, Use, and Management of the Suzhou Disabled Person Employment Bond Measures" in Suzhou, and the "Collection, Use, and Management of the Wuhan Disabled Person Employment Bond Measures" in Wuhan, respectively.

| | Number of people | By Region | | | | By Gender | | | |
|----------------------|------------------|-----------|------------|--------|------------|-----------|------------|--------|------------|
| | | Taiwan | | China | | Male | | Female | |
| | | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| Permanent | 1,245 | 411 | 22.72% | 834 | 46.10% | 954 | 52.74% | 291 | 16.09% |
| Temporary | 564 | 0 | 0.00% | 564 | 31.18% | 458 | 25.32% | 106 | 5.86% |
| Non-guaranteed hours | 0 | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% |
| Full-time | 1,808 | 410 | 22.66% | 1,398 | 77.28% | 1,412 | 78.05% | 396 | 21.89% |
| Part-time | 1 | 1 | 0.06% | 0 | 0.00% | 0 | 0.00% | 1 | 0.06% |

New Recruits Rate¹¹

| Year | By Region | | | | By Age | | | | | | By Gender | | | |
|------|-----------|------------|--------|------------|--------------|------------|-----------|------------|------------------|------------|-----------|------------|--------|------------|
| | Taiwan | | China | | Under age 30 | | Age 31-50 | | Age 51 and above | | Male | | Female | |
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| 2023 | 92 | 5.09% | 146 | 8.07% | 127 | 7.02% | 109 | 6.03% | 2 | 0.11% | 176 | 9.73% | 62 | 3.43% |
| 2022 | 71 | 4.01% | 158 | 8.93% | 116 | 6.56% | 107 | 6.05% | 6 | 0.34% | 182 | 10.29% | 47 | 2.66% |
| 2021 | 67 | 3.72% | 237 | 13.14% | 173 | 9.60% | 130 | 7.21% | 1 | 0.06% | 231 | 12.81% | 73 | 4.05% |

Separation Rate

| Year | By Region | | | | By Age | | | | | | By Gender | | | |
|------|-----------|------------|--------|------------|--------------|------------|-----------|------------|------------------|------------|-----------|------------|--------|------------|
| | Taiwan | | China | | Under age 30 | | Age 31-50 | | Age 51 and above | | Male | | Female | |
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage |
| 2023 | 92 | 5.09% | 226 | 12.49% | 125 | 6.91% | 171 | 9.45% | 22 | 1.22% | 262 | 14.48% | 56 | 3.10% |
| 2022 | 52 | 2.94% | 211 | 11.93% | 158 | 8.93% | 96 | 5.43% | 9 | 0.51% | 221 | 12.49% | 42 | 2.37% |
| 2021 | 46 | 2.55% | 217 | 12.04% | 141 | 7.82% | 119 | 6.60% | 3 | 0.17% | 198 | 10.98% | 65 | 3.61% |

11. New recruits rate (Separation rate) = new recruits (separations) of that category / total number of employees at the end of the period (1,809 persons)

4.2 Rights and Welfare

▼ 4.2.1 Fundamental Rights

• Human Rights Protection

The CMP Group has drawn up its human rights policies and supported various international conventions on human rights such as the Universal Declaration of Human Rights, the UN Global Compact, and the International Labour Convention. CMP Group complies with the relevant local labor and employment laws at the location of operations as well as the Sustainable Development Best Practice Principles. CMP Group treats each employee equally and fairly and is against any form of discrimination due to gender, ethnicity, nationality, age, or religious beliefs. Moreover, forced labor and child labor employment are both prohibited. Meanwhile, the Grievance Mailbox has been set up and the Audit Office will handle it. There was no incident of human rights violations and forced labor or child labor employment in 2023. CMP group conducted 668 hours of education and training on human rights and labor rights. It is hoped that through continued education and training, employees can enhance their awareness on these issues. In addition, the update to the Human Rights Policy was originally scheduled to be carried out in 2023. The Company is currently in the process of integrating the Group's policies and key projects and will continue to be implement the update in 2024.

Independent grievance mailbox
ethics@cmp.com.tw

• Sexual Harassment Prevention

CMP Group has established the “Regulations and Handling Procedures for Sexual Harassment”, which is applicable to all CMP Group employees, contracted laborers, and job applicants, to provide a safe and secure environment. A dedicated hotline and a designated mailbox for sexual harassment complaints have been established, and the complaints are sent to and handled by the HR & Administration Department of the Head Office. To ensure the privacy of the reporting party, cases are handled confidentially by the Sexual Harassment Complaint Committee. On the other hand, the committee shall consist of more than 50% female members in accordance with the relevant rules. No sexual harassment complaints were reported in 2023.

Designated grievance mailbox for sexual harassment
hr@cmp.com.tw

• Minimum Period of Advance Notice for Job Change

The minimum period of advance notice for job changes is adopted based on regulations of the Labor Standards Act in Taiwan and CMP Regulations Governing the Recruitments and Separation that stipulate that a 10 days advance notice is required for employees who have been employed for more than 3 months but less than 1 year; a 20 days prior notice is required for employees who have been employed for 1 or more years but less than 3 years; a 30 days prior notice is required for employees who have been employed for 3 or more years, and job-hunting leave, severance pay, etc. shall be provided in accordance with the regulations. In China, in accordance with the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, all employees must be notified in writing 30 days prior to any job changes.

