



Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviations:

Implementation items	Implementation Status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		<p>The Company will set up a sustainable development committee in 2022 to ensure complete management of sustainable development. The Company's General Finance Division is the designated unit for promoting sustainable development. It is responsible for the proposal and implementation of sustainable development policies, systems, related management guidelines and action plans. It also reports regularly to the Board of Directors.</p> <p>The chief financial officer serves as the Chairman and he reviews the Company's core operational capabilities with a number of senior managers from different fields and formulates medium- and long-term sustainable development plans.</p> <p>The “Sustainable Development Committee” serves as an inter-departmental communication platform</p>	No significant difference.

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			<p>integrating top and bottom and connecting horizontally. Through meetings and tasks set according to different issues, we identify sustainable issues that are relevant to the Company's operations and stakeholders, and then formulate strategies.</p> <p>The Company's board of directors regularly listens to reports from the management team, and evaluates the probability of success of the strategies, reviews the progress of the strategies, and makes adjustments when necessary.</p>	
<p>II. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly?</p>	✓		<p>Sustainability performance of major bases. The boundary of risk assessment is mainly based on the Company, and the existing bases in China, the Americas and Europe. Based on the relevance to the operation of the industry and the degree of impact on major issues, the subsidiaries Shenzhen Globe Union Enterprise Co., Ltd., and Milim G&amp;G Ceramics Co., Ltd are included in the category.</p>	<p>No significant difference.</p>

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			The Sustainable Development Committee conducts analysis based on the materiality principle of the sustainability report. They communicate with internal and external stakeholders, and reviews domestic and foreign research reports and documents and integrate the evaluation information given by various departments and subsidiaries to evaluate major ESG issues. They formulate risk management policies for effective identification, measurement, monitoring and control, and take specific actions to reduce the impact of related risks. Based on the risks after the assessment is made, formulate relevant management policies for major issues related to the environment, society and corporate governance.	
III. Environmental topics (I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	✓		Our head office does not generate any hazardous impact on the environment. Other factories comply with air pollution restrictions of local governments.	No significant difference.

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			Emissions are collected through pipes and go through an exhaust and waterjet cleaning so that all emissions comply with standards. The Company switched to a natural gas boiler in coordination with the increase in heat recycling, lowering pollutant emissions to comply with regulations. Our head office manages all domestic wastewater along with the processing zone's sewage disposal. Production plants in China comply with the wastewater emission concentration restrictions of local governments, and constantly improve wastewater treatment processes and increase recycling. All plants continue to manage and reduce waste, and all waste is disposed by qualified disposal companies in each area.	
(II) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		Actively improve the efficiency of use of energy and recycling of waste such as: We increased the recycling rate of process water, treat and recycle wastewater, use recycled water and product packaging that is	No significant difference.

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			<p>100% recyclable, installed water saving devices on faucets, digitized operations, use recycled printing paper and reduce paper consumption, sort waste, reduce and recycle waste, collect kitchen scrap, and use personal cutlery. These measures help to conserve the Earth's resources and protect environmental hygiene. Air-conditioning equipment is also only switched on when the indoor temperature is at 26°C or higher. Actively design and promote the research and development of water-saving kitchen and bathroom products, develop easy-to-use ceramic technology of new generation and water-saving performance, and research green manufacturing.</p> <p>Green product development is not only the future industry development trend but also includes the control of future product regulations and regulatory risks. The Company has set the concept of water saving and environmental protection as one of the</p>	

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			current green product research and development policies. We are committed to carefully evaluate and reduce the impact on the natural environment in the process of product's function design, manufacturing, and packaging material design. We use copper alloy, zinc alloy, stainless steel, plastic, rubber, silicone, and other recyclable materials to design our products. Product and packaging materials are handled by the clients and are 100% recyclable.	
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		The Company's Sustainable Development Committee will assess the risks and opportunities of the Company resulting from climate change and formulate strategies and goals and report to the Board of Directors. Risks: The laws and regulations of various countries are gradually developing in the direction of greening, energy saving, and carbon reduction. The difficulty of complying with laws and regulations has increased, which has become a	No significant difference.



