

05 Personnel Training and Harmony and Safety in the Workplace

5.1 Salary and Benefits

Our employees are our most important assets. In addition to providing our employees with a humanistic and safe working environment, we also share our business profits with our employees by providing them with compensation that is better than the industry standard, based on business performance.

5.1.1 Performance-oriented Compensation System

Outstanding talents deserve first-class compensation. In order to attract, encourage, and retain superior talents, our company provides impressive and highly competitive compensation packages that are determined by work importance and difficulty, as well as different salaries and bonuses based on individual performance. For example, a performance bonus may be given irregularly depending on both the company's performance and an individual's performance.

We not only follow the basic requirements stipulated by labor laws, but also participate in local salary gatherings to ensure that competitive compensation is provided. An employee's compensation is further determined based on his/her education, experience, performance, and market standards, without discrimination on gender, race, religion, political position, or marital status and we also encourage and retain excellent talents. In 2025, the average salary of full-time employees who were not supervisory positions was NT\$599,625, and the median was NT\$542,392. In 2024, the average salary of full-time employees who were not supervisory positions was NT\$590,280, and the median was NT\$539,295.

5.1.2 Remuneration Committee

Lingsen has established a Remuneration Committee in accordance with the law, composed of three independent directors, to evaluate the compensation policies and systems for the directors and managers of Lingsen in a professional and objective manner. The Remuneration Committee sets and regularly reviews the annual and long-term performance targets and remuneration policies, systems, standards, and structures for Lingsen's directors and managers, and regularly assesses the achievement of the directors' and managers' performance targets. In 2025, the ratio of the highest-paid individual's annual salary to the median annual salary of other employees was 11.9; the ratio of the percentage increase in the highest-paid individual's total annual income to the median percentage increase in the total annual income of other employees was 0.027.

5.1.3 Comprehensive Insurance System

We provide all of our employees with labor insurance, national health insurance, and group insurance (fully paid by the company) starting from their registration day to provide more complete guarantee for our employees. Overseas travel insurance is further provided for any employees on business trips in order to protect their work and ensure their safety.

5.1.4 Sound Retirement System

Since November 1986, we have complied with the Labor Standards Act and established a Supervisory Committee of Labor Retirement Reserve to allocate retirement reserves to a special account in the Central Trust of China every month. As of the end of 2025, the balance of this pension account was NT\$ 685,510,000. An employee of this company can apply for a pension once meeting the requirements of retirement; thus, the rights of employees are protected and they can be free to work without worries. Thanks to the help of a professional accounting consultant, we are able to provide our employees actuarial pensions to ensure allocation with full amounts to protect the rights of employees who apply for their pensions in the future.

Since July 1, 2005, in accordance with the Labor Pension Act, we have offered our employees a retirement system that complies with the Labor Standards Act, have provided an actuarial allocation rate of the retirement reserve considering the factors of labor numbers, wage, years of service, and turnover rate applicable to the years of service prior to the promulgation of the Labor Pension Act, and have allocated retirement reserves with a full amount every month within five years in accordance with provisions of paragraph 1, Article 56 of Labor Standards Act. For those to which the Labor Pension Act applies, we contribute 6% of their monthly employee salary towards their pension accounts opened in Bureau of Labor Insurance in accordance with the Wages Classification List. For those who voluntarily pay pension, we will also withhold and remit relevant amount from their compensation according to the voluntary payment ratio.

5.1.5 Parental Leave without Payment

The Labor Standards Act dictates all of our leave systems and we fully support the government policy of parental leave without payment; all colleagues have the right to apply for maternity leave, paternity leave and parental leave. In addition to the freedom from gender difference or discrimination of each of employees' welfare, colleagues who are unable to engage in work for the time being may suspend their work per parental needs and then resume work for career development after they are able to get involved in the work fully. We attach great importance to the issues of infant care and babysitting. An HR representative interviews the employees applying for the leave in person and then applies for an allowance relevant to labor insurance on their behalf. Furthermore, employees can voluntarily reinstate themselves earlier or later than scheduled, which will be handled on a case-by-case basis. All of the employees who have taken advantage of this program are very grateful for this comprehensive measure of parental leave without payment.

