



2023

Sustainability Report

GLOBE UNION INDUSTRIAL CORP.

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About the Report

About Report



Globe Union Industrial Corp.

(hereinafter referred to as "Globe Union") is a company dedicated to its core business operations on providing quality Kitchen, Bath products and services; we also continue to make progress on our commitment to social responsibility. We firmly believe that a company's success shall not be measured only on the financial result, but also accompanies by its contributions to society as well as the environment. Therefore, Global Union continuously deepens and broadens our everyday action to achieve our sustainable development goal. This is our ninth sustainability report, through this report, Globe Union disclosed its efforts and achievements in the three important areas - Environment, Society, and Governance (ESG), aiming to provide a platform for communication with various stakeholders. We wanted to show our consistent commitment to openness and transparency while maintaining close communication with a wide range of stakeholders.

We share specific measures and tangible results, also reflect on the challenges we face as well as and the directions for future development. Globe Union will continue to pursue our idea of excellence with steadfast determination and collaborate with various stakeholders to achieve higher levels of sustainable development goals.

Time and Scope of This Report

This report covers the period from January 1, 2023, to December 31, 2023 (hereinafter referred to as "this year"), and details the specific achievements and performance data across the three key sustainability dimensions: Environmental, Social, and Governance. The scope of this report includes the Globe Union's Headquarters (referred to as "Taiwan Headquarters") and Milim G&G Ceramics Co., Ltd. (referred to as "Milim"), collectively referred to as "Globe Union" or "Globe Union". However, additional data from other subsidiaries may be disclosed when relevant due to industry relevance and financial significance.

[Globe Union's Sustainability Website](#)

Reporting Guidelines and References

This report has been prepared in accordance with the disclosure frameworks provided by the Global Reporting Initiative (GRI) Universal Standards issued in 2021 by the Global Sustainability Standards Board (GRI Standards), the AA1000 Accountability Principles Standard, the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). For detailed guidelines and index references, please refer to the tables in the appendix for easy retrieval and review. Economic, environmental, and social data for 2023 are presented using internationally recognized indicators. They were expressed in commonly used numerical formats. Any estimations are accompanied by explanatory notes.

Report Review and Management

The data in this report are provided after review by each department head. Some statistical data are sourced from annual reports, government agencies, and relevant public websites. The Sustainability Management Department then consolidates and compiles the information, which is published after confirmation by the highest management level, the Chairman. Globe Union issues an annual "Sustainability Report," with the first issue dated December 2016. The next report is scheduled for release in August 2025. No information restatements occurred this year. If needed in the future, disclosures will be made in accordance with regulations.

Contact Information

[Official Website of Globe Union](#)

If you have any suggestions regarding the content of this report or our activities, we welcome your valuable feedback.

Contact Person: Nancy Shih
Address: No. 22, Chien-Kuo Rd., Tanzi District,
Taichung City 42760, Taiwan

Telephone: (886)-4-25349676
Email: IR@globeunion.com

Message from the Chairman

Message from the Chairman

"As a member of global citizens, our pursuit extends beyond corporate sustainability to include our responsibility and commitment to the environment and social stakeholders. We will uphold this commitment while embracing the responsibilities of Globe Union as a global citizen."



Globe Union Industrial Corp. Chairman

Scott Ouyang

Globe Union was founded by Founder, Mr. Scott Ouyang in 1979. Through integrated and diversified business model, we provide comprehensive kitchen and bathroom products, brand services, along with distribution channels for our customers worldwide. Our business scale extends across Europe and America, establishing Globe Union as a leading position in the kitchen and bathroom industry. Today, beyond focusing on operational performance and profitability, we continue to build corporate sustainability value, meet stakeholder expectations, uphold the group's core values as well as business philosophy. We are committed to fulfilling corporate social responsibility with a proactive and positive approach. This is Globe Union's ninth sustainability report, written with seven main themes: "The Beginning of Sustainability," "Your Choice, Our Expertise," "Globe Union's Green Philosophy," "Team Values," "Prevention and Welfare as Priorities," "Evaluation and Managerial Insight," and "More Than Just Globe Union." This report conveys Globe Union's achievements for 2023 to all our stakeholders.

Implementing Environmental Protection and Advancing Green Operations

With the rise of the global net-zero emissions movement by 2050, both nations and companies play crucial roles in addressing the climate crisis. We are also contributing to sustainable development through our participation in the green transformation efforts. Milim has once again received the Green Factory Certification from the Shandong Province Building Materials Industry. Milim has implemented three major energy-saving measures: 1. Expanded the use of solar photovoltaic power, reaching a record high of 120,000 kWh; 2. Upgraded the kiln heat recovery system, with a heat recovery amount of approximately 95,457 gigajoules (GJ) in 2023; 3. Continued to recycle and reuse production wastewater, achieving a recycling rate of 88.93%. With growing awareness of environmental protection, our sanitary Vitreous China (VC) and faucet products have received the Water Sense certification from the U.S. Environmental Protection Agency; in addition, we have launched and promoted our own patented non-plastic product packaging. The Group is also actively focusing on developing electroplating processes to reduce the potential impact of wastewater from the faucet production. In the future, we will continue to align with international trends towards a net-zero path, with the aim of becoming the market's first choice.

Valuing Talent Development and Fostering a Fair Workplace

In recent years, awareness of multiculturalism has risen. In 2023, Globe Union adopted the key sustainability trend of "DEI" to create a workplace environment that embraces "Diversity, Equity, and Inclusion". Employees are a crucial asset to Globe Union, a people-centric approach is at the heart of our corporate social responsibility philosophy. We promote diverse communication, Milim has proposed over 4,000 ideas in daily management, 88% has adopted for operation improvement. In terms of safety management, we regularly conduct emergency response drills to minimize injuries from work related accidents. Globe Union Headquarters continues to uphold the Badge of Accredited Healthy Workplace by organizing seven wellness seminars and the "9934, i-sports" events. Milim enhances workplace safety awareness by hosting safety knowledge competitions. In the future, Globe Union will place greater focus on talent development programs as well as shaping an emerging corporate culture, aiming to provide a safe and comfortable workplace and become a source of pride.

Strengthening Corporate Governance and Implementing Corporate Sustainability

Since 2016, we have voluntarily published sustainability reports to disclose non-financial information, aiming to demonstrate our commitment to corporate sustainability to the public. Today, our status has transitioned from voluntary disclosure to mandatory reporting due to regulatory changes. This shift signifies increased expectations along with scrutiny regarding our commitment to corporate sustainability. To effectively address stakeholder concerns, we have formally established a Corporate Governance and Sustainable Development Committee this year. This committee will focus on sustainability and climate risk management. Additionally, both the Headquarters and Milim have started greenhouse gas inventory in 2023, Globe Union is planning to align with regulatory requirements, completing the group's consolidated inventory and verification. In the future, we will continue to monitor the requirements of each operational site to ensure compliance with local regulations striving to be a trustworthy partner for our stakeholders.

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● 2023 Sustainability Performance

Environmental

Water Sense

Program member

100%

Milim suppliers sign environmental protection agreements

88.93%

Wastewater recycling rate at Milim

Shandong Province
Building Materials Industry
Green Factory

Milim

Zero Wastewater Discharge

Comprehensive treatment of production wastewater at Milim

Heat Recovery Amount: Approximately
95,457 GJ

Milim waste heat recovery



Social

Silver Award for Happy Enterprise

Awarded by 1111 Job Bank Taiwan

4.4/5.0

Overall course satisfaction at Taiwan Headquarters

100%

Annual employee performance evaluation

The Proportion of **Female in Management** position has Increased for Three Consecutive Years in TAIWAN office

94%

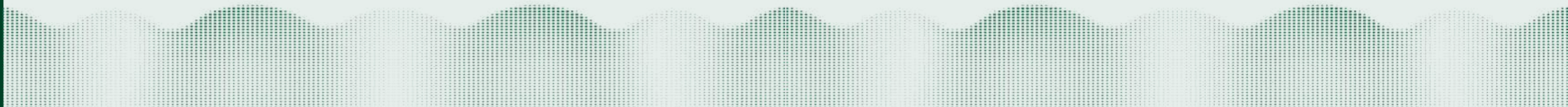
Overall customer satisfaction

Governance

Establish **Sustainable Development Committee**
Establishment of a Dedicated Functional Committee in November 2023

320

total number of effective global patents in 2023



Identification of Material Topics and Stakeholder Communication



Identification of Material Topics

Globe Union follows the GRI Standards 2021 GRI 3 Materiality identification process and refers to the EU's promoted concept of Double Materiality. This approach identifies material topics that have significance to both "Globe Union" and "the economy, environment, and society." Based on the impact assessment results, Globe Union has identified priority issues for management. In addition to prioritizing the disclosure of relevant information in the annual sustainability report, the management approach is also integrated into Globe Union's sustainable development blueprint, outlining future short-, medium-, and long-term goals and sustainable business models.

Step 1

Identification

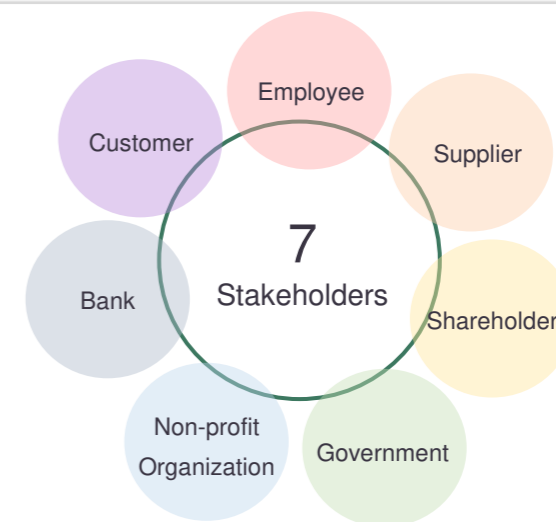
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Stakeholder Groups

In line with the AA1000 Stakeholder Engagement Standard, Globe Union follows five key principles: Responsibility, Influence, Concern, Diverse Perspectives, and Dependency. These principles are assessed based on three criteria: Communication Frequency, Degree of Dependency, and Level of Importance. By distributing online surveys to senior internal managers and key stakeholders, and through in-depth discussions among Sustainability Management Department members, a total of 28 valid questionnaires were collected. Seven stakeholder groups were identified: Employee, Supplier, Customer, Government Agency, Bank, Shareholder, and Non-profit Organization.

Stakeholder Communication

Globe Union deeply understands the importance of sustainable operations, which require long-term commitment and continuous effort. In addition to considering market trends and business development needs in the domestic and international kitchen and bathroom **hardware industry**, Globe Union places great emphasis on stakeholder opinions and feedback. Globe Union maintains ongoing internal communication to ensure that stakeholder interests are fully considered in decision-making processes. Through active dialogue and engagement with stakeholders, Globe Union gains a deep understanding of their concerns, which are then integrated into the Globe Union's operational strategies and sustainability plans.



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The Methods of Communication with Stakeholders in 2023:

Stakeholder	Significance to Globe Union	Primary Communication Channels and Frequency	Concern of Issues	Corresponding Chapters
<p>Employee</p>	Employees are Globe Union's most important and valued asset. The company's sustainable operations rely on the loyalty and contributions of each employee, which are fundamental to achieving Globe Union's excellent quality and efficient operations.	<ul style="list-style-type: none"> Monthly birthday celebration announcement Quarterly occupational safety and health committee and labor-management meetings Internal employee suggestion box and global employee reporting portal Contact person: guic.hr@globeunion.com Manager: Phil Lin	<ul style="list-style-type: none"> Operational performance Talent sustainability Creating a fair/ transparent/ friendly workplace 	1.2 4.1 4.3
<p>Supplier</p>	Globe Union believes that having access to the highest quality materials and reliable supply sources is essential for manufacturing the best products. By establishing stable and long-term partnerships with our supply chain, we aim to achieve mutual growth and prosperity.	<ul style="list-style-type: none"> Seminars / Training educations / Face-to-face communication Annual supplier evaluation questionnaire Monthly distributor meetings; Face-to-face communication Contact person: GSMS.Sales@globeunion.com Assistant manager: Sherry Lin	<ul style="list-style-type: none"> Operational performance Chemical substance management Innovation management Supply chain management Greenhouse gas emission management 	1.2 2.1 2.2 2.3 3.2
<p>Customer</p>	Globe Union values customer relationships. Providing top-quality products is at the core of Globe Union's philosophy, helping our clients become leaders in their field.	<ul style="list-style-type: none"> Customer satisfaction survey Direct communication, either via email or face-to-face Stakeholder section on the official website Contact person: GSMS.Sales@globeunion.com Assistant manager: Sherry Lin	<ul style="list-style-type: none"> Operational performance Providing reassuring/ comfortable products and services Chemical substance management Innovation management Customer experience and relationship Greenhouse gas emission management 	1.2 2.1 2.1 2.2 2.4 3.2
<p>Government Agency</p>	As a manufacturer of kitchen and bathroom products, Globe Union's products comply with the regulations and procedures set by the regulatory authorities, maintaining stable and positive relationships with them.	<ul style="list-style-type: none"> Participate in discussion meetings as needed Intermittent correspondence with official documents Stakeholder section on the official website Contact person: IR@globeunion.com Senior manager: Vivian Chen	<ul style="list-style-type: none"> Operational performance Greenhouse gas emission management Air pollution control management Waste management Integrity management Taxation 	1.2 3.2 3.3 3.5 6.1 6.3
<p>Bank</p>	As a multinational company, Globe Union engages in extensive financial transactions globally. To ensure smooth operations, Globe Union maintains strong relationships with partner banks and stays updated on investment and financial planning policies.	<ul style="list-style-type: none"> Quarterly financial reports / Annual reports Investor Relations section on the official website Contact person: IR@globeunion.com Senior manager: Vivian Chen	<ul style="list-style-type: none"> Operational performance Integrity management Risk management Taxation 	1.2 6.1 6.2 6.3
<p>Shareholder</p>	Globe Union upholds the highest principle of creating maximum value for shareholders, and transparently discloses financial performance while assessing company risk management.	<ul style="list-style-type: none"> Quarterly financial reports / Annual reports Annual shareholders' meetings / Annual investor briefings Investor Relations section on the official website Contact person: IR@globeunion.com Senior manager: Vivian Chen	<ul style="list-style-type: none"> Operational performance Providing reassuring/ comfortable products and services Greenhouse gas emission management Integrity management Risk management Taxation 	1.2 2.1 3.2 6.1 6.2 6.3
<p>Non-profit Organization</p>	Globe Union engages deeply with local communities and residents to minimize the impact of operations on the local area. At the same time, Globe Union collaborates with the academic sector to inject new talent into research and development capabilities, promoting the company's sustainable development.	<ul style="list-style-type: none"> Intermittent correspondence with official documents/ Meeting discussions Contact person: IR@globeunion.com Senior manager: Vivian Chen	<ul style="list-style-type: none"> Air pollution control management Waste management Talent sustainability Creating a fair/ transparent/ friendly workplace 	3.3 3.5 4.1 4.2

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Step 2

Collection

25 Sustainable Development Topics

Referencing international sustainability standards and trends, including GRI Standards 2021, SASB Standards, SDGs (Sustainable Development Goals), and TCFD, while analyzing material topics benchmarked by domestic and international peers. By integrating Globe Union's sustainable development strategies, vision, and stakeholder concerns, 25 ESG-related actual and potential sustainability topics are identified.

Environmental Aspect

- 1 Energy management
- 2 Water stewardship
- 3 Waste management
- 4 Chemical substance management
- 5 Air quality management
- 6 Greenhouse gas emissions and climate change
- 7 Supplier management

Social Aspect

- 8 Occupational health and safety
- 9 Personnel recruitment and retention
- 10 Talent cultivation and development
- 11 Employee diversity and inclusion
- 12 Human rights
- 13 Social participation
- 14 Information security management and customer privacy

Governance Aspect

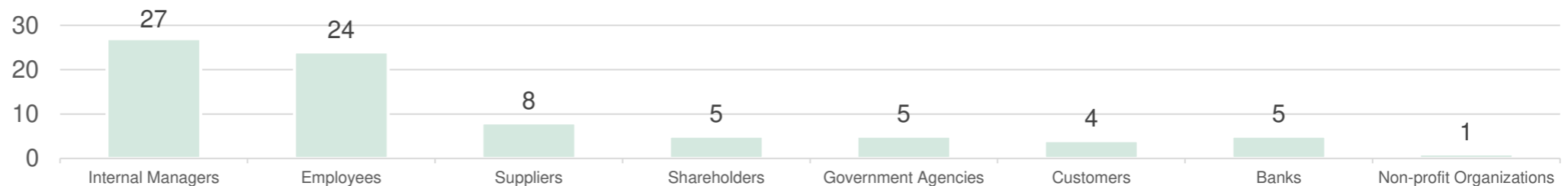
- 15 Customer experience and relationship
- 16 Product quality and safety
- 17 Responsible marketing and advertising
- 18 Operational performance
- 19 Integrity management
- 20 Risk management
- 21 Innovative products and technologies
- 22 Taxation
- 23 Corporate governance
- 24 Raw materials management
- 25 Product lifecycle management

Step 3

Impact Assessment of the Topics

79 Questionnaires

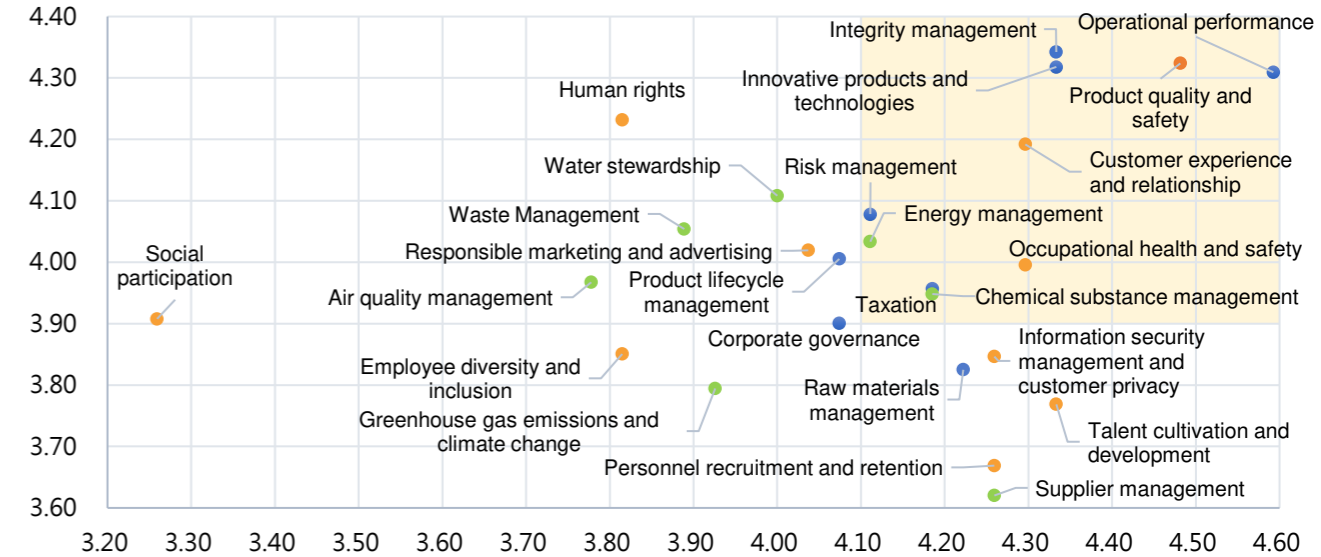
In 2023, Globe Union conducted an impact assessment survey targeting stakeholders across Taiwan, Shandong Province, Guangdong Province, Fujian Province, and Zhejiang Province in China. Considering regional characteristics, the survey was administered through in both Chinese and English, ensuring that stakeholders could participate and share their opinions and views smoothly. After excluding invalid responses, a total of 79 valid surveys were collected, achieving a response rate of 90.89%. This includes 27 from internal managers, 24 from employees, 8 from suppliers, 5 from shareholders, 5 from government agencies, 4 from customers, 5 from banks, and 1 from a non-profit organization.



Step 4

Prioritization and Analysis of Material Topics | **16 Material Topics**

After collecting survey responses from stakeholders, Globe Union conducted a weighted analysis based on the relative importance of each stakeholder group, resulting in the identification of 10 material topics. Subsequently, after discussions in senior executive meetings with industry insights, the material topics were reviewed and adjusted. This process led to the final identification of 16 material topics. For these topics, we will prioritize disclosure and establish long-term development goals.



Environmental Aspect

- 1 Energy management
- 2 Chemical substance management
- 3 Water stewardship
- 4 Waste management
- 5 **Supply chain management**
- 6 Air pollution control management
- 7 Greenhouse gas emission management

Reasons for new addition:

As concern about climate change continues to grow, Globe Union recognizes the importance of supply chain management in delivering more environmentally friendly products and services.

Social Aspect

- 8 Exceptional products and services
- 9 Customer experience and relationship
- 10 Innovation management (water-saving products)
- 11 Talent sustainability
- 12 **Creating a fair/ transparent/ friendly workplace**

Governance Aspect

- 13 Operational performance
- 14 **Integrity management**
- 15 Risk management
- 16 Taxation

Reasons for new addition:

In recent years, societal expectations of company have steadily increased, with a growing demand for integrity and transparency.

◆ New topics for 2023

- Note:
1. After discussions with management, the following topics have been identified as material: "Waste management," "Supply chain management," "Air pollution control management," and "Greenhouse gas emission management."
 2. The topics of "Talent cultivation and development" and "Talent attraction and retention" have been consolidated into the material topics of "sustainable talent." Meanwhile, "Occupational safety and health" has been classified as a secondary topics, to be voluntarily disclosed in the report or on the website.
 3. Rename "Product quality and safety" to "Providing reassuring/ comfortable products and services" and rename "Innovative products and technologies" to "Innovation management."

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Step 5

Reporting and Disclosure

Regular Review and Response

Based on the results of the materiality analysis, Globe Union has disclosed the management policies and relevant information for these 16 material topics in the corresponding chapters, for review by experts and information users. This information will help in understanding the positive and negative impacts of these material topics on Globe Union. Globe Union also integrated the results identified for 2023 into its ESG policies, ESG focus areas, and long-term sustainability goals to ensure the comprehensive implementation of its sustainable development strategies.