• Implementation of the Retirement System

CMP Group contributes pension funds in accordance with the Labor Standards Act and the Labor Pension Act in Taiwan. In addition, CMP Group has established the “Regulations Governing Employee Retirement” clearly specifying the process of retirement application, its procedure, and pension payment methods. In China, CMP Group abides by the regulations of the local government and make monthly contributions to the social security such as pension funds, medical care funds, etc.

Parental Leave¹²

| | 2021 | | 2022 | | 2023 | |
|---|------|--------|------|--------|------|--------|
| | Male | Female | Male | Female | Male | Female |
| Eligible Employees | 10 | 11 | 12 | 9 | 9 | 5 |
| Applicants | 0 | 4 | 0 | 3 | 0 | 1 |
| Employees Expected to Return | 0 | 2 | 0 | 1 | 0 | 0 |
| Returned Employees | 0 | 2 | 0 | 1 | 0 | 0 |
| Employees Returning to Work for Over One Year | 0 | 0 | 0 | 1 | 0 | 1 |
| Return Rate (%) ¹³ | - | 100 | - | 100 | - | - |
| Retention Rate (%) ¹⁴ | - | 0 | - | 50 | - | 100 |

▼ 4.2.2 Remuneration and Promotion

CMP Group has established a comprehensive remuneration and performance assessment system based on the data and opinions of external professional institutions, which also conforms to the minimum wage of local regulations. The Group sets the salary standards by the employee's rank and job description and not by gender or age. It also assesses employee performance through organizational management indicators and team goals. The performance result would be a reference for promotion, salary adjustment, and employee compensation, and the issuance of the year-end performance bonuses. All the employees are subject to the performance assessment, except for employees on probation, temporary employees, employees on leave without pay, employees on parental leave, the Chairman, President, consultants, or foreign employees hired in Taiwan. The frequency of performance assessment and the assessed items are implemented by each operating unit in accordance with the bylaws based on the nature of the industry and the position.

CMP Group formed the Remuneration Committee with independent directors serving as committee members to supervise remuneration matters. The ratio of the annual total compensation for the Company's highest-paid individual to the median annual total compensation for other employees was 5.23 and the annual total compensation change rate was 360.85.

Remuneration Ratio

| | Headquarters | | Metal Manufacturing | | Land Development | | Lifestyle Innovation | |
|--------------|--------------|--------|---------------------|--------|------------------|--------|----------------------|--------|
| | Male | Female | Male | Female | Male | Female | Male | Female |
| Managers | 0.97 | 1 | 1.09 | 1 | 1.21 | 1 | 1.10 | 1 |
| Non-Managers | 1.24 | 1 | 1.14 | 1 | 1.30 | 1 | 1.35 | 1 |

The Rate of Employees Assessed Regularly

| By work position | | By gender | |
|------------------|--------------|-----------|--------|
| Managers | Non-Managers | Male | Female |
| 99.26% | 92.66% | 92.21% | 98.74% |

12. The scope of parental leave data disclosed was based only in Taiwan. The statistics of eligible employees are based on employees who applied for parental leave allowances. The data from the locations of operations in China (i.e., the Metal Manufacturing businesses: CMS, CMW, CMB, and CMH) are not included.

13. Return Rate (%) = Returned employees on that year / Employees expected to return * 100

14. Retention Rate (%) = Employees returning to work for over one year / Returned Employees in the last year * 100

▼ 4.2.3 Welfare

CMP Group firmly believes that quality life with rich experiences can effectively enhance work quality and bring innovation energy to the company as well as strengthen the employees' self-identity and deepen their connection to CMP Group. Therefore, in addition to the requirements of the Employee Welfare Committee and local regulations, welfare measures are planned according to three major goals including implementing regulations to provide employees with work and life balance, protecting their physical and mental health, and promoting lifelong learning. The Company invested approximately NT\$271,273,645 in 2023.

| Work and life balance | Physical and mental health | Lifelong learning |
|--|--|---|
| <ul style="list-style-type: none"> ✦ Work Plan Encourage employees to make continuous vacation arrangements, and provide a bonus of NT\$1,200 per day for those who apply for leave more than 181 days in advance; those who arrange their vacations within 180 days will receive a bonus of NT\$600 per day ✦ Marriage subsidy up to NT\$100,000 ✦ Childcare subsidies totaling NT\$360,000 per child ✦ Funerary sponsorship ✦ Emergency Aid Provide emergency assistance for employees who suffer from natural disasters, major changes in the family, major diseases, etc., resulting in difficulties in life ✦ Club Activity Provide 1 hour of club activity leave per week, and subsidizes of NT\$1,000 per quarter ✦ Holiday gifts, various allowances, scholarships for employees' children ✦ Expatriate Care Assist in housing settlement, provide life management services, encourage bringing family members along, free round-trip airfare to hometown regularly, high group insurance ✦ Free Shower Room and Free Uniform Laundry and Ironing Services ✦ External Resources Grant Bonuses Encourage employees to apply for external resources. As an incentive, calculated based on the amount of subsidies received, CMP Group will allocate additional incentives to award to participating employees ✦ LOHAS Workplace Provide CMP Group hotel experience and travel subsidies; organize family days, sport events, hiking events, forest day, eco-friendly activities, year-end party, and monthly birthday parties; establish resting lounges, self-service convenience stores, indoor exercise classrooms; hold private movie screenings and book clubs, etc. | <ul style="list-style-type: none"> ✦ Three days of fully paid menstrual leave ✦ Physical and mental health seminars ✦ Free/high health check subsidy ✦ Health care community ✦ Employee Assistance Programs (EAP) 6 free one-to-one psychological counseling services from professional institutions every year ✦ Sports clubs and classes Badminton club, yoga club, kendo club, running group, etc. ✦ Issue workplace health monthly newsletter ✦ Insurance In addition to complying with local requirements that all employees shall be enrolled in the labor insurance, National Health Insurance, and social insurance, employees who travel overseas for business purposes are entitled to travel insurance and group insurance. In Taiwan, employee family members can sign up for group insurance at their own expenses ✦ Staff Canteen Provide meals with a variety of flavors and portions for employees to choose from based on their eating habits and needs, taking into account nutrition and reducing food waste | <ul style="list-style-type: none"> ✦ Education Allowance for Strategic Development For functional learning related to future operation and development, subsidies are provided for training such as continuing education degrees, on-the-job classes or credit classes, and professional license acquisition offered by domestic and foreign colleges and universities ✦ Subsidy for Technical Skills Advancement Encourage production line employees to enhance their professional technical skills, and provide subsidies for employees who have obtained the nationally recognized technical skill certificate ✦ Industry Visit Provide and encourage employees to study and exchange with industry benchmarks at home and abroad |