■ Statistics of applying for maternity/paternity/parental leave in 2024

Number of applicants	Maternity/paternity leave		Parental leave	
Category	Male	Female	Male	Female
Subtotal	19	13	5	15
Total	32		20	

Statistics of applying for maternity/paternity/parental leave in 2025

Number of applicants	Maternity/paternity leave		Parental leave	
Category	Male	Female	Male	Female
Subtotal	10	18	6	9
Total	28		15	

Reinstatement and Retention Rate of Parental Leave in 2024

Number of employees that applied for parental leave in 2024	Total	Male	Female
	20	5	15
Expected reinstatement numbers in 2024(A)	15	3	12
Actual reinstatement numbers in 2024(B)	9	2	7
Reinstatement Rate (B/A)	60%	67%	58%
Reinstatement numbers in 2023(C)	8	2	6
Numbers of employees reinstated in 2023 and retained for at least one year as of 2024 (D)	3	2	1
Retention Rate (D/C)	38%	100%	17%

Reinstatement and Retention Rate of Parental Leave in 2025

Number of employees that applied for parental leave in 2025	Total	Male	Female
	15	6	9
Expected reinstatement numbers in 2025 (A)	11	6	5
Actual reinstatement numbers in 2025(B)	8	5	3
Reinstatement Rate (B/A)	73%	83%	60%
Reinstatement numbers in 2024 (C)	9	2	7
Numbers of employees reinstated in 2024 and retained for at least one year as of 2025 (D)	7	0	7
Retention Rate (D/C)	78%	-	100%

5.1.6 Employee Benefits

- ① Listed Stock and ESOP Trust
- ② Gift coupons for employees' birthday and three holidays, congratulation gift money on wedding/maternity and condolence payments for hospitalization/bereavement
- ③ Diverse company trips
- ④ Employee check-ups
- ⑤ Nursery room, plant infirmary, field doctor for consultation, and contracted hospital
- ⑥ Labor and health insurance and labor pension fund.

5.1.7 No Forced Labor

Each labor contract between an employee and the company adheres to the required laws and regulations. Once a recruitment relationship is established, a written labor contract has to be signed by law and must be agreed to by both parties, with an opposition to slave labor, as well as without forced labor or illegal human trafficking. Overtime work is voluntary and specifically prohibited in our regulations. We have established a reminder about overtime in our attendance system, and the HR Department further inspects and controls employee schedules every day and then reminds each employee not to work overtime so as to care about the health of each colleague.

5.1.8 Clubs, Work-related Learning Events, and Leisure Activities

We have a variety of clubs and work-related learning activities for colleagues to pursue their various interests and relax outside of work. Family is also one of the company's priorities so we try to improve family relationships and encourage togetherness under the company through a variety of irregular family activities. As a result, not only the relationships among family members are improved, but also the sense of belonging of Lingsen family is enhanced.

5.2 Equal Employment Opportunities, Labor

5.2.1 Status Quo of Recruitment

■ Talent Recruitment

The company recruits employees on the basis of talent orientation and right person in the right place and sticking to the principles of equal opportunities, values the diversity of employees' backgrounds, and treats job applicants fairly without discrimination on their race, age, hierarchy, language, beliefs, religion, political party, place of origin, gender, sexual orientation, marital status, appearance, nationality, five sense organs and disability; meanwhile, we prohibit the employment of minor workers aged below 16 and comprehensively follow the basic recruitment principles of open recruitment, fair selection and hiring the best. As a result, the company's talent demands can be satisfied through completely planned recruitment procedures.

"Talent" is our most important asset, so we aim to actively recruit, encourage, and retain talent, and this goal guides us most in our recruitment process; due to a variety of methods for finding new staff, such as online, introduction by employees, recruitment events, print media, and industry-university cooperation and internship projects promoted by the Ministry of Education, we are capable of recruiting the best talents in the world.