2023 Material Topics and Impact Description

Aspect	Material Topics	Meaning	Positive/ Negative Impact Description	Strategy	Corresponding Chapters
 Environmental Aspect	Energy management	Effective energy management can reduce energy costs, enhance production efficiency, decrease greenhouse gas emissions and other pollutants, indirectly improve the quality of life for local residents.	⊕ Energy efficiency improvement - Effective energy management can reduce costs, minimize environmental impact, and promote sustainable business operations.	Continuously monitor energy use, replace high-energy-consuming equipment, establish energy storage facilities, and transition to low-carbon energy sources	3.2 Environmental Protection and Sustainable Energy
	Chemical substance management	The use of chemical substance can lead to environmental pollution and potentially cause harm to employees with long-term exposure. Therefore, Globe Union emphasizes chemical management, continuously enhances employees' awareness and knowledge regarding the use of chemicals.	⊖ Pollution risk - Failure to properly manage the use and disposal of chemical substances could result in harm to employee health and the environment, leading to litigation risks.	In accordance with international regulations and customer demands, select environmentally low-impact chemicals to provide green products that are harmless to humans.	2.1 Taste and Quality
	Sustainable Water Management	The intensification of climate change will increase the uncertainty of water resource shortages. Effective water stewardship can help reduce water costs, optimize manufacturing processes, and to prevent production disruptions.	⊖ Water resource depletion - if water use is not effectively managed, it will increase the risk of water shortages, negatively impact local communities and the ecological environment.	Through routine management reduction, maximize the use of water resources , implement the recycling and reuse of water resources	3.4 Water Purification Practices
	Waste management	As external treatment facilities become increasingly saturated, effective waste management can promote resource recycling ; reuse, reduce raw material costs, and enhance resource utilization efficiency.	⊖ Pollution and resource waste - if waste is not properly managed, it can lead to environmental pollution and waste valuable recyclable resources.	Enhance the use of internal resources within the organization to reduce waste; procure recycled materials to increase in-house recycling of waste	3.5 Zero Waste through Recycling
	Supply chain management	Effective supply chain management can enhance transparency and ensure compliance with environmental and social standards. Failure to align with international trends or customer requirements may impact the company's operations.	⊕ Risk resilience - If a company effectively manages supply chain risks, it can enhance its ability to respond to supply disruptions, ensure stability in production and delivery, and strengthen business competitiveness.	Refine the existing supplier management policy, select suppliers that meet regulatory requirements, and implement regular audits	2.3 Responsible Procurement
	Air pollution control management	Government regulations and standards regarding air pollution become increasingly stringent. Effective management and monitoring can mitigate regulatory compliance and liability risks.	⊖ Deterioration in air quality - If emissions are not effectively controlled, it may lead to worsened air pollution, posing health risks to employees and impacting the quality of life in local communities.	Comply with legal regulations, effectively monitor pollutants, regularly maintain dust collection equipment, and implement end-of-pipe controls	3.3 Clean Air
	Greenhouse gas emission management	Achieving net-zero carbon emissions by 2050 has become a global consensus, and regulatory authorities at various operational locations are progressively implementing strict regulations. Therefore, compliance with greenhouse gas emissions-related laws and standards is now a basic requirement.	⊖ Climate change risk - If greenhouse gas emissions are not effectively controlled, it will accelerate climate change and pose significant negative impacts on business operations and society.	Actively monitor greenhouse gas emissions, gradually establish carbon reduction targets, and align with international net-zero trends	3.2 Environmental Protection and Sustainable Energy

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Aspect	Material Topics	Meaning	Positive/ Negative Impact Description	Strategy	Corresponding Chapters
 Social Aspect	Providing reassuring/ comfortable products	The Company adheres to the production quality standards, ensuring product quality through internal testing and external certification. This approach boosts market demand and customer satisfaction, enhancing market competitiveness and ensuring that Globe Union's customers receive reliable products.	⊕ Enhance market competitiveness - High-quality products and services can improve customer royalty and further increase market share.	Refine customer quality requirements, ensure products and services comply with regulatory standards, and provide customers with safe and reliable products	2.1 Taste and Quality
	Customer experience and relationship	A positive customer experience and strong relationships can enhance brand loyalty, improve brand image, and increase sales, leading to economic growth and higher revenue, ultimately boosting brand value.	⊕ Increase customer loyalty - Excellent service can enhance customer loyalty, boost repurchase rates, and drive business growth.	Provide services that closely meet customer needs, maintaining open communication channels, and building a trustful, secure relationship with customers	2.4 Beyond Expectations, Excellence in Experience
	Innovation management	Offer products with more eco-friendly, water-saving, and energy-efficient production methods not only helps reduce environmental impact but also leads to the development of new products, services, and solutions.	⊕ Technology development - Through product innovation, providing water-saving solutions can not only meet market demand but also help alleviate pressure on water resources, contributing to the achievement of sustainable development goals.	Apply new technologies, streamline designs, optimize processes to create added value for new products	2.2 Visionary Road Map
	Talent sustainability	Emphasize employee training and development, as well as cultivating key talent, helps reduce employee turnover.	⊕ Reduce turnover - A strong talent development system and positive workplace culture can increase employee satisfaction and loyalty, thereby reducing talent loss rate.	Provide an encouraging environment for innovation, development, and inclusion, and construct a competitive talent management system	4.1 Talent Development
	Creating a fair transparent and friendly workplace	By promoting human rights awareness, creating a mutually respectful and inclusive environment, and implementing effective occupational health and safety management, we aim to ensure that workers' rights are effectively safeguarded.	⊕ Enhance employee well-being - Provide a fair, transparent, and friendly work environment can motivate employees to be more engaged, increase productivity, and strengthen corporate competitiveness.	Establish a fair and safe work environment, enabling employees to work in a friendly workplace that prioritize employee well-being with a culture of respect, inclusivity, and transparent communication	4.2 Foundation for Progress 4.3 Open and Diverse

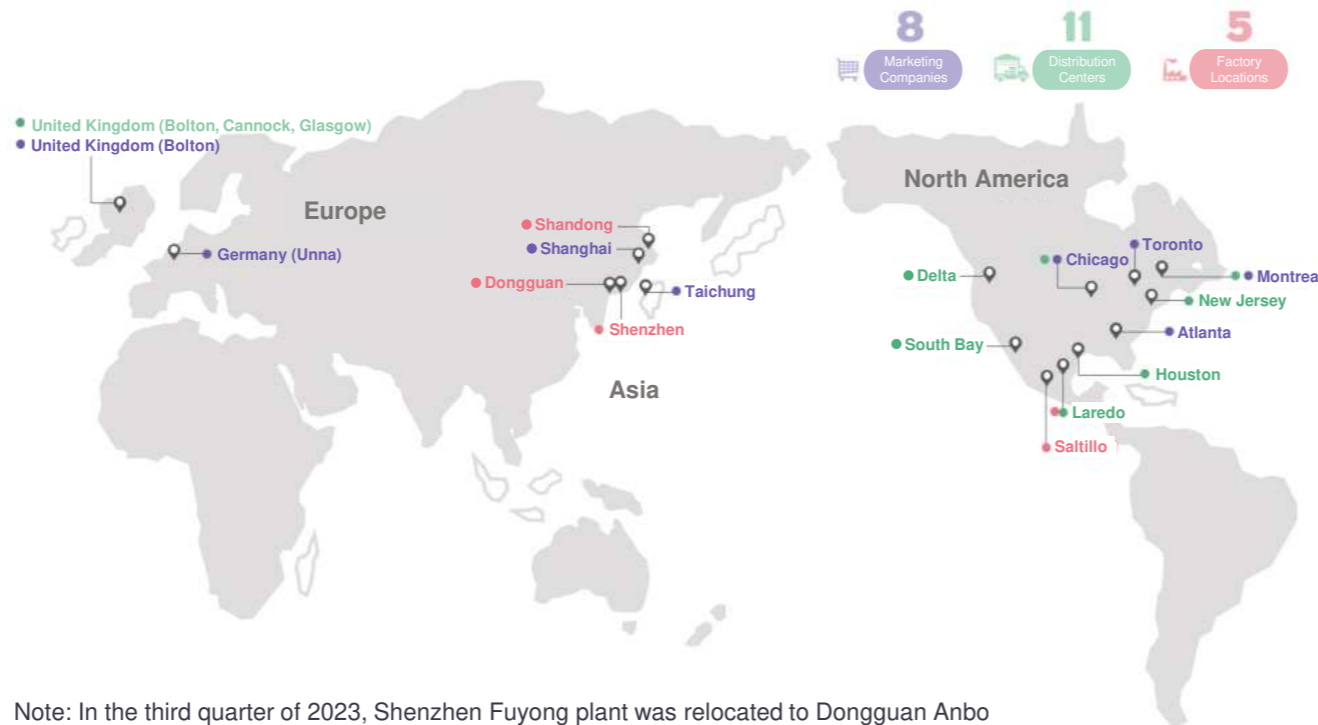
Aspect	Material Topics	Meaning	Positive/ Negative Impact Description	Strategy	Corresponding Chapters
 Governance Aspect	Operational performance	Stable profitability is fundamental to a company's sustainability. Strong operational performance can increase revenue and profit; it also reflects stakeholder recognition of the company, which in turn affects investment value.	⊕ Long-term stable development - Continuously improving operational performance not only increases company revenue but also boosts investor confidence, fostering long-term stable growth.	Develop sales strategies to expand the market share of proprietary brands, and leverage strong market niches to achieve stable growth in revenue and profitability	1.2 History of Globe Union
	Integrity management	Sound business integrity can mitigate legal, compliance, and reputational risks for the company, thereby safeguarding its long-term development and fostering a positive company image.	⊕ Enhance company reputation - Adhering to principles of integrity and ethical management helps build a positive company image and reputation, earning the trust and support of customers, investors, and other stakeholders.	Develop the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" as specific standards for employees worldwide to follow in their business operations	6.1 Integrity and Commitment
	Risk management	Risk management is one of the key elements for a company's sustainable operation. Effective risk management helps the company reduce losses, improve performance, build positive relationships, and gain support from stakeholders.	⊖ Inadequate risk control - Without effective risk management, the company may face operational disruptions, legal disputes, and other risk events, leading to significant losses.	Effectively identify, assess, monitor, and control various risks and opportunities through systematic and institutionalized management methods. Achieve a balance between risk and reward	6.2 Globe Union's Vision
	Taxation	Effective tax governance practice can minimize a company's tax liabilities, improve the quality of its financial statements, and enhance its overall value.	⊖ Tax compliance risk - Failure to adhere to tax regulations may result in fines, lawsuits, and other legal risks, impacting the company's financial status and reputation.	Adhere to transparency in information, maintain a reasonable tax structure, and conduct regular transactions	6.3 Tax Expertise

1 The Beginning of Sustainability

1.1 Globe Union's Overview

Globe Union is a leading company that is specializing in design, marketing, and manufacture of kitchen and bath products. Its Head Office is located in Taichung, Taiwan, and is publicly traded on TWSE. Over forty years, Globe Union has been dedicated to keep its significant position in the Global kitchen and bathroom equipment industry. Globe Union operates 5 manufacturing facilities ^{Note}, 11 distribution centers, and 8 marketing offices worldwide. In addition to its own brands, Globe Union also provides OEM services for various customers, with its products being popular across the globe.

For a comprehensive brand introduction, please refer to 2.1 Taste and Quality



Globe Union's Taiwan headquarters is responsible for planning and managing special processes and R&D. The ceramic manufacturing facilities are located in Weifang, China, and Saltillo, Mexico, focusing on producing sanitary Vitreous China. Additionally, the faucet and hardware manufacturing plant is situated in Dongguan, China, specializing in faucets, bathroom accessories, and showerheads production.

To be close to its key markets, Globe Union North American subsidiary in Chicago, USA, is responsible for the marketing of our own brand, GERBER. In Europe, the company has a strong management team with its German subsidiary, GUGM, handling the sales and marketing of own brand Lenz and other European market products. Our UK subsidiary, PJH, is a leading UK based professional supplier that provide bathrooms, appliances, sinks and taps to customers that includes retailers, wholesalers, and the construction industry. Globe Union is one of the few companies in the industry with vertical integration, encompassing design, manufacturing, sales, and operational capabilities.

Note: In the third quarter of 2023, Shenzhen Fuyong plant was relocated to Dongguan Anbo

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1.1.1 Company Overview

Globe Union's Core Corporate Values

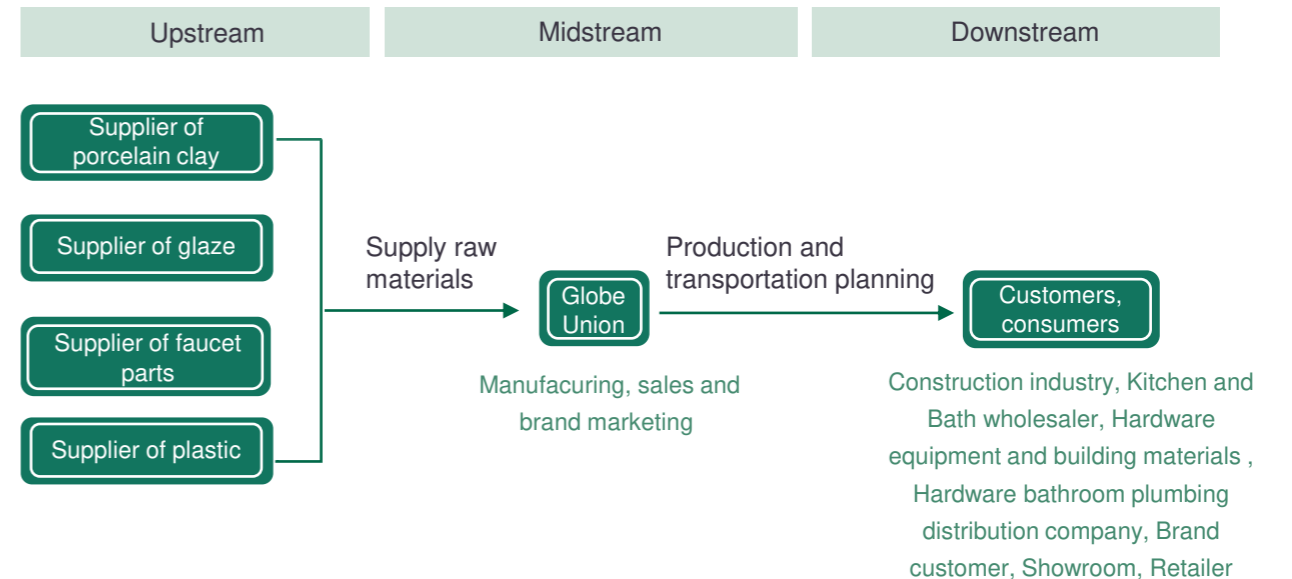


Globe Union's main business activities include the manufacturing and marketing of bathroom and kitchen products. Our operations cover product design, development, and manufacturing to brand management and distribution.

Globe Union's primary markets are in North America and Europe, where we hold a significant position in the global bathroom and kitchen products market. We employ a diverse range of business models, encompassing the operation of our own brands, ODM, OEM, and professional distribution services. This approach enhances our product penetration in various niche markets, earns customer trust through comprehensive services and exceptional quality.

Company Profile

Stock Code/ Market	9934/ Sanitary Equipment Brand Manufacturer
Date of Establishment	October 29, 1979
Capitals	NT\$4.084 billion
Year of Listing	2000
Net Sales	Consolidated revenue of NT\$18.31 billion in 2023
Chairman	Shane Ouyang
President	Todd Alex Talbot
Headquarters	No. 22, Chien-Kuo Rd., Tanzi Dist., Taichung Export Processing Zone, Taichung City, Taiwan (R.O.C.)
Total Number of Employees	3,952 (as of February 29, 2024)



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1.2 History of Globe Union

1.2.1 Milestone

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1979

Mr. Scott Ouyoung founded Globe Union



1999

Own Brand Danze was established



2000

Publicly listed on the stock exchange

2003

Acquisition of Milim G&G Ceramics Co., Ltd



Acquisition of the American Brand GERBER



2004

Acquisition of European Brand Lenz



2007

Acquisition of the UK kitchen and bathroom brand distributor PJH



2012

Kitchen and bathroom product R&D center established at Taiwan Headquarters



2015

Production line expansion of Milim Plant



2019

Mr. Shane Ouyang took the post of Chairman



Established a subsidiary in Mexico
GU PLUMBING de MEXICO S.A. de C.V.

2022

Established a subsidiary in Dongguag, China
Globe Union Ann Bo Manufacturing Co., Ltd



1.2.2 Operational Performance Management

Company Operational Performance Management

Operational performance is the foundation of corporate social responsibility. Globe Union is committed to becoming sustainable business operations by optimizing company processes and creating diverse value for stakeholders. From a group perspective, Globe Union takes environmental, market, and economic factors incorporating with weekly high-level management meetings to discuss strategies and goals, draft the annual budget, and review the group's management plans regularly. Subsidiaries and internal units prepare their annual budgets, set operational goals based on internal regulations, incorporating these into daily work or annual plans. Additionally, monthly reviews of departmental budgets and actual performance are conducted. Globe Union establishes management policies as the basis for stable operations.

In response to market fluctuations and competition, Globe Union focuses not only on improving internal operational efficiency (strengthening key process capabilities and introducing new technologies) but also on enhancing management flexibility and agility. Globe Union continues to optimize product structure compatibility, stay attuned to market demand and trends, integrate environmental sustainability and aesthetic concepts into its R&D, enabling the company to offer a variety of innovative products with diverse functions.

Globe Union focuses on enhancing brand value as the core of its development strategy. By improving internal operational efficiency, optimizing key process capabilities, and introducing new technologies, Globe Union leverages its expertise in faucet hardware and ceramic manufacturing capabilities together with GERBER's 90-year history in the North American market, these strengths enable Globe Union to create a distinct competitive edge. To fulfill its commitment to customers and elevate brand positioning, Globe Union will employ the following strategies:

- 1

One-Stop Service

Integrate the capabilities in manufacturing sanitary Vitreous China and faucet hardware with diverse sales channels to build strong customer loyalty.
- 2

Brand Strength Enhancement

Establish brand recognition, accumulate brand equity, foster customer loyalty, and facilitate the long-term growth of the brand.
- 3

Manufacturing Optimization

It is crucial to continuously improve the production technology and management model of the Group's ceramic and faucet hardware. This will involve establishing a standardized production management system, which serves as a vital foundation for future capacity expansion and ensuring stable quality.

Globe Union's VISION



Uphold the core values of "Act with Integrity, Dare to Try, Keep Improving, and Work Together"



Upholding the mission to " We provide ease and peace of mind"

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Operational Performance

For Globe Union, stable profitability is fundamental to the company's sustainability. High operational efficiency performance can increase revenue and profits, thereby enhancing the company's financial condition. Conversely, insufficient performance can impact financial stability and increase operational risks. Moreover, strong operational performance can increase revenue and profit; it also helps stakeholder to better align his/her objective with the company, which might play an important role in investment value.

Policy Commitments

Develop a sales strategy centered around "Lead with VC, Differentiate with Faucet" to expand the market share of our own brands - GERBER and Lenz. Implement lean management in production and combine it with a stable market niche to achieve steady growth in revenue and profits.

Short-Term Goals

1. Increase overall group revenue
2. Enhance GERBER's brand recognition
3. Optimize product development capabilities
4. Strengthen factory production competitiveness

Action Plan

1. Expand business operations by leveraging diversified channels and implementing a China+1 production strategy
2. Steadily expand wholesale channel locations and actively develop retail channels in the North American market
3. Continue to specialize in ongoing research and development projects, and strengthen market sales advantages through strategic patent deployment
4. Stabilize manufacturing quality and integrate with sales strategies to maximize factory capacity utilization and reduce production costs

Medium and Long-Term Goals

1. Lenz brand transformation
2. Continuously optimize product development capabilities
3. Enhance supply chain reliability and improve supply chain competitiveness

Action Plan

1. Strengthen the Lenz brand position through marketing professionals
2. Maintain market competitiveness through innovation and robust patented technologies
3. Select key supply chain partners and establish a global supply chain strategy. Annually execute risk management operations, formulate audit plans, conduct regular inspections, issue reports, and provide timely improvement recommendations

2023 Actual Performance

- Return on assets, return on equity, net profit margin, and earnings per share all increased compared to 2022
- Gross operating profit for 2023 reached NT\$56 billion, reflecting a 6% increase in gross profit margin compared to 2022

Communication Channels

- Shareholders' meetings and investor conference : Provide explanations on the company's operational status to investors and offer a two-way communication channel
- External email: Contact channel provided on the company's official website for stakeholder communication

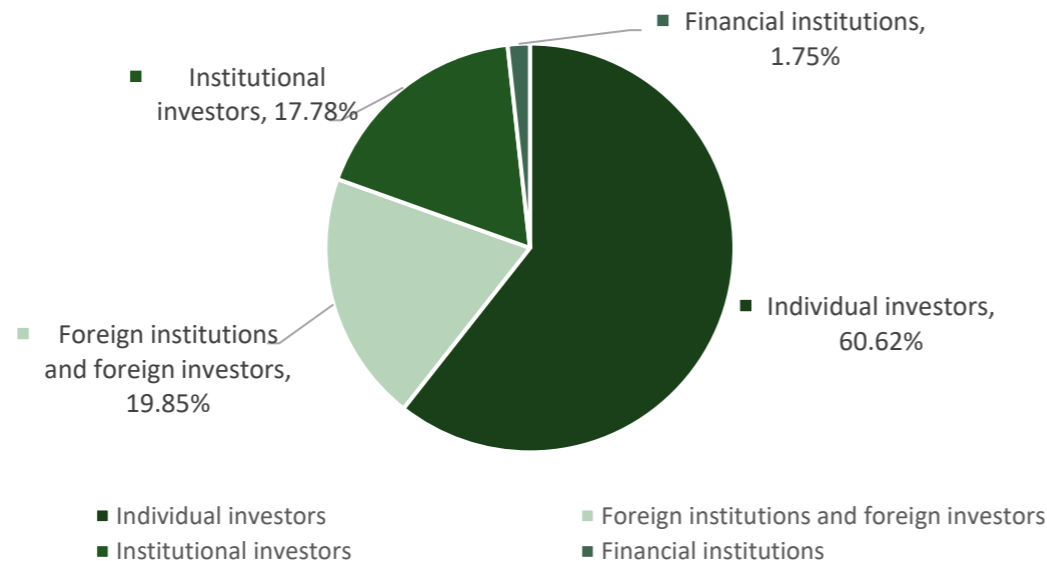
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Financial Performance Information (Consolidated)

Unit: Thousand NTD

Item	Basic Elements	2021	2022	2023
Direct economic value generated	Revenue (Net sales, financial investment income, asset sale income)	19,521,205	20,296,201	18,568,805
Distributed economic value	Operating costs	12,973,286	13,576,327	11,306,236
	Employee Salaries and Benefits	3,750,361	4,395,917	3,481,300
	Payments to providers of capital (Dividends and stock distributions for the fiscal year)	232,912	76,082	86,757
	Payments to governments	167,072	116,872	160,617
	Community investment	362	992	529
Retained economic value	"Direct economic value generated" minus "distributed economic value"	2,397,212	2,130,011	3,533,366

Shareholder Structure of Globe Union



Market Trend Overview

Globe Union primary business activity is in kitchen and bathroom products industry. The main product items are as follows.

Unit: Thousand NTD; Percentage (%)

Item	2021		2022		2023	
Faucets and showerheads	7,558,623	38.78%	6,855,352	33.92%	6,001,141	32.77%
Vitreous China	7,554,154	38.76%	8,719,377	43.14%	7,976,109	43.55%
Kitchen products	(44)	-%	-	-%	-	-%
Other	4,378,622	22.46%	4,636,282	22.94%	4,336,679	23.68%
Total	19,491,355	100.00%	20,211,011	100.00%	18,313,929	100.00%

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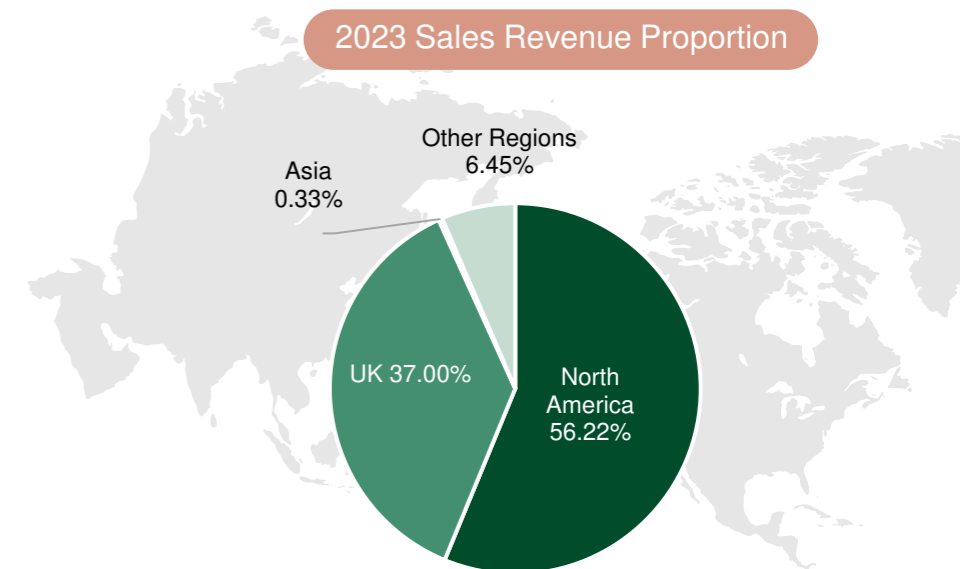
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Globe Union's primary sales regions are in North America and Europe, with the majority of European revenue coming from PJH in the UK. In 2023, revenue amounts in North America and the UK were NT\$10.297 billion and NT\$6.777 billion, respectively. With sophisticated services, quality, and the parallel strategies of OEM and owned brands, Globe Union holds an important position in the global bathroom and kitchen products industry.