• Employee Welfare Committee (EWC)

China Metal Products Co., Ltd. established the EWC with a total of 12 committee members. Apart from one member appointed by senior management, the remaining 11 committee members were elected by vote by CMP Group employees from various business units. The welfare benefits include the following: welfare funds for marriage, funerals, travel, employee continuing education, and the group activities and cultural recreational facilities as well as bonuses and gifts for the 3 major national holidays, birthday bonuses, and employee children scholarships with an expenditure of NT\$ 4,230,185.



▲ In the “ Food Carnival and the First Family Industry Tour ”, the Company invited employees to bring their children to understand their parents’ work and enhance parent-child relationships. A total of 35 families and 723 people participated in the event.



▲ Football friendly match



▲ Xiaogan Marathon



▲ “ Forest Day ” Removal of alien plant species

4.3 Talent Development (Corresponding Material Topic: Talent Development and Education)

Talent is the determinant of the overall industry development and the company growth. CMP Group always promotes lifelong learning and aims to build a learning organization. We provide education allowance for strategic development and subsidies for technical skills advancement. With CMP Academy, internal lecturer system and digital learning platform, CMP Group transforms employees into experts with core competencies and creates a learning organization. Moreover, with close industry-academia collaboration, CMP Group actively cultivates high-end technical professionals in different fields such as smart manufacturing to drive industrial transformation.

| | Results in 2023 | 2024 Plans | Mid to Long-term Plans |
|-----|--|---|--|
| CMP | <ul style="list-style-type: none"> ✦ CMPedia added 40 new digital courses, which were watched more than 800 times this year. They included 5 supervisor-level courses as the Company continues to build a learning organization and pass on experience to the next generation of employees ✦ Ministry of Labor provided subsidies for 55 classes in the corporate human resources plan ✦ Plan to upgrade the talent cultivation platform plan that focuses on data analysis and yield improvement. Use the mentorship system for casting, system operations, and information security courses and use smart manufacturing and data management to optimize the process and cultivate talents. ✦ Cooperate with Chung Yuan University, National Dong Hwa University, and Chihlee University of Technology to provide internships, produce reports based on work content, and help students connect with the industry during their studies | <ul style="list-style-type: none"> ✦ Continue to build the learning organization, encourage supervisors' participation, and expand the existing digital courses for management-level supervisors to pass on experience in the company and improve the CMP learning system. ✦ Continue to train interns in industry-academia programs with Ming Chi University of Technology and use the internal training programs organized with mentors during the internship to enhance professional knowledge and expertise. Continue collaboration with the Department of Industrial and Systems Engineering, Chung Yuan Christian University in the summer internship program. Enhance the intern management system and encourage students to stay on after graduation to implement the sustainable talent development for ESG. | <ul style="list-style-type: none"> ✦ The mid-term plan focuses on digital innovation, procedure reset, equipment automation, advancement of employee digital capability, and learning organization building. We will also continue the industry-academia collaboration project with Ming Chi University of Technology to recruit fresh talents for the casting industry on campus and replenish the Company's talent pool. ✦ The long-term plan is to use human capital to create company value and produce high value-added and high-tech products based on three major developments including engineering, process management, and sustainability. We will work with the industrial engineering departments of top universities such as National Tsing Hua University and National Taipei University of Technology and use process control based on data and statistics to upgrade smart manufacturing. Employ a variety of recruitment channels to attract potential talents. |
| CMS | <ul style="list-style-type: none"> ✦ Obtained the grade certification assessment point from Suzhou Technician Institute in Jiangsu Province. A total of 235 employees participated in vocational skill level training and certification, including "Multi-process CNC Operation Adjustment Technician". 26 senior workers and 20 mid-level workers, totaling 117 employees, obtained certification this year. A total of 109 "Mechanical Equipment Installers" have obtained certification ✦ A public training base is operated to provide courses on professional skills, improvements, and interest-based training. 17 and 27 "Industrial Robot System Operators" participated in the training and received certification in September and October 2023, respectively. ✦ Cooperate with Shanxi Institute of Mechanical and Electrical Engineering and Suzhou No. 526 Factory Technical School to train 36 interns. 26 students from Shandong Heze Institute of Technology were not admitted due to the actual operation conditions of the factory. ✦ Jiangsu Huaihai Technician Institute visited for discussions and the Company developed a new project with Suqian Open University ✦ TISAX information security training for 20 people, supplier, and environmental safety training for 150 people | <ul style="list-style-type: none"> ✦ 28 people participated in the fifth group of vocational skills level certification plan ✦ 5 people participated in the Technician Vocational Skills Assessment Program ✦ Continue to cooperate with various institutions, including 25 people from Shanxi Institute of Mechanical and Electrical Engineering, 20 people from Suzhou No. 526 Factory Technical School, and 25 people from Shandong Heze Institute of Technology | <ul style="list-style-type: none"> ✦ Organize training at the Public Training Base ✦ Established CMP Training School and worked with Suzhou No. 526 Factory Technical School. In the second year, students went to the Public Training Base at Suzhou Together Intelligent Equipment Co., Ltd. for training on automation professional skills. In the third year, they went to CMS for internship and employment. ✦ Joint development of patent programs with schools ✦ Cooperate with Shanxi Institute of Mechanical and Electrical Engineering to designate students for orientation training |