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			<p>potential risk.</p> <p>Opportunities: Develop carbon reduction technology and make products with alternative materials, and reduce the cost of the materials.</p> <p>Response strategies: In response to the increasing concern toward climate change and under the trend of stricter regulations, Globe Union continues to commit to energy conservation and carbon reduction activities. In addition to continuously promoting the responsibility and importance of energy conservation, production plants continue to optimize production models, improve production efficiency, and strictly abide by the requirements of local laws and regulations. Through equipment replacement and rigorous production</p>	

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			environment management practices, the Company improves energy consumption efficiency and the recoverability rate to reduce the impact on the environment.	
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon reduction, greenhouse gas reduction, water use reduction, or waste management?	✓		The Company has disclosed greenhouse gas emissions, water consumption, air pollution detection status, waste water discharge, waste management in the Corporate Social Responsibility Report for each year since 2016. Clean production audits, water and electricity management measures, and wastewater treatment standards are established in each production plant, and all production processes strictly comply with local regulations. The Company conducts an energy-conservation assessment once a year and proposes rewards. In addition to commissioning a professional environmental protection company for handling waste water and waste, we also comply with the ISO14064-1 standard of greenhouse gas	No significant difference.



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			<p>emissions. We regularly promote water conservation and recycling, and optimize processes to increase the utilization rate of reclaimed water. Energy resource management is implemented in accordance with the government's environmental requirements, and energy management is included in departmental KPI management.</p> <p>The Company pays attention to the issue of water conservation and environmental protection. In addition to the comprehensive implementation of promotion of water conservation in daily life, it also installs water saving devices. In addition, after the waste water enters the wastewater treatment station and meets the discharge standard, most of it is recycled, and the unused part can be used for farmland irrigation to achieve the effect of water saving.</p> <p>Improve the environmentally friendly production process of water electroplating, and reduce the sludge</p>	



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			<p>and wastewater treatment generated by traditional water electroplating. The new manufacturing process saves the cost of waste water and sludge and hazardous chemical every month.</p> <p>As a member of the U.S. Environmental Protection Agency (EPA) WaterSense program, a pressure compensation structure is used in the design, and the specifications of the faucet products are changed to maintain a stable flow under various pressures, which can reduce the use of water and save water resources.</p> <p>A series of high-efficiency water-saving toilets are developed to save at least 20% of water. In addition, the service life of the valve core is 20% higher than the standard (500,000 times) as the standard, and the valve core can be replaced to reduce waste.</p> <p>The Company's annual report website:  <a href="https://tw.globeunion.com/sustainability/corporate-social-responsibility/csr-reports/">https://tw.globeunion.com/sustainability/corporate-social-responsibility/csr-reports/</a></p>	

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IV. Social topics (I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?	✓		<p>To fulfill corporate social responsibilities and protect the fundamental human rights of all colleagues, customers and stakeholders, the Company complies with the principles of the United Nations' Universal Declaration of Human Rights. We respect internationally recognized fundamental human rights, eliminate violations of human rights and abide by the labor-related laws and regulations of the Company's location. In addition to providing a reasonable and safe workplace, we also ensure that the colleagues receive reasonable and dignified treatment.</p> <p>Pay particular attention to the following:            Workplace health and safety: friendly workplace environment, healthy workplace certification, set up breastfeeding rooms to care for the needs of female employees, periodic health examinations for employees, on-site services provided by contracted</p>	No significant difference.

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			physicians engaged in labor health services, “flexible working hours”, work shifts are selected by employees according to their own circumstances, and all kinds of discrimination are prohibited. We also have a complete and smooth promotion channel. Prohibition of forced labor: Implement the vacation system, and the system will automatically send vacation reminders every month to encourage colleagues to pay attention to the balance between life and work.	
(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		The Company has established reasonable salary and compensation policies. A system of rewards and penalties has been clearly defined in the work rules, ethical corporate management principles, ethical corporate management operating procedures and code of conduct, and it is being implemented accordingly. The year-end performance bonus is issued according to the Company's operating results and the employee's	No significant difference.