Unit: Thousand NTD

Year/Region	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
North America	11,325,722	58.11%	11,596,413	57.38%	10,296,474	56.22%
United Kingdom	6,441,784	33.05%	6,888,185	34.08%	6,776,541	37.00%
Asia	146,196	0.75%	71,702	0.35%	60,517	0.33%
Other	1,577,653	8.09%	1,654,711	8.19%	1,180,397	6.45%
Total	19,491,355	100.00%	20,211,011	100.00%	18,313,929	100.00%

Note: For detailed information on the future market supply and demand conditions and growth, please refer to [the 2023 Annual Report, p.103](#)

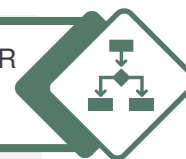


Operational Management Plan and Future Development

1. Develop brand strength and diversify market channels in North America
2. Expand the product portfolio in the European market and drive engagement with existing customers and markets
3. PJH's business in the UK experiences steady growth
4. Lean manufacturing, enhance supply chain resilience, and establish a global presence
5. Develop a talent cultivation blueprint and strengthen R&D capabilities

Brand Product Portfolio Strategy

Implement integrative product designs for our GERBER and Lenz product lines in order to share the design resources and reduce manufacturing costs



Product Innovation

Continuously enhance the experience of our own brand products, from design to delivery and installation, to create a sense of peace of mind and comfort and build brand value



Sales Channel Expansion

- GERBER: Strengthen retail and wholesale channels and expand online sales
- Lenz: Enhance the brand image of mid-to-high-end kitchen and bathroom products and expand marketing plans



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1.3 Environmental Commitment

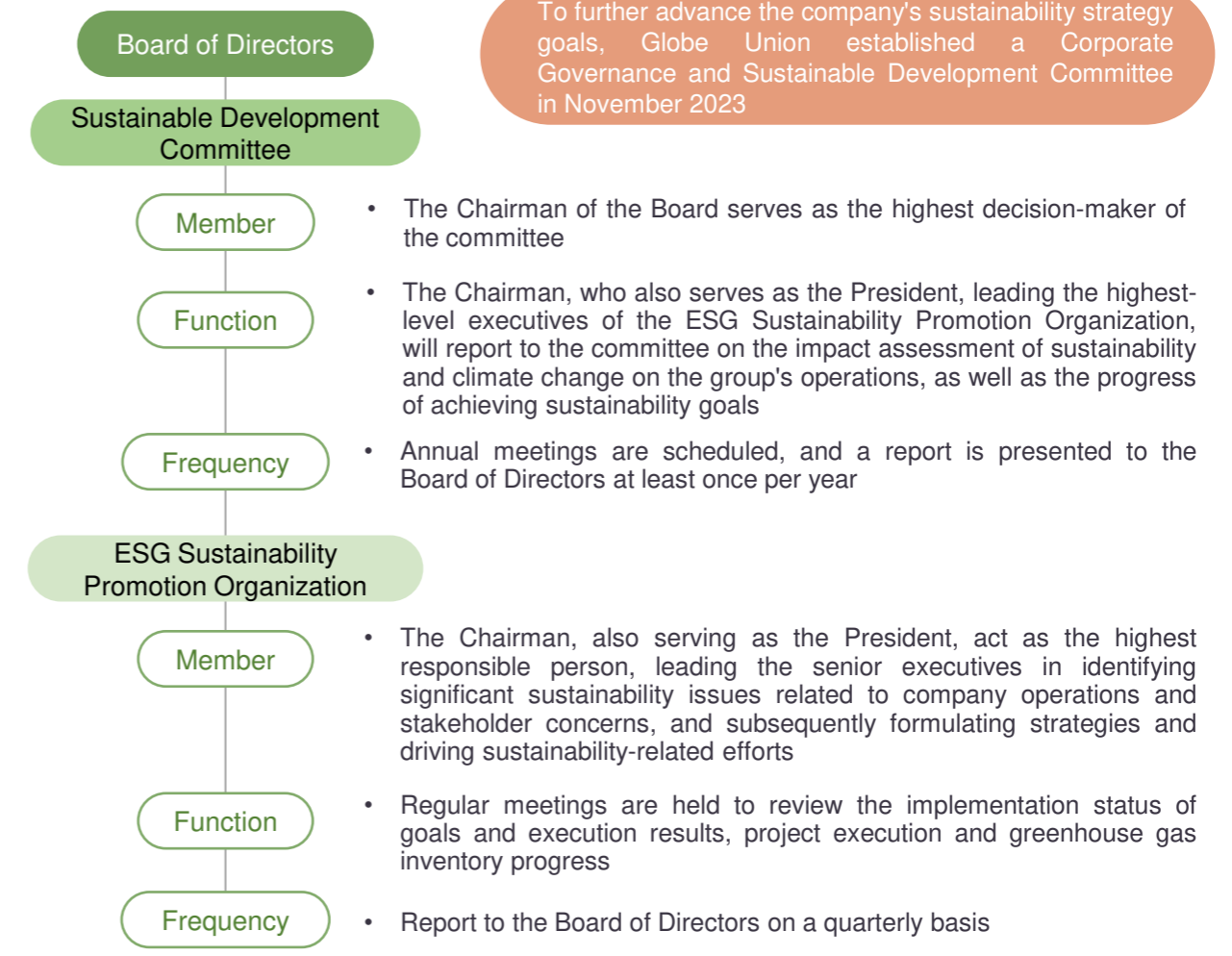
"Become a reliable partner, a source of pride, and a sustainable business" is Globe Union's vision for sustainable development. We closely monitor changes in market regulations and environmental requirements, regularly review our goals and confirm our progress to demonstrate our commitment to sustainability. The Board of Directors reviews reports from the committees and management team on the current year's ESG performance, next year's plans and goals on an annual basis. They also regularly monitor the progress of these actions, supervise the progress, when necessary, urge the management team to make adjustments to continuously advance toward sustainable development.

"Become a reliable partner, a source of pride, and a sustainable business."

● Sustainable Development Strategy



● Sustainability Dedicated Unit



To further advance the company's sustainability strategy goals, Globe Union established a Corporate Governance and Sustainable Development Committee in November 2023

Sustainable Milestones

- The Chairman of the Board serves as the highest decision-maker of the committee
- The Chairman, who also serves as the President, leading the highest-level executives of the ESG Sustainability Promotion Organization, will report to the committee on the impact assessment of sustainability and climate change on the group's operations, as well as the progress of achieving sustainability goals
- Annual meetings are scheduled, and a report is presented to the Board of Directors at least once per year
- The Chairman, also serving as the President, act as the highest responsible person, leading the senior executives in identifying significant sustainability issues related to company operations and stakeholder concerns, and subsequently formulating strategies and driving sustainability-related efforts
- Regular meetings are held to review the implementation status of goals and execution results, project execution and greenhouse gas inventory progress
- Report to the Board of Directors on a quarterly basis

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Your Choice, Our Expertise

As of 2023, Globe Union owned a total of **320** effective global patents. Customer satisfaction has consistently maintained above 90% for several years, with an average satisfaction rate of **94%** in 2023.

2.1 Taste and Quality

Globe Union is dedicated to providing products and services that combine taste and quality. In addition to strictly overseeing the production process, we also have a deep understanding of our customers' design preferences, providing them with reliable and comfortable products and services.

Introduction to the Group's Own Brand

Globe Union manages its business activities in North America, Europe, and manufactures in China. Different brands were established for tailoring different customers need. By enhancing each brand's unique characteristics and targeting specific niche markets, we strengthen our competitive advantage.



2.1.1 Precision and Efficiency

Products that bring peace and ease can lead to higher market demand and customer satisfaction, enhancing the company's market competitiveness. Globe Union rigorously oversees every stage of product design and manufacturing to ensure high quality and safety. We adhere to the highest quality standards throughout the production process, requiring products to pass internal testing and obtain relevant external certifications before leaving the factory. We also place great importance on the quality of sales services to ensure that Globe Union's customers enjoy the most reassuring products and services.

Providing Reassuring/ Comfortable Products

Policy Commitments

Ensure customer quality requirements are fully met, guaranteeing that the design and material processes are under control. Ensure that the products and services produced comply with regulatory requirements, offering customers products that they can trust and feel comfortable using.



Short-Term Goals

1. The new sanitary toilet product testing achieves a 100% pass rate in Toilet flush noise
2. Continuously ensuring the product safety
3. Respond to customer complaints within 24 hours

Action Plan

Develop a comprehensive noise testing laboratory

1. Establish a low-noise toilet flush testing laboratory and standards
2. Develop a toilet flush noise reduction plan for sanitary toilet product, including detailed analysis of noise sources, optimize design structure, and select noise-reducing materials

Optimize the molding process to reduce defect rates

1. Develop a plan to improve cracking issues in the molding process

Medium and Long-Term Goals

1. Ensure smooth toilet flushing functionality of sanitary toilet product
2. Design the structure of tank handles and flush buttons for easy operation that require minimal effort when flushing

Action Plan

Add "flush function process observation items" to the new product evaluation

1. Refine the product evaluation project from the consumer's perspective to enhance assessment standards

Meet ADA requirements to accommodate users with disabilities

1. Reference ADA (Americans with Disabilities Act) requirements for tank handle operation force, establish standards for the operation force of tank handles and buttons

2023 Actual Performance

- Enhance the company's capabilities in utilizing automated equipment
- Expanded the slip filling process to improve work efficiency
- Upgraded and optimized the formulation to enhance glaze on product surface and stain resistance
- Extended the lifespan of molds to reduce the frequency of mold replacements

Communication Channels

- Customer complaint handling process

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Process Optimization

This year, we continued to improve our management systems based on the existing foundation, ensuring their effectiveness. We utilized the PLM system for product lifecycle management to enhance overall risk management. The EMA system was used for equipment management, strengthening maintenance practices to increase equipment uptime and lifespan. We also expanded our automation capabilities by adding new automated equipment, such as the robotic glazing line and high-pressure casting production line. Additionally, we improved our QC quality management to continuously enhance product quality and achieve leading standards in the domestic industry.

We also continued to explore potential opportunities to enhance our processes. After numerous meetings, discussions, and evaluations, we achieved the following process improvements:

1. Comprehensively expanded the clay slip filling process - By installing large slip mixers to improve work efficiency and reduce material costs.
2. Improved and deployed the production formula - The enhanced formula increases product surface glaze finishing and improves stain resistance.
3. Extended mold lifespan - Structural modifications made to high-pressure casting molds, optimized mold tube mapping, and process improvements, of which have increased mold lifespan compared to 2022 and improved the first-pass yield rate compared to the previous year.

These proactive measures demonstrate Globe Union's commitment to quality and continuous improvement.

Raw Material Usage Over the Past Three Years

Globe Union has established internal standards to conduct monthly statistics on the overall incoming material inspection pass rate, ensuring ongoing quality monitoring and improvement. Currently, the primary raw materials used are non-renewable. In 2023, the raw material used decreased compared to the previous year, partly due to lower production volume. Additionally, we are continuously reducing raw material usage by adopting alternative raw materials and adjusting the main formula ratios through process upgrades

Unit: Metric tons

Item	2021	2022	2023
Slip raw materials	76,468.26	70,482.18	63,143.93
Glaze raw materials	5,731.40	5,439.92	4,813.68
Mold raw materials	4,272.00	4,189.00	3,241.32
Total	86,471.66	80,111.10	71,198.93

Annual Production Volume

Production capacity adjustments are primarily aligned with business strategy. In 2023, in response to sales strategies aimed at reducing inventory levels, production decreased compared to the previous year. The total annual output was 2.91 million units, exceeding the original plan of 2.85 million units by 60,000 units, without affecting overall sales.

Year	2021	2022	2023
Total production volume (metric tons)	64,591	60,414	53,848
Total production volume (units)	-	3,330,061	2,918,804

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Comprehensive Quality Assurance

For product quality and technology innovation, Globe Union has established a comprehensive development process and management system that covers the entire process from R&D, production to delivery. All products and services undergo rigorous evaluation. Globe Union follows ISO 9001 standards and incorporating the PDCA cycle to implement quality control. For faucet and hardware product, our internal laboratory is equipped with testing capabilities for standards such as ASME and GB6952, which allow Globe Union to perform comprehensive inspections on products, to make sure our product is qualified to meet market standards ^{note} and consumer safety requirements.

Note: The current standard is ASME A112.19.2-2018/CSA B45.1-18 for the United States.

1 Design Stage

New products must be reviewed and tested for overall quality assessment, including testing on appearance and functionality, before proceeding to the manufacturing stage.

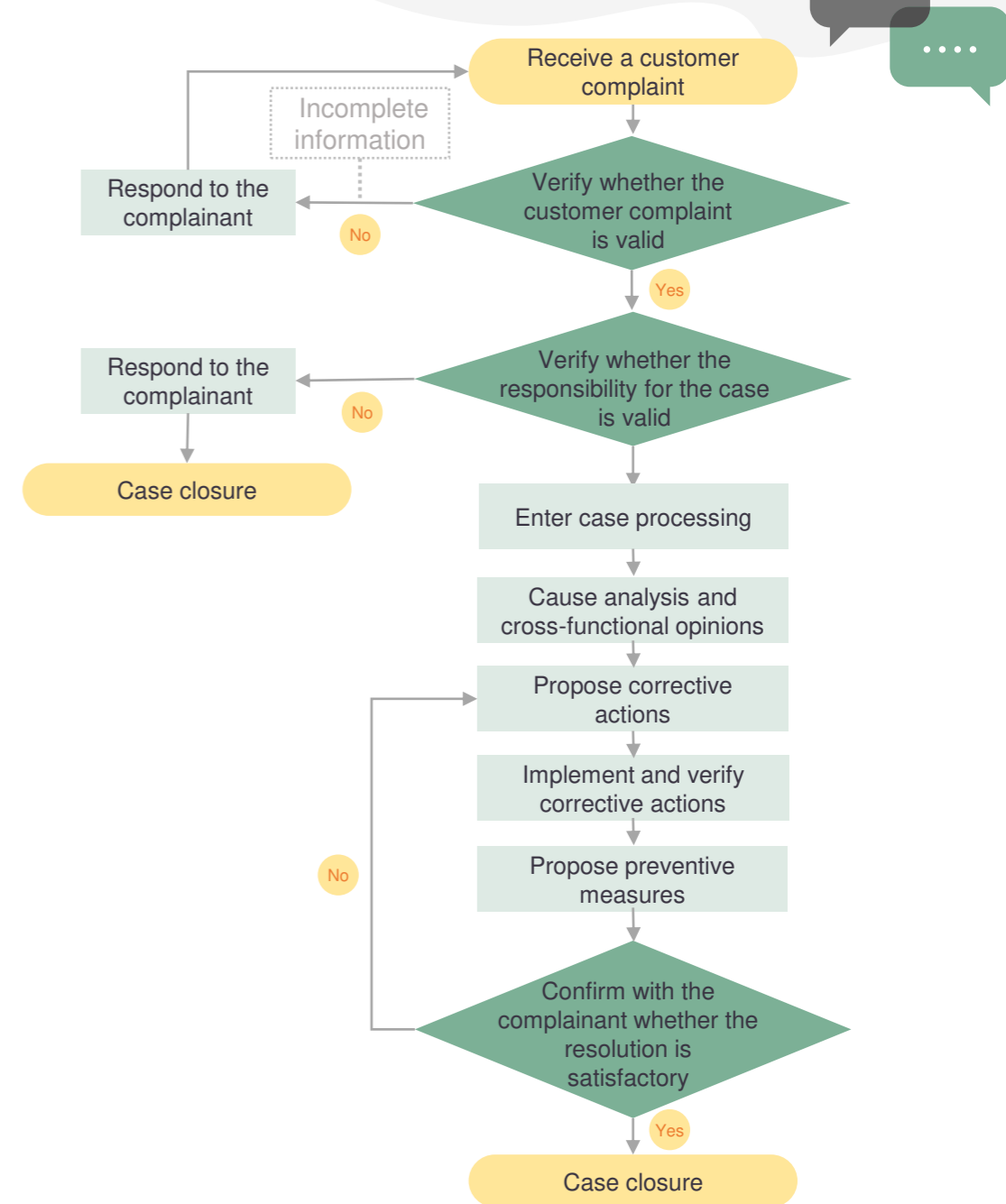
2 Manufacturing Stage

Before put into production, incoming materials must be inspected, and production testing must be conducted before mass production begin. The production process includes inspection audits, semi-finished product checks, and other steps. Finished products undergo functionality and physical performance testing, followed by final warehouse and shipping inspections before they can enter the sales phase.

3 After-sales Stage

For customer services, if inquiry is received, Globe Union will provide technical and engineering support for end users for issue solving; internally, Globe Union quality department will review each request, propose corrective and preventive measures to ensure comprehensive quality assurance.

Customer Complaint Handling Process



2.1.2 Chemical Management

Globe Union is working to maintains consistent product quality throughout the manufacturing process. Globe Union and its subsidiaries recognize the importance of chemicals management. Efforts are put into to manage the Risk to reduce the likelihood of environmental impact and potential harm to employees who are exposed to these substances.

Chemical Substance Management

Policy Commitments

In accordance with international regulations and customer demands, we are focus to select environmentally low-impact chemicals to provide products that have less social and environmental impact.

Short-Term Goals

1. No deficiencies in chemical management
2. No incidents of occupational diseases related to chemicals

Action Plan

- Use of protective equipment for chemical handler, reviewing and recording the activity monthly
1. Implement chemical warehouse inventory management and control of materials
 2. Enhance individual protection for handler
- Conduct hazard source identification for each division and audit the storage and use of chemicals
1. Regularly audit employees' compliance with wearing protective equipment while working with chemical

Medium and Long-Term Goals

1. The residual amount of viscous resin materials must be controlled to not exceed specific standards
2. Reduce the use of high-pressure mold resin materials

Action Plan

1. Find low-pollution alternative materials
2. Optimize the management of residual materials
3. Improve the packaging and labeling of chemicals

2023 Actual Performance

- The Safety Management Division conducted random spot checks on the storage conditions of chemicals

Communication Channels

- Hold a weekly Safety Meeting to review and discuss chemical management

Globe Union implements comprehensive chemical management measures, conducting regular audits and promptly developing improvement plans upon identifying issues to prevent potential risks. We utilize a five-fold management system—dual-person handling, dual-person record-keeping, dual-lock doors, dual-person transportation, and dual-person usage—to minimize or eliminate personal injury and environmental pollution resulting from improper storage, use, or disposal of chemicals.



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Chemical Usage and Testing

Since 2022, Milim has been focus on improving production-use formulas to reduce the use of raw materials that have a significant adverse impact on the environment, while maintaining product quality. Additionally, Milim implements the following product testing and residue control measures:

1. External control: Conduct specific raw material testing according to the industry standards for building sanitary ceramics, ensuring that all values meet the usage specifications.
2. Internal control: Perform chemical composition testing on incoming clay and glaze materials and adhere to the "Quality Control Standards for Incoming Clay and Glaze Materials" with strict regulations.

2.2 Visionary Road Map

Innovation Management

Innovative management can provide the company with more environmentally friendly, water-saving, energy-efficient products and production methods. Besides helping to reduce environmental impact, it can also lead to new products, services, and solutions.

Policy Commitments

Apply new technologies, streamline designs, optimize processes, reduce energy and carbon emissions to create added value for new products

Short-Term Goals (2024)

1. Establish a blueprint for the group's innovative products, prioritize the development for selected two high-value product technologies, and obtain four patents

Medium and Long-Term Goals (2028)

1. Build key technologies in four major R&D areas: "Waterway Technology," "Quality," "Product Performance," and "easy Installation"
2. Each year, study three new technologies for product application and development.

Action Plan

- Establish key performance indicators (KPIs) for each project, and regularly review and update them to ensure alignment with the company's strategy and market changes
1. Develop an innovation management process that incorporates customer needs and market trends, ensuring that innovation activities align with market demands and trends, and create value
 - Set annual target on the number of patent applications and grants, and incorporate them into the company's overall R&D product roadmap
 1. Integrate AI into the product development process to enhance performance and efficiency

Emergency Response Drills for Chemical Incidents

To effective and fast respond to the chemical spills, Milim organized an on-site drill for a hydrochloric acid spill in the raw material analysis division's chemical warehouse. After the drill, a comprehensive evaluation was conducted to exam the responding procedures.



Taiwan Headquarters

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Short-Term Goals

1. Increase project completion rates
2. Complete the development of two low-flow toilets
3. Reduce the water usage of toilet products

Milim

Medium and Long-Term Goals

1. weight reduction on existing products (or similar products)

Action Plan

- Establish key performance indicators (KPIs) for each project , regularly review and update KPIs to ensure alignment with the company's strategy and market trend

1. Improve the functionality of existing products

Action Plan

- Hold regular monthly review meetings to manage and coordinate the progress of project advancement

1. Research and develop customer-satisfaction products, including lightweight products, smart toilets, and sintered stone basin technology

2023 Actual Performance

Taiwan Headquarters

- Obtained six patents
- Invested a total of NT\$61,226 thousand in R&D expenses

Milim

- Invested a total of NT\$39,746 thousand in R&D expenses

Communication Channels

- The Business Development Department and the R&D Department regularly meet with customers to discuss new product planning and development projects
- At least two product planning sharing sessions each year to facilitate communication with stakeholders
- Customers visit the factory for tours and face-to-face discussions

2.2.1 Intellectual Property Management

* For detailed implementation specifics, please refer to the [official website](#)

Globe Union follows the "Plan-Do-Check-Action (PDCA)" management for intellectual property risk management (see risk management hyperlink for details) and establishes an intellectual property management framework. Intellectual property rights are one of the important manifestations of Globe Union's research and development achievements. To prevent and address potential intellectual property or threats related to patents, trademarks, and trade secrets that may arise during the company's research and development, production and operations, Globe Union promotes intellectual property policies from three main aspects:

- 1 Implement protection for the group's confidential documents and intellectual property
- 2 Enhance intellectual property knowledge and improve research and development capabilities
- 3 Actively develop the group's patent portfolio

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Develop specific patent, trademark, and trade secret management, report the implementation results to the Board of Directors annually. On November 6, 2023, the following matters were reported to the Board (for detailed information, please refer to the [Investor Relations section on the official website](#)):

2023
Globe Union
obtained TIPS
level A certification



Note: The registration is valid from December 31, 2022, to December 31, 2024

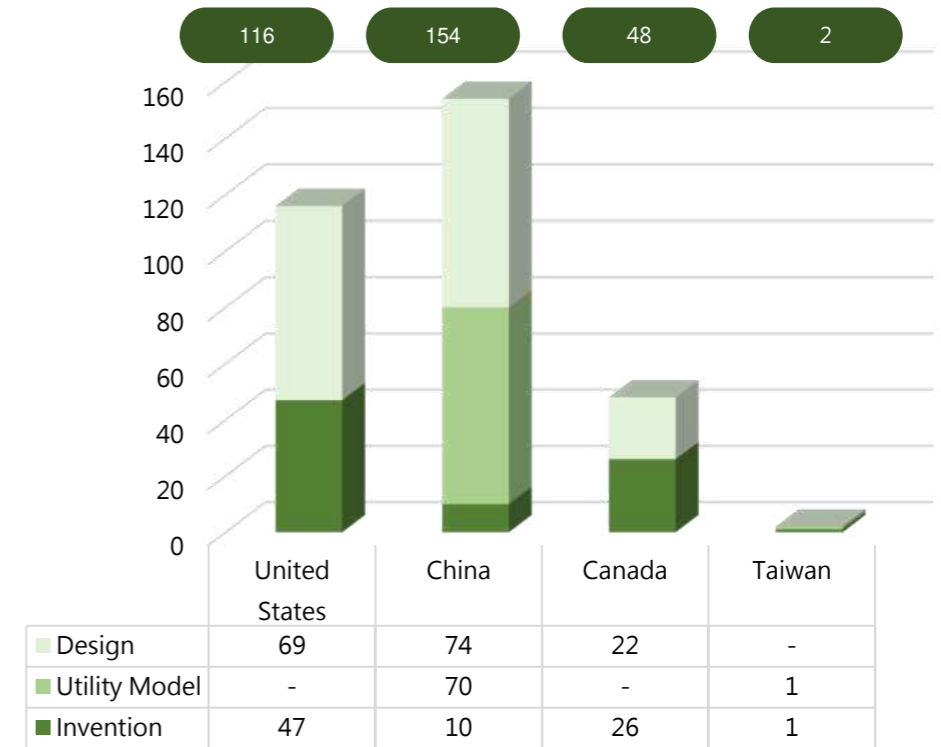
- ✓ Annual education training - Strengthen awareness and understanding of intellectual property protection
- ✓ Continuously maintain TIPS (Taiwan Intellectual Property Management System)
- ✓ Complete patent monitoring of major Vitreous China competitors in the United States

● Patent Strategy

Globe Union applies for patents globally each year. As of the end of 2023, the total number of 320 valid patents worldwide, including 84 invention patents, 71 utility models, and 165 design patents.



The number of patents still valid as of 2023



Note: The United States and Canada do not have a utility model patent system

The above patents cover Globe Union's product lines and technologies. In 2023, several new patents were obtained, including 6 technical patents and 5 design patents. Globe Union continues to evaluate obtained patents to keep the company's leading position in the industry.

Through developing a patent management strategy, Globe Union is to conduct market product trend analysis for proactive positioning; implement trade secret management and execute a patent mapping protection strategy; we also conduct patent searches and data collection to closely monitor competitors' patent activities; hold Design Around meetings to achieve innovative design patents for new products; initiate intellectual property education and training to enhance employees' understanding and awareness on IP, ensuring Globe Union maintains a strong competitive advantage in the fierce market competition.