| | Results in 2023 | 2024 Plans | Mid to Long-term Plans |
|-----|--|--|--|
| CMW | <ul style="list-style-type: none"> 23 average training hours for middle and senior managers Completed 100% of the audit on the effectiveness of courses for junior managers 100% completion of optimization of training courses for new employees Participated in customized training for the Bincheng Project of Tianjin Municipal Human Resources and Social Security Bureau, carried out 160 hours of offline training, and received a subsidy of NT\$180,400 Participated in the Tianjin Vocational Skill Level Certification, and four employees obtained the Fitter Vocational Skill Level Certificate Organized an annual technician competition to identify outstanding talents, and promoted 19 engineers and 37 technicians | <ul style="list-style-type: none"> Set up corresponding training courses for each type of work and take advantage of the production off-season to complete at least 32 hours of skills training for entry-level employees Actively seek benefits and subsidies provided by the Tianjin Municipal Human Resources and Social Security Bureau's enterprise-friendly policy, and improve employee skills through training | <ul style="list-style-type: none"> Promote online software for education and training courses Organize external training for mid-level managers Continue to organize internal training for junior managers Continue to conduct employee skills training to improve skills and strengthen collaboration between schools and the Company |
| CMB | <ul style="list-style-type: none"> Encourage employees to participate in vocational skills training and certification. A total of 30 employees obtained intermediate certificates for mechanical equipment installers and 2 senior certificates for digital control smart manufacturing. The Company received a government subsidy of NT\$268,400, which was used to reward participating employees in the form of annual salary increases. Developed internships and employment for students from nearby universities in Jiangsu Province, including 5 students each from Suzhou Vocational University and the College of Information and Business, North University of China The employee Gao Qinghui was named "Chief Technician of Enterprises in Jiangsu Province" Use the expert review of vocational skill level certification for milling and CNC workers to independently cultivate talents and issue valid certification qualifications. | <ul style="list-style-type: none"> Continue the interrupted industry-academia collaboration projects with institutions in other areas after the pandemic lockdowns are lifted Organize employee training programs in accordance with the annual plan | <ul style="list-style-type: none"> Go paperless and on-line of the training, education and examinations completely Promote learning at school and in company simultaneously. Teachers guide students to visit the company to learn on-site, which integrate the academic theories with industrial practices, thereby meshing with the industrial trend Plan to offer enterprise classes in the future to provide quality and professional talent stably for corporate development |
| CMH | <ul style="list-style-type: none"> Employees participated in vocational skill level certification and obtained 4 Level 4 Certificates for Smelting and Pouring Workers and 10 Level 5 Casting Cleaner Certificates. Based on the certificates, employees can apply for subsidies of approximately NT\$4,400 to NT\$6,600 from the government. Organized 294 courses totaling 270.25 hours, and conducted training assessments to ensure training effectiveness Continued existing collaboration with colleges and universities, developed new partnerships, and reached school-enterprise cooperation with Huanggang Polytechnic College to provide internships | <ul style="list-style-type: none"> The training plan will be optimized on the basis of results from 2023 and will include specific subdivision courses. We plan to launch 301 courses totaling 670.5 hours, and maintain training assessments to strengthen employees' operational safety knowledge of their positions. Pay close attention to and contact professional universities and colleges, and implement plans to work with 2 new partners inside and outside the province | <ul style="list-style-type: none"> Optimize the systematic management of lessons learned and training Leverage the technical advantages of casting production and focus on corresponding professional colleges and universities. Use training and practical operations to improve students' adaptability to the future work environment, put what they have learned to use, and promote a win-win situation for schools, students, and enterprises. |



▲ 4th Suzhou Vocational Skills Competition



▲ Professors from National Taipei University of Technology visited the plant



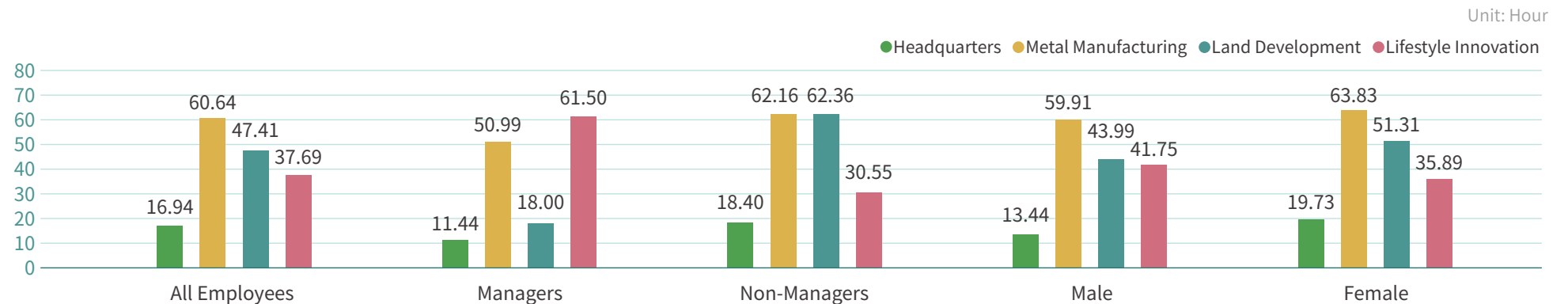
▲ Public training base - phase 1 industrial robot system operation training