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			<p>annual performance evaluation; employee remuneration is based on the Company's Articles of Association. If the Company was profitable during the year, at least 2% of the profit shall be allocated as employee remuneration to incentivise all colleagues to work together to achieve the Company's goals.</p> <p><u>Employee welfare:</u>            The Company has established an Employee Welfare Committee and it allocates 0.0005 of the total sales amount of Globe Union Industrial Corp. each month as welfare funds to provide various benefits for colleagues, such as: Scholarships for employees and their children, group travel subsidies; Dragon Boat and Mid-Autumn Festival bonuses; birthday bonuses; periodic health examinations, childbirth, marriage, bereavement and holiday bonuses; and set up fitness equipment and facilities; a fixed amount of subsidies is provided to each club established by employees on</p>	

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			<p>an annual basis.</p> <p>According to the Labor Health Protection Regulations, the Company hired qualified doctors/nurses since January 2020 to make monthly visits to the plants to help employees manage and check their health. In addition to handling various matters concerning insurance coverage according to the Labor Standards Act and the Labor Health Insurance Act, we also planned group accident insurance, set up breastfeeding rooms, cared for the needs of female colleagues, held annual company banquets, and set up employee cafeteria.</p> <p>According to the vacation system, in addition to the two-day weekend and special leave regulated by law, employees' may apply to leave without pay when required to take care of themselves and their families.</p> <p>The pension system is implemented in accordance with relevant laws and regulations.</p>	

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			<p><u>Diversity and equality in workplace</u>            We implement the same qualifications for reward and fair and equal promotion opportunities for male and female colleagues, create friendly workplace, so that colleagues of all genders can work with peace of mind. There are 34.15% of female supervisors at the head office.</p> <p><u>The business performance shall be reflected in the employees' remuneration</u>            Article 25-1 of the Company's Articles of Incorporation: If the Company was profitable during the year, at least 2% of the profit shall be allocated as employee remuneration, and no more than 2% may be allocated as remuneration for directors and supervisors. However, profits must first be taken to offset cumulative losses if any. Employee bonuses may be paid in shares or cash. Employees at affiliated companies that satisfy certain criteria may also</p>	

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			qualify. The Company considers the market remuneration levels and individual performances to adjust salary and maintain salary competitiveness.	
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		The Company has formulated a number of management systems and operating procedures for safety production according to the actual environment and labor safety risks, and regularly entrusts a third party to conduct safety inspections. We introduce on-site health services through the participation of medical professionals in workplace, taking care of employees' safety and health, hoping that employees can work healthily and happily in the most suitable environment. Fire safety training is carried out every year and employee health examinations take place on a periodic basis. In recent years, in response to the epidemic, the CEO led the management team members and relevant responsible units to set up an	No significant difference.



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			epidemic prevention team, and instructed all subsidiaries around the world to implement the management of epidemic prevention measures. He also upholds the highest governing principle of employees' safety and financial security, while considering the continuous operation of the Company. Work environment and personal protection measures, no employee occupational accident, please refer to the following <Note 1>.	
(IV) Has the company implemented an effective training program that helps employees develop skills over the course of their career?	✓		The Company incorporates the improvement and implementation of the position management system into its policy and strategy, and uses it to design reasonable position classification, paths for employee promotion, and training programs. We integrate employee career plan with corporate development, increase employee participation in training and improve employee retention to enhance Globe Union's comprehensive competitiveness. We plan to	No significant difference.