■ Our Recruitment Access

Recruitment access	Method
Online	Job bank website
Introduction by employees	Introduction of relatives and friends can earn employees an introduction bonus
Recruitment event	Cooperation with all local employment service stations for single or joint recruitment activities to recruit on campus
Print media	Place local employment advertisements in print media
Industry-university cooperation	Actively discuss industry-university cooperation and internship projects with many universities

Talent Retention

We aim to cultivate, cherish, and care for our employees so that they will provide us with their greatest potential; this is what guides us most in our talent retention. We try to promote employee retention relying on diversified employee communication accesses, competitive compensation and welfare and a comfortable and safe working environment. With regards to outstanding colleagues, we initiatively develop their career plans and arrange turnover to give them the space for diverse growth and play.

For employees who decide to leave the company, in addition to interviewing them to comprehend and evaluate their reasons for leaving, the HR Department urges them to stay on and cares about them first, and subsequently works to resolve the problems that are discovered through resignation reason analysis. A turnover list is provided weekly to each unit officer to assist him/her to immediately understand said unit's turnover condition. The HR Department also takes the initiative to contact each unit officer depending on the condition and require each organization to improve abnormal turnover.

Current Status

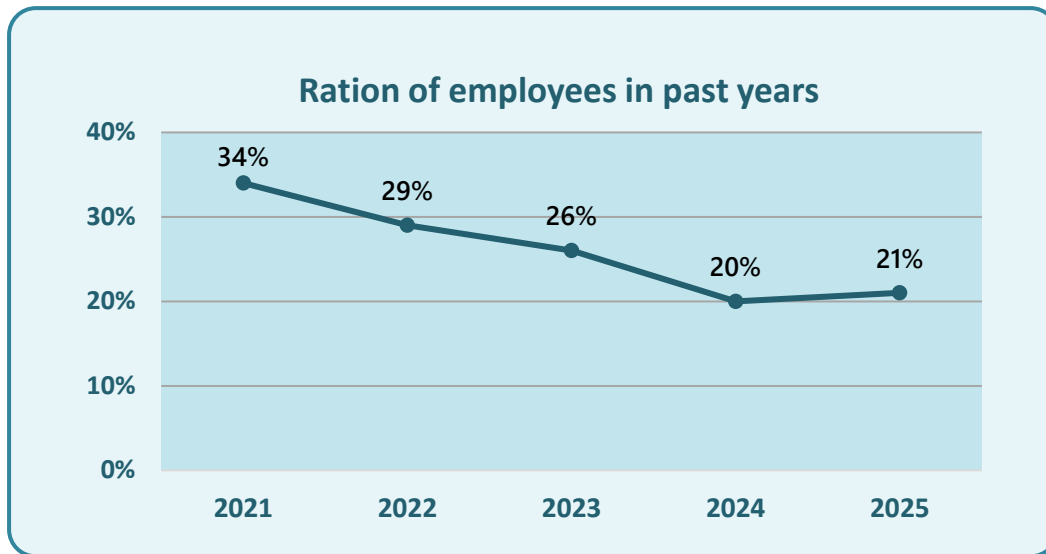
Until year end of 2025, there were 2,318 employees in total, with 978 male employees (42%) and 1,340 female employees (58%); 1,585 native employees (68%) and 733 foreign employees (32%). All native employees were full time workers instead of contract workers.

With regards to job type, there were 1,559 direct employees and 759 indirect employees. The percentage of employees under 30 years of age was 45%, percentage of employees 30-50 years of age was 38%, and the percentage of employees over 50 years of age was 17%. At the same time, we value the working rights and interests of people with disabilities. There are currently 24 colleagues with mental or physical disabilities working with us.