▼ 4.3.1 Employee Development

From CMP Group’s company operations to capability gaps, CMP Academy with digital learning platform CMPedia and internal lecturers are therefore designed to provide internal education and training, and provide some guidance for external professional competency training. CMP Academy is where employees are encouraged to pursue self-learning and the value of self-growth. In 2023, there was a total of 104,759.83 training and education hours, and on average, each employee received 57.85 training hours with a total cost of NT\$ 7,240 thousand.



Average Training Hours per Person



▼ 4.3.2 Industry and Academia Collaboration

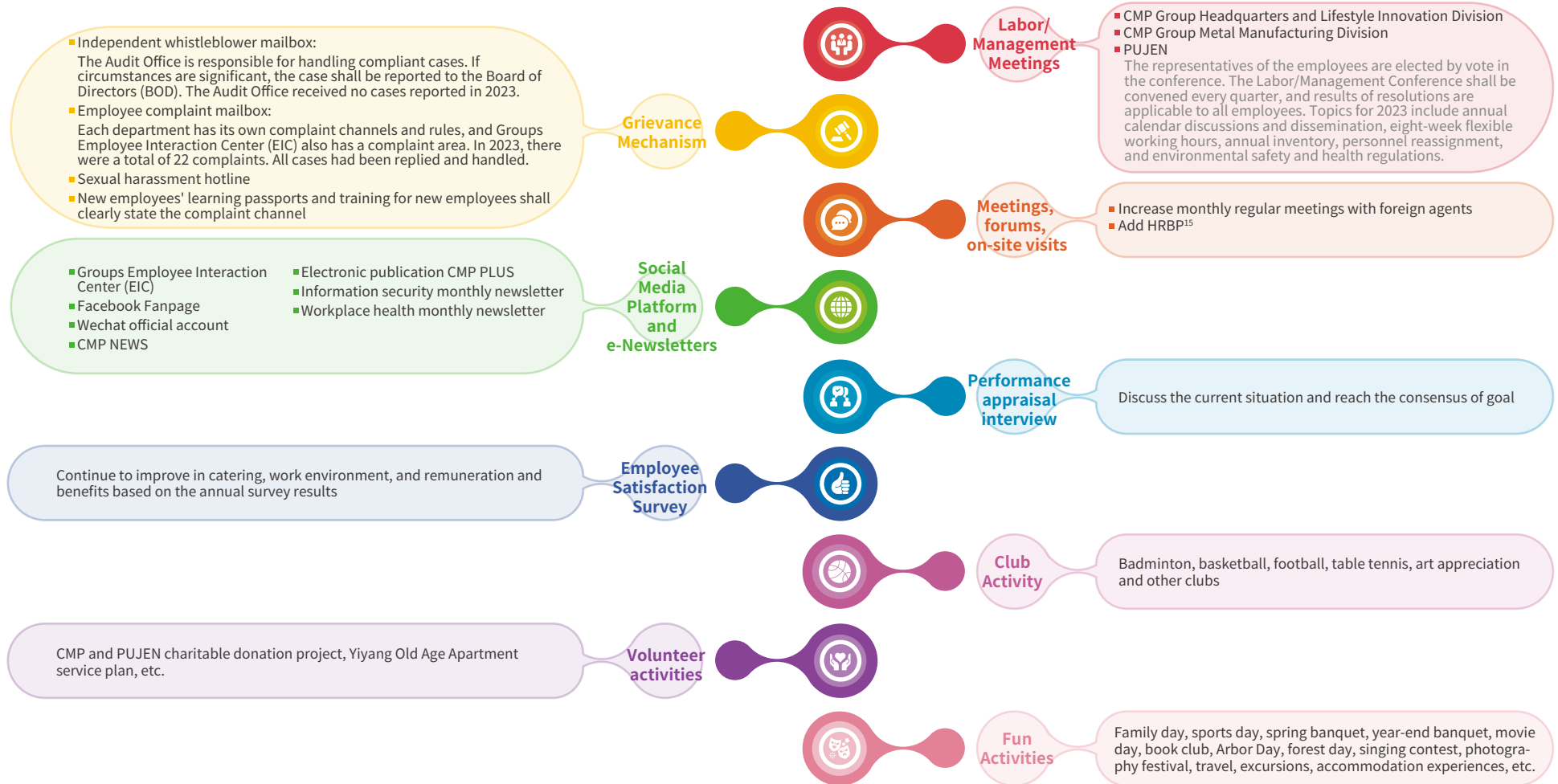
CMP Group has adopted automated production and carried out circular economy for years, which lays a solid foundation for smart manufacturing, so that CMP Group has become a pioneer of industrial transformation. Through long-term and in-depth industry-academia collaboration, the learning platform has been established to integrate academic theories and industrial practices. It is hoped that this platform can become an incubator to cultivate highly potential talent for the whole industry.