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			<p>introduce a platform to facilitate global employees to conduct internal and external training and online and offline hybrid learning. Employees can learn without time and space constraints. We integrate various training materials and post in onto the Company's intranet to facilitate employees to learn at any time. They can improve the speed and effectiveness of training by using a systematic learning method. We define the future functions of leading supervisors to carry out succession planning for key positions, and combine core values with talent-related systems and culture to carry out talent distribution and cultural implementation.</p> <p>In 2021, there were 38,911 people of participating in the education and training of various types of courses, with a total of 73,377 hours.</p> <p>The supervisor and the employees discuss personal development plans during the annual performance</p>	

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			settings and assessment, and review it again during the year to help plan what's best for the employees.	
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	✓		The Company's products are mainly intended for export. The Company advertises and labels its products and services according to relevant regulations and international standards , and implement the commitment of product safety. The Company maintains excellent channels of communication with our customers. It implements the management of customer's personal data and also protects the rights and interest of consumers. We have appropriate rules in place for handling customer complaints. This ensures that customer complaints are taken seriously and dealt with immediately and to protect their rights and interests.	No significant difference.
(VI) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental	✓		We will promote the virtuous cycle of the industry and supply chain while ensuring that the suppliers meet the ethical standards in the process of providing	No significant difference. The relevant

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protection, occupational health and safety, or labor and human rights? If so, describe the results.			<p>products and services, and comply with the local laws and regulations.</p> <p>Regarding the management of suppliers, we have formulate regulations for the management of supplier evaluation. New suppliers must be selected through evaluation procedures; all selected suppliers will sign an environmental protection agreement and a counter terrorism agreement to ensure compliance with the necessary regulations.</p>	<p>clauses will be added to contracts in the future.</p>
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?	✓		<p>The Company follows the Global Reporting Initiative (GRI) Standards issued by GRI Standards: Core option. The Company’s 2020 Corporate Social Responsibility Report is authored according to the AA1000 (2008) standards. Ernst &amp; Young has planned and issued a limited assurance report according to the Accounting Research and Development Foundation’s “Assurance Engagements with Audits or Reviews of Non-Historical Financial Information” Assurance</p>	<p>No significant difference.</p>

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			Standards No.1.	
<p>VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the <i>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</i>: The board of directors passed the “Corporate Responsibility Principles” in December, 2014 to strengthen the implementation of corporate social responsibility. In March 2022, the board of directors approved the amendments to the “Sustainable Development Regulations” for implementation, and reviewed the implementation and made improvements accordingly. There are no significant differences.</p>				
<p>VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: <i>Society</i> is made up of <i>people</i> playing different roles. The Company aims to become the most trustworthy company in the world and realize sustainable development. We therefore strive to create an exceptional working environment so that even as we win over the trust of customers, employees, suppliers, shareholders and competitors, we are also fulfilling our social responsibility. We are constantly promoting and implementing concepts of environmental protection. We support and sponsor organizations in society, such as: Straits Economic &amp; Cultural Interchange Association and colleagues from the Taiwan head office have long supported the Tung Tzu Association of Taichung City Industrial Park with NT\$118 thousands. The book-sharing box in the Taiwan Reading and Culture Foundation’s philanthropic library was sponsored by our colleagues from the head office. Our honorary chairman established the Hope Media Foundation and actively engages in charity donations and events, allocating approximately NT\$11,053 thousands for charity events throughout the year: The hometown and Hakka generation competition helped invigorate the Long-term Care Plan 2.0 in communities; the children's theater promoted the spirit of mutual assistance and helped the government in promoting campus health education through elementary school tours and public performances; the Center for Media and</p>				



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<p>Social Impact at National Central University project provided college students with relevant resources to learn and engage in social welfare projects; the Taiwan Volunteer Award promoted the spirit of courage, assist events relating to the promotion of social welfare by publishing on mass media, online media platform, and advertising on social media, emergency relief, and social welfare projects to alleviate the difficulties of personal and family life, etc. Out of respect for human rights, all our employees are treated equally regardless of gender, religion, political affiliation, and employment opportunity. We strive to create a good working environment free from all forms of discrimination and harassment. All safety and health aspects are monitored and comply with government regulations.</p>				