Category	male		female		Subtotal	
	number of people	ratio	number of people	ratio	number of people	ratio
direct employees	393	25%	1,166	75%	1,559	67%
indirect employees	585	77%	174	23%	759	33%
under 30 years of age	400	38%	639	62%	1,039	45%
30-50 years of age	428	48%	456	52%	884	38%
over 50 years of age	150	38%	245	62%	395	17%
native employees	827	52%	758	48%	1,585	68%
foreign employees	151	21%	582	79%	733	32%
Subtotal by gender	978	42%	1,340	58%	2,318	100%
Total					2,318	100%

5.2.2 New Employee

Until the end of 2025, there are 476 new colleagues (176 male/300 female), accounted for 21% of the total number of the company, among them, employees under the age of 30 are the main newcomers, accounted for 86% of the total new recruits.



01 / Distribution of new employees in past years<By Gender >

Year	male		female		Subtotal	
	number of people	ratio	number of people	ratio	number of people	ratio
2023	274	25%	346	27%	620	26%
2024	233	22%	249	19%	482	20%
2025	176	18%	300	22%	476	21%

Note: New hire rate is calculated as the number of new recruits for the year divided by the total number of employees of the same gender during the year.

02 / Distribution of new employees in past years<By Age>

Year	under 30 years of age		30-50 years of age		over 50 years of age		Total	
	number of people	ratio	number of people	ratio	number of people	ratio	number of people	ratio
2023	465	50%	154	14%	1	0.3%	620	26%
2024	361	39%	119	12%	2	0.5%	482	20%
2025	407	39%	67	8%	2	0.5%	476	21%

Note: New hire rate is calculated as the number of new recruits for the year divided by the total number of employees of the same category during the year.

03 / Distribution of new employees of 2025

Category		number of people	ratio
Gender	male	176	37%
	female	300	63%
Age	under 30 years of age	407	85.5%
	30-50 years of age	67	14.1%
	over 50 years of age	2	0.4%
Nationality	native employees	160	34%
	foreign employees	316	66%
Position	direct employees	397	83%
	indirect employees	79	17%
Total		476	100%

5.2.3 Resignation

There are 530 departed employees in 2025(248 male/ 282 female), resignation in past years in below table.

01 / Distribution of departed employees in past years < By Gender >

Year	male		female		Total	
	number of people	ratio	number of people	ratio	number of people	ratio
2023	249	22%	285	23%	534	22%
2024	283	27%	193	15%	476	20%
2025	248	25%	282	21%	530	23%

Note: The turnover rate is calculated as the number of annual resignations for the year divided by the total number of employees of the same gender during the year.

02 / Distribution of departed employees in past years < By Age >

Year	under 30 years of age		30-50 years of age		over 50 years of age		Total	
	number of people	ratio	number of people	ratio	number of people	ratio	number of people	ratio
2023	303	33%	214	20%	17	4%	534	22%
2024	270	29%	179	18%	27	6%	476	20%
2025	284	27%	216	24%	30	8%	530	23%

Note: The turnover rate is calculated as the number of annual resignations for the year divided by the total number of employees of the same category during the year.

03 / Distribution of departed employees of 2025

Category		number of people	ratio
Gender	male	248	47%
	female	282	53%
Age	under 30 years of age	284	54%
	30-50 years of age	216	41%
	over 50 years of age	30	6%
Nationality	native employees	323	61%
	foreign employees	207	39%
Position	direct employees	371	70%
	indirect employees	159	30%
Total		530	100%

5.3 Occupational Safety and Health

We firmly believe that a safe and healthy workplace is the only way to create better products and quality for all of our stakeholders. In order to provide such a workplace, we comply with local related laws for the management of a variety of daily operations and have introduced the Occupational Health and Safety Management System (ISO 45001:2018) to continue improving our workplace through documentation, planning, implementation, auditing, improvement, and prevention of the management system to satisfy all internal and external customers.