| Collaboration Unit | 2023 Number of Interns in 2023 | Collaboration Period (year) | Accumulated Number of Interns Provided | Number of Currently Employed in CMP Group |
|--|--------------------------------|-----------------------------|--|---|
| Hubei Engineering University | 37 | 2 | 37 | 2 |
| Shanxi Institute of Mechanical and Electrical Engineering | 28 | 13 | 1,057 | 43 |
| Suzhou No. 526 Factory Technical School | 9 | 1 | 9 | 0 |
| Huanggang Polytechnic College | 6 | 1 | 6 | 3 |
| Ming Chi University of Technology | 5 | 4 | 13 | 3 |
| Tianjin Sino-German University of Applied Sciences | 5 | 1 | 5 | 5 |
| College of Information and Business, North University of China | 5 | 6 | 96 | 2 |
| Suzhou Vocational University | 5 | 1 | 5 | 1 |
| Chung Yuan Christian University | 2 | 2 | 4 | 0 |
| Tianjin College of Commerce | 2 | 2 | 2 | 1 |
| Chihlee University of Technology | 1 | 1 | 1 | 0 |
| National Dong Hwa University | 1 | 1 | 1 | 0 |
| Soochow University | 1 | 3 | 38 | 1 |
| Tianjin City Vocational College | 1 | 5 | 0 | 0 |

| Collaboration Unit | 2023 Number of Interns in 2023 | Collaboration Period (year) | Accumulated Number of Interns Provided | Number of Currently Employed in CMP Group |
|--|--------------------------------|-----------------------------|--|---|
| Tianjin Polytechnic College | 1 | 2 | 1 | 0 |
| Tianjin University of Technology and Education | 1 | 1 | 1 | 1 |
| Dezhou University | 1 | 1 | 1 | 1 |
| Qinghai University | 0 | 1 | 6 | 0 |
| Nanjing Tech University | 0 | 9 | 15 | 2 |
| Sichuan Engineering Technical College | 0 | 10 | 65 | 6 |
| Shaanxi Engineering Technical College | 0 | 10 | 35 | 2 |
| Shandong Heze Institute of Technology | 0 | 10 | 62 | 5 |
| Jiamusi University | 0 | 1 | 7 | 0 |
| Shenyang Institute of Technology | 0 | 6 | 66 | 5 |
| Xiaogan Industry School | 0 | 6 | 230 | 0 |
| Hebei University of Engineering | 0 | 9 | 41 | 3 |
| Jiangsu Shuyang Secondary Specialized School | 0 | 1 | 15 | 0 |
| Total 27 institutions | 111 | | 1,819 | 86 |

4.4 Employee Communication

In order to deepen the connection with employees and understand the needs of employees, we use relaxed and diverse communication channels to establish the connection and cohesion amongst CMP Group employees and create an environment that is caring, safe, and unique for the CMPers.



4.5 Occupational Safety (Corresponding Material Topic: Occupational Health and Safety)

| | Results in 2023 | 2024 Plans | Mid to Long-term Plans |
|-----|--|---|---|
| CMP | <ul style="list-style-type: none"> 584 hours of occupational safety training Introduced a new version of risk assessment (86.5% of 267 tasks in the plant were below the risk average) Establishment of automatic inspection form electronic platform Plant lighting improvement project The retention and examination passage rate of foreign professionals was 25%, and the examinations are ongoing | <ul style="list-style-type: none"> Increase the number of occupational safety-related education and training hours by more than 10% Risk assessment (increase the ratio of tasks in the plant below the risk average by 3%) Increase the electronic execution rate of automatic inspection forms to 70% | <ul style="list-style-type: none"> Reduce work-related injuries to 0 Increase the electronic execution rate of automatic inspection forms to 100% |
| CMS | <ul style="list-style-type: none"> Entrusted third parties to conduct occupational hazard testing in the workplace Conducted occupational health examinations for 292 employees with duties involving occupational hazards and discovered zero cases of occupational diseases Launched occupational health promotion month activities in April, communicated occupational health knowledge, and provided the 3 occupational health experts with professional training in December Organized 4 occupational health emergency response exercises to enhance employees' response to emergencies | <ul style="list-style-type: none"> Upgrade the dust and VOCs removal device in the DISA¹⁶ shop to further improve the effectiveness of dust and VOCs¹⁷ collection and control Complete occupational health examinations for employees with duties involving occupational hazards Strengthen the supervision and management of the use of labor protection supplies and employee occupational health knowledge training to enhance employee safety awareness Continue to organize occupational health and safety emergency response exercises Occupational safety target: Zero deaths, serious injuries, fires, and explosions; zero occurrences of occupational diseases | <ul style="list-style-type: none"> Elevate the quality of the working environment Monitor occupational health hazards in the workplace environment and conduct occupational health examinations Continue to strengthen the supervision and management of the use of labor protection supplies and continue to evaluate and optimize the labor protection supplies Strengthen employee occupational health knowledge training and enhance employee safety awareness Occupational safety target: Zero deaths, serious injuries, fires, and explosions; zero occurrences of occupational diseases |
| CMW | <ul style="list-style-type: none"> Pollution source control <ol style="list-style-type: none"> Improved sand recovery efficiency, including improvement of sand leakage control at six locations on the production line Activated carbon adsorption smoke control in the phase 2 sand core area Improvement of smoke and dust purification device of molten iron transfer vehicle Noise reduction on two production lines Completed the occupational safety and health training for main persons in charge and administrators | <ul style="list-style-type: none"> Complete the physical examination for occupational health posts with zero cases of occupational diseases Complete the occupational health hazards workplace environmental monitoring Complete the quarterly occupational health training and the occupational safety and health training for main persons in charge and administrators Safety production responsibility system training and safety commitment signing by all staff Provide labor protection supplies to the Machining Department and conduct random checks on the use of the supplies to implement supervision Complete 100% of the maintenance for occupational health protection equipment and facility maintenance Set up X-ray device inspection equipment, attain 100% availability of facilities, and organize health examination for 100% of relevant personnel ISO 45001 occupational health system internal audit | <ul style="list-style-type: none"> 100% implementation rate of physical examination for occupational health posts with zero cases of occupational diseases 100% completion rate of occupational health hazards workplace environmental monitoring Distribute full-cover earmuffs for special positions and implement supervision and management of the use of labor protection supplies Complete 100% of the maintenance for occupational health protection equipment and facility maintenance Continue environmental pollution and noise source control |

