2021 Labor Relations

(I) Employee welfare policy:

1. Employee welfare measures:
   (1) The Company has set up an employee welfare committee, which allocates welfare funds in accordance with the law and organizes various welfare activities. A total of NT$5,837 thousand was allocated as the 2021 employee welfare fund.
   (2) Issue gold celebratory medals and certificates to recognize outstanding employees.
   (3) Issue gift money for three major national holidays and education subsidies.
   (4) Continue to improve the condition of job sites.
   (5) Purchase group insurance policy for employees and arrange employee health check. The related expenses in 2021 were NT$1,458 thousand.

2. Status of implementation of continuing education and training systems:

   The Company has established employee training measures, which stipulate the training of employees and the methods. The Company's on-the-job training includes organizing various workshops, training courses, and collaboration with other training institutions or schools to outsource the training, etc., or holding short-term work drills based on work needs. A total of NT$531 was spent on organizing various training sessions.

3. Retirement system:

   The “Labor Pension Act” came into effect on July 1, 2005. Employees who were hired before June 30 and were still employed on July 1 may choose to continue their eligibility for the pensions under the “Labor Standards Act” and retain the service tenure under the conditions for which the eligibility applies. New employees who are hired after July 1, 2005 are only eligible to the pension system under the “Labor Pension Act”.

   The “Labor Pension Act” is applicable to the Company's pension system. Since July 1, 1994, it confirms the distribution and retirement plans and allocates 6% of an employee's monthly salary to a personal account at Bureau of Labor Insurance.

The Company has established a retirement plan for the employees based on the “Labor Standards Act”, which is considered a defined-benefit pension plan. The payment of employee pension is calculated based on the length of service and the average salary of the six months before retirement. We allocate the pension reserve every month according to regulations, and contribute it to a retirement fund at the Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

A total of 20 people retired for the fiscal year, and a total of NT$39,812 thousand in pension was paid.

(II) Measures to protect the rights and interests of employees:

A harmonious employee-employer relationship is the cornerstone of enterprise development. The Company's employee-employer relationship has been about harmony, stability and shared prosperity over the years. We are committed to improving employee treatment, welfare and work environment and maintaining the employee-employer communications, and understand employees' difficulties and needs through seminars with the enterprise union. Feedback on issues is prioritized by managers at all levels who are ready to offer assistance.

(III) Status of labor disputes:

1. No labor disputes occurred in the most recent year and as of the publication date of the annual report.

2. Estimated amount of possible losses at present and in the future: None.

(IV) Fulfillment of social responsibilities:

1. Employee-employer meetings are regularly held to coordinate the relationship, promote collaboration and improve work efficiency.
2. Grievances filed by employees are handled by the Human Resources Department which is also responsible for handling cases involving employees who refuse disciplinary actions.
3. We have formulated sexual harassment prevention guidelines (which have been reported to the county government).
4. Employees are encouraged to participate in external education and training related to sexual assault and harassment prevention. Participants are given a paid leave registration and subsidies, and the relevant information is publicly disclosed in the workplace.
   Complaint hotline: 03-9986110, extension #103 or #109
   02-25092188, extension #2517

Complaint dedicated fax: 03-9986066

02-25093033

Email for filing grievances: yu@luckygrp.com.tw

kevinlee@luckygrp.com.tw

5. We carry out safety and health works in accordance with relevant laws and regulations on labor safety and health.
6. Employees should abide by the relevant regulations on safety and health and obey the guidance of safety and health management personnel.
7. Implementation of labor safety and health:
   a. Every on-site worker shall be provided with safety helmets and safety shoes, and shall have proper protective equipment that meets the needs of the nature of their work, such as fireproof clothing, fireproof shoes, dust masks, earplugs, etc., to ensure the health and safety of employees in workplaces with high temperature, dust and noise.
   b. We have established an occupational safety and health policy which requires all employees to abide by the laws and regulations for occupational safety and health, and provided necessary education and training for employees, including education and training for new hires, regular education and training for in-service personnel, disaster prevention and fire fighting, emergency rescue, escape and other drills. In every job site, bulletin boards are set up to remind employees of the potential hazards, and tell them how to prevent disasters and what kind of protective equipment to use, so as take correct safety protection measures in advance.
   c. In order to protect the work safety of employees and prevent occupational safety accidents, we have strengthened equipment maintenance to ensure operation safety, and also invested in improvements around the equipment, such as installing safety nets, stairs and railings, and required contractors to comply with the our management measures and relevant safety and health regulations when performing their jobs. The safety and security task force implements dynamic audit and inspection, so that employees and contractors can comply with safety regulations.
   d. The related labor safety expenses in 2021 were about NT$4,948 thousand.
8. In order to build a comprehensive safety and health management system, we have hired a consulting company to conduct the ISO 45001:2018

Occupational safety and health management systems guidance in December 2018. In July 2019, the TÜV Nord was commissioned to conduct the system certification. On August 26, 2019, the certification was approved and we obtained the ISO 45001:2018 certificate. The certificate is effective from August 26, 2019 to August 25, 2022.