



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			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>1. In November 2023, the Company established the Corporate Governance and Sustainable Development Committee ("the ESG Committee"), with the Chairman of the Board serving as the highest decision-maker of the Committee. The Committee meets regularly each year and reports to the Board of Directors at least once annually. During these meetings, the Chairman, who also serves as the President, leads the senior executives of the ESG Sustainability Initiative to report on the impact assessments of ESG and climate change on the Group's operations and the progress towards achieving sustainability goals. After the Committee's resolutions are passed, the Board of Directors is responsible for reviewing the annual results and guiding the sustainable development strategy.</p> <p>2. The Company has set up an ESG Sustainability Initiative, led by the Chairman and President, who is the highest responsible person of the organization. This initiative leads senior management to identify sustainability issues of concern to the Company's operations and stakeholders, thereby formulating strategies and promoting sustainability-related tasks. The ESG Sustainability Initiative regularly</p>	No significant difference.

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			<p>convenes meetings to review the implementation of goals and the execution of results. It also consolidates the results of sustainable projects and the progress of total greenhouse gas inventories, reporting quarterly to the Board of Directors.</p> <p>3. The Board of Directors annually received reports from the Committee and the management team on the current year's execution of ESG, plans and goals for the subsequent year, and regularly reviews the progress of implementation. The Board also regularly reviews and supervises the progress of strategies and urges the management team to make adjustments when necessary.</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>1. The Company regularly sends out surveys on major issues to stakeholders to understand the sustainability issues they prioritize. The identification of these major issues is conducted according to the reporting principles of the GRI (Global Reporting Initiative) standards. These issues are categorized into three main areas: environmental, social, and corporate governance. The boundary for risk assessment primarily encompasses the Company itself, the subsidiary Milim G&G Ceramics Co., Ltd. is also included in the category.</p> <p>2. The Sustainable Development Committee conducts analysis based on the materiality principle of the sustainability report. They communicate with</p>	No significant difference.

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			<p>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.</p> <p>3. Based on the risks after the assessment is made, formulate relevant management policies for major issues related to the environment, society and corporate governance as below:</p> <table border="1" data-bbox="855 959 1742 1391"> <thead> <tr> <th>Major Issues</th> <th>Risk Evaluation Item</th> <th>Explanation</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Environmental</td> <td>Energy Management</td> <td>Continuously monitor energy usage, replace high-energy-consuming equipment, and transition towards low-carbon energy sources.</td> </tr> <tr> <td>Chemical Management</td> <td>In accordance with international regulations and customer demands, select environmentally low-impact</td> </tr> </tbody> </table>	Major Issues	Risk Evaluation Item	Explanation	Environmental	Energy Management	Continuously monitor energy usage, replace high-energy-consuming equipment, and transition towards low-carbon energy sources.	Chemical Management	In accordance with international regulations and customer demands, select environmentally low-impact	
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III. Environmental topics (I). Has the company developed an appropriate environmental management system, given its distinctive characteristics?	✓		<p>Since 2023, the Company has been conducting greenhouse gas inventories from the Taiwan headquarters and the Milim G&G plant in accordance with the ISO 14064-1 standard. We expect to complete the inventory report by July 2024 and will continue to track and publicly disclose emission data in our sustainability report. The operational headquarters, serving only office functions, does not directly produce environmentally harmful factors. Therefore, we promote electricity and resource conservation through internal advocacy and recycling programs. Our manufacturing facility in China complies with local laws by identifying, following, and meeting environmental regulatory requirements, continuously implementing environmental protection and improvement plans. The subsidiary, Milim G&G Ceramics Co., Ltd., has established an environmental management system in accordance with ISO 14001 and continues to pass third-party verification.</p>	No significant difference.
(II). Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the	✓		<p>The Company actively promotes various energy reduction measures, selecting high-efficiency and energy-saving designed equipment to optimize energy use, reduce internal energy consumption, and continuously assess the use of renewable energy. In 2023, our subsidiary Milim increased its renewable energy generation by 15% annually. We</p>	No significant difference.



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environment?			<p>will continue to expand our renewable energy generation facilities and improve the efficiency of renewable energy use each year.</p> <p>The subsidiary sources 100% of its raw materials locally and continues to integrate resources to achieve recycling and reuse, including recycling of process materials, reducing pollution during manufacturing, recovering waste heat, and reusing water, thereby minimizing environmental impact. We are committed to ongoing development of green manufacturing practices, reducing unnecessary resource wastage, and increasing water recycling rates in processes. Through recycling process materials and seeking waste reduction, we are collectively striving to develop 100% recyclable product packaging across the supply chain. Additionally, in product design, we aim to use recyclable materials with a low environmental load and actively research and develop water-saving kitchen and bathroom products to maximize the benefits of a circular economy.</p>	
(III). Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its	✓		<p>The Company has established the Corporate Governance and Sustainable Development Committee as the highest body for managing climate change, chaired by the Chairman of the Board. This committee annually reviews the identification of climate change risks and opportunity actions and oversees their implementation, reporting the status to the Board of</p>	No significant difference.