Dispute response process

Globe Union has established a "Communication Management Procedure" for handling sensitive IP information internally, and safeguarding Company's intellectual property. When departments receive external intellectual property disputes, they should promptly complete the communication feedback form and coordinate with the Taiwan Headquarters' IP department for dispute handling, according to the "Intellectual Property Risk Management Procedure." If the issue is not an intellectual property dispute but has a potential impact on the company's interests, departments are still required to thoroughly document the received written or verbal information and submit it to the legal department. Additionally, cross-departmental strategy discussions should be conducted. For issue that might have potential significant impact, a report will be submitted to the President, who will decide on external communication and handling arrangements.

2.2.2 Research and Development Innovation

Adapting product design and development to sustainability trends is one of Globe Union's ongoing significant challenges. In our design process, we focus on lifecycle planning, selection of sustainable materials, energy-efficient product design, and the application of innovative technologies to ensure the development of environmentally friendly and sustainable products, making a positive contribution to society and the environment. Facing sustainability trends, product design and development are no longer limited to functionality and appearance; materials and manufacturing processes have also become key factors. Globe Union focuses on five key research and development areas:

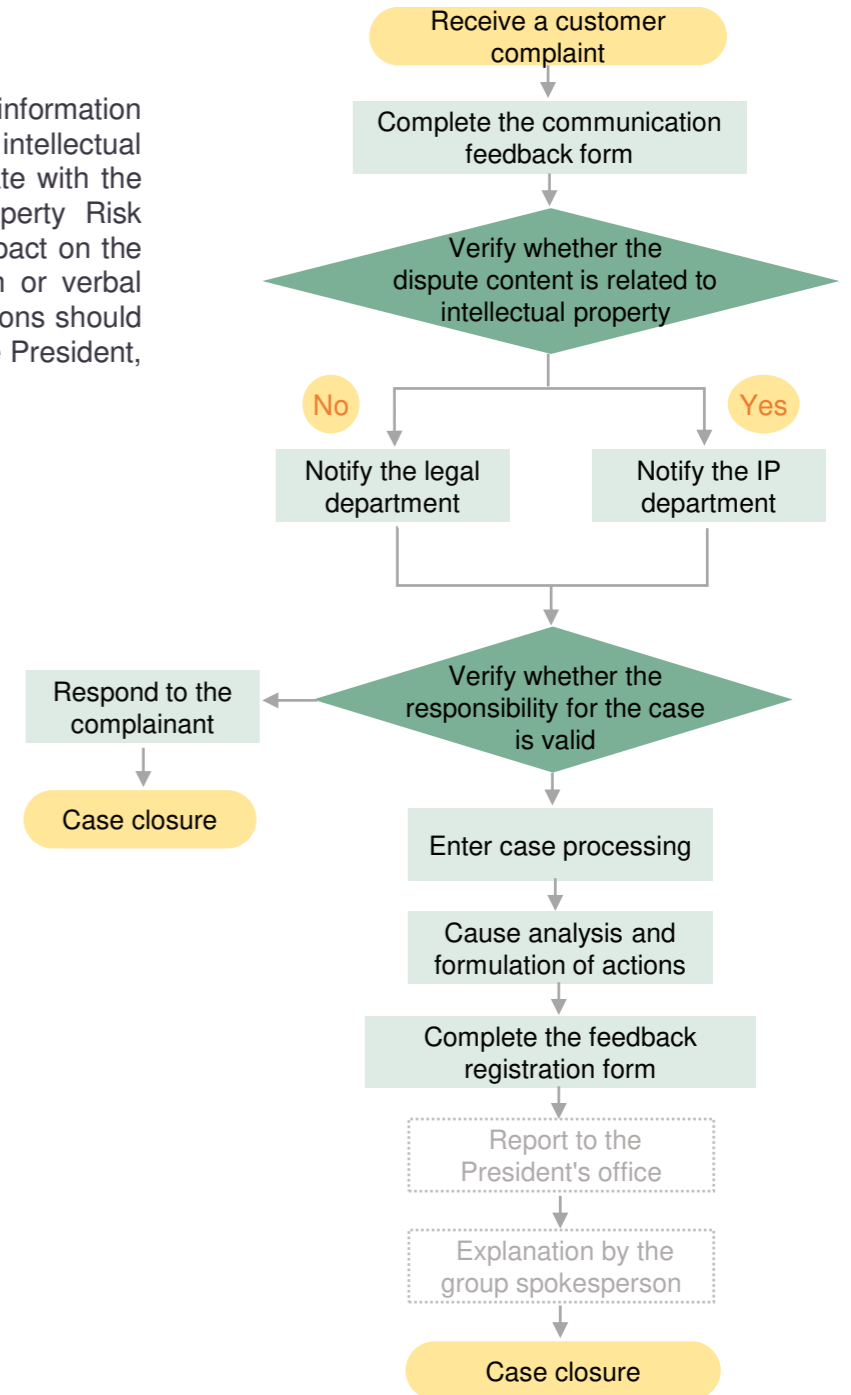
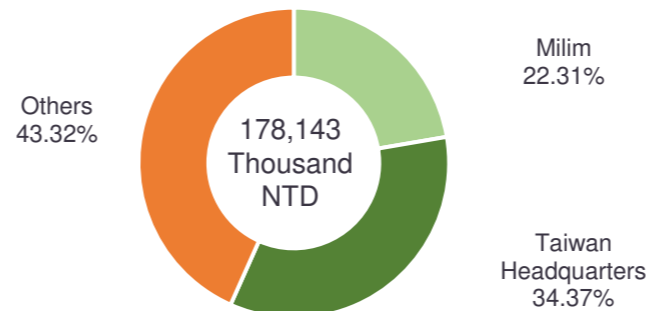
Waterway Technique, Environmental Sustainability, User Experience, Technical Performance, Easy Installation

Research and Development Investment

In 2023, Globe Union invested a total of NT\$178,143 thousand across multiple projects. Of this, NT\$61,226 thousand was invested by the Taiwan Headquarters, and NT\$39,746 thousand was invested by Milim, reflecting Globe Union values highly and proactive positioning for future development.



2023 R&D Expenses



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2023 Research and Development Execution Results

Toilet Series (EPA)



Completion of ReadySet™ Exposed Pipe Toilet for Convenient Installation Development

ReadySet™ toilet installation technology improved user experience by featuring easy installation module for reducing installation time. This technology was expected to be extended to all product lines in the future, becoming a distinctive feature of GERBER Vitreous China products and realizing the vision of offering reassuring products.

Faucet Series



Cold Start Faucet

Continued to expand the promotion of cold start energy-saving faucets for European market, this cold-water only features will save energy from heating the water. Globe Union will continuously evaluate the possibility to extending this feature to the entire product line.

Other Projects



Color Bank Project

In 2023, Globe Union continued to optimize the group's product plating color integration project, Color Bank. Based on the customer product list, selective specialty colors with low turnover rate were removed for effectively managing plating color shelf life and minimizing waste. Globe Union now has 26 plating colors available, with 6 primary colors. This project aims to improve plating yield rate, production performance and overall production efficiency. Simultaneously, Globe Union is looking to develop the non-water-based plating processes, our goal is to reduce environmental impact on pollution and energy usage, aligning our contribution target for environmental sustainability.



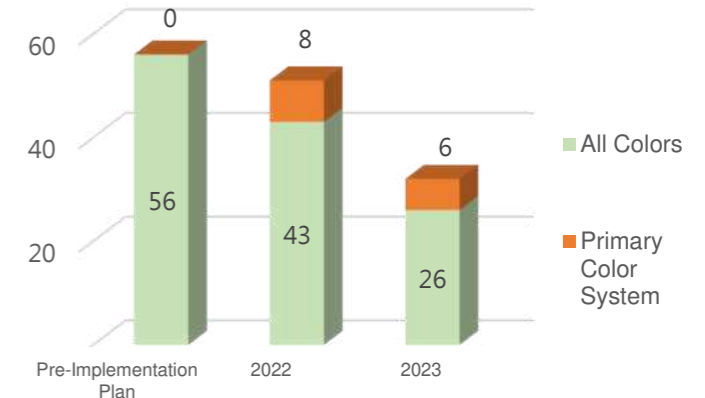
Establishment and Analysis of Toilet Noise Measurement Methods

Globe Union continued to invest in technology research and development on low flush noise technology. By adjusting flow passage and inlet holes position to reduce noise. Development of the QuietClean® high-performance toilet is underway, with the earliest expected launch in 2025, aiming to achieve leading position in industry noise levels.



Thermostatic Valve Temperature Control

Continuously improved the user experience by enhancing the structure of the red (hot) and blue (cold) stop block mechanism in the thermostatic valve. The handle angle was being adjusted to accommodate a wider temperature range, allowing users to easily and accurately set the desired shower temperature.



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2.2.3 Create a Circular Future Together

As a member of the U.S. Environmental Protection Agency's (EPA) Water Sense program, Globe Union designs products in compliance with the regulations to meet water-saving requirements. Globe Union has already launched a series of products that have received certifications.

● The Foundation of Sustainable Development and Design

Globe Union is actively committed to doing our part to creating sustainable value. Sustainable thinking and environment awareness is integrated into every stage of the product lifecycle, with efforts made to practice these principles to the fullest extent possible within our capabilities.



-  Raw Material
-  Design and Manufacturing

Raw Material Globe Union embraces local procurement (for details, please refer to section [2.3 Responsible Procurement](#)) for our Global operation, we also prioritizes the use of recyclable and eco-friendly auxiliary materials.

Design and Manufacturing **Product Design:** Integrating research and design process with AI assistance. Utilizing computer-aided design (CAD) and 3D printing technology, to help our product design team to improve product development efficiency, reduce error rates, and shorten development cycles.

Product Manufacturing: Extending production mold lifespan and efficiency, to improve the return on investment.


Sanitary Vitreous China

- Improved slip formulas to reduce raw material use (for details, please refer to section [2.1.1 Precision and Efficiency](#))
- Upgrade equipment to enhance energy efficiency (for details, please refer to section [3.2 Environmental Protection and Sustainable Energy](#))


Faucet and Hardware

- Increase the common parts for exterior and structural components
- Improve the plating process to reduce potential environment impact

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 Transportation and Distribution

Effectively utilize cargo assembly space to reduce carbon emissions.

 Product Usage Stage

Sanitary Vitreous China

- Improve water efficiency through design water passage without affecting waste discharge performance

Faucet and Hardware

- Make it easier for consumers to replace consumable supplies and extend the overall product lifespan through our easy installation design

 Disposal and Recycling

Several measures have been implemented in the use of product packaging materials to ensure effective reduction of environmental impact. We not only comply with the latest European Union Packaging and Packaging Waste Directive (PPW), the U.S. Toxics in Packaging Clearinghouse (TPCH) regulations, and Canada's Consumer Packaging and Labelling Regulations for eco-friendly packaging but also actively promote Globe Union's own patent applications on packaging. Additionally, we implement plastic-free packaging materials program with our suppliers (for specific details, see section [2.3 on Responsible Procurement](#)).

Overall, Globe Union is committed to adopting sustainable practices at every stage of the product lifecycle, aiming to support a future of sustainability.

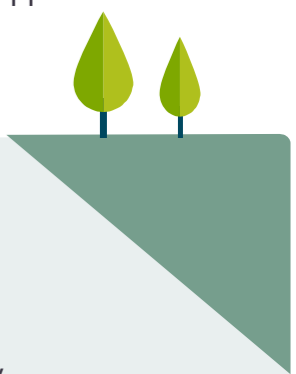
2.3 Responsible Procurement

Supply Chain Management

The supply chain plays an important role in all business operations. In recent years, with the wave of international trends, Supplier's ESG performance will consequently create significant impact on the company's revenue, reputation and operational risk. Additionally, failing to align with international trends or customer requirements could impact company operations. Therefore, effective supply chain management can enhance supply chain transparency and ensure compliance with environmental and social standards.

Policy Commitments

Refine the existing supplier management policy, select suppliers that meet regulatory requirements, and implement regular audits.



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Short-Term Goals Taiwan Headquarters

1. Gradually use eco-friendly materials for product packaging
2. Include all finished goods suppliers in social responsibility assessments

Medium and Long-Term Goals

1. Encourage the top three finished goods suppliers to record energy consumption, wastewater, and emissions data, and subsequently to conclude energy-saving and carbon reduction goal/solutions
2. Continuously communicate with suppliers and stay updated on sustainability supply chain trends

Action Plan

- Assess supplier performance through annual evaluations

Short-Term Action Plan

1. Promote the use of environmentally friendly packaging materials for European products, such as replacing standard color package with FSC-certified paper and switching from plastic bags to paper or cloth bags

Medium and Long-Term Action Plan

1. Communicate our commitment to a sustainable supply chain through daily interactions and encourage the top three finished goods suppliers to establish ESG teams
2. Encourage the top three finished goods suppliers to regularly provide data on wastewater and emissions



Short-Term Goals Milim

1. Continuously ensure that all suppliers sign environmental agreements
2. Maintain the annual audit completion rate on suppliers

Medium and Long-Term Goals

1. Achieve ESG audit completion rates 100% (conduct annual audits of key suppliers according to the established ESG management system and complete the annual audit tasks as required)

Action Plan

- Require suppliers to manage production according to safety guidelines in accordance with the "Supplier Safety Assessment Operational Standards"
- Regulate suppliers' environmental protection practices in accordance with the "Supplier Evaluation Operational Standards" and the "Procurement Contract Formulation Operational Standards."

Short-Term Action Plan

1. Establish an ESG management system for suppliers, incorporating ESG principles into supplier evaluation, selection, and management
2. Establish a supplier ESG audit and oversight plan

Medium and Long-Term Action Plan

1. Increase the procurement volume of FSC-certified cartons.

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2023 Actual Performance

Taiwan Headquarters

- Include social responsibility criteria in the evaluation of new suppliers and supplier performance assessments
- Encourage suppliers to implement plastic-free packaging practices

Milim

- Maintain signing environmental agreements with suppliers
- All procurement personnel are required to sign the group's code of conduct

Communication Channels

- Contact via telephone, messaging apps, company email, or leave a message on the company website
- communicate with suppliers via email, WeChat, and other channels to promote the guidelines outlined in the commitment letter (including integrity requirements)
- Establish a reporting channel for anonymously or personally reporting bribery and other violations of business conduct codes. Reports can be made to the company or group via email: whistle@globeunion.com

Supplier Evaluation and Selection

Our collaboration with suppliers follows a rigorous selection process and is strictly implemented according to internal policies. Both new and existing suppliers must pass a comprehensive objective evaluation before entering into a partnership. Additionally, to ensure mutual understanding and establish a strong working relationship, Milim requires selected suppliers to sign environmental agreements and anti-terrorism agreements. As of 2023, all key suppliers of Milim had signed both the environmental and anti-terrorism agreements, achieving complete coverage.



Key Factors for Supplier Selection

The Taiwan headquarters has established several evaluation criteria to control the selection and management of suppliers. All suppliers must pass assessments across five major categories: delivery performance, quality, social responsibility, development capability, and cooperation. Among these, social responsibility principles include evaluating improper environmental discharge of wastewater and emissions, as well as social issues such as child labor, human rights, forced labor, wages and benefits, and occupational health and safety.

Milim requires suppliers to adhere to the U.S. Customs C-TPAT security guidelines for production management. These measures not only help ensure the quality of our products but also reflect our commitment to responsible supply chain management. In 2023, Milim conducted comprehensive evaluations of all existing suppliers, covering the following aspects:

Basic Evaluation	Pricing	Professional Capability	Compliance
<ul style="list-style-type: none"> ✓ Contact information ✓ Supplier basic information ✓ Relevant certifications 	<ul style="list-style-type: none"> ✓ Preliminary quotation ✓ Raw material price fluctuations 	<ul style="list-style-type: none"> ✓ Quality control capability ✓ Production process control capability 	<ul style="list-style-type: none"> ✓ Environmental factors control capability ^{Note} ✓ Compliance with Globe Union ethical standards

Note:

1. In recent years, the Chinese government has tighten the control on environmental protection and mining controls. On-site inspections of key raw materials help ensure the stability of supplier sources, preventing production interruptions and adverse consequences.
2. In 2024, we plan to establish a supplier ESG management program, setting ESG management standards with suppliers to regulate environmental protection, social responsibility, and corporate governance.

Supplier and Contractor Evaluation

Taiwan Headquarters

To enhance the existing supplier management policy and select compliant suppliers, the Taiwan Headquarters conducts an annual evaluation at the end of each year for qualified suppliers with transaction records based on the supplier performance assessment form. If significant anomalies or risks are identified during routine transactions, an unscheduled evaluation and on-site inspection are promptly arranged.

In 2023, no new suppliers were added^{Note}. The annual evaluation was conducted for the existing 10 product suppliers, covering 13 indicators. The evaluation results showed that 8 suppliers were qualified, 2 required re-evaluation after six months, and there were no disqualified suppliers.



Unit: Suppliers

Supplier Assessment Status	2023
Total number of suppliers	10
Number of suppliers assessed	10
Number of supplier assessment items	13
Number of suppliers with a score of 80 or above	8
Number of suppliers with a score between 60 and 80 (inclusive)	2
Number of suppliers with a score below 60	-

Note: Data includes evaluations only for finished goods suppliers

Milim

The performance of qualified suppliers is evaluated monthly to determine their rating. Suppliers rated as A or B are considered qualified, while those rated C or below are notified for improvement. If no improvements are made within three consecutive months, relevant departments will be organized to conduct evaluations and on-site inspections of the supplier.

In 2023, Milim conducted annual evaluations for 47 key suppliers. Note, all of whom achieved a passing score of 70 or above. Among them, two suppliers were rated C, primarily due to uncontrollable factors related to the original mines, leading to slight variations in the quality of the raw materials they provided.

Unit: Suppliers

Supplier Assessment Status	2021	2022	2023
Total number of suppliers	48	46	47
Number of suppliers assessed	48	46	47
Number of supplier assessment items (classified by process type)	3	3	3
Number of suppliers rated A/ Items	47	41	43
Number of suppliers rated B/ Items	1	2	2
Number of suppliers rated C/ Items	-	3	2
Number of suppliers rated D/ Items	-	-	-

Note: Supplier evaluations are conducted only for production material suppliers, including raw materials, components, and packaging materials. Auxiliary materials and consumables suppliers are not evaluated. Suppliers that were not procured during the year are not assessed.

Currently, supplier evaluations primarily focus on key component suppliers and important raw material suppliers. Due to the pandemic, on-site evaluations have not been conducted in recent years. Plans are in place to conduct on-site assessments for selected important suppliers in 2024. The specific assessment will include evaluating the suppliers' quality management systems, environmental assessment items, compliance and certifications, ecological protection measures, and future development plans. This will help gain a practical understanding of the existing suppliers' inventory reserves and mining conditions, thus preventing adverse consequences that may arise from suppliers' inability to continuously supply for normal production.

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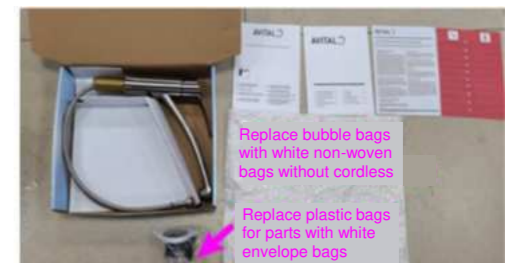
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Suppliers' Non-Plastic Packaging Application

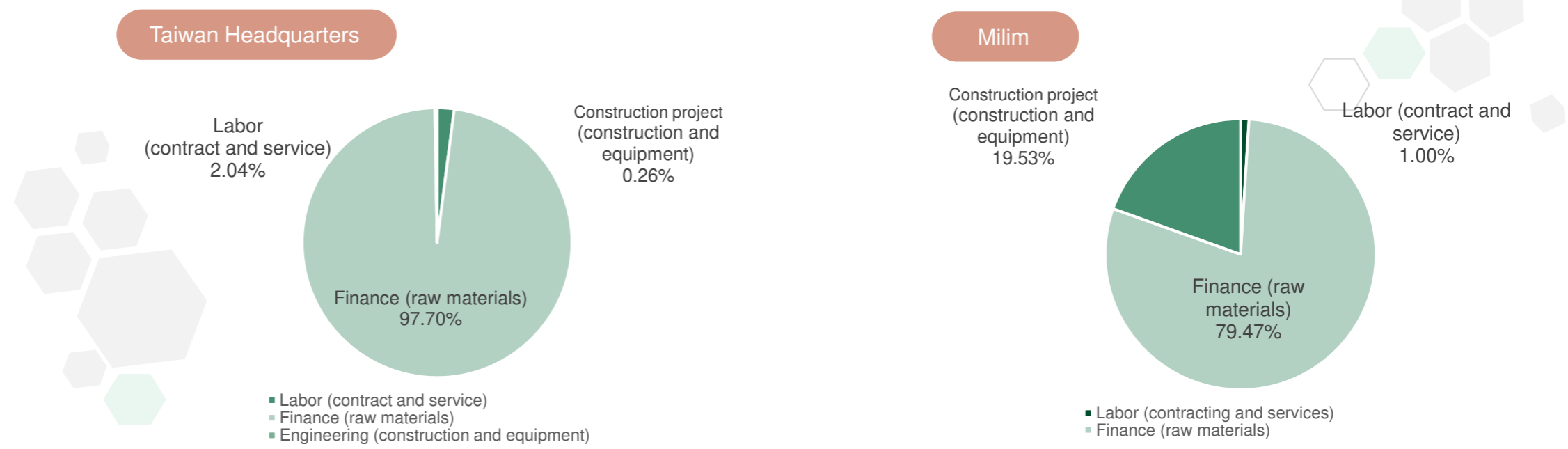
Currently, for products sold in Europe, we have strategically change of the use of environmentally friendly packaging materials. The specific results are as follows:

1. Impact-resistant packaging materials are replaced with non-woven fabric instead of bubble wrap
2. Component packaging is switched from plastic bags to paper bags
3. Product packaging is changed from plastic blister packs to paper card structures



Local Procurement

Globe Union prioritizes local suppliers in the evaluation and selection process, opting to procure from them. In terms of procurement amount allocation, raw materials constitute the majority. As an international company, Globe Union must align with international regulations, comply with local standards, and stay attuned to local market trends. Globe Union adheres to the principle of local supply, actively developing local suppliers to implement local procurement, reduce operational costs, minimize indirect transportation greenhouse gas emissions, and advance sustainable development. The procurement amount distribution for 2023 is in the chart below:



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The procurement amount by region over the past three years is shown in the table below:

Unit: Suppliers; Percentage (%)

Year		2021				2022				2023			
Factory		Taiwan Headquarters		Milim		Taiwan Headquarters		Milim		Taiwan Headquarters		Milim	
Contract type	Procurement region	Number of suppliers	%	Number of suppliers	%	Number of suppliers	%	Number of suppliers	%	Number of suppliers	%	Number of suppliers	%
Labor (contract and service)	Domestic	38	0.18%	47	1.30%	37	0.29%	39	1.14%	37	0.28%	38	1.00%
	Overseas	64	0.85%	-	-%	53	1.47%	-	-%	61	1.76%	-	-%
Finance (raw materials)	Domestic	2	0.15%	67	70.20%	1	0.04%	63	71.15%	1	0.21%	118	79.47%
	Overseas	22	98.73%	-	-%	22	98.06%	-	0.00%	22	97.49%	-	-%
Construction project (construction and equipment)	Domestic	2	0.01%	116	28.50%	2	0.01%	114	27.71%	11	0.18%	107	19.53%
	Overseas	2	0.08%	-	-%	6	0.13%	-	-%	2	0.08%	-	-%
Total		130	100.00%	230	100.00%	121	100.00%	216	100.00%	134	100.00%	263	100.00%

Note: The percentage of each item in the total procurement amount (%) = Amount for the item / Annual total procurement amount * 100%

Due to the needs of subsidiaries and core markets, the Taiwan Headquarters has entrusted local vendors to provide overseas labor services

2.4 Beyond Expectations, Excellence in Experience

Customer Relationship Management

Customers have always been one of Globe Union's strongest pillars. We understand that only through professional service and consistently high quality we will maintain a strong, long-term partnership with our clients. By providing exceptional customer experiences and maintaining good relationships, we strengthen brand loyalty, enhance brand image, and promote the increase of brand value.

Policy Commitments

Creating and delivering customer experience that exceed expectations; provide services that closely meet customer needs, maintain open communication channels, and establish a trustworthy and comfortable relationship with customers.