Establish a safe workplace
 Zero Cases of Occupational Diseases
 Zero Cases of Occupational Injuries

16.DISA:Casting equipment brand name
 17.VOCs: Volatile organic compound (VOCs)

| | Results in 2023 | 2024 Plans | Mid to Long-term Plans |
|-----|---|--|--|
| CMB | <ul style="list-style-type: none"> Organize employee physical examination Annual detection of occupational hazards in the workplace Strengthened the supervision and management of the use of labor protection supplies | <ul style="list-style-type: none"> Employee physical examination Annual detection of occupational hazards in the workplace Reassignment for those with abnormal physical examination result Insure employees with safety liability insurance | <ul style="list-style-type: none"> Organize employee physical examination each year Annual detection of occupational hazards in the workplace Reassignment for those with abnormal physical examination result Insure employees with safety liability insurance |
| CMH | <ul style="list-style-type: none"> Established the occupational health and safety management system, provided labor protection equipment, implemented regular physical examinations for employees, and implemented health management based on professional conclusions and analysis Carried out occupational health knowledge training as planned to raise awareness Carried out comprehensive and special inspections, continuously reviewed results, and tracked improvements in a timely manner | <ul style="list-style-type: none"> Improved the system of occupational hazard prevention and control responsibilities, warnings and notifications, strengthened management, and effectively protected the health and safety of workers Improve the occupational disease prevention and control training system, and provide training on the use of various occupational disease protective equipment from time to time to improve employees' self-protection awareness and abilities | <ul style="list-style-type: none"> Improved the system of occupational hazard prevention and control responsibilities, warnings and notifications, strengthened management, and effectively protected the health and safety of workers Improve the occupational disease prevention and control training system, and provide training on the use of various occupational disease protective equipment from time to time to improve employees' self-protection awareness and abilities |

▼ 4.5.1 Implementation of Safety and Health Management

• Occupational Safety and Health Committee

CMP Group holds employee safety in the highest regard, aiming to achieve zero severe occupational injuries. All the plants of the Metal Manufacturing business have established an Occupational Safety and Health Committee led by the top manager of that plant and comprised of personnel from the production unit, the administration unit, and environmental unit. In particular, the labor representatives account for 33% of the members in the Occupational Safety and Health Committee of CMP Group Metal Manufacturing Division. All the plants duly convened regular meetings to ensure safety production through various management measures. A total of 32,912 hours of occupational safety education and training in 2023. All the CMP Group's factories and plants have obtained the certification of ISO 45001:2018 and other domestic and international safety standards ([overview of certificates](#)). The workers covered by the system are specified in [Chapter 4.1 Demographics](#).

• Occupational Safety Management Measures

Due to the nature of the industry, the workplace hazards include dust, noise, trapped or caught when cutting, and high temperature working environment (depending on seasons). These hazards might result in different occupational diseases such as hearing loss or pneumoconiosis. So far, there has been no cases of occupational diseases. In terms of risk management, qualified hazard identification and risk assessment personnel are trained in accordance with the environmental safety and health education and training control procedures to use on-site visits or discussions to identify and analyze potential hazard factors. They summarize, propose suggestions and ask the environmental safety and health management representatives to convene the Occupational Safety and Health Committee meeting to determine the risk grading principles for management and review.

In addition, in order to encourage employees to actively raise the situation of unsafe incidents encountered, and to record, analyze, investigate, correct and take preventive measures, a safety and health false alarm incident control procedure has been established; furthermore, according to Article 20 of the Occupational Safety and Health Code of Practice, when a worker is found to be at the risk of imminent danger while performing his / her duties, he or she may stop the operation and retreat to a safe place without endangering the safety of other workers, and report to the immediate supervisor at once.