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business, and take appropriate action to counter climate change issues?			<p>Directors.</p> <p>In accordance with the framework recommended by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), the Company's ESG Sustainability Initiative undertakes to understand local trends and regulations, as well as disclosures related to domestic and international peers. This organization identifies potential climate-related risks and opportunities, assesses their impact and likelihood, and prioritizes them based on the significance of issues that concern stakeholders. Appropriate responses are then developed in line with the sustainability goals and business strategy set by the Board of Directors and are implemented as planned.</p> <p>The ESG Sustainability Initiative identifies key risks and discusses response strategies with various business units across the Company. These risk assessments are then submitted to the Sustainable Development Committee for oversight. The Chair of the Sustainable Development Committee reports regularly to the Board of Directors based on the outcomes of this risk management and assessment.</p> <p>To effectively reduce the impact of extreme climate change on the economy, society, and the environment, the Company has adopted the TCFD framework. Starting at our headquarters, we complete planned</p>	

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			<p>training for managers and key personnel, integrating climate change as a critical issue and key risk into our corporate sustainability strategy. We gradually implement risk management plans at operational locations, addressing major risks such as rising temperatures and total carbon emissions control, exploring opportunities and risks, and enhancing green operations, energy management, carbon disclosure, and the construction of sustainable operational capabilities.</p> <p>The Company focuses on green, low-carbon products and operations, continuously improving our climate change risk management and integrating it with our overall enterprise risk management system through the PDCA operational model.</p>	
(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	✓		<p>1. Since 2016, the Company has disclosed information on greenhouse gas emissions, water usage, and waste management in its Corporate Social Responsibility Report. Our subsidiary, Milim, has also completed third-party certification for ISO 50001 Energy Management. For detailed information on greenhouse gas emission management, please refer to our Sustainability Report.</p> <p>The Company continues to track emissions, adopting the product lifecycle concept to implement material design selection, local sourcing from suppliers, and the 4R waste strategy, as well as energy-efficient</p>	No significant difference.

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reduction, water use reduction, or waste management?			<p>production processes to minimize emissions.</p> <p>The main emission reduction measures at our headquarters include conserving electricity internally, controlling air conditioning temperatures, and regularly maintaining and cleaning air conditioning systems to ensure optimal efficiency. The principal reduction measures at our subsidiary’s manufacturing facilities include enhancing the efficiency of production equipment (such as furnaces), energy management, utilizing renewable energy, and optimizing process efficiency.</p> <p>In addition, in response to climate change and to promote sustainable corporate operations, our company will continue to evaluate renewable energy sources and invest in energy-saving products, aiming to progressively achieve our long-term goals of net-zero carbon emissions and the use of renewable energy.</p> <p>2. Since 2016, the Company has disclosed water usage in its Corporate Social Responsibility Report. As part of our water conservation plan, we start with implementing daily water-saving measures to maximize the efficiency of available water resources. Our subsidiary, Milim, has further established an internal wastewater treatment system to recycle water and achieve conservation.</p>	

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			<p>For detailed information on water resource management, please refer to our Sustainability Report.</p> <p>3. Since 2016, the Company has disclosed waste volumes in its Corporate Social Responsibility Report. In 2023, our subsidiary Milim continued to be certified under the ISO 14001 Environmental Management System. To achieve sustainable resource reuse, our waste management principles prioritize in-house reuse to reduce the consumption of raw materials. This is followed by recycling, with incineration or landfill being the last resort.</p> <p>The Company actively implements waste management strategies. The headquarters promotes long-term internal advocacy and establishes sorting habits to continuously reduce the total amount of waste incinerated. The subsidiary continuously reduces the waste generated per unit of product through source reduction measures such as internal process material recovery and raw material reduction. By collaborating with qualified external recycling vendors, we achieve waste minimization in a circular manner.</p> <p>For detailed information on waste management, please refer to our Sustainability Report.</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>The Company supports and adheres to the fundamental principles of human rights as outlined in the Universal Declaration of Human Rights, the International Covenants on Human Rights, the United Nations Global Compact, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, as well as the legal regulations of each location where we operate. In accordance with the United Nations Guiding Principles on Business and Human Rights, we have developed a human rights policy to fully demonstrate our responsibility to respect and protect human rights, which is published on our company website.</p> <p>Annually, the Company conducts reviews through focusing on significant social issues and surveys to examine our operations, value chain, and other related activities. We identify and assess potential human rights risks and the groups at risk within these activities. Based on these potential risks, we formulate a human rights issue control plan and continue to monitor and improve our efforts.</p> <p>A summary of our human rights management policy and specific initiatives is as follows:</p>	No significant difference.



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Implementation of Information Security and Protection of Personal Data	Implemented stringent security measures and strict controls for employees, clients, and suppliers/contractors to ensure the protection of the rights and interests of all personal data subjects.									

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	Yes	No	Summary	
			educational training to enhance awareness of human rights protection and reduce the likelihood of related risks.	
(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?	✓		<p>Employee Remuneration The annual bonus system of the Company is contingent upon the profit status of the Company for that year. Distribution of bonuses also takes into account individual employee performance results, departmental effectiveness, and other company-mandated indicators. This performance-based bonus standard is designed to motivate all colleagues to work collectively towards the Company's objectives. Employee remuneration is calculated in accordance with the Company's bylaws, based on profits that are not less than two percent for the fiscal year.</p> <p>Employee Benefits Measures The Company has established an Employee Welfare Committee, which allocates 0.05% of Globe Union Industrial Corp.'s total monthly sales revenue for welfare funds. These funds are used to provide various benefits for colleagues, such as scholarships for employees and their children, travel subsidies, holiday bonuses for Dragon Boat Festival and Mid-Autumn Festival, birthday gifts, regular health checks, subsidies for childbirth and marriage or funeral expenses, installation of sports and</p>	No significant difference.



Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>fitness equipment, and annual fixed subsidies for employee-formed clubs and other benefits. Regarding the leave system, in addition to the standard two-day weekend, legally mandated special leave, and unpaid leave applications for employees with personal or family care needs are considered, ensuring employees can balance work with personal and family responsibilities.</p> <p>Workplace Diversity and Equality We are committed to gender equality in compensation and equitable promotion opportunities, ensuring a friendly workplace where employees of all genders can feel secure in their roles. In the year 2023, women accounted for an average of 33.4% of our staff, with women in management positions comprising 28.6%.</p> <p>The Company also provides a conducive working environment to ensure comprehensive well-being for all employees, regardless of their background: (1) In accordance with the "Regulations on Occupational Health Protection," we employ qualified factory physicians/nurses who provide monthly on-site health management services to safeguard employee health. (2) Following the Labor Standards Act and the National Health Insurance Act, we handle all insurance matters, including providing group accident insurance for employees. (3) To create a friendly</p>	

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>workplace that empowers women, we have established lactation rooms and are attentive to the needs of our female colleagues.</p> <p>Performance Reflected in Employee Remuneration</p> <ul style="list-style-type: none"> Article 25-1 of the Corporate Bylaws: Should the Company realize a profit in any fiscal year, a minimum of two percent of the profits must be allocated for employee remuneration, and up to two percent may be allocated for director remuneration; however, if the Company has accumulated losses, funds must be reserved to offset these losses first. Employee remuneration may be distributed in the form of stock or cash, and may include employees of certain subsidiary companies who meet specified criteria. Overall Remuneration Policy: The Company believes that a robust remuneration and benefits system is crucial for creating employee satisfaction and is integral to the sustainable development of the business. Therefore, we are committed to developing a fair, transparent, competitive, and sustainable remuneration system that supports the growth of both our employees and the Company. Below is our remuneration policy: Annually, we consider the Company's operational performance, external market salary levels, and individual employee performance to conduct 	



Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			<p>regular evaluations to ensure the fairness and competitiveness of our remuneration. The overall remuneration package includes fixed salary, performance bonuses, employee remuneration, and long-term incentives (such as employee stock ownership plans). The reward measures are designed to motivate employees to contribute to the long-term success of the Company.</p> <p>We strive to create a performance-driven, fair, and happy working environment that provides employees with opportunities to excel. The Company values performance and rewards accordingly, integrating corporate development visions and strategic goals with an objective performance management system. Remuneration is based on individual performance outcomes. Additionally, the Company encourages the comprehensive development of our employees. Colleagues are encouraged to outline their own further education plans and work goals and to engage in discussions with their supervisors to jointly ensure the achievement of personal work targets and the development of professional competencies.</p>	

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons									
	Yes	No	Summary										
(III). Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		<p>Work Environment and Personal Safety Measures, for more information, please refer to the subsequent section <Explanation 1>.</p> <p>There were no fire incidents, nor were there any casualties or injuries reported in 2023.</p> <p>The employee disability injury frequency rate for 2023 was 0.14, with a total of 3 occupational injuries involving 3 individuals, which accounts for 0.15% of the total number of employees at the end of 2023.</p> <p>The number of participants and person-hours involved in public safety education training and awareness campaigns over the past two years is as follows:</p> <table border="1" data-bbox="824 970 1686 1150"> <thead> <tr> <th>Occupational Safety Training</th> <th>Total Training Hours (Hours):</th> <th>Number of Trainees (Person-times):</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>52,065</td> <td>26,053</td> </tr> <tr> <td>2023</td> <td>57,675</td> <td>28,008</td> </tr> </tbody> </table>	Occupational Safety Training	Total Training Hours (Hours):	Number of Trainees (Person-times):	2022	52,065	26,053	2023	57,675	28,008	No significant difference.
Occupational Safety Training	Total Training Hours (Hours):	Number of Trainees (Person-times):											
2022	52,065	26,053											
2023	57,675	28,008											
(IV). Has the company implemented an effective training program that helps employees develop skills over the course of their	✓		The Company designs complete competency training programs tailored to the levels and career tracks of managers and employees, integrating employee career development with corporate growth. This includes training for new hires, advanced professional training, and managerial training. By utilizing various learning methods and integrating training	No significant difference.									

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
career?			<p>materials on the Company’s internal network, learning is made accessible without the constraints of time and space. This approach aims to increase overall participation and effectiveness, thereby enhancing the Company’s competitive edge.</p> <p>During annual performance evaluations and assessments, supervisors and employees collaboratively discuss plans for personal capability development, which are reviewed regularly to facilitate optimal employee development.</p> <p>For the total hours of various types of educational training conducted in 2023, please refer to the Sustainability Report.</p>	
(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	✓		<p>The Company controls the value chain of our products, from raw materials and logistics to sales, establishing operational standards and management mechanisms. We continuously monitor product safety information and maintain a robust internal feedback system to ensure the commitment to product safety.</p> <p>We have established an information security policy to manage and protect customer privacy. Through internal and external cybersecurity oversight, disaster drills, social engineering prevention, and training programs, we enhance employee awareness and safeguard customer data.</p>	No significant difference.