People, building/machinery/equipment, raw material/waste, and operation environment were selected as the four focuses in our promotion of the occupational safety and health management. We endeavor to prevent occupational accidents through the following: controlling hazard identification and risk evaluation; safety procurement management of machinery, equipment, and materials; safety management of contractor entrances; safety and health education of employees; providing and managing protective gear; sampling and testing in the workplace; health promotion of employee care; emergency management; and project management, as well as the ongoing improvement of all of the aforementioned matters by the PDCA management cycle.

5.3.1 Organization

A level-1 special safety and health management unit is established in each factory to take charge of establishment, implementation and promotion of safety and health management goals of the factory area. Moreover, in order to strengthen communication between employees, our General Manager acts as a chairperson to convene cadres, related technical staff, and employee (trade union) representatives to create a safety and health committee; the number of employee (trade union) representatives must account for 33.3% of the total members to meet legal requirements. Each quarter, we will propose plans to address occupational safety and health issues in an effort to continue to construct a safe and healthy workplace through employee involvement and communication.

5.3.2 Management Procedures

- **Safety management of machines and equipment:** Providing safe and healthy machinery and equipment for employees to operate and produce is one of our procurement principles. Therefore, safety and health requirements and standards will be listed before obtaining a new machine or piece of equipment. Identification, inspection, and acceptance will be performed when the machine arrives to determine the intrinsic safety of the machinery and equipment.
- **Safety management of chemicals:** Any procurement of chemicals shall be previously evaluated by the Department of Industrial Safety and Environmental Protection to ensure that we can control this chemical's hazardous risks with regards to the law, environment, and employee health. After procurement, hazard communication, inventory control of public hazardous substances, routine visits of the storage and use locations, and usage and waste treatment control shall be performed to reduce the hazards of chemicals into an acceptable range for both the environment and human health.
- **Safety management of contractors:** Contractors are important partners in assisting us in our successful operations. Therefore, we have invested many resources to guarantee the work safety of contractors while in our factory. All contractors will receive any hazard notice before entering the factory and are required to fully participate in our safety and health agreement organization. Our personnel will confirm the risk level of this operation environment prior to their entrance and proceed with the accident prevention agreement to avoid operational risks in an unfamiliar environment and together prevent occupational accidents.
- **High-risk operation management:** To prevent major industrial accidents, we have specifically categorized certain operations as high-risk operation items, such as hot work, hanging, overhead, and confined spaces, all of which can cause major injuries and property damage and require the adoption of critical and special management procedures, including pre-approval, notification of the influenced unit, inspection during operation, and confirmation after completion.

5.3.3 Educational and Emergency Training

We believe that our labor force has the right to know about safety and health in the workplace. We will only be able to prevent accidents if our employees have a thorough understanding of the hazards of operations. Therefore, we have adopted the “we aren’t afraid that you know, but you don’t want to know” method to edit materials and arrange training sessions regarding occupational safety and health education. Occupational safety training will be scheduled for the first day of work for each employee so that they can learn all about possible hazards of operation before starting. Furthermore, OTJ training for industrial safety will be regularly held in the workplace. The training content of each unit included the notification of hazard identification results of mechanical equipment, the knowledge for chemical hazard, and the route of emergency evacuation and assembly point. To implement the basic rights of employees.

Emergency response is another part of OHSAS educational training. We will have the chance to minimize disasters upon occurrence of major accidents only by carrying out drills in advance. Therefore, the company has established an emergency response organization and responsibility chart for each production line with the factory director as the commander. Notification training, accident reduction, and asylum guidance will be held annually in each factory location. Furthermore, chemical leaks, fire extinguisher practice, and crew evacuation are listed among the annual routine exercises.