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Short-Term Goals

Taiwan Headquarters

1. Increase market share and ensure stable growth in revenue
2. Reduce customer complaints

Medium and Long-Term Goals

1. Increase customer loyalty by continuously developing effective sales-promoting solutions in collaboration with customers

Action Plan

- Set up periodic meetings to track and review the execution status
- Annual customer satisfaction survey

Short-Term Action Plan

1. Monitor customer need and trend
 - ① Regularly understand market conditions and customer sales trends
 - ② Regularly provide customers with sales status analyses and recommendations
 - ③ Regularly assess the sales market environment

Medium and Long-Term Action Plan

1. Provide improvement recommendations for in-store marketing and displays
2. Offer giveaways with the Brand logo to build brand marketing, enhance brand recognition, and increase sales
3. Collaborate with customers in participating in major domestic and international exhibitions, providing suitable sales solutions
4. Regularly introduce new products or revitalize existing range to increase product sales
5. Enhance overall product sales by offering business plans for new product categories

2023 Actual Performance

- Continuously reduced manual operation errors through systematized data management
- The organizational structure of the business unit has been restructured into a more flattened format to improve communication efficiency

Communication

- Official website communication inbox



Short-Term Goals

Milim

1. Maintain stable customer satisfaction

Medium and Long-Term Goals

1. Continue to cultivate major global markets such as Europe, the Americas, and East Asia
2. Increase the number of new customers

Action Plan

- Understand customer needs through irregular visits and timely communication with clients, and conduct post-sales customer satisfaction surveys
- Monitor market trends through internal weekly reports within the group to ensure that product planning aligns with market demand

Short-Term Action Plan

1. Maximize shipping efficiency by meeting delivery schedule and adjusting production plans to respond to external demand

Medium and Long-Term Action Plan

1. Plan new products for key markets
2. Develop new customers and new products roadmap

2023 Actual Performance

- Post-sales customer satisfaction survey achieved 94.61%

Communication

- Provide designated contact based on customer needs for customer communication



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Customer Relationship Management

Globe Union's production and business operations are centered around customer needs. Our cross-departmental teams in Europe, the Americas, and Asia work closely together and actively participate in trade shows. Through internal new product pathway meetings and proprietary brand supply chain meetings, we conduct in-depth analyses of potential customer needs to grasp market trends. We offer customized product sales recommendations for different customers and channels, providing products and services that are more closely aligned with customer requirements.

Listening to Customer Needs

Globe Union maintains close contact with customers through various communication methods, including customer satisfaction surveys, daily email correspondence, regular phone meetings, irregular customer visits, and store walks^(Note), among others, to build and sustain strong customer relationships.

Note: We conduct regular in-store visits (store walks) each year to understand customer needs and business models. By visiting stores in person, we observe how customers sell products and assess the marketing and display effectiveness of GU products in the store, identifying potential areas for improvement. We also provide customers with recommendations to boost sales, including optimization of store layout, marketing strategies, and packaging methods.

Satisfying Customer Needs

Globe Union's sales teams in Europe and the Americas provide customers with real-time communication channels, while our Asia headquarters and factory teams offer specialized technical services for specific business needs. By streamlining internal processes and systematizing operations, we enhance overall service efficiency, aiming to shorten the time from new product development to shipment and deliver the best consumer experience.

In addition to listening to and meeting customer needs, we place high importance on protecting customer privacy, ensuring proper marketing and labeling of our products. To safeguard customer privacy, Globe Union's Information security team has established meticulous response measures (for detailed information, please refer to section [6.2.1 Operational Continuity and Risk Management](#)). All products sold by Globe Union comply with local market regulations and maintain high standards of compliance in information and marketing communications. In 2023, Globe Union did not experience any regulatory violations related to marketing labeling.

Customer Satisfaction Survey

Globe Union is working to improve customer recognition by not only making regular communication but also conducting quarterly customer satisfaction surveys. In the short term, Globe Union targets a 90% customer satisfaction rate. Based on previous years' customer data, we identify areas for improvement and develop corresponding plans to continually enhance service quality. Evaluation items for customer satisfaction include:

- 1 Product satisfaction: The quality of the company's products
- 2 Service satisfaction: Assessing the company's services, delivery, sales, and after-sales support through surveys



Note: Satisfaction surveys for Sales Division I and II have been combined starting from the third quarter of 2023

In 2023, Milim achieved an average satisfaction rate of 94.61% across four quarters in the product sector of sanitary Vitreous China, meeting the company's customer satisfaction target and showing an improvement from the previous year. However, we do not rest on our laurels. We adhere to the principle of continuous improvement, striving for 100% customer satisfaction and ensuring that the customer experience consistently reaches the highest level.

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3 Globe Union's Green Philosophy



Milim has been certified by Shang Dong Providence
Green Factory in the Building Materials Industry

3.1 Climate Change Response

As global environmental awareness continues to rise, companies face increasingly severe environmental challenges in their operations. Globe Union fully recognizes the environmental responsibilities that companies bear in modern society and is actively promoting environmental management, striving to minimize its impact on the environment at all levels.

To further enhance its environmental management, Globe Union has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework. This approach systematically identifies and assesses the potential risks and opportunities that climate change may present to the company. Globe Union conducts regular environmental risk assessments and actively implements adaptation measures to ensure the company's sustainable development.

Globe Union places great importance on sustainable development and climate-related risk management. In November 2023, Globe Union established the Corporate Governance and Sustainable Development Committee, with the Chairman serving as the committee's highest decision-maker.

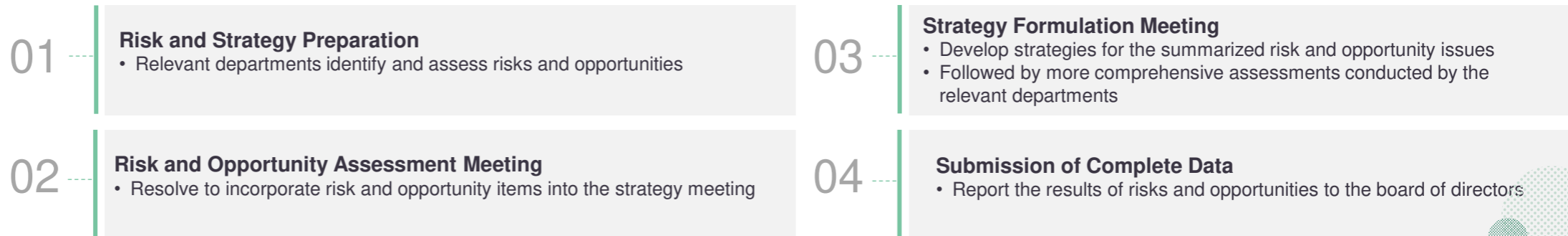
The committee and the Board of Directors convene regularly each year. In these meetings, the Chairman, serving as the President and also leading the top executive of the Company's ESG initiative, reports to the committee on the impact assessments of climate change on group operations and the progress towards achieving sustainability goals. Upon the committee's resolution, the Board of Directors is responsible for reviewing annual results and guiding climate change strategies.



- 1 Regularly convene committee and board meetings
- 2 Report on ESG and climate change impact assessments on operations, as well as the progress toward achieving sustainability goals
- 3 The Board of Directors reviews annual results and provides guidance on climate strategy

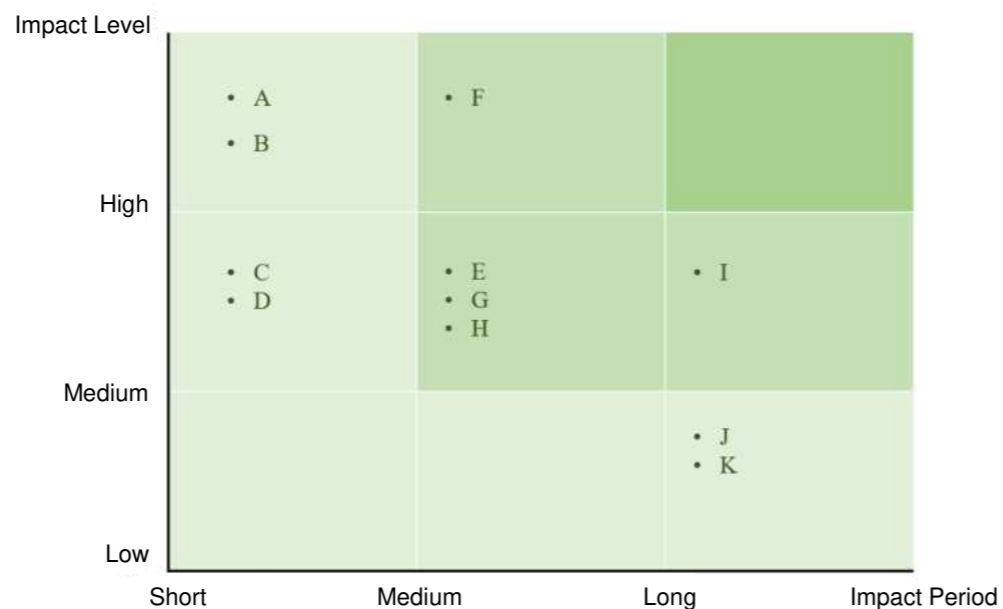
The ESG Sustainability Promotion Organization is composed of senior executives within the company and includes a dedicated sustainability management department. This department assists subsidiaries and various business units in identifying climate risks and assessing and responding to climate impacts 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.



By establishing internal management systems, Globe Union demonstrates a commitment to sustainability from senior management to all employees. Through the operations of the committee and the ESG team, the Company will continue to make efforts in climate change and environmental risk management, laying a solid foundation for achieving future sustainability goals.

● Climate Change Material Risk Matrix



Letter	Name of Risk
A	International carbon tariff mechanisms being established by various countries
B	Greenhouse gas emission control
C	In response to government and client demands for low-carbon solutions, there has been a shift in our product development focus
D	Due to severe rainfall resulting in flooding, the factory operations were halted
E	In response to stricter environmental regulations related to climate change mitigation, such as increased requirements for energy efficiency and renewable energy usage
F	Customer preferences shift toward low-carbon, energy-efficient products
G	Disruptions in supply chain
H	Heat-related injuries among employees
I	Due to the impact of climate change, the pattern of rainfall has shifted, leading to increased frequency and duration of water shortages
J	Factories located in coastal areas may face inundation or chronic flooding
K	Operating sites experiencing increased heat

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Material Climate Risk Identification and Assessment

Aspect	Name of Risk	Potential Impact on the Company	Impact on Financials	Preventive Measures Taken
Policy and Regulation	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. Additionally, as the Group's products include ceramic kiln-fired items, achieving zero emissions in actual energy use is challenging. Furthermore, it is necessary to provide product carbon content, which increases operational costs.	Increased Operational Costs: <ul style="list-style-type: none"> Calculating the product carbon footprint may require the assistance of external consultants or verification agencies, leading to increased operational costs. If no action is taken, there is a risk of facing penalties due to incomplete information or being assessed based on the worst-case scenario according to CBAM regulations, which could result in increased operational costs for the company. 	Diligently monitoring international carbon-related regulations and will adjust our products (e.g., pricing) accordingly. 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.
Policy and Regulation	Greenhouse gas emission control	With the government implementing a carbon pricing mechanism, the company must conduct thorough assessments of processes and energy use under the condition of carbon pricing. This necessitates finding solutions in the short term, such as adopting renewable energy sources, to reduce carbon emissions.	Increased Operational Costs: <ul style="list-style-type: none"> To avoid additional operational costs due to tax levies, extra investments are required in low-carbon energy, carbon capture technologies, or purchasing green electricity and carbon credits. All of these measures will significantly increase operational costs; however, the first two are considered phase-based investments, while green electricity and carbon credits require continuous long-term investment 	We have launched a Greenhouse Gas Inventory Project, which began in 2023 covering our headquarters in Taiwan and subsidiaries in China. The project expanded to encompass all group companies in 2024. We continue to conduct carbon audits to identify carbon emission hot spots and plan corresponding optimization measures.
Product and Service	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. During the transition to low-carbon processes, potential failures due to technological immaturity may occur, leading to increased operational costs for the company.	Increased Operational Costs: <ul style="list-style-type: none"> To invest in developing new low-carbon products, the Company will increase its R&D expenditures, leading to higher operational costs. During the development and use of low-carbon materials, it is necessary to assess their compatibility with existing processes, which will increase the company's procurement costs and material wastage. 	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.
Immediacy	Due to severe rainfall resulting in flooding, the factory operations were halted	Intense rainfall could cause flooding at operational sites, leading to damage to machinery and equipment. Additionally, employees may be unable to commute to work due to severe weather, resulting in operational shutdowns. Failure to meet delivery deadlines could lead to breach of contract penalties.	Increased Operational Costs: <ul style="list-style-type: none"> Flooding at operational sites, damage to machinery, and disruptions to employee commutes due to intense rainfall can lead to increased 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.
Policy and Regulation	In response to stricter environmental regulations related to climate change mitigation, such as increased requirements for energy efficiency and renewable energy usage	To comply with regulatory requirements, the company will consider replacing outdated equipment with energy-efficient models and installing renewable energy systems. This will require additional planning for the associated costs.	Increased Operational Costs: <ul style="list-style-type: none"> Failure to meet regulatory requirements could result in fines or penalties, increasing operational costs for the company. To update equipment or improve efficiency, the company may need to invest additional R&D costs or incur higher equipment expenses, leading to increased operational costs. 	We closely monitor environmental regulations at our operational sites to determine their applicability to the Globe Union. 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 proactively plan actions to mitigate climate change.
Market	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.	Decreased Operational Revenue: <ul style="list-style-type: none"> Failure to develop low-carbon products in line with market trends may result in decreased market competitiveness for the products, leading to a reduction in revenue. 	We actively gather customer product requirements and incorporate these needs into the product design phase to comply with EU directives on bathroom products. In the future, we will adapt to consumer preferences and market demands by purchasing recycled materials, continue investing in water-saving product R&D, and strive to increase the revenue share of green products. Stay attentive to market trends and work towards reducing product carbon emissions.

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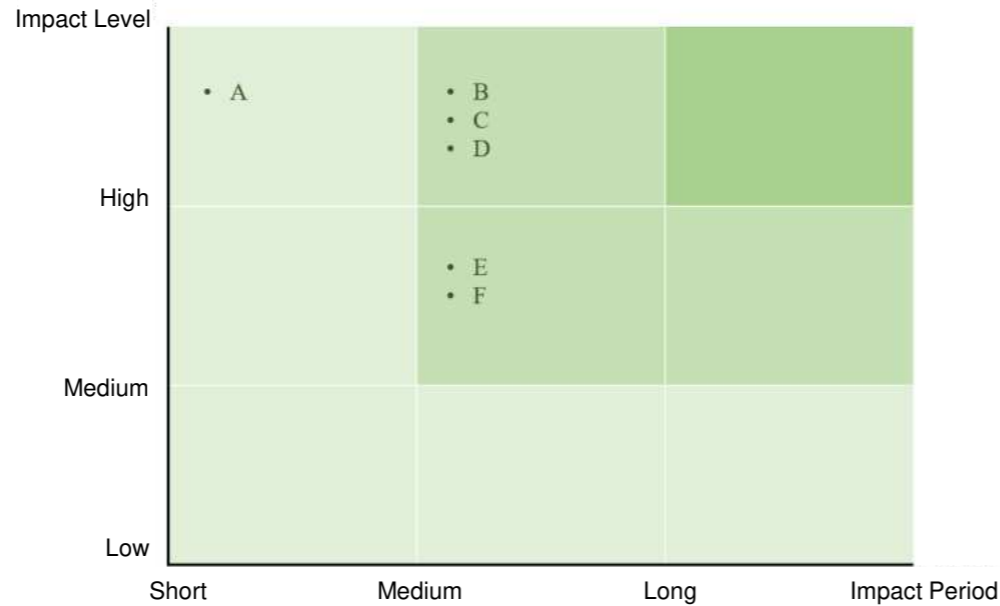
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Aspect	Name of Risk	Potential Impact on the Company	Impact on Financials	Preventive Measures Taken
Market	Disruptions in supply chain	Suppliers may face operational disruptions or transportation delays due to extreme weather conditions, which could affect factory manufacturing and the agreed delivery dates, leading to a risk of contract breaches.	<p>Increased Operational Costs:</p> <ul style="list-style-type: none"> Due to extreme weather conditions affecting suppliers of raw materials, delays or disruptions in transportation could prevent timely delivery of raw materials, creating operational risks. Failure to meet order deadlines may result in breach of contract penalties, 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.
Long-term	Heat-related injuries among employees	Due to high temperatures causing increased chances of employee discomfort, employees may be unable to work as scheduled, potentially leading to interruptions or staff shortages and creating operational risks.	<p>Increased Operational Costs:</p> <ul style="list-style-type: none"> Due to rising temperatures, the likelihood of employees suffering from heat-related illnesses increases, which may lead to higher insurance costs and, consequently, elevated operational expenses. 	Install additional workplace cooling systems. Increase personnel scheduling flexibility and 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	Water shortages in the production process can lead to poor product quality, potentially resulting in the loss of customers or partners, and causing a decline in operational revenue. To maintain production progress, consideration of methods such as water recycling will be necessary, leading to increased operational costs.	<p>Increased Operational Costs:</p> <ul style="list-style-type: none"> Recycling water resources within the facility requires purchasing related cleaning and recycling equipment, resulting in increased operational costs. <p>Decreased Operating Revenue:</p> <ul style="list-style-type: none"> Due to poor product quality, not only is the company's brand reputation affected, but it also leads to the loss of customers and partners, resulting in decreased operational revenue. 	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.
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.	<p>Increased Operational Costs:</p> <ul style="list-style-type: none"> Due to rising sea levels, operational sites may become submerged, leading to operational disruptions. This results in a risk of business interruption, and additional operational costs will be incurred to restore and coordinate services or manufacturing across various facilities. <p>Decreased Operational Revenue:</p> <ul style="list-style-type: none"> Due to the disappearance of operational sites, local customers may be affected, potentially leading to a reduction in operational revenue. Additionally, if customers serviced by these locations cannot receive their goods on time, it may result in customer loss and further decrease in operational revenue. 	Regularly assess the risk of sea-level rise at factory locations, closely monitor environmental changes in the area, including trends and forecasts related to sea-level rise. If relevant risks are identified, proactively develop appropriate measures, including relocation plans, to ensure continued operation and minimize potential impacts.
Long-term	Operating sites experiencing increased heat	The need for cooling machines and workplaces is growing, resulting in higher electricity costs.	<p>Increased Operational Costs:</p> <ul style="list-style-type: none"> Increased cooling demands at operational sites lead to higher electricity costs, resulting in increased operational expenses. Additional air conditioning equipment needs to be installed, leading to increased operational costs. 	Enhance ventilation and cooling systems at the workplace. When leasing or purchasing office premises, prioritize those that comply with green building standards.

Climate Change Material Opportunity Matrix



Letter	Name of Opportunity
A	Customers have raised their standards for product quality and usage requirements, such as water-saving features
B	Utilizing low-carbon energy sources
C	Increasing environmental demands for products
D	Improving the efficiency of energy resource use
E	Adopting more efficient transportation methods
F	Waste reuse and building a circular economy

Material Climate Opportunity Identification and Assessment

Name of Opportunity	Potential Impact on the Company	Impact on Financials	Preventive Measures Taken
Customers have raised their standards for product quality and usage requirements, such as water-saving features.	Through market research and strategic planning, understand current market trends and customer preferences, develop energy-efficient products, and successfully attract potential customers to expand market share.	<p>Increased Operational Revenue:</p> <ul style="list-style-type: none"> Products developed to meet the market's demand for energy savings attract more customers and market segments, leading to increased operational 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.
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.	<p>Decreased Operational Costs:</p> <ul style="list-style-type: none"> Investing in renewable energy reduces future carbon fee costs, leading to a decrease in operational expenses. <p>Increased Operational Revenue:</p> <ul style="list-style-type: none"> By aligning with the market's focus on renewable energy and low-carbon trends, developing products that appeal to sustainability-conscious users expands market share and increases 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.
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.	<p>Increased Operational Revenue:</p> <ul style="list-style-type: none"> Products developed to meet the market's demand for energy savings attract more customers and market segments, leading to increased operational revenue. 	Simplifying the disassembly and recycling of products and components to reduce packaging material usage.

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Name of Opportunity	Potential Impact on the Company	Impact on Financials	Preventive Measures Taken
Improving the efficiency of energy resource use	Enhance resource use efficiency by adopting circular reuse practices, inspecting equipment wear and efficiency, reducing resource waste, and maximizing benefits. This approach not only promotes sustainability but also lowers operational costs.	<p>Decreased Operational Costs:</p> <ul style="list-style-type: none"> By updating factory equipment or optimizing processes to collect and reuse energy, energy usage costs can be reduced, leading to lower operational costs. 	We are continuously optimizing the ceramic firing process and increasing the utilization of residual heat from the process to reduce energy wastage.
Adopting more efficient transportation methods	Plan more efficient transportation modes, such as relocating operational sites or optimizing transportation routes, to reduce carbon emissions during the transportation process.	<p>Decreased Operational Costs:</p> <ul style="list-style-type: none"> By relocating factories closer to sales markets, carbon emissions from transportation can be significantly reduced. Additionally, optimizing transportation routes or changing transportation methods can lower both carbon emissions and transportation costs, resulting in decreased operational expenses. 	Optimize transportation routes and increase container utilization.
Waste reuse and building a circular economy	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. Assess the feasibility of using recycled materials to enhance customer and market acceptance, and leverage this to develop potential customer groups and gain market share.	<p>Decreased Operational Costs:</p> <ul style="list-style-type: none"> By evaluating the potential for reusing discarded raw materials and reintegrating them into the production process, not only reduce the weight of waste disposal, subsequent carbon emissions, and disposal costs, but also lower operational costs. <p>Increased Operational Revenue:</p> <ul style="list-style-type: none"> By assessing the potential of recycled materials, we can explore new customer segments and meet specific market demands, thereby increasing operational revenue. 	Improve product yield, strive to decrease the defective products, and optimize processes to reduce the waste generation ratio. Continue to assess the use of recycled materials and increase their usage ratio, while also exploring ways to convert production waste into secondary materials and evaluating the feasibility of recycling and reusing process waste.

3.1.1 Greenhouse Gas Management

With the global sustainability goal of achieving net zero carbon emissions by 2050, stringent regulations are gradually being implemented by regulatory authorities at all of Globe Union's operational locations. These regulations require companies to review their greenhouse gas emissions during operations. Therefore, compliance with greenhouse gas emission-related laws and standards has become the minimum requirement. Globe Union aims to strike a balance between corporate profitability and environmental sustainability, ensuring that the company meets societal expectations for its operational responsibilities.

Greenhouse Gas Management

Policy Commitments

By actively reviewing greenhouse gas emissions, Globe Union is gradually setting carbon reduction targets to align with the global net zero trend.

2023 Actual Performance

In 2023, the Company initiated greenhouse gas inventory operations at its Taiwan Headquarters and Milim operational sites. A greenhouse gas inventory team was established, following the requirements of ISO 14064-1, to conduct greenhouse gas inventories for certain items within Scope 1, 2, and 3.

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Taiwan Headquarters

Short-Term Goals

1. Complete the greenhouse gas inventory and assurance process for the group within the scope of financial report consolidation

Medium and Long-Term Goals

1. Adjust the base year of the inventory report as needed based on the group's operational expansion, and set annual carbon reduction targets

Action Plan

- Each year, the Greenhouse Gas Inventory Team conducts data collection activities for the inventory
- Continuously track greenhouse gas emissions and emission hotspots through the inventory checklist

Short-Term Action Plan

1. Starting in 2023, greenhouse gas inventory has been introduced, with inventory teams established at the Headquarters and each subsidiary to track greenhouse gas emissions

Short-Term Goals

Milim

Medium and Long-Term Goals

1. In July 2024, assisted the Headquarters in completing the greenhouse gas emissions report, and continued annual greenhouse gas data collection and submission activities

1. Assess appropriate carbon reduction targets and develop corresponding plans and resource allocations

Action Plan

- Each year, the Greenhouse Gas Inventory Team conducts data collection activities for the inventory
- Continuously track greenhouse gas emissions and emission hotspots through the inventory checklist

Short-Term Action Plan

1. Coordinate and assist the Taiwan Headquarters with the collection of basic greenhouse gas data
2. Assist in preparing the data for the greenhouse gas inventory report
3. Conduct heat transfer of the air from the east dormitory to replace the energy use of the internal boilers

Globe Union recognizes the impact of greenhouse gas emissions on both the company and society. Therefore, the Taiwan Headquarters and Milim initiated a greenhouse gas inventory in September 2023, with the aim of completing the 2023 greenhouse gas inventory by 2024. Globe Union will continue to record, manage, and track emissions according to the greenhouse gas inventory checklist. The Company will ensure that it protects the local ecosystem while maintaining its social image and corporate sustainability values, continuing to contribute to environmental protection.