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
customer rights protection and grievance procedure policies implemented?			<p>The Company strictly adheres to the local government regulations and international standards relevant to manufacturing and sales. We have developed basic quality management guidelines and created operational standards for our employees to follow. All sales contracts undergo an internal review before we initiate any sales activities.</p> <p>Product labeling is critical for protecting consumer rights and health. Our company maintains a laboratory and a product certification department to ensure that our products meet regulatory requirements concerning composition, manufacturing, and labeling. We also have established customer relationship management policies to address customer complaints promptly and uphold customer rights.</p>	
(VI). Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor	✓		<p>The Company has established a "Supplier Evaluation Management Policy," which sets criteria for selecting suppliers based on delivery schedules, production capacity, and equipment. It also outlines our expectations and requirements regarding suppliers' integrity, health and safety, and environmental quality. We utilize supplier survey forms to gather information about new suppliers and conduct both regular and ad hoc evaluations to monitor and assess their performance. In 2023, our collaborating suppliers meet the following conditions:</p>	No significant difference.



Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons				
	Yes	No	Summary					
and human rights? If so, describe the results.			<table border="1"> <tr> <td>Supplier Evaluation</td> <td>All suppliers must pass our supplier evaluation and adhere to the Supplier Code of Conduct.</td> </tr> <tr> <td>Supplier Assessment</td> <td>The company conducts regular monthly assessments and tracks improvements on any deficiencies identified in suppliers. This process is aimed at enhancing quality and technology, as well as strengthening environmental, safety, and health performance.</td> </tr> </table>	Supplier Evaluation	All suppliers must pass our supplier evaluation and adhere to the Supplier Code of Conduct.	Supplier Assessment	The company conducts regular monthly assessments and tracks improvements on any deficiencies identified in suppliers. This process is aimed at enhancing quality and technology, as well as strengthening environmental, safety, and health performance.	
Supplier Evaluation	All suppliers must pass our supplier evaluation and adhere to the Supplier Code of Conduct.							
Supplier Assessment	The company conducts regular monthly assessments and tracks improvements on any deficiencies identified in suppliers. This process is aimed at enhancing quality and technology, as well as strengthening environmental, safety, and health performance.							
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?	✓		The Company compiles its sustainability reports in accordance with the disclosure frameworks outlined by the Global Reporting Initiative (GRI) Standards, issued by the Global Sustainability Standards Board in 2021, the Account Ability Principle Standard (AA1000), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). Furthermore, based on the Assurance Standard 3000 titled "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by the Accounting Research and Development Foundation of the Republic of China, the Company has engaged the independent third-party firm, Ernst & Young, to provide limited assurance on specific sustainability	No significant difference.				

Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
			performance indicators of the 2022 sustainability report. For more detailed information, please refer to the Independent Assurance Report included in the appendix of the sustainability report.	
<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 Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: 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: Society is made up of people 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 support and sponsor organizations in society, such as: Straits Economic & Cultural Interchange Association, Rotary Club of Taichung, and colleagues from the Taiwan head office have sponsored the book-sharing box in the Taiwan Reading and Culture Foundation’s philanthropic library. In addition, our employees have long supported Tung Tzu Association of Taichung City Industrial Park, and cumulative donations have reached NT\$161 thousands. The charitable foundation established by the Company’s founder, the Hope Media Foundation, raised a total of NT\$4,182 thousands in 2023. The funds were donated to various charitable organizations and initiatives including the Taoyuan City Down Syndrome Parents Association, the Private Guanyin Kindgarden in Taoyuan City, the Taoyuan City Let Love Live Association, the Private Renyou Sanatorium in Taoyuan City, the Center for Media and Social Impact project at National Central University, the Father Yves Moal Foundation in Hualien County, and sponsored the World Sign Language Day Art Inclusion Charity Concert and other</p>				



Implementation items	Implementation			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
charitable activities. 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.				

Explanation 1: Work environment and personal protection measures: The Company recognizes the importance of protective measures for the workplace and for individual employees. Our key targets and implementation are as follows:

Item No.	Target/Goal	Project	Current situation	Implementation
1	Zero accident elevator	Cargo elevators are for cargo only. Overloading is strictly prohibited. They must be maintained and serviced by qualified vendors on a regular basis.	Contracts have been signed with professional vendors for the regular maintenance and service of elevators. Elevators must pass the annual inspection to remain in service.	The heads of relevant units are informed on the spot about the prohibition against passengers in the cargo elevator and overloading. Elevator safety and care rules are posted. All equipment used by the Company is rated the highest class among all enterprises in terms of safety and standardization.



Item No.	Target/Goal	Project	Current situation	Implementation
2	Zero electrical hazards	Every electrical equipment should comply with Article 9 of the Regulations for Electrical Technician and Power Facility Inspection and Maintenance Management. Implementation is in compliance with national regulations for safe electricity usage. All electrical equipment comes with a residual current circuit breaker and earth-fault protection.	Contracts have been signed with qualified vendors to conduct electrical safety inspections of all factory circuits, power-off tests, and maintenance take place each year at least once, as required by regulations.	Power circuits suspected of being overloaded are immediately reviewed for improvement. All circuit boxes are labeled with the warning "Do not open if you are not a professional circuit operator" in order to prevent electric shock hazards.
3	Zero fire hazard	Fire prevention equipment is inspected and repaired within a specific time frame according to applicable requirements each year.	In accordance with Article 15 of the Enforcement Rules of Fire Services Act, at least one 4-hour firefighting, emergency notification, and evacuation training drill and the local firefighting agency is notified in advance. The fire prevention and maintenance unit services, maintains, and replaces damaged facilities on a regular basis. The	Any safety concern in fire safety equipment is to be addressed in a timely manner. If it is abnormal and is determined through inspection to have been damaged, it will be taken care of and replaced immediately, and it will also be numbered for management.