| | | |
|---|--|--|
| <p>Use automated equipment Use automatic molding lines, robotic arms, automatic grinding machines and other equipment to reduce the risk when handling heavy objects by personnel</p> | <p>Continue to invest in environmental governance equipment Continue to invest in environmental governance equipment such as noise reduction and dust to improve the working environment</p> | <p>Switch to eco-friendly materials Effectively reduced the emissions of Ammonia nitrogen, phenol, and formaldehyde by 35% to 38%</p> |
| <p>Workplace hazard monitoring Items such as dust, high temperature, and noise in the workplace are all monitored, controlled, and improved continuously</p> | <p>Regular environmental safety self-inspections Conduct regular self-inspections in the plant area and hold improvement meetings to correct immediately to reduce safety concern and improper operations</p> | <p>Annual cross-plant environment, health and safety exchanges Based on local laws and regulations, professional environmental safety personnel from each plant area inspect the implementation status and communicate with each other</p> |
| <p>Regular production equipment maintenance Regular inspection and maintenance of all production equipment to avoid any operational safety concerns</p> | <p>Disaster prevention drills According to the emergency response measures, annual fire safety drills, chemical disaster drills, and flood control drills are carried out annually to ensure fast response in real time in the event of a disaster</p> | <p>Personal protective equipment Actively provide complete protective equipment, and ask guests and contractors to wear full protective equipment before entering the factory</p> |
| <p>Install automated external defibrillators (AED)</p> | <p>Training and education Provide relevant training and education courses for all new recruits, in-service personnel, and prior to the introduction of new equipment. In addition, arrange for our employees to take advanced courses and take certification tests related to special equipment and occupational safety based on their work</p> | <p>Safety warnings and education Set warning and safety notice signs specifically for certain objects or behaviors that could lead to safety concerns. All visitors and contractors shall be informed of safety measures and precautions before entering the plant</p> |
| <p>Special health check Conduct special health checks for employees who have high risk of occupational diseases and are more likely to encounter occupational incidents. If the employee cannot adapt to the position due to his/her previous jobs, relevant measures will be taken such as changing positions, changing work locations and conducting health management in addition to the medical attentions</p> | <p>Free / high-subsidy health check Provide additional free or high-subsidy health checks, and further assist employees in health management</p> | <p>Professional medical specialists Working with professional medical specialists, we regularly provide consultation on medical treatment, health education, occupational injuries and diseases, health improvement activity planning, health monitoring management, etc.</p> |
| <p>Employee Assistance Programs (EAP) Provide employees with 6 free one-to-one psychological counseling services from professional institutions every year</p> | <p>Offer physical and mental health courses</p> | <p>Sports clubs and activities Set up sports clubs and activities and offer bonuses and prizes to encourage employees to exercise</p> |
| <p>Issue workplace health monthly newsletter</p> | | |

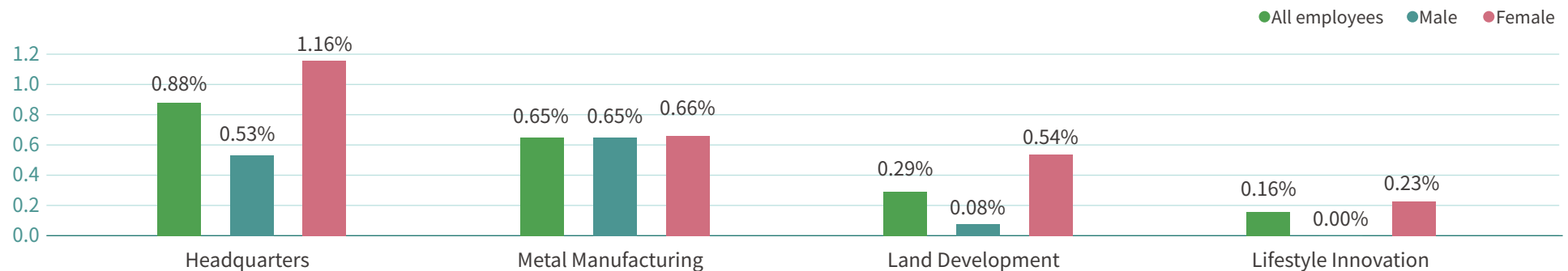
▼ 4.5.2 Disability Injuries and Absence rate

There were three physical injuries in occupational accidents in 2023. One involved an employee pinching his finger while operating equipment, and the other two involved employees injuring their feet due to falling castings while wearing safety shoes. After the incidents, the suitability of protective equipment was re-evaluated and new protective equipment has been ordered to ensure operational safety. All occupational accident cases were investigated and controlled in levels according to procedures. At the same time, the current situation in the factory has been reviewed and optimized, and training has been strengthened to avoid recurrence. In 2023, there were no death cases related to work or other occupational disasters of personnel.

Disability Injuries¹⁸

| | 2021 | | 2022 ¹⁹ | | 2023 | |
|---|-----------|---------|--------------------|---------|-----------|---------|
| | Male | Female | Male | Female | Male | Female |
| Number of disabling injuries that can be recorded | 7 | 0 | 9 | 0 | 3 | 0 |
| Days of disability leave (8 hours per day) | 275 | 0 | 206 | 0 | 70 | 0 |
| Total working hours | 2,888,400 | 706,768 | 2,804,736 | 719,112 | 2,810,456 | 789,784 |
| Disabling Frequency Rate (F.R.) ²⁰ | 2.42 | 0 | 3.21 | 0 | 1.07 | 0 |
| Disabling Severity Rate (S.R.) ²¹ | 95 | 0 | 73 | 0 | 25 | 0 |

Absence rate



18.As for disability injuries, only Disabling Frequency Rate (F.R.) and Disabling Severity Rate (S.R.) are presented based on the GRI standards and Disabling Injury Index announced by the Ministry of Labor. The scope of disclosure includes CMP Group, PUJEN Land Development, CMS, CMW, CMB, CMH

19.Due to the misplacement of total working hours, the F.R. and S.R. data for 2022 were incorrect, and they are corrected in this issue.

20.Disabling Frequency Rate (F.R.) Formula: Number of disabling injuries that can be recorded*1,000,000total working hours

21.Disabling Severity rate (S.R.) Formula: Days of disability leave*1,000,000total working hours