Taiwan Headquarters

Greenhouse Gas Emission

Scope of Data Coverage	Unit	2021	2022	2023
Scope 1	Metric tons of CO ₂ e	-	-	21.227
Scope 2	Metric tons of CO ₂ e	438.710	334.274	340.168
Total emissions = Scope 1 + Scope 2	Metric tons of CO ₂ e	438.710	334.274	361.395
Scope 1 and Scope 2: Emissions intensity ratio	Metric tons of CO ₂ e/person	2.58	2.06	2.29

Note:

1. Globe Union's greenhouse gas emissions data has not undergone third-party verification
2. Scope 1 emissions are calculated using the emission factors published in the Environmental Protection Administration's "GHG Emission Factor Management Table Version 6.0.4" and are based on the Global Warming Potential (GWP) determined according to the IPCC AR6 standards released in 2021
3. Scope 2 electricity emissions factors are based on those announced by the Energy Administration, Ministry of Economic Affairs. The emission factors for the respective years are as follows: For 2021, the factor is based on the CO₂ equivalent published in the Environmental Protection Administration's "GHG Emission Factor Management Table Version 6.0.3" (February 2017); for 2022, the factor is 0.495 kg CO₂e/kWh; and for 2023, it is 0.494 kg CO₂e/kWh.

Globe Union, in accordance with ISO 14064-1:2018 greenhouse gas inventory standards, conducts a greenhouse gas emissions inventory for both the Taiwan Headquarters and the Milim site. For 2023, the emission data for the Taiwan Headquarters is as follows: Scope 1 (direct greenhouse gas emissions) was 21.227 metric tons of CO₂e, Scope 2 (indirect energy-related greenhouse gas emissions) was 340.168 metric tons of CO₂e, and the total emissions amounted to 361.395 metric tons of CO₂e.

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Milim

Greenhouse Gas Emission

Scope of Data Coverage	Unit	2021	2022	2023
Scope 1	Metric tons of CO ₂ e	27,308.040	23,678.252	22,816.352
Scope 2	Metric tons of CO ₂ e	22,403.360	21,688.509	21,308.233
Total emissions = Scope 1 + Scope 2	Metric tons of CO ₂ e	49,711.400	45,366.761	44,124.585
Scope 1 and Scope 2: Emissions intensity ratio	Metric tons of CO ₂ e/ ton	0.77	0.75	0.82

For 2023, the emission data for the Milim is as follows: Scope 1 (direct greenhouse gas emissions) was 22,816.352 metric tons of CO₂e, Scope 2 (indirect energy-related greenhouse gas emissions) was 21,308.233 metric tons of CO₂e, and the total emissions amounted to 44,124.585 metric tons of CO₂e.

Note:

1. Globe Union's greenhouse gas emissions data has not undergone third-party verification
2. Scope 1 emissions are calculated using the emission factors published in the Environmental Protection Administration's "GHG Emission Factor Management Table Version 6.0.4" and are based on the Global Warming Potential (GWP) determined according to the IPCC AR6 standards released in 2021
3. Scope 2 electricity emission factors are based on the emissions factors for mainland China: 0.5810 tons CO₂/MWh for 2021 and 0.5703 tons CO₂/MWh for 2022. Since the official electricity emission factor for 2023 has not yet been published by Chinese authorities, the 2022 emission factor is used for calculations.
4. Since the factory in China operates as a manufacturing facility, the total production output is used as the denominator for calculating emissions intensity.

3.2 Environmental Protection and Sustainable Energy

Energy Management

In the context of increasingly strained global energy supply conditions, effective energy management is crucial for the company's development. Globe Union is committed to implementing a series of energy management measures aimed at comprehensively improving energy efficiency and reducing greenhouse gas emissions.

Policy Commitments

Globe Union will continuously monitor its energy usage and evaluate production conditions to replace high-energy-consuming equipment, advancing towards low-carbon energy production and operations.



Taiwan Headquarters

Short-Term Goals

1. Continuously promote the concept of energy conservation to internal staff, with two fixed awareness sessions conducted annually
2. Engage external contractors to perform maintenance on the chiller units once a year to ensure optimal energy consumption of the chiller systems

Action Plan

1. Continuously promote energy-saving concepts internally and regularly engage external contractors for chiller unit maintenance to ensure normal energy consumption in office spaces

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Short-Term Goals

Milim

1. Reduce energy consumption per unit of product
2. Increase the proportion of green energy used across the entire plant

Medium and Long-Term Goals

1. Achieve the energy consumption limit standard for sanitary Vitreous China products per unit
2. Increase the proportion of green energy used across the entire plant compared to previous years

Action Plan

1. Conduct a comprehensive overhaul of the company's internal electrical wiring to ensure that all power systems operate at optimal efficiency, reduce power loss, and prevent unnecessary energy waste
2. Implement a three-stage heat recovery modification for the kiln, applying the recovered heat to other process flows or heating requirements
3. Upgrade the efficiency of the existing 8 stirring devices by replacing or enhancing components to improve energy efficiency in the stirring process
4. Initiate the first phase of the photovoltaic power generation project to meet a portion of the energy needs using renewable energy Reduce reliance on traditional energy sources by installing solar panels on the rooftops or other suitable locations of company buildings

2023 Actual Performance

Taiwan Headquarters

- Encouraged employees to turn off power sources when leaving the office or during long weekend to conserve energy
- Installed an automatic power control system for the lighting in the parking lot to save energy consumption
- Replaced aging lighting equipment with LED fixtures as they reach the end of their service life to ensure optimal lighting efficiency in office areas

Milim



Waste Heat Recovery

- Collect heat through heat exchangers on the pipelines to recover the heat from tunnel kilns and shuttle kilns, significantly reducing boiler operating time and natural gas consumption while meeting production needs. In 2023, the total amount of recovered heat was approximately 95,457 GJ



Photovoltaic Power Generation Application

- Install solar power systems on the rooftop space of the staff dormitory. In 2023, it was estimated to generate 120,000 kWh of renewable energy



Ball Mill Energy-saving Device Retrofit

- Install and apply energy-saving devices on two slurry ball mills. In 2023, it was estimated to save 80,000 kWh of electricity

In the future, the Company will continue to evaluate the solar power installation projects, further expanding the application of renewable energy. Through technological innovation and continuous improvement, establish more environmentally friendly and energy-efficient production activities, and strive relentlessly towards achieving sustainable development goals

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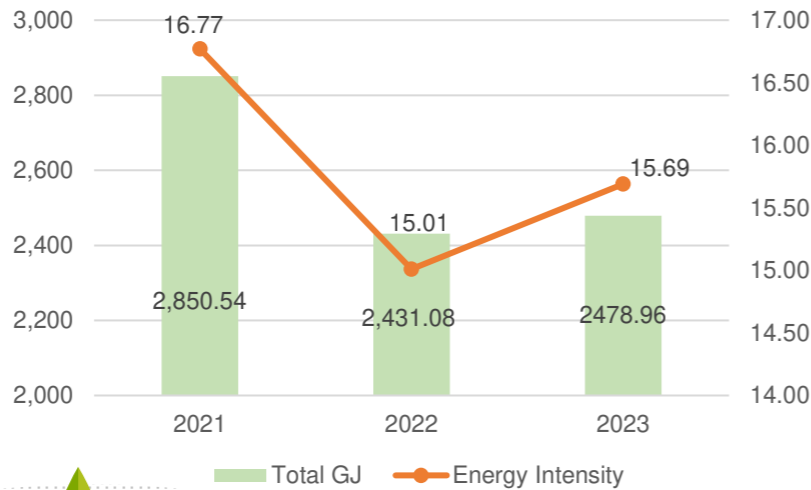
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3.2.1 Energy Consumption

Taiwan Headquarters Energy Consumption Status

Energy consumption at the Taiwan Headquarters was calculated based on purchased electricity, with a total usage of 688,600 kWh in 2023. This represented a 1.97% increase compared to 2022. The primary reason for this increase was the higher temperatures in 2023, leading to longer air conditioning usage in office-type spaces, which significantly impacted the overall electricity consumption and resulted in a larger discrepancy in energy savings for the year.



Quantitative Indicators	Unit	2021	2022	2023
Non-renewable energy electricity	GJ	2,850.84	2,431.08	2,478.96
Total	GJ	2,850.84	2,431.08	2,478.96
Number of person	Person	170	162	158
Energy intensity	GJ/person	16.77	15.01	15.69

Taiwan Headquarters Energy Consumption- 3-Year Data

Note:

1. Non-renewable energy electricity is based on the consumption disclosed in the Taipower electricity bills.
2. The 2023 energy conversion factor was based on the Bureau of Energy's published table of unit calorific values for energy products: Electricity is 3,600 KJ/kWh; 1,000,000 KJ = 1 GJ.

Milim Energy Consumption Status

Although the total energy consumption of Milim in 2023 was 531,311 GJ, energy intensity increased by 2% compared to 2022. The main reasons are as follows:



Maintaining Energy Supply During the Holiday Period to Ensure the Normal Operation of Equipment

Milim temporarily halted production during the Chinese New Year holiday. To ensure the safe operation of various equipment and facilities during the winter and to prevent damage to some equipment and pipelines caused by low temperatures, boilers and other equipment had to maintain low-load operation, leading to non-productive consumption of natural gas and electricity. This contributed to the increase in energy intensity for the year.



Decreased Demand, Reduced Production Capacity

In August 2023, to coordinate with customer inventory adjustments, Milim suspended production at the 90-meter kiln at the second plant. Since the kiln equipment still required a minimum energy to ensure normal operation, this led to energy consumption without corresponding output, resulting in an increase in energy consumption per unit of product and directly impacting the company's energy intensity indicators.

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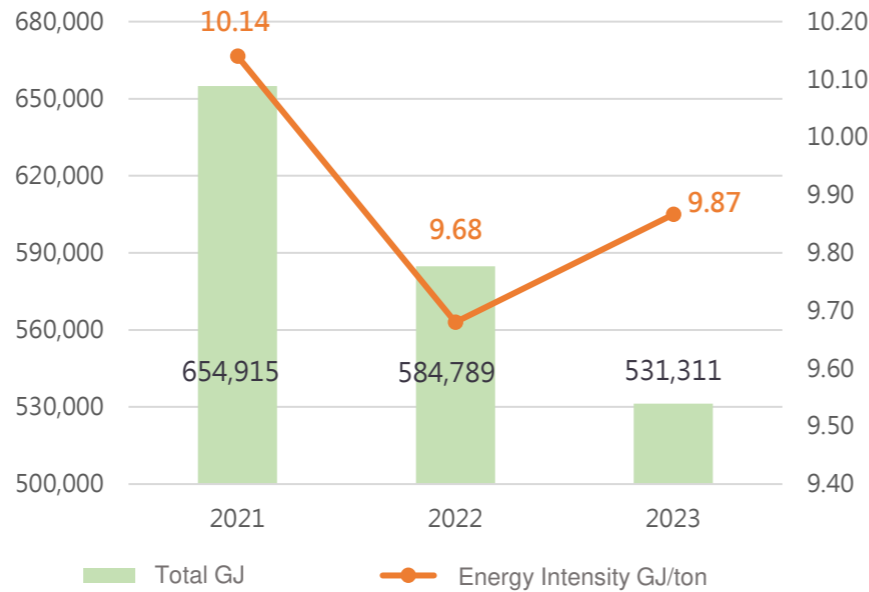
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Despite Milim's various efforts to improve production efficiency and energy utilization, the aforementioned unavoidable circumstances still lead to a slight increase in energy intensity, affecting the overall energy indicators. We will continue to enhance energy management through the ISO 50001 management system, improve equipment operating efficiency, and persistently advance the company's sustainability goals.



Quantitative Indicators	Unit	2021	2022	2023
Non-renewable energy electricity	GJ	138,816	136,908	133,488
Renewable energy electricity	GJ	-	382	440.63
Natural gas	GJ	516,099	447,499	397,381.92
Total	GJ	654,915	584,789	531,311
Total production volume	Metric tons	64,591	60,414	53,849
Energy intensity	GJ/ton	10.14	9.68	9.87

Milim Energy Consumption- 3-Year Data

Note:

From 2020 to 2023, the calorific value calculations were based on the Chinese standard "General Rules for Comprehensive Energy Consumption Calculation" (GB/T 2589-2020):
Electricity: 1 kWh = 3,600 KJ, Renewable electricity: 1 kWh = 3,600 KJ, Natural gas: 1 m³ = 35,544 KJ; 1,000,000 KJ = 1 GJ.

Investment in energy-saving or green energy-related environmental sustainability machinery and equipment for 2023

Globe Union invests a significant amount of funds each year in pollution control. This effort not only aims to reduce the company's negative impact on the environment but also reflects the company's commitment to social responsibility. In recent years, the Company has gradually acquired relevant equipment. By 2023, the infrastructure has reached a certain scale, resulting in a reduction in investment expenditures compared to the previous two years.

In the past year, the **Taiwan Headquarters** has actively invested in improving energy usage. For office-type operational locations, the company has not only implemented actual replacements of lighting fixtures but also conducted policy advocacy to encourage employees to contribute to environmental protection efforts:

1. By regularly cleaning air conditioning filters, the company can ensure optimal operation of the equipment, reduce the compressor's running time, and effectively lower indoor temperatures, thereby decreasing electricity consumption.
2. The company has installed automatic power switches to prevent unnecessary energy consumption caused by human error in forgetting to turn off power.

Energy-Saving Measures
- Office Energy Savings

Every year, the company updates about 20 sets of light steel frame lighting fixtures in the office, replacing them with low-power, high-efficiency energy-saving lights.

- Estimated savings of 320 (W)
- Actual investment amount: NT\$30,552



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In 2023, Milim executed three major investments, with a total expenditure of 2,415,000 CNY. The estimated total benefits include the generation of 122,397 kWh/year of renewable electricity, approximately 95,457 gigajoules (GJ)/year of heat recovery, and savings of 81,000 kWh/year of electricity. Details are as follows:

Energy-Saving Measures - Installing Solar Panels

Installed solar panels on the rooftop of the employee dormitory to increase the use of renewable energy.

- Estimated generation of 122,397 kWh of renewable energy electricity
- Actual investment amount: 300,000 CNY



Energy-Saving Measures - Ball Mill Energy-Saving Device Retrofit

Installed energy-saving devices on two slurry ball mills in the plant to reduce unnecessary energy consumption.

- Estimated electricity savings of 81,000 kWh
- Actual investment amount: 135,000 CNY

Energy-Saving Measures - Waste Heat Recovery

Heat is collected from tunnel kilns and shuttle kilns through heat exchangers on the pipelines. This recovered heat is combined with water to produce hot water, which is stored in tanks. The hot water is then transported via pipelines to specific workshops, where it is released through fan heaters to meet production needs. This significantly reduces boiler operating time and natural gas consumption.

- In 2023, the heat recovery amount was approximately 95,457 gigajoules (GJ)
- Actual investment amount: 1,980,000 CNY

3.2.2 Special Column - Comprehensive Process and Results of Waste Heat Recovery at Milim Plant



From Beginning to Now:

Development and Upgrading History of the Waste Heat Recovery System

- 2003 Established a kiln waste heat recovery system - reusing kiln tail flue gas
- 2008 First retrofit - reusing kiln flue gas to enhance waste heat recovery efficiency
- 2017 Second retrofit - upgraded the waste heat recovery system to expand the range of waste heat applications
- 2023 Third retrofit - extended waste heat storage time to maximize usage

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Tailored for the Plant:

In the Milim plant, there are seven kilns used for the firing stage. During operation, hot gases are directly discharged through pipes. To effectively utilize the heat generated during operation, we recover the heat from the kilns and use heat exchangers, storage tanks, pumps, and radiators to interact. This recovered heat is then applied in the drying process, replacing the heat originally provided by the boiler. This approach effectively reduces overall energy consumption and achieves energy-saving and environmental protection goals.



Schematic diagram of gas transportation pipelines



Schematic diagram of storage

Breakthroughs Brought by Innovation!



Enhancing Energy Consumption Efficiency to Meet Production Needs

With the advancement of technology, the ability to flexibly and precisely manage the use of waste heat has significantly improved. In the early stages of implementing the waste heat recovery system, the technology available at the time limited the effectiveness of some recovered heat, resulting in wasted energy. Over the past 20 years, through three phases of upgrades and renovations, the system now allows for targeted heat supply to specific areas and production lines, and the stored heat can be used at appropriate times. This improvement not only enhances the on-site working environment but also achieves effective energy utilization.

Waste heat recovery has enabled Milim to significantly reduce its reliance on boilers and hot air furnaces for heating, greatly shortening the operational time of heating equipment. Except for the winter months, when heating is necessary due to lower temperatures, recovered waste heat is used for the drying process in specific workshops.



In **2023**, Milim, by effectively utilizing waste heat, achieved a heat recovery amount of approximately **95,457** gigajoules (GJ). This not only significantly reduced energy consumption costs but also realized the environmental and energy-saving benefits of corporate social responsibility.



3.3 Clean Air

Air Pollution Control Management

In recent years, government regulations and standards for air pollution have become increasingly stringent. To prevent emissions from factory facilities from affecting the air quality that impacts the local community's living environment, effective management and monitoring are crucial for pollution control.

Policy Commitments

Comply with legal regulations, effectively monitor pollutants, regularly maintain dust collection equipment, and implement end-of-pipe controls.

2023 Actual Performance

There were no incidents of air pollution emissions exceeding standards that led to penalties in 2023

Short-Term Goals

Milim

1. The emissions of major pollutants are fully compliant with regulatory discharge requirements

Short-Term Action Plan

1. Strengthen the control and maintenance of pollutant emission and filtration equipment to ensure they operate at optimal efficiency and reduce air pollution

Medium and Long-Term Goals

1. The existing water bath dust removal equipment will be upgraded in three phases over three years to enhance its effectiveness in filtering harmful substances
2. Based on the "Province Heavy Pollution Weather Key Industry Performance Grading Management Guidelines (Trial)," the goal is to achieve the performance level of a leading enterprise within three years

Medium and Long-Action Plan

1. Install water bath dust removal equipment to enhance its effectiveness in filtering harmful substances
2. Enclose and modify the internal structure of raw material channels to ensure that discharged gases undergo multiple layers of filtration
3. Improve material stacking and storage methods to reduce dust generation during temporary storage
4. Ensure that the handling of pollutants on-site meets the regulatory requirements for leading enterprises, and undertake process modifications if necessary

3.3.1 Air Pollution Prevention and Management

Globe Union complies with local government regulations on air pollution emissions by utilizing two key monitoring devices: external monitoring and online monitoring equipment for boilers and kilns. This ensures adherence to the emission standards outlined in the "Emission Standards for Air Pollutants from Boilers" and the "Emission Standards for Air Pollutants from the Building Materials Industry."

Since 2018, Milim has ceased using coal-fired boilers and transitioned entirely to gas-fired boilers, thereby reducing pollutant emissions.



Natural gas boiler equipment ▶

In 2023, kiln emissions were continuously monitored for pollutant discharge through online monitoring equipment as required by the government. Additionally, quarterly tests of emission components were conducted, all of which met the emission standards.



Online monitoring equipment ▶

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Milim Air Pollution Testing Items for the Past Three Years

Boiler - External Monitoring

Detection Items	2021			2022			2023		
	Emission Standard (mg/m ³)	Annual Average Reference Value (mg/m ³)	Compliance	Emission Standard (mg/m ³)	Annual Average Reference Value (mg/m ³)	Compliance	Emission Standard (mg/m ³)	Annual Average Reference Value (mg/m ³)	Compliance
TSP	10	2.85	✓	10	2.37	✓	10	2.2	✓
SOx	50	5.185	✓	50	5.3	✓	50	Not detected	✓
NOx	100	45	✓	100	50	✓	100	80.33	✓

Kiln - Online Monitoring

Detection Items	2021			2022			2023		
	Emission Standard (mg/m ³)	Annual Average Reference Value (mg/m ³)	Compliance	Emission Standard (mg/m ³)	Annual Average Reference Value (mg/m ³)	Compliance	Emission Standard (mg/m ³)	Annual Average Reference Value (mg/m ³)	Compliance
TSP	10	1.37	✓	10	0.88	✓	10	1.64	✓
SOx	35	8.47	✓	35	7.78	✓	35	15.38	✓
NOx	80	22.48	✓	80	26.15	✓	80	39.08	✓

Through regular maintenance, the dust collection equipment is kept in effective operation. End-of-pipe control measures are implemented to reduce pollutant emissions and ensure minimal environmental impact, fulfilling the commitment to environmental protection.



3.4 Water Purification Practices



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Water Stewardship

Water resources play a crucial role in the company's processes. With climate change, the uncertainty surrounding water shortages in the regions where the company operates is increasing. Effective water stewardship not only helps prevent unnecessary water usage but also mitigates the risk of pollution during business operations, protecting communities and contributing to a cleaner and healthier environment for society.

Policy Commitments

Through daily management and planning, we will implement reduction measures or recycling for water resource usage, striving to maximize water resource utilization and practice water resource recovery and reuse.



Short-Term Goals

Taiwan Headquarters

1. Meet the discharge limits for domestic wastewater, aiming for full compliance

Medium and Long-Term Goals

1. Starting in 2024, conduct a feasibility assessment for rainwater harvesting to potentially use it as part of the site's water resources

Action Plan

1. Promote water-saving measures to colleagues through daily operations and display water conservation slogans to achieve daily water-saving goals



Short-Term Goals

Milim

1. Implement metering methods for each division's water resource usage on-site to make consumption visible and allow for timely monitoring of water resource consumption

Medium and Long-Term Goals

1. Use unit product consumption as a measurement standard, with the goal of reducing water usage per unit product

Action Plan

- We will establish the "ESG Promotion Management and Evaluation Plan" internally and track and review water stewardship processes according to the established guidelines

Short-Term Action Plan

1. Optimize and implement metering measures for municipal and fire department underground water pipelines to ensure their proper maintenance and functionality, preventing increased water consumption due to aging or deteriorating pipes

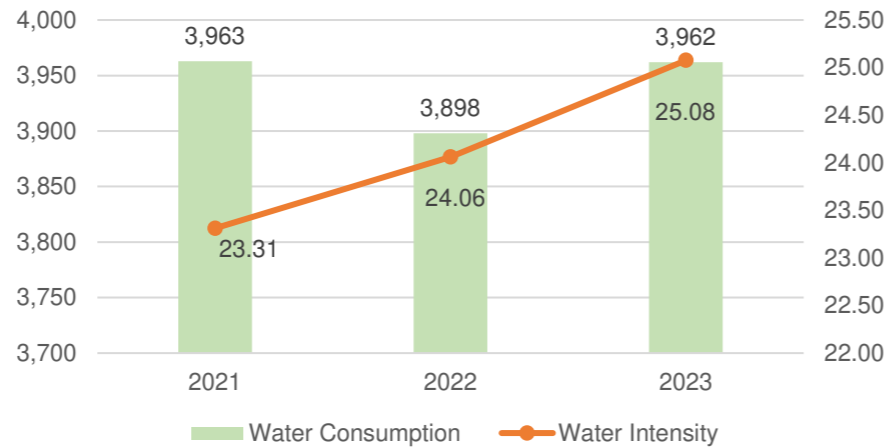
Medium and Long-Term Action Plan

1. Optimize and monitor water pipelines used in production as key measures in water resource management. After completing the relevant improvements, aim to reduce water resource consumption
2. To reduce additional water resource usage, the factory will plan to purify wastewater and recycle it for reuse
3. By introducing an automated monitoring system and integrating it with updated pipelines and intelligent water stewardship, we will effectively monitor and control resource consumption

3.4.1 Water Resource Use

Taiwan Headquarters Water Withdrawal

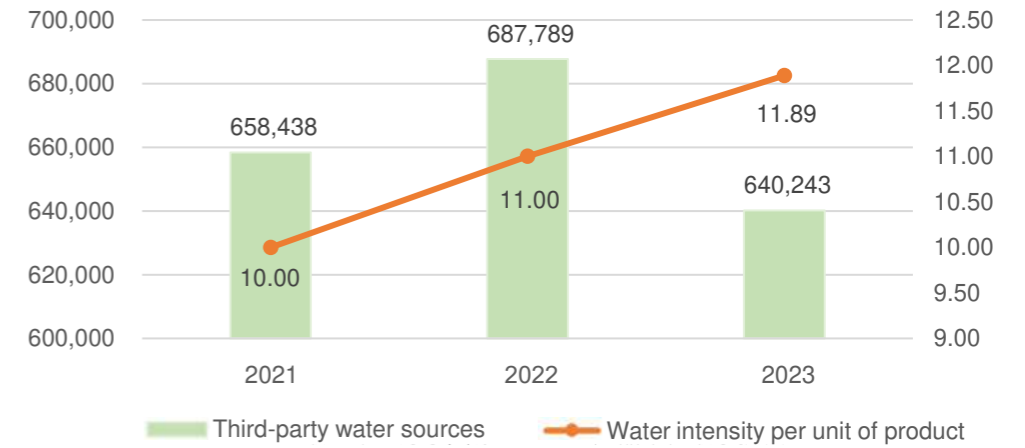
Located in Taiwan, the Globe Union headquarters sources its water from the Shigang Dam in Taichung. The daily water usage is primarily for irrigation and domestic purposes. In 2023, the total water consumption at the headquarters was 3,962 tons, representing a 1.64% increase from the previous year. We will continue to promote water conservation through signage and the use of sensor-operated faucets to ensure efficient water use in daily operations.