Item No.	Target/Goal	Project	Current situation	Implementation
			Industrial Safety Group performs safety audits on a daily basis to make sure that the firefighting access, fire hydrants, and other safety equipment are normal.	
4	Electronic access control	Apply electronic access control to prevent against unauthorized access. Follow applicable access-control requirements of the Company.	New employees are all given standard privileges. Applications for special access privileges require approval from the highest-ranking supervisor with the relevant approval-granting rights. External people visiting for business must obtain a pass. Visitors must follow instructions and park their vehicles in designated areas. Related release receipts for goods leaving the site will be inspected and verified.	Access control records are maintained. Once an employee is no longer with the Company, access is immediately revoked.
5	After-hours security	Each day, the last employee to leave the site must set the security alarm to keep the Company safe. After working hours, staff may only access the site under special circumstances, and only after having explained their	Staff to work overtime on holidays and on the weekends have to report to HR and make a staff list on the overtime for record. Employees working overtime on holidays and on the weekends must first register with the General Administration Section and collect the security	If the alarm is triggered for an unknown reason, the security guard on site or the security company shall find the reason and report the incidence.

Item No.	Target/Goal	Project	Current situation	Implementation
		purpose to the security guard in order to ensure personnel and property safety.	token. The security token must be returned on the next working day to ensure effective management.	
6	Airconditioning maintenance management	The water cooled and water chillers unit, fans and cooling towers undergo planned maintenance.	The water cooled and water chillers unit are regularly inspected during operation. Any problems are scheduled for correction.	The cooling towers are regularly cleaned and chlorine tabs added to prevent against bacteria and germs and to protect against generation of high pressure on the chillers to reduce expenditure on electricity.
7	Zero accident for power centrifuge	Design the automatic inspection checklist and ask operators to perform periodic inspections, as required.	Article 74 of the Occupational Safety and Health Facilities Regulations stipulates that the power centrifuge must come to a complete stop before any object is removed from the machine.	Items are truthfully inspected and verified, and heads of executive units are asked to provide precise guidance.
8	Zero accident for fire-related operations	The head of the operating unit shall inform the safety control unit (the General Administration Section or Safety Section) if operations likely to generate sparks are to be performed. The operating unit shall follow the Fire Operating Guide.	The safety control unit needs to inspect and make sure that there is no safety concern and shall inform operators of details to pay attention to before fire operations begin, despite the fact that a fire operation has been applied for and approved.	All danger sources are to be removed from the fire operation area, and areas with falling sparks are monitored at all times. Fire extinguishers shall be available at the workplace and readily accessible. Based on the class shown on the fire operation certificate, safety measures at the operation site and time-effectiveness of the operating certificate are checked

Item No.	Target/Goal	Project	Current situation	Implementation
				from time to time.
9	Contractor safety and health declaration	Contractors need to carefully read through the document before signing it and ask questions in advance if there is any area that is unclear to them. Reach an agreement regarding construction safety and health requirements, and confirm preconstruction protection and post-construction cleanup upon signing of a contract.	Contractors shall abide by requirements for safety management and provide operators with necessary protective equipment and devices during construction. The construction management department, safety management department, and 6S management department shall confirm on-site that protection requirements are fulfilled to warrant construction before it begins, inspect the process, and accept work upon completion.	The contractor may be ordered to stop work immediately in the event of a serious breach of safety and health regulations. Actions that may be taken for other nonconformities include mandated improvements by a given deadline and termination of contract.
10	Zero accident cutting machines	Purchase of new automatic band saw	Automatic starts and stops while cutting an object in order to ensure the safety of the operator.	The head of the user unit is required to restrict operation to designated personnel.
11	Labor safety protection	Embark on a series of safety knowledge trainings, set up a safety supervision scheme, and improve safety at the	All employees are to complete physical checkups for occupational diseases and health. A complete database of all employees' health	Apart from training on safety awareness, workplace safety and comfort is ensured through the workshop layout, improved ventilation, and better natural/artificial

Item No.	Target/Goal	Project	Current situation	Implementation
		workshop. Establish a 3-tier safety education system and a supervisor safety and production accountability system.	records is thereby established. All 3-tier safety training files are archived. Standards for carriage of labor supplies are specified. Occupational safety and health examinations take place on a yearly basis. Provide on-site health consultation services for medical professionals, establish employee health management classification, and prevent occupational accidents and occupational diseases.	lighting. We will abide by the regulations concerning the frequency of on-site health care service, and handle relevant labor health protection matters such as health management consultation and health promotion. We will timely adjust the duties and tasks of employees according to their physical conditions, which not only helps prevent occupational accidents and occupational diseases, but also improves employees' physical and mental health, and their working abilities.
12	Pollution control (water, air, noise)	Perform pollution control according to the requirements and standards of the environmental protection department. Invest in waste water treatment systems, applicable clean energy, equipment for desulfurization and dust removal for waste gas prior to emission, and soundproof equipment.	The Company is continuing to make improvements on water, air and noise pollution.	Emission indicators are monitored online and linked to the network of the environmental protection department. Environmental factors are inspected on a yearly basis to ensure constant improvements. Wastewater is recycled and reused.