In 2025, the performance of OHSAS and emergency response training was as follows:

- Common occupational safety training lecture before employment for new employees : **115** times
- Emergency response notification, accident reduction, asylum guidance, and crew evacuation exercises: **20** times
- Response to a chemical leak : **6** times

5.3.4 Statistical Analysis of Occupational Accidents

Our occupational accident analysis includes frequency rate (the number of disabling injuries of given types resulting from industrial accidents per million man-hours worked, FR), severity rate (the number of lost work days experienced per million man-hours worked, SR), and the frequency-severity indicator (FSI) as the primary basis for statistical comparison. These statistics also exclude traffic accidents that occur outside the plant. After analyzing our company's past occupational safety and health risks and our competitor's goal, a frequency-severity indicator (FSI) below 0.86 was established. With all employees' active participation in and commitment to disaster prevention, the plant had only 0 industrial accident with 0 day lost, 0 of FR, 0 of SR and 0 of FSI in 2025, thus realizing the annual indicator goals established.

5.3.5 Health Management and Promotion for Employees

With the continuous social progress and changes, it becomes more difficult to recruit employees. If existing employees have any health problems, stable manpower cannot be provided and HR costs will increase. Therefore, to ensure the occupational health of employees, Lingsen has hired professional nursing staff, including arranging physical examination for new employees, and conducting regular health checkups and health checkups for special operation every year. Meanwhile, we also cooperate with professional medical and health institutions to provide monthly doctor on-site services and proactively conduct employee health management. In the health promotion part, occupational health nurse actively understand and actively arrange visits and care for people from special groups, such as the middle-aged and elderly, those at risk of overwork, those with physical and mental disabilities, those with abnormal health examinations, or employees who take occupational sickness leave or abnormal sick leave. The work include mentioning daily precautions, arranging appropriate work and coordination, or arranging for consultation with factory service doctors, etc. We hope that all employees can work healthily and stably in Lingsen, creating a win-win situation between the company and employees.

5.4 Educational Training

Since talent is the foundation of our operation, we emphasize employee educational training in the hopes that their professional skills and quality, as well as our management structure, can be strengthened through a variety of training programs. Therefore, the educational training committee, which consists of executives from each department, is responsible for proposing training focuses for the following year based on the training demand of each unit and company policy. Furthermore, standard courses that respond to competence and position have been established to serve as a learning map of talent cultivation with the hope that the training outcome and operation vision can be combined.

Additionally, as for employees' career development, the educational training is also combined with comprehensive performance assessment forms. Each unit head is responsible for regularly evaluating employees' performance and career development annually, assisting them in finding contents for improvement and training suggestions on development and providing appropriate educational training resources.

5.4.1 Comprehensive Educational Training System

We have developed a comprehensive competence training system to determine competency requirements for each position and provide the appropriate training courses for those with insufficient ability. Regardless of position, from general administrative staff to engineer, any employee can enhance his/her own ability step by step to meet the competency requirements of said position. Meanwhile, a technical training system was also developed specifically for engineers to assist them in achieving technical certification at each level through a variety of professional skill training courses.

5.4.2 Diverse Educational Training System

In order to combine company training and annual target so that employees can immediately apply what they have learned to the job, we have designed the training systems below in accordance with employee personality, training location, and learning effectiveness to quickly teach employees fundamental knowledge, skills, and attitudes that they need to utilize to work effectively and achieve the company's targets.

■ Educational Training for New Employees

Pre-employment training and fundamental training are both provided to assist our new employees in quickly understanding our corporate culture, core values, work environment, and issues relevant to corporate social responsibility. Furthermore, we offer a comprehensive mentoring system in which each new employee is assigned a mentor to help him/her fit in and meet the company's requirements.

■ On-the-job Training (OJT)

OJT training is provided to help employees on the production line to learn the knowledge, skills, and attitude that they need on the job, as well as to assist them in achieving certification to operate specific machines.

■ Plant Educational Training

This includes quality, process, problem analysis and solution, and management courses, all of which aim to cultivate leadership of management and develop a common technical language in the plant.

■ External Educational Training

To encourage employees to pursue learning outside of the company, we send staff to participate in technical seminars and lectures with special issues held by a variety of professional organizations. Furthermore, they shared what they learned with relevant employees in each department through their feedback reports, thus spreading their new knowledge.

Average Employee Training Hours

In order to enable employees to meet their job requirements, the company organizes various training courses based on each employee's training map. A total of 8,910 hours of training will be provided to all employees in 2025.