Quantitative Indicators	Unit	2021	2022	2023	YoY Change
Water consumption	Metric tons	3,963	3,898	3,962	1.64
Number of person	Person	170	162	158	-
Water intensity	Metric tons/person	23.31	24.06	25.08	4.04%

Milim Water Withdrawal

At the Shandong operational factory, Milim's water withdrawal in 2023 decreased by 7.22% compared to the previous year. However, due to the addition of automatic glazing line equipment and the continued use of some equipment for safety reasons during non-production periods, the water intensity per unit of product slightly increased.



Quantitative Indicators	Unit	2021	2022	2023	YoY Change
Third-party water sources	Metric tons	658,438	687,789	640,243	-7.22%
Production volume	Metric tons	64,591	60,414	53,849	-10.16%
Water intensity per unit of product	ton/ ton	10.00	11.00	11.89	8.09%

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Taiwan Headquarters Discharge Volume and Water Consumption

Globe Union's water usage in Taiwan's operational areas is from general domestic use. Wastewater is managed according to the Taichung Tanzi Technology Industrial Park Sewerage Management Regulations, being routed into the park's wastewater pipelines and discharged into the sewer system. The discharge is subject to periodic inspections by regulatory authorities. In 2023, after verification, the wastewater discharge limits were found to fully comply with regulatory requirements. In the future, a feasibility assessment for rainwater harvesting will be conducted to reduce water withdrawal.

Unit: Metric tons

Year	Total Water Discharge	Total Water Withdrawal	Recycled Water	Water Consumption
2021	3,963	3,963	-	-
2022	3,898	3,898	-	-
2023	3,818	3,818	-	-

Note: Only domestic water use is included; the total water discharge volume is an estimate

Milim Discharge Volume and Water Consumption

In 2023, Milim's total water usage was 640,243 tons. This was primarily due to the company's investment in two modern wastewater treatment plants, which provide comprehensive treatment of production wastewater. By conducting monthly water usage statistics, the company monitors water resource use, promptly detects any leakage or waste, and implements measures to improve water recovery and reuse. Through these measures, Milim achieved an 88.93% industrial wastewater recovery rate, reducing overall water extraction by 7.22% compared to 2022.

Unit: Metric tons

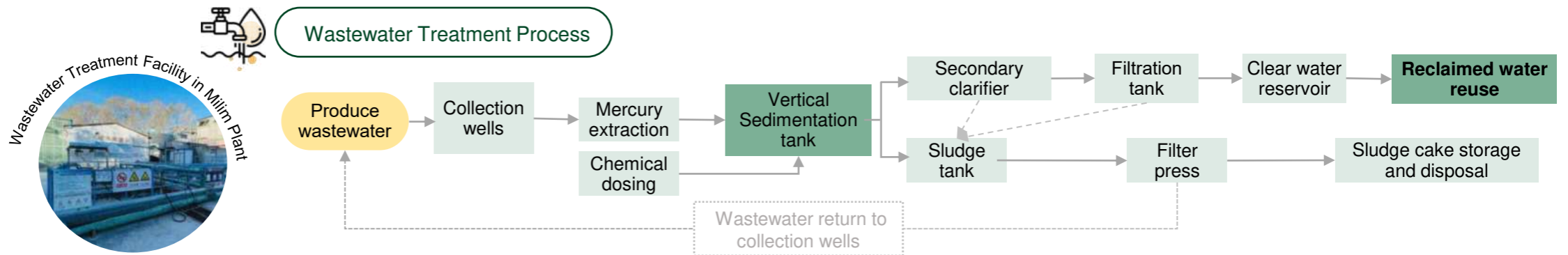
Year	Total Water Discharge	Total Water Withdrawal	Recycled Water	Water Consumption
2021	-	658,438	-	658,438
2022	-	687,789	-	687,789
2023	20,958	640,243	-	619,285

Note: The total water discharge volume comes from domestic wastewater and is an estimate.

Wastewater Management - Milim's Wastewater Treatment Processes and Procedures

Milim's wastewater generated during the manufacturing process is directed to the company's integrated wastewater treatment plant. Using specialized treatment technologies, the wastewater is filtered and then transferred to the clear water reservoir. Some of the treated water is reused within the facility as reclaimed water. In compliance with regulations, wastewater discharge is tested monthly at the plant's discharge points. In 2023, all wastewater test results met legal standards, and all treated production wastewater was fully recycled with no external discharge.

In 2023, Milim experienced no major leaks and faced no fines due to wastewater discharge exceeding limits.



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3.4.2 Water Conservation Measures - Investment in Water Stewardship at Milim Plant

With global water resources becoming increasingly scarce, efforts to conserve water are especially important for companies. Milim has consistently implemented the following measures to actively implement water stewardship and will continue these practices to reduce water waste and promote recycling and reuse:



Wastewater Treatment System

Construct two wastewater treatment systems, managed daily by the Mechanical Engineering Division. Monthly reviews and analyses of water usage are conducted, and any anomalies are addressed with appropriate improvements. Reclaimed water pipelines are currently installed in various units for operational use, with the main purposes being: on-site ground washing, road dust suppression, flushing workshop toilets, irrigation of green trees, and water for dust control and desulfurization equipment.

Circulating Use of Cooling Water for Equipment

During the operation of the water cooling, to ensure stable performance and extend the service life of the equipment, we use treated water to ensure the stable performance of fan bearing housings and plunger pump equipment.

Circulating Use of Water for Laboratory Testing

In the laboratory product testing, reclaimed water is used to rinse the experimental products. A dedicated tank is set up to treat and purify the used water, which is then recycled back into the testing process.

Recovery and Reuse of Boiler Condensate Water

Heating in the plant and product drying processes use two natural gas steam boilers. To enhance energy efficiency, all boiler condensate is recovered and reused, reducing the consumption of fresh water.

Circulating Use of Water for Product Inspection

During the product inspection phase of the production process, recycled water is used for flushing and testing.

3.5 Zero Waste through Recycling

As waste management facilities in various regions become more sophisticated and regulations on waste management become increasingly stringent, effective management can enhance the resource recovery processes at facilities. Planning for the integration of reusable raw materials into production not only helps reduce material costs but also ensures compliance with regulations and societal expectations. Improper waste disposal can impose environmental burdens on ecosystems and local communities, and negatively impact brand reputation.

Waste Management

Policy Commitments

Improve the efficiency of internal resource recycling within the company not only reduces waste generation but also enhances the possibility of recycling waste on-site by planning and procuring recycled materials.

2023 Actual Performance - Milim

- Sign disposal agreements with third-party organizations for waste such as sludge, waste porcelain, and kiln equipment, and manage waste disposal according to the terms outlined in the agreements.

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Short-Term Goals

Taiwan Headquarters

1. Select qualified external waste disposal vendors to ensure that the appointed vendors' waste processing procedures comply with regulatory requirements
2. Properly complete waste recycling and disposal, ensuring that on-site processing procedures comply with regulatory requirements

Medium and Long-Term Goals

1. Starting in 2024, the Company begins assessing the feasibility of paper reduction and paperless operations, and progressively plans possible measures and processes

Action Plan

- Encourage employees to bring their own plates and eating utensils when dining in the company cafeteria, and to avoid using disposable, single-use eating utensils whenever possible.
1. Promote waste recycling and sorting among company staff, and encourage minimizing the use of single-use utensils



Short-Term Goals

Milim

1. Establish an internal auditing system for waste management to ensure effective sorting and utilization
2. Complete the recovery and disposal of filter sludge, waste porcelain, and kiln equipment waste still stored on-site

Medium and Long-Term Goals

1. Handle long-term untreated waste

Action Plan

- Internally develop policy for the "ESG Management and Evaluation Plan" and conduct follow-up reviews according to the waste management processes outlined in the regulations.

Short-Term Action Plan

1. Recycle and reuse waste materials such as filter sludge, waste porcelain, and kiln equipment within the production process
2. Ensure the proper disposal of waste plaster in compliance with regulatory requirements

Medium and Long-Term Action Plan

1. Gradually expand the range of waste materials handled on-site
2. Properly store product molds and pallets that are not in production during the current season to reduce the amount of scrapping and disposal
3. Conduct procurement evaluations for recyclable materials for certain raw materials to ensure their waste can be reintegrated into the production process

3.5.1 Waste Management and Reduction

Taiwan Headquarters

Emphasize the recycling and sorting of waste by posting classification guidelines within the company and placing multiple recycling bins. This makes it easier and more convenient for employees to identify how to sort waste for recycling, while ensuring that employees carry out the sorting correctly.

Unit: Metric tons; %

Waste Categories	Waste Types	Treatment Methods	2021		2022		2023	
			Treatment Volume	%	Treatment Volume	%	Treatment Volume	%
General industrial waste	Employee domestic waste	Incineration	4.61	100%	3.88	100%	4.05	100%
Subtotal			4.61	100%	3.88	100%	4.05	100%

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Milim's solid waste primarily consists of waste porcelain and filter sludge, all of which are recycled by external vendors as raw materials for secondary use. Other waste is also entrusted to qualified external vendors for recycling and secondary use. However, waste plaster has not yet been assigned to a recycling unit that complies with government regulations and is currently stored on-site. All waste disposal methods are handled by qualified external vendors or follow internal storage procedures, and are conducted in accordance with ISO 14001 Environmental Management System requirements, as well as the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste. This ensures alignment with both internal and external standards, safeguarding against any harm to society and the environment



Total Waste Volume Statistics

Waste Categories	2021	2022	2023
General industrial waste (ton)	7,672.00	3,829.00	3,490.02
Hazardous industrial waste (ton)	0.50	0.50	0.52
General waste generated from business activities (m ³)	1,571.10	1,763.09	1,514.70

Unit: Metric tons; %

Waste Categories	Waste Types	Treatment Methods	2021		2022		2023	
			Treatment Volume	%	Treatment Volume	%	Treatment Volume	%
General industrial waste	Waste plaster	Recycle	3,644	47.5%	-	- %	-	- %
	Waste plastic bags	Recycle	-	- %	9	0.2	11.12	0.3%
	Waste cardboard	Recycle	-	- %	102	2.7%	118.04	3.4%
	Waste silicon carbide	Recycle	-	- %	5	0.1%	-	- %
	Waste mullite	Recycle	-	- %	13	0.3%	8.16	0.2
	Waste porcelain	Reuse	1,372	17.9%	1,300	34.0%	652.70	18.7%
	Filter mud	Recycle	2,656	34.6%	2,400	62.7%	2,700	77.4%
General waste generated from business activities (m ³)		Landfilling & Incineration	1,571.10	- %	1,763.09	- %	1,514.70	- %
Hazardous industrial waste	Waste mineral oil	Recycle	0.50	100.0%	0.50	100.0%	0.52	98.7%
	Waste minerals, Resin packaging materials	Recycle	-	- %	-	- %	0.01	1.3%

3.5.2 Recycle and Reuse - Materials Input Recycling and Reuse Statistics

In Shandong Province, the implementation measures for the "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste" specify that "those generating solid waste should incorporate solid waste pollution control into production and operational management, adopt production processes and technologies that meet clean production requirements, reduce the types and quantities of solid waste generated, and achieve efficient use and recycling of resources." Milim actively complies with the regulatory requirements of its operational locations. This not only contributes to environmental protection, enhances the recycling rate of waste, and reduces the volume of waste to be managed but also continually promotes the company's journey toward sustainable development, striving for a more sustainable future.

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Unit: metric tons

Year	2022			2023		
	Recycle (Sale)	Recycling and Reuse Statistics for Reintegrated	Total	Recycle (Sale)	Recycling and Reuse Statistics for Reintegrated	Total
Filter mud	2,400	-	2,400	2,700	-	2,700
Waste silicon carbide	5	-	5	-	-	-
Waste mullite	13	-	13	8.16	-	8.16
Waste porcelain	1,300	2,400	3,700	652.70	1,481	2,133.70
Waste plastic bags	9	-	9	11.12	-	11.12
Waste cardboard	102	-	102	118.04	-	118.04
Total	3,829	2,400	6,229	3,490.02	1,481	4,971.02

Note: The reintegration of waste porcelain into the process is an estimated value



Material recycling rate

Unit: Metric tons; %

Type/ Year	2022	2023
Recycled and reused material	2,400	1,481
Weight of recycled scrap materials	6,229	4,971
Material recycling rate	39%	30%

Note: Recycled and reused material (ton)/ Weight of recycled scrap materials (ton)



3.5.3 Pollution Control Expenditures

At the Taiwan Headquarters, which operates as an office, its pollution control expenses primarily consist of waste disposal costs. Waste is classified as general industrial waste and is handled by qualified external vendors, who transport it to the Houli EfW plant for treatment. In recent years, we have actively encouraged employees to use double-sided printing, reuse various resources, and support environmental protection initiatives to reduce waste. As a result, disposal costs have gradually decreased. This year, HQ's waste disposal expenses amount to NT\$8,100.

Unit: Thousand NTD

Type	2021	2022	2023
Waste treatment (general waste) expenses	12	8.2	8.1
Total environmental expenses	12	8.2	8.1

In 2023, Milim's increase in total environmental expenditure is due to: (1) the replacement of four sets of kiln gas online monitoring equipment; and (2) increased costs for pollutant detection, ensuring compliance with environmental regulations

Unit: Thousand CNY

Type	2021	2022	2023
Air pollution control expenses	-	-	396
Water pollution control expenses	640	640	540
Waste treatment (general waste) expenses	150	148	159
Environmental system certification expenses	350	300	251
Environmental education and training expenses	-	-	-
Environmental personnel expenses	184	184	492
Environmental hardware expenses	3,800	380	2,345
Total environmental expenses	5,124	1,652	4,183

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3.5.4 Milim's Waste Management – Hazardous Waste and Solid Waste Management

Milim actively complies with environmental regulations within its operational scope, such as the "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste," the "Measures for the Transfer of Hazardous Wastes," and the "Standard for Pollution Control on Hazardous Waste Storage," ensuring that waste management meets these standards.

Milim recognizes the importance of proper waste management in the factory and actively complies with regulatory requirements. While safeguarding the environment and society, the Company also adheres to its sustainability commitments, continuously advancing towards sustainable environmental goals.

Milim has established storage locations such as shed for managing solid waste, ensuring that it is not exposed. These facilities provide temporary storage space for solid waste and are constructed in accordance with regulatory requirements. Additionally, on-site personnel contact vendors for the treatment of solid waste based on the company's storage conditions.



Milim reports hazardous waste through the Weifang City Solid Waste Full Process Supervision System. The Company has established a "Hazardous Waste Warehouse" where hazardous waste is regularly managed and collected in accordance with regulations, stored securely in sealed conditions. During disposal, a transfer request is submitted in the system, and a contract is signed with a treatment vendor for processing.

At the same time, Milim understands that even waste in the final treatment process must be managed with diligence. From internal management processes to spatial arrangements, everything is handled according to requirements and regulations, striving for an exemplary management environment.

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4 Team Values

Highlights of 2023

Awarded the Silver Award for Happy Enterprise by 1111 Job Bank, committed to taking care of employees, actively giving back to society, and fulfilling corporate responsibilities.



Globe Union firmly believes that the value of the team is the driving force behind the company's continued growth. In 2023, the company redefined its corporate culture by instilling the four core values of "Act with Integrity," "Dare to Try," "Keep Improving" and "Work Together" into every team member. Through collective strength, the company aims to build a united entity that pursues excellence and continuous innovation.

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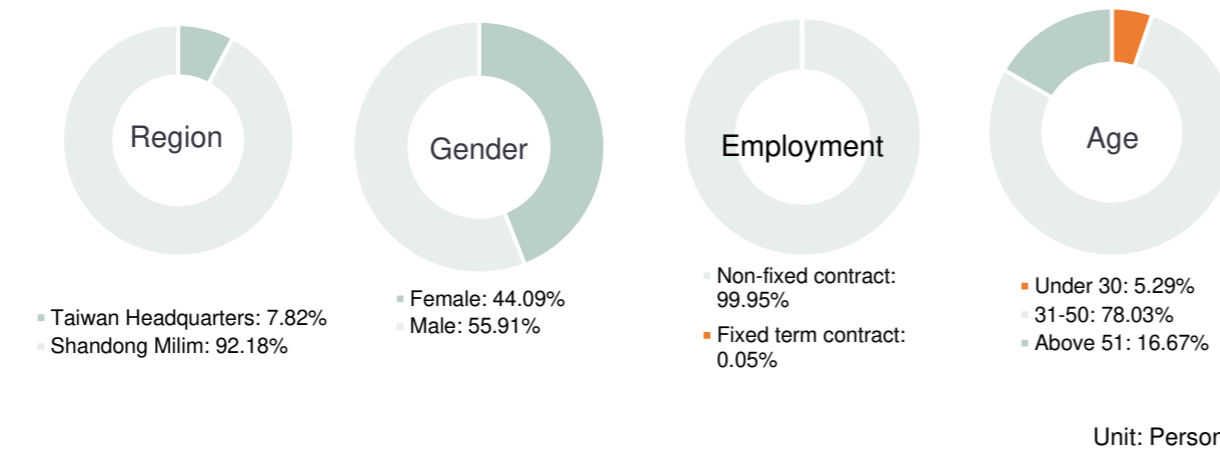
4.1 Talent Development

We regard our employees as our most valuable assets and are committed to providing each member with learning opportunities and room for growth, also to build comprehensive career development opportunities and create a high-quality, competitive workplace environment.

4.1.1 Employee Structure

In 2023, the total global workforce of Globe Union was 3,985 employees, with 2,347 of them based in Asia. Among them, the total number of employees at the Taiwan Headquarters and Milim reached 2,021. The age distribution of employees is primarily concentrated between 31 and 50 years old. None of the production and operational sites employed part-time staff or employees with no guaranteed hours.

Human Resource Structure Statistics

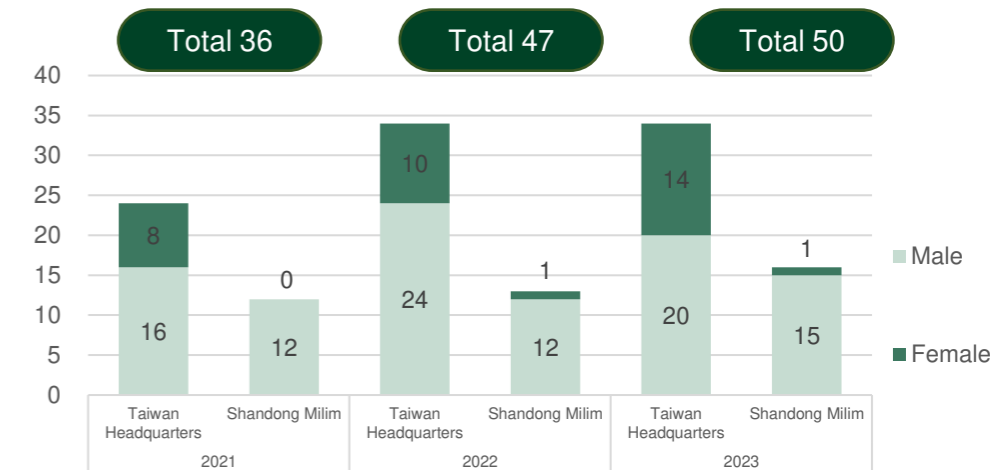


Year		2021		2022		2023		
Gender	Age	Taiwan Headquarters	Milim	Taiwan Headquarters	Milim	Taiwan Headquarters	Milim	
Number of Full-Time Employees	Male	Under 30	4	81	2	72	5	59
		31-50	48	873	43	844	39	768
		Above 51	23	192	24	234	25	234
	Female	Under 30	14	34	15	30	16	27
		31-50	66	805	62	784	50	720
		Above 51	15	27	14	45	23	55
Total		170	2,012	160	2,009	158	1,863	



Managerial-Level and Above Supervisors

Globe Union values equality and diversity. In 2023, female employees accounted for 44.09% of the total workforce. The difference in gender ratios due to the nature of work and job characteristics is common in society. However, Globe Union is committed to balanced development for employees, ensuring that compensation does not differ by gender for the same position. Although the number of senior managers at the manager level and above increased by only three compared to last year, the percentage of women in these positions has been rising for three consecutive years, growing from 22.22% in 2021 to 30.00% this year. This growth reflects Globe Union's continuous efforts in promoting and supporting talented female employees.



Globe Union is actively promoting gender equality and is dedicated to creating a diverse and inclusive work environment. We believe that such diversity fosters richer perspectives, further driving the company's continuous growth and development. Globe Union will continue to work diligently, offering various training and development programs to help employees reach their full potential and ensure that more outstanding female talent has opportunities for recognition and advancement within the company.

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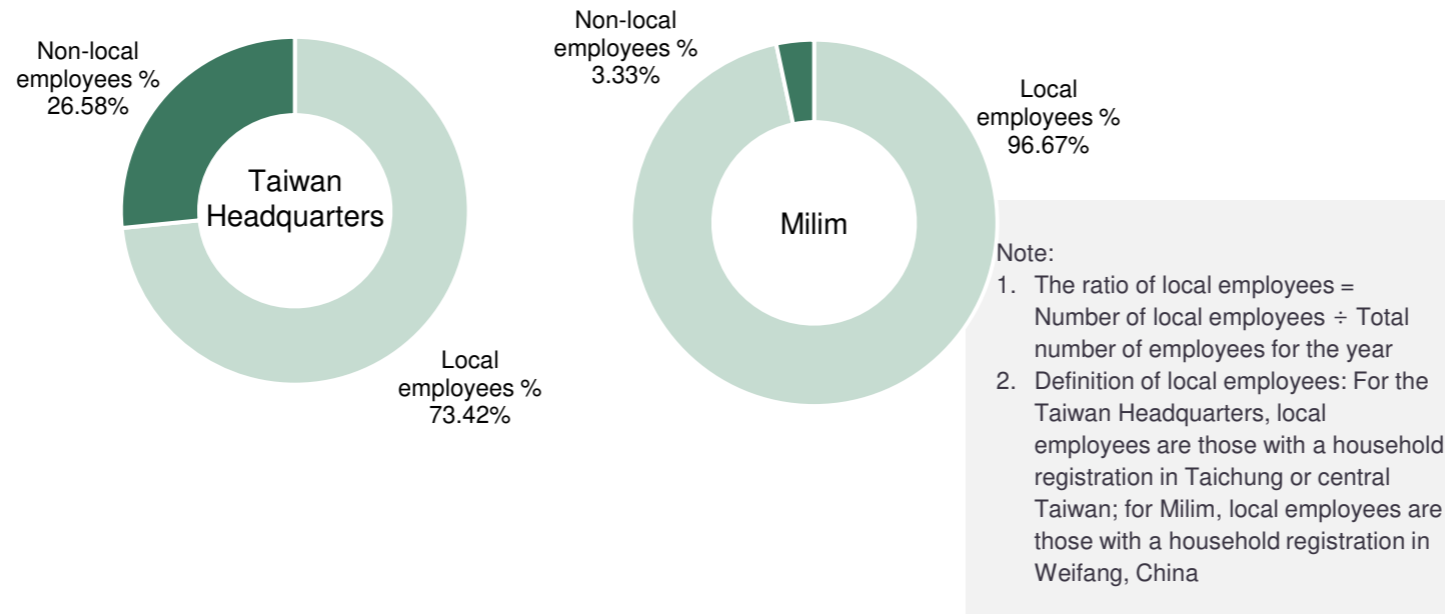
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● Employment of Local Residents

Globe Union believes that hiring local employees helps to understand and integrate into the local culture, values, and business practices. This approach effectively adapts to the local market, provides the company with accurate insights, and formulates more effective market strategies, gaining consumer trust and supporting the company's success.

Overall, Globe Union employs more than 70% local employee, demonstrating its commitment to local communities and economic development. This not only creates more job opportunities for local residents but also promotes regional economic prosperity and stability, and strengthens Globe Union's connection with the local community. The local employee employment ratio for this year is shown in the following chart:



● Proportion of Senior Management Hired from the Local Community

Globe Union places significant importance on balancing expatriate and local employees in the selection of executives. Currently, more than 70% of senior managers at both the Taiwan Headquarters and Milim are local residents, with Milim having an even higher proportion of 93.75%.