Item No.	Target/Goal	Project	Current situation	Implementation
13	Recycling and reuse	Improve the product yield, reduce waste generation, and strengthen 6S competitions and recycling of waste for reuse to concretize resource waste reduction, recycling, and reutilization.	The product yield is discussed on a monthly basis. Recycling and reutilization of waste is managed. Utilization of residual heat is continued. Reclaimed water is used for resource saving, and the outstanding 6S units are recognized.	The Company adheres strictly to environmental regulations during waste treatment for harm elimination, volume reduction and recycling. This effectively prevents any impact on the surrounding environment.
14	Energy conservation	To identify potential problems in energy use, we commissioned an external environmental technology company to audit our energy consumption. The Company also proposed and implemented clean production review.	A comprehensive management organization has been set up as part of our energy management system. A series of energy-saving and waste reduction schemes have been implemented and assessed.	Lighting, water, and electricity are being transformed. Kiln residual heat is recycled and re-utilized. Energy-saving electrical equipment is adopted. Reclaimed water is used again. The kilns are known for their high energy-saving performance. Energy saving lamps and water valves are used, and buildings such as dormitories and workshops are repaired. All of these are meant to promote energy conservation and consumption reduction, reduce the concentration of pollutants discharged, and realize effective overall emissions.



Climate-Related Information for Listed Companies

1. Execution Status of Climate-Related Information

Item	Implementation
<p>1. Description of the Board of Directors and Management's Oversight and Governance of Climate-Related Risks and Opportunities.</p>	<ul style="list-style-type: none"> • To emphasize sustainable development and climate-related risk management, the Company established the Corporate Governance and Sustainable Development Committee in November 2023. The committee is chaired by the Chairman of the Board, who serves as the highest decision-maker of the committee. The committee and the Board of Directors convene regularly each year. In these meetings, the Chairman, who also serves as the President, who also leads the top executive of the Company's ESG initiative, reports to the committee on the impact assessments of climate change on group operations and the progress towards achieving sustainability goals. Upon the committee's resolution, the Board of Directors is responsible for reviewing annual results and guiding climate change strategies. • The ESG sustainability initiative is composed of senior executives within the Company and includes a dedicated sustainability management department. This department assists subsidiaries and various business units in identifying climate risks and assessing and responding to climate impacts within their respective scopes of responsibility. Since 2023, the Chairman, who also serves as the President, have convened regular internal sustainability development meetings, discussing major issues of concern to stakeholders with the various business units of the Company. The meetings focus on developing responses to climate risks and opportunities and establishing mitigation and adaptation measures. This enhances environmental management performance and risk control, with direct reports made to the Board of Directors.
<p>2. How identified climate risks and opportunities impact business operations, strategy, and financials (short-term, medium-term, long-term)</p>	<ul style="list-style-type: none"> • As of 2022, the Company began adhering to the disclosure framework of the Task Force on Climate-related Financial Disclosures (TCFD). We have enhanced the completeness and transparency of climate-related information in our sustainability reports. • In 2023, we identified 11 risks and 6 opportunities related to climate change. Based on the duration of impact and the magnitude of these effects, we have developed corresponding strategies and measures. The analysis of the impact of climate change risks and opportunities is as follows:

Item	Implementation			
	(1) The 11 identified climate risks as listed below:			
	Period	Risk	Impact	Response Measures
	Short - term	International carbon tariff mechanisms being established by various countries	The initiation of international carbon tariffs will likely increase operational costs, particularly affecting companies whose products are predominantly sold in Europe and America. The Group's products include ceramic kiln-fired items, which inherently involve substantial energy use and are challenging to adapt to zero emissions standards. Additionally, the requirement to attach carbon content data and conduct product carbon footprint audits will further elevate operational expenses.	Diligently monitoring international carbon-related regulations and will adjust our products accordingly, such as revising pricing structures. We are committed to enhancing and optimizing our manufacturing processes to reduce carbon emissions associated with our products. We continue to evaluate the trends in carbon trading markets and intend to incorporate the purchase of carbon credits into our strategy to achieve carbon neutrality goals.

Item	Implementation			
	Period	Risk	Impact	Response Measures
	Short - term	Greenhouse gas emission control	The government has initiated a carbon charge mechanism which, under a regime where carbon has a market price, could potentially lead to increased operational costs. Exceeding carbon emission allowances may increase operational expenses for the Company.	We have launched a Greenhouse Gas Inventory Project, which began in 2023 covering our headquarters in Taiwan and subsidiaries in China. The project will expand to encompass all group companies in 2024. We will continue to conduct carbon audits to identify carbon emission hot spots and plan corresponding optimization measures.
	Short - term	In response to government and client demands for low-carbon solutions, there has been a shift in our product development focus.	Investing in low-carbon technology and transformative techniques may result in increased costs. The transition to low-carbon processes might face challenges due to immature technologies, leading to increased research and development expenses.	We regularly assess technological risks. We continue to monitor innovative technologies and solutions in the market, upgrading machinery and infrastructure, and investing in state-of-the-art technologies to enhance our competitive edge. Additionally, we are committed to developing internal talent, continuously learning the latest technologies and increasing their proficiency.