	Male	Female	Total
Number of people	857	1,373	2,230
Training Hours	3,424.5	5,485.5	8,910
Average Employee Training Hours	3.99	3.99	3.99

5.5 Labor Relations

We believe that respecting employees and hearing their opinions can promote their cohesiveness, as well as their desire to work together with the company. We put a great deal of focus on the opinions and issues brought by every employee in order to develop relevant regulations to protect their rights and create a harmonious environment.

Respect Human Rights

We always regard employees as our most important assets and partners and we are committed to giving them hope, providing them with a bright and pleasant workplace, and achieving the following based on our respect for human rights:

01 / Freedom of Assembly and Association

Employees have the legal right to organize and associate by his/her freewill to promote the coordination of labor relations and protect employee rights. A trade union has been formed by our employees with a 38% participation rate.

02 / Treatment with Discrimination

We have developed a non-discrimination policy to ensure that employees do not experience any discrimination due to a variety of traditions and customs during recruitment, registration, business execution, promotion, appointment, reward, or resignation.

03 / Prevention of Sexual Harassment

We adhere to all laws with regards to specifying and actively promoting the Act of Gender Equality in Employment and have introduced a variety of policies relevant to sexual harassment prevention to promote gender equality in the workplace.

04 / Prohibition of Child Workers

We comply with all regulations relevant to the Labor Standards Act and prohibit all those who are under the age of 16 from working for our company.

05 / Work Hours

We do not force employees to work beyond the maximum work time regulated by law each day; furthermore, we follow the wage requests or necessary compensation for overtime work.

Diverse Communication Methods

We emphasize harmonious labor relations and value the two-way communication between company and our employees. In addition to the provision of a forum for employees to exchange opinions, we also hold labor relations conferences on an irregular basis where they can directly share their ideas in order to establish a good labor-capital interactive relationship, enhance our colleagues' sense of identity and sense of belonging and keep employees' passion for their jobs. We try to realize the goals of full communication and effective problem solving through various methods including labor relations conferences, General Manager's mailbox and a variety of employee complaint mechanism.

Furthermore, we regularly participate in the promotion of labor relations and related seminars held by government agencies in order to maintain good labor relations and promote good interactions between the company and its employees.

01 / Labor Relations Conference

To create harmonious labor relations, increase the understanding of both parties, promote cooperation between labor and capital, enhance work efficiency, and safeguard each colleague's rights and interests, we periodically hold labor relations conferences to share and discuss issues together to solve problems based on harmony and integrity.

Lingsen's labor union has been established for more than 30 years. The company continues to communicate with labor union representatives and respects their opinions, and regularly discusses colleagues' opinions at quarterly labor-management meetings. The rights and obligations of both labor and management are clearly stipulated in work rules and related measures. As of the end of 2025, the union has not yet requested a group agreement.

02 / Employee Complaint Handling System

To safeguard employees' rights and interests and assist them in solving problems related to the damages caused to their personal rights and interests, we provide "employee opinion mailbox" and an "employee complaint handling system" to report issues involving labor relations, human rights and sexual harassment. Also, we provide access for employees to offer their suggestions so as to effectively solve their problems and create a friendly work environment. The employees' suggestion and complaint methods are as follows:

- (a). Oral complaint: Oral complaints will be recorded by a responsible person in each department and immediately reported and handled.
- (b). Written complaint: Employees may submit their complaints through the complaint form or other written methods by the administrative system if his/her rights were damaged or he/she has any other opinions. Each unit officer shall investigate and report immediately and respond to the applicant with the results or handling of the issue in writing.
- (c). General Manager's mailbox and trade union's mailbox in each factory: Employees' privacy is emphasized during communication and subsequent handling processes to provide employees with a confidential communication method to freely express their opinions.
- (d). HR representative's email graceliu@lingsen.com.tw: Employees can fully express any problem in a timely manner with management to ensure a harmonious workplace.