Item	Implementation			
	Period	Risk	Impact	Response Measures
	Short - term	Due to severe rainfall resulting in flooding, the factory operations were halted.	Possibility of the flooding damaged machinery and equipment at our operational sites, leading to increased operational costs. Additionally, heavy rainfall might impeded employee commutes, preventing staff from attending work, which caused factory shutdowns and resulted in delays in order fulfillment. This has led to contractual penalties, further elevating operational costs.	To address these issues, we are enhancing the resilience of our infrastructure, such as installing flood barriers. We are assessing flood risks in our manufacturing areas and developing and implementing risk mitigation measures. Prior to typhoon events, we initiate flood prevention actions including stacking sandbags, clearing drainage pipes, and elevating equipment within the facilities. Maintain internal emergency communication channels to ensure the safety of colleagues and provide timely assistance.
	Medium - term	In response to stricter environmental regulations related to climate change mitigation, such as increased requirements for energy efficiency and	In compliance with these regulations has necessitated the replacement of outdated machinery with energy-efficient equipment and the installation of renewable energy systems, leading to increased operational costs.	We closely monitor environmental regulations at our operational sites to determine their applicability to the Company. If applicable, we initiate internal discussions to devise appropriate response strategies. We also check for government subsidies related to these regulations and, if available, apply for them to mitigate the impact on our operations. Beyond regulatory compliance, we stay attuned to international low-carbon trends and

Item	Implementation			
		renewable energy usage.	proactively plan actions to mitigate climate change.	
	Period	Risk	Impact	Response Measures
	Medium - term	Customer preferences shift toward low-carbon, energy-efficient products	Due to increasing environmental awareness, customers are becoming more attentive to climate issues and prefer low-carbon or environmentally friendly products. If our products do not meet these consumer demands, they risk being phased out by the market, leading to a decline in revenue.	Actively collect customer feedback on product demands and incorporate these requirements into our product design considerations. Our products comply with EU directives for sanitary products, and in alignment with consumer preferences and market demands, we are committed to ongoing investment in the development of water-saving products. We are also focused on increasing the revenue share of our green products. We closely monitor market trends and are dedicated to reducing the carbon footprint of our products.
Medium - term	Disruptions in Supply Chain	Suppliers may experience operational halts or transport delays due to extreme weather conditions, leading to increased operational costs.	We are adjusting our supply chain strategy to focus more on local sourcing and to avoid over-reliance on a single supplier. This approach helps in maintaining risk diversification and enhancing the resilience of our supply chain.	

Item	Implementation			
	Period	Risk	Impact	Response Measures
	Medium - term	Heat-related injuries among employees	Due to rising temperatures, the likelihood of employees might suffer from heat-related illnesses increases, which may lead to higher insurance costs and, consequently, elevated operational expenses.	Install additional workplace cooling systems. Enhance flexibility in personnel deployment. Maintain internal emergency communication channels to ensure the safety of colleagues and provide timely assistance.
	Long - term	Due to the impact of climate change, the pattern of rainfall has shifted, leading to increased frequency and duration of water shortages.	The scarcity of water for manufacturing processes might results in either compromised quality or elevated production costs.	Evaluate the risk of drought in manufacturing areas and develop and implement risk mitigation measures. Regularly maintain equipment to prevent leaks and avoid wasting water resources. Optimize manufacturing processes to use water more efficiently. Incorporate water-saving features into the criteria for purchasing new equipment. Increase the use of recycled water in facilities. Conduct regular on-site campaigns to promote water conservation and remind colleagues to value water resources.

Item	Implementation			
	Period	Risk	Impact	Response Measures
	Long - term	Factories located in coastal areas may face inundation or chronic flooding.	Climate change, leading to rising sea levels, could submerge operational sites, causing disruptions in operations.	Regularly assess whether the factory's location is at risk of rising sea levels, closely monitor environmental changes in the area, including trends and forecasts of sea level rise. If risks are identified, proactive measures will be devised, including plans for factory relocation, to ensure continuous operations and mitigate potential impacts.
	Long - term	Operating sites experiencing increased heat	The need for cooling machines and workplaces is growing, resulting in higher electricity costs.	Enhance ventilation and cooling systems at the workplace. When leasing or purchasing office premises, prioritize those that comply with green building standards.
	(2) The 6 opportunities as shown below:			
Period	Opportunities	Impact	Response Measures	
Short - term	Customers have raised their standards for product quality and usage requirements, such as water-	In response to customer preferences and needs, we are developing relevant products that contribute to an increase in our revenue.	Proactively developing products that align with market trends and customer demands, such as high quality, durability, repair ability, low carbon emissions, and water efficiency. These efforts are aimed at enhancing our competitive advantage and securing more orders.	

Item	Implementation			
		saving features.		
	Period	Opportunities	Impact	Response Measures
	Medium - term	Utilizing low-carbon energy sources	Low-carbon energy technologies are becoming increasingly mature, and their costs are likely to decrease in the future. Utilizing renewable energy can also reduce carbon emissions during operations, aligning with the global trend towards low-carbon initiatives, increasing the likelihood of winning more orders, and enhancing operational revenue.	Expanding the installation of renewable energy equipment will increase the use of renewable energy sources. We will continue to evaluate the trends in carbon trading and the price movements of carbon credits, and incorporate the purchase of carbon credits into our strategy for carbon offsetting to achieve our carbon neutrality goals.
	Medium - term	Increasing environmental demands for products	To capture future environmental trends, we are actively developing products that meet market demands, thereby enhancing our business revenue through environmental sustainability.	Simplifying the disassembly and recycling of products and components and reducing the amount of packaging materials used.
	Medium	Improving the	By enhancing the efficiency	We are continuously optimizing the

Item	Implementation			
	- term	efficiency of energy resource use	of energy resource use, we aim to minimize waste and maximize benefits, thereby reducing operational costs.	ceramic firing process and increasing the utilization of residual heat from the process to reduce energy wastage and promoting actions to conserve energy resources.
	Period	Opportunities	Impact	Response Measures
	Medium - term	Adopting more efficient transportation methods	We are planning more efficient transportation models to reduce transportation costs.	Also, optimizing transportation routes and enhancing the utilization of containers.
Medium - term	Waste reuse and building a circular economy	<p>We aim to reduce waste generation at the source or explore opportunities for secondary use to decrease the volume of waste requiring disposal and lower disposal costs. Assessing the potential for using recycled materials could enhance customer acceptance and increase business revenue.</p> <p>We are also evaluating the feasibility of recycling and reusing industrial waste, and devising strategies for its commercial implementation.</p>	<p>Improving product yield is crucial to minimize the production of defective goods that would otherwise be scrapped. By optimizing manufacturing processes, we aim to reduce the ratio of waste generated. Continuous assessment of the use of recycled materials and increasing their usage rate is part of our strategy. We are exploring methods to transform production waste into secondary materials. We continue to evaluate the potential for recycling and reusing industrial waste, enhancing our commitment to sustainability.</p>	



Item	Implementation
<p>3. The impact of extreme climate events and transition actions on finance</p>	<p>Extreme climate events and transition actions do not have a direct impact on finances in the short term; however, it is essential to continue conducting regular assessments to mitigate the impact of climate risk factors on the Company. To properly manage the risks associated with extreme weather events and the transition to a low-carbon economy, we are gradually integrating the risks of climate change into our operational decision-making. Identifying and managing risks diligently, we strive to implement mitigation and adaptation measures.</p>
<p>4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.</p>	<ul style="list-style-type: none"> • The Company's ESG Sustainability Initiative undertakes to understand local trends and regulations, as well as disclosures related to domestic and international peers. This organization identifies potential climate-related risks and opportunities, assesses their impact and likelihood, and prioritizes them based on the significance of issues that concern stakeholders. Appropriate responses are then developed in line with the sustainability goals and business strategy set by the Board of Directors and are implemented as planned. • The ESG Sustainability Initiative identifies key risks and discusses response strategies with various business units across the Company. These risk assessments are then submitted to the Sustainable Development Committee for oversight. The Chair of the Sustainable Development Committee reports regularly to the Board of Directors based on the outcomes of this risk management and assessment. • Incorporate climate change into the critical agenda and key risk items of corporate sustainability development, and progressively implement risk management plans at operational sites. Develop response measures for operations, product development, and supply chain management. • Based on the PDCA operational model, continuously refine the integration of climate change risk management with the overall corporate risk management system.
<p>5. When using scenario analysis to assess resilience to climate change risks, it is essential to detail the scenarios employed, parameters, assumptions,</p>	<p>In the future, the Company will analyze the impacts of climate change on transformation risks in operational aspects, referencing the international 2050 net-zero targets. Additionally, the Company will utilize the RCP scenarios published by the IPCC to assess the primary physical risks brought by climate change. Based on these analyses, response strategies will be formulated to guide adjustments in operational strategies.</p>

Item	Implementation
analytical factors, and main financial impacts.	
6. If there is a transformation plan in place to manage climate-related risks, the content of this plan should be outlined, along with the indicators and targets used to identify and manage physical and transitional risks.	Following a greenhouse gas (GHG) inventory, the company plans to progressively set and implement reduction targets based on the scope of the inventory, integrating the indicators and targets for identifying and managing climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for pricing determination should be explained.	Once the Group's carbon reduction targets are clearly defined, methods for internal carbon pricing will be established and implemented.
8. If climate-related targets are set, the plan should cover the activities involved, scopes of greenhouse gas emissions, planning periods, and annual progress towards these goals. If carbon offsets or Renewable Energy Certificates (RECs) are	After conducting a greenhouse gas inventory, GHG tracking will be initiated, followed by the setting and implementation of reduction targets and related measures.



Item	Implementation
used to achieve these targets, the source and quantity of the carbon offset credits or the number of RECs should be detailed.	
9. Greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans	(Additional information to be filled in sections 1-1 and 1-2)

1-1 Greenhouse Gas Inventory and Verification Status for the Last Two Fiscal Years

1-1-1 Greenhouse Gas Inventory Information

Statement of detailed account of greenhouse gas emissions over the last two fiscal years, including total emissions (metric tons of CO₂e), intensity (metric tons CO₂e/NT\$ million), and the scope of data covered.

The Company, a publicly listed entity with a capitalization of less than NT\$5 billion, adheres to the disclosure schedule set by the Financial Supervisory Commission. According to this schedule, the Company is required to complete a greenhouse gas inventory for the individual entity in 2026 and for subsidiaries included in the consolidated financial statements in 2027.

The Company anticipates completing the greenhouse gas inventory for the Group in 2026.

1-1-2 Greenhouse gas verification information

Overview of the verification status of greenhouse gas emissions up to the date of publication of this annual report for the last two fiscal years, including the scope of verification, the verifying body, the verification standards applied, and the opinion.

The Company, a publicly listed entity with a capitalization of less than NT\$5 billion, adheres to the disclosure schedule set by the Financial



Supervisory Commission. According to this schedule, the Company is required to complete a greenhouse gas inventory for the individual entity in 2026 and for subsidiaries included in the consolidated financial statements in 2027.
The Company anticipates completing the greenhouse gas verification process in 2026.

1-2 Greenhouse gas reduction targets, strategies, and specific action plans

Outlines the base year for greenhouse gas emissions, the corresponding data, the reduction targets, the strategies and specific action plans we have developed, and the progress towards achieving these reduction targets.
Scheduled the completion of the greenhouse gas verification process for 2026, which will be set as the base year for measuring the future emissions reductions, strategies, specific action plans etc.