INTEGRITY AND SUSTAINABLE DEVELOPMENT



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Recruitment and Retention

Globe Union has maintained good and stable labor-employer relationships, which are key factors in the company's long-term achievement of performance goals. In 2023, the talent strategy focused on optimizing the accounting, finance, and management departments at the Taiwan Headquarters through internal cross-departmental rotations and external recruitment. This approach aims to meet the needs of integrated functional tasks and assess required skill sets based on demand, ensuring the company has suitable talent in various areas to support its continued growth.

Employee Recruitment

Globe Union uses diverse recruitment channels and attracts and retains talented individuals by offering comprehensive salary and benefits (for details, please refer to sections [4.2.1 Compensation Policy](#) and [4.2.2 Employee Benefits and Care](#)).

Outstanding Talent Development Program

Globe Union believes that a diverse workforce can bring more innovation and competitiveness to the company, thereby establishing a solid foundation for its continued development. Based on this belief, Globe Union emphasizes recruiting talent that aligns with the company's long-term development needs during the hiring process, according to operational strategies. The company actively recruits individuals with relevant skills and potential through various channels.

Employee Retention

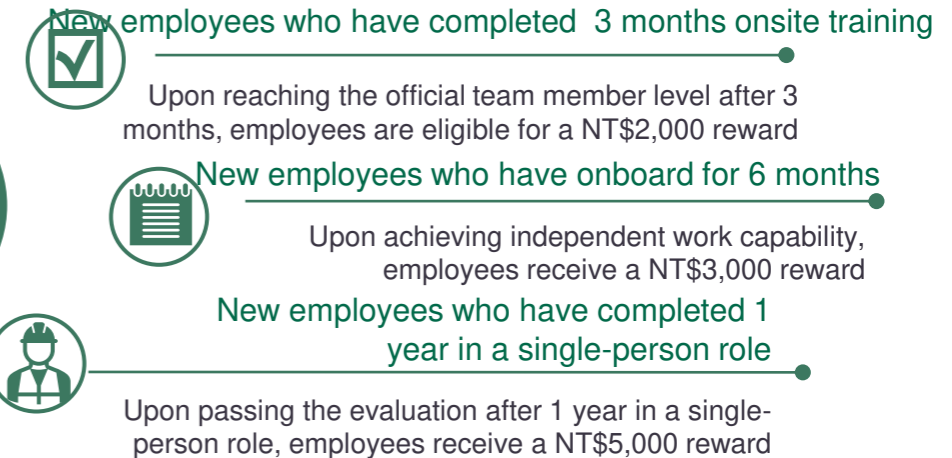
The Company provides comprehensive training to help new employees quickly integrate into the company culture and understand company policies. Regular employee satisfaction surveys and communication are conducted to promptly address potential issues. When an employee submits their resignation, the HR department conducts exit interviews to understand the reasons for leaving. Based on these reasons, an analysis is performed to identify key factors affecting retention and turnover, with the goal of improving employee retention rates.

New Employee Satisfaction Survey

Globe Union incorporates the "New Employee Satisfaction Survey" into the onboarding process and provides a "New Employee Interview Form" for managers to conduct interviews, thereby strengthening employee care. In 2023, there were 23 new employees, and the response rate was 100%, with an overall satisfaction rating of 4.5.

Recruitment & Retention and Incentive Policies

Milim has developed an annual recruitment plan and incentive policies based on the 2023 staffing needs, with monthly recruitment plans established regularly. This year, the total recruitment plan was to hire 481 people, and 313 were actually recruited, achieving a recruitment plan completion rate of 65.1%. Additionally, to improve the retention of new employees, retention incentive policies have been established for key operational positions.



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● Performance Management

Globe Union emphasizes a goal-oriented performance management system to ensure that every employee can realize their full potential in the company's development. At the beginning of each year, managers and employees discuss and set annual goals together. Through ongoing communication and feedback, work progress is closely monitored, and assistance and guidance are provided to ensure that the set goals are achieved by the end of the year. Additionally, the Company strengthens the promotion of core value behavior standards and incorporates them into the evaluation criteria, expecting employees to demonstrate actions aligned with Globe Union's values and culture.

Performance Evaluation

Globe Union conducted comprehensive evaluations to identify outstanding employees and provide appropriate incentives. The evaluation rate reached 100% for both the Taiwan Headquarters and Milim. The detailed numbers of individuals assessed in the performance evaluations are as follows:

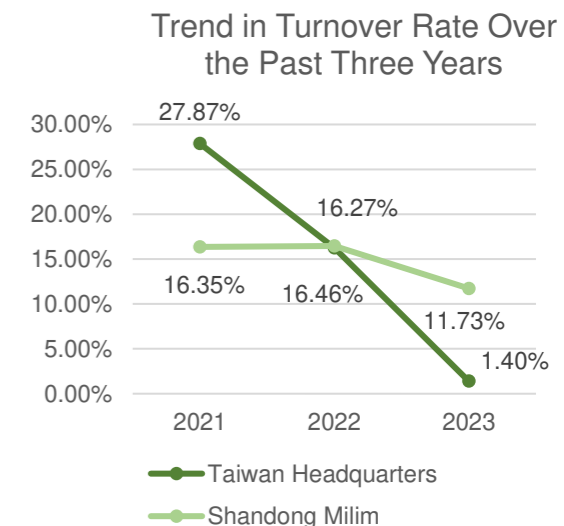
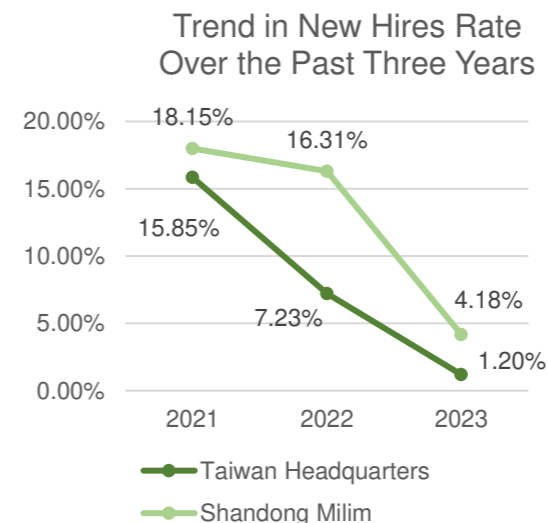
Unit: Person

Gender	Male		Female	
	Taiwan Headquarters	Milim	Taiwan Headquarters	Milim
Manager	22	15	17	1
Non-managerial employee	47	1,046	65	801
Total	69	1,061	82	802

● Employee Turnover Rate

In 2023, Globe Union continued to demonstrate flexibility and adaptability in human resource management, effectively meeting business development needs while controlling employee turnover. At the Taiwan Headquarters, adjustments to functions, tasks, responsibilities, and group business restructuring led to the hiring of 23 new employees, resulting in a new hire rate of 1.20% and a turnover rate of 1.40%. At Milim, recruitment and staffing were aligned with actual production needs, with a new hire rate of 4.18% and a turnover rate of 11.73% for the year.

Note: The method of statistical data collection for talent turnover rate at the Taiwan Headquarters has been adjusted for the year. Please refer to the table on the following page for detailed explanations



New Hires Rate

Taiwan Headquarters

Unit: Person; Percentage (%)

Year	2021				2022				2023			
Age/ Gender	Number of Male	New Hires Rate of Male	Number of Female	New Hires Rate of Female	Number of Male	New Hires Rate of Male	Number of Female	New Hires Rate of Female	Number of Male	New Hires Rate of Male	Number of Female	New Hires Rate of Female
Under 30	5	17.24%	9	31.03%	2	16.67%	5	41.67%	3	11.54%	6	23.08%
31-40	4	13.79%	9	31.03%	4	33.33%	-	-%	3	11.54%	7	26.92%
41-50									1	3.85%	2	7.69%
Above 51	-	-%	2	6.90%	1	8.33%	-	-%	1	3.85%	3	11.54%
Total number of new hires	29				12				23			
Total number of employees	170				162				158			
Total new hires rate (%)	15.85%				7.23%				1.20% ^{Note3}			

Note:

1. New Hire Proportion = Number of new hires by age and gender ÷ Total number of new hires for the year
2. Total New Hire Rate = Total number of new hires for the year ÷ ((Number of employees at the beginning of the year + Number of employees at the end of the year) ÷ 2) * 100%
3. The data collection and calculation method were revised in 2023. The Total New Hire Rate is calculated as the average of the monthly new hire rates for the year

Milim

Unit: Person; Percentage (%)

Year	2021				2022				2023			
Age/ Gender	Number of Male	New Hires Rate of Male	Number of Female	New Hires Rate of Female	Number of Male	New Hires Rate of Male	Number of Female	New Hires Rate of Female	Number of Male	New Hires Rate of Male	Number of Female	New Hires Rate of Female
Under 30	87	24.03%	17	4.70%	70	21.34%	16	4.88%	10	12.35%	2	2.47%
31-50	142	39.23%	101	27.90%	139	42.38%	85	25.92%	18	22.22%	28	34.57%
Above 51	11	3.04%	4	1.10%	13	3.96%	5	1.52%	16	19.75%	7	8.64%
Total number of new hires	362				328				81			
Total number of employees	2,012				2,009				1,863			
Total new hires rate (%)	18.15%				16.31%				4.18%			

Note:

1. New Hire Proportion = Number of new hires by age and gender ÷ Total number of new hires for the year
2. Total New Hire Rate = Total number of new hires for the year ÷ ((Number of employees at the beginning of the year + Number of employees at the end of the year) ÷ 2) * 100%

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Turnover Rate

Taiwan Headquarters

Unit: Person; Percentage (%)

Year	2021				2022				2023			
Age/ Gender	Number of Male	Turnover Rate of Male	Number of Female	Turnover Rate of Female	Number of Male	Turnover Rate of Male	Number of Female	Turnover Rate of Female	Number of Male	Turnover Rate of Male	Number of Female	Turnover Rate of Female
Under 30	6	11.76%	6	11.76%	4	14.81%	4	14.81%	-	-%	4	15.38%
31-40	14	27.45%	21	41.18%	8	29.63%	6	22.22%	1	3.85%	5	19.23%
41-50									2	7.69%	4	15.38%
Above 51	2	3.92%	2	3.92%	3	11.11%	2	7.41%	7	26.92%	3	11.54%
Total number of employees who resigned	51				27				26			
Total number of employees	170				162				158			
Total turnover rate (%)	27.87%				16.27%				1.40% ^{Note3}			

Note:

1. Resignation Proportion = Number of resignations by age and gender ÷ Total number of resignations for the year
2. Total Turnover Rate = Total number of resignations for the year ÷ (Number of employees at the beginning of the year + Number of employees at the end of the year) ÷ 2) * 100%
3. The data collection and calculation method were revised in 2023. The Total Turnover Rate is calculated as the average of the monthly turnover rates for the year

Milim

Unit: Person; Percentage (%)

Year	2021				2022				2023			
Age/ Gender	Number of Male	Turnover Rate of Male	Number of Female	Turnover Rate of Female	Number of Male	Turnover Rate of Male	Number of Female	Turnover Rate of Female	Number of Male	Turnover Rate of Male	Number of Female	Turnover Rate of Female
Under 30	56	17.18%	14	4.29%	64	19.34%	15	4.53%	26	11.45%	6	2.64%
31-50	150	46.01%	87	26.69%	132	39.88%	83	25.08%	73	32.16%	76	33.48%
Above 51	13	3.99%	6	1.84%	22	6.65%	15	4.53%	34	14.98%	12	5.29%
Total number of employees who resigned	326				331				227			
Total number of employees	2,012				2,009				1,863			
Total turnover rate (%)	16.35%				16.46%				11.73%			

Note:

1. Resignation Proportion = Number of resignations by age and gender ÷ Total number of resignations for the year
2. Total Turnover Rate = Total number of resignations for the year ÷ (Number of employees at the beginning of the year + Number of employees at the end of the year) ÷ 2) * 100%

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4.1.2 Knowledge and Skill Enhancement

Globe Union firmly believes that "corporate growth is driven by constant innovation and developing the value of talent." Adhering to this core business philosophy, the company offers well-structured training programs for employees, providing a learning and development environment to encourage continuous learning and leveraging individual strengths, thus aligning employee growth with corporate development goals. In 2023, the Taiwan Headquarters conducted a total of 61 training sessions, with 1,036 participants and a total training budget of NT\$3,884,356, achieving an overall satisfaction rating of 4.4. Milim conducted 314 training sessions, with a total of 39,658 participants.

Talent Sustainability

Talent is a crucial asset for Globe Union. The company reduces employee turnover by shaping corporate culture, implementing a comprehensive compensation system, developing key talent, and maintaining a robust performance management mechanism.

Policy Commitments

Provide an encouraging environment for innovation, development, and inclusion, and construct a competitive talent management system to establish a solid foundation for the long-term success and sustainable development of the enterprise.

Taiwan Headquarters	Short-Term Goals (2024)	Medium and Long-Term Goals (2028)	Action Plan
Milim	<ol style="list-style-type: none"> Establish a competency-based talent management framework Complete the competency development map Plan to establish a Talent Development Committee 	<ol style="list-style-type: none"> Promote core corporate values Hold regular Talent Development Evaluation Committee meetings 	<ol style="list-style-type: none"> Clearly define Globe Union's key positions and key talents Establish Globe Union's "Competency Model" through a position competency assessment Develop Individual Development Plans (IDP) for key talents and regularly review the effectiveness of talent development through the Talent Development Evaluation Committee
Milim	<ol style="list-style-type: none"> Enhance human resources function planning (for detailed content, please refer to section 4.1.2 Knowledge and Skill Enhancement) Increase the competency development goals to 80% for R&D talent Improve the readiness of reserve management talent for succession 80% 	<ol style="list-style-type: none"> Establish a comprehensive talent development mechanism and platform Enhance the development rate of key talent, focusing on training and skill improvement 100% 	<ol style="list-style-type: none"> The Human Resource Development Department is responsible for training management for new and current employees

2023 Actual Performance

Taiwan Headquarters

- Invested NT\$3.4 million in executing the talent development program, with 27 managers participating
- Invested NT\$320,000 to establish the "Competency Model," conducted 3 training sessions (92 participants), and held one-on-one interviews (10 participants) in this year

Milim

- Continued using the "cloud-based training platform" to implement talent training and track effectiveness
- Developed a new employee onboarding plan
- Enhanced training hardware and software equipment

Communication Channels

- Townhall meeting
- One-on-one interviews
- Talent development program meeting
- Leadership meeting

- Company employee proposal communication/representative mechanism: Hold regular communication meetings to promptly address and improve issues

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2023 Talent Training Statistics

Unit: Hour; Participant

Training Executed by Taiwan Headquarters and Milim This Year

Excellent talent is the key to Globe Union's competitive advantage. Therefore, Globe Union provides various training courses and development programs to help employees grow alongside the company. Globe Union has planned education and training based on job roles. This year, the Taiwan Headquarters conducted a total of 2,143.25 hours of training courses, with an average training time of appx 13.56 hours per person. Among them, the average training time for each male employee was approximately 14.26 hours, while for each female employee, it was about 13.02 hours. In Milim, a total of 83,352 hours of training courses were held, with an average training time of about 44.74 hours per person. Among them, the average training time for each male employee was approximately 50.16 hours, while for each female employee, it was about 37.57 hours.



Course Categories	Taiwan Headquarters			Milim		
	Course Hours	Training Hours	Number of Training Participants	Course Hours	Training Hours	Number of Training Participants
HR Management	20	943	291	73	3,080	1,740
Occupational Safety Training	6	215	178	23	57,460	27,830
Internal Audit	6	58	6	8	4,000	2,000
Quality Management	-	-	-	8	4,000	2,000
R&D Technology	6	100	14	42	988	924
Finance and Accounting Management	3	33	4	42	1,750	780
Information Management	2	12	2	7	140	70
Sales Management	-	-	-	6	120	60
Pre-employment Training	1	161	23	4	20	20
Information Security	3	233.50	131	1	36	18
Intellectual Property Management	11	148.75	115	15	5,790	1,970
Human Rights Training	1	131	131	23	1,968	246
Integrity Training	2	108	141	1	4,000	2,000

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Nurturing Talent, Fostering Success

Learning Revolution

Globe Union is committed to establishing a comprehensive career development system by providing global employees with both internal and external training, as well as blended learning that combines online and offline methods. The company has established an online course platform internally to integrate various resources, allowing learning to be unrestricted by time and space. This platform also effectively preserves knowledge and facilitates knowledge sharing. By systematically integrating and analyzing training resources, Globe Union enhances the speed and effectiveness of training and cultivates qualified employees who meet the needs of various positions.

Education and Training

Establishment of the Competency Model

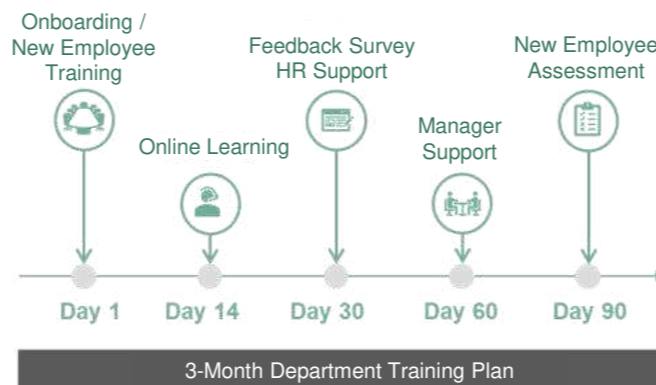
To enhance the company's training and development system, Globe Union has established a "competency model" based on the competencies required for different managers and employees. This model serves as the foundation for future talent development and training planning, creating a learning blueprint that guides employees in their career development at Globe Union.

Leadership Development for Managers

To enhance the management skills of mid-level and frontline managers, Globe Union has arranged training not only in business management but also in human resource management, such as employee care abilities, to strengthen the relationship between managers and employees. This year, the training participation rate reached 95%.

New Employee Onboarding Plan

In 2023, Globe Union continued to provide comprehensive education and training for new employees. All completed training materials were uploaded to the Life@GU learning platform, allowing new employees to access online learning anytime, effectively shortening their learning curve.



Milim's Talent Development and Management Reserve Policy

Tailored training plans have been developed for different trainee groups. In 2023, the completion rate for centralized training of new employees and training for employees transitioning to new roles reached 100%. Additionally, each division conducts monthly On-the-Job Training (OJT) and focuses on training for key positions. After the training, effectiveness is assessed through examinations and evaluation mechanisms. The pass rate for training exams exceeded 90%, and the satisfaction ratings for trainers and courses were all above 90 points.



4.2 Foundation for Progress

Globe Union views its employees as valuable assets. Through various human resource management practices, Globe Union not only reviews labor wages, benefits, and gender-related regulations annually, but also regularly surveys industry market conditions to adjust employee compensation and benefit standards. At the same time, the company combines these efforts with a comprehensive evaluation system to reward outstanding performance, aiming for mutual growth between employees and the company.

4.2.1 Remuneration Policy

Globe Union offers a comprehensive compensation system, planning regular salary review processes, and providing employees with salaries that are above industry standards. In addition, there are bonus and profit-sharing systems in place to ensure the retention of talent. Furthermore, Globe Union's internal annual "performance evaluation" is 80% based on work results, ensuring an objective review process that offers fair promotion opportunities to employees across different regions. In 2023, 100% of Globe Union employees, regardless of gender, participated in the evaluation.

4.2.2 Employee Benefits and Care

In addition to legally mandated employee benefits, Globe Union collaborates with the Employee Welfare Committee to provide additional benefits, including safety, health, environmental, educational, and vacation-related perks. The company also encourages employees to freely form activity/interests clubs.

Safety and Health	Education and Entertainment	Rights Protection
<ul style="list-style-type: none"> Employee group insurance Employee regular health check-ups Employee cafeteria Comfortable and clean office environment Compensation for injuries and bereavement 	<ul style="list-style-type: none"> Books borrowing Birthday celebrations Employee children's scholarships Company trip Fitness center Festive benefits Wellness leave 	<ul style="list-style-type: none"> Flexible working hours Parking subsidy Employee benefits gifts

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Parental Leave Without Pay

The Taiwan Headquarters implements the parental leave without pay system in accordance with the Labor Standards Act and the Gender Equality in Employment Act, allowing employees to balance family and work. In 2023, there were 2 employees who applied. The return-to-work rate after parental leave was 100%, and the retention rate was 75%.

Year	2021			2022			2023		
	Gender/Total	Male	Female	Total	Male	Female	Total	Male	Female
Actual Number of Applications for Parental Leave Without Pay for the Year (A)	2	9	11	1	1	2	-	2	2
Number of Employees Required to Return to Work After Parental Leave Without Pay for the Year (B)	-	6	6	1	1	2	-	1	1
Actual Number of Employees Who Returned to Work After Parental Leave Without Pay for the Year (C)	-	1	1	1	1	2	-	1	1
Actual Number of Employees Who Returned to Work After Parental Leave Without Pay in the Previous Year (D)	-	1	1	1	1	2	2	2	4
Number of Employees Who Returned to Work After Parental Leave Without Pay and Continued Working for One Year in the Previous Year (E)	-	1	1	-	-	-	2	1	3
Parental Leave Without Pay Return-to-Work Rate for the Year (%) (C/B)	-%	16.67%	16.67%	100%	100%	100%	-%	100.00%	100.00%
Parental Leave Without Pay Retention Rate for the Year (%) (E/D)	-%	100%	100%	-%	-%	-%	100%	50.00%	75.00%

Note:

1. Number of employees required to return to work = Number of employees expected to return to work after parental leave without pay in the year
2. Annual retention number = Number of employees who returned to work in the previous year and were still employed as of December 31 of the current year

Pension Scheme

Globe Union has established appropriate retirement plans for each operational site. In Taiwan, according to the "Labor Pension Act," the employee pension contribution plan stipulates that 6% of employees' monthly salaries are allocated to individual retirement accounts managed by the Bureau of Labor Insurance. For employees at foreign subsidiaries, retirement plans and pension contributions are managed according to the relevant regulations of the local subsidiaries, all of which fall under defined contribution plans.

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Employee Activities



▲ Family Day

To support the physical and mental wellness of our employees, Globe Union provides various resources and organizes a series of employee activities to enhance the quality of their benefits and help them achieve a work-life balance. The Company encourages employees to form clubs freely, such as badminton, yoga, basketball, and photography clubs, and hosts related events during festive periods. For instance, the Taiwan Headquarters organized a Christmas gift exchange and a Thanksgiving dinner in 2023. Additionally, Globe Union values the support for employees' families. In 2023, the Company held a Family Day event, allowing employees and their families to participate together. That same year, Milim organized a company-wide travel event to ensure that every employee could enjoy a happy Globe Union life.



▲ Tug-of-War Activity



▲ Employee Day



▲ Christmas Gift Exchange Activity

4.3 Open and Diverse

Our team is one of our most valuable assets. We are dedicated to creating an open and inclusive work environment that fosters innovative thinking and the exchange of diverse perspectives. Through teamwork and mutual trust, we aim to transcend individual interests, pursue common goals, and achieve shared success.

4.3.1 Creating a Fair/Transparent/Friendly Workplace

Creating a Fair/Transparent/Friendly Workplace

A fair, transparent, and friendly workplace encompasses the transparency of various systems, occupational health and safety, and the elimination of all forms of discrimination. By enhancing awareness of human rights, we create an environment of mutual respect and inclusivity. Implementing effective occupational health and safety management ensures that workers' rights are well-protected.

Policy Commitments

Establish a fair and safe work environment on the basis of mutual benefit between labor and management, enabling colleagues to work in a friendly workplace that respects them, promotes transparent communication, and prioritizes employee health.



Short-Term Goals

Taiwan Headquarters

1. Regularly inform employees about the grievance mechanism and various communication channels
2. Regularly promote DEI (Diversity, Equity, and Inclusion) principles and core corporate values
3. Occasionally hold discussions related to physical, mental, and spiritual wellness

Action Plan

1. Utilize various channels to strengthen the promotion of DEI (Diversity, Equity, and Inclusion) principles to all employees
2. Continue to promote the grievance mechanism and various communication channels throughout the organization
3. Increase employee satisfaction and sense of belonging, and achieve a win-win situation

Create a diverse and inclusive workplace, and advocate for transparent and effective two-way communication

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Creating a Fair/Transparent/Friendly Workplace

Taiwan Headquarters

Medium and Long-Term Goals

1. Regularly inform employees about the grievance mechanism and various communication channels
2. Regularly promote DEI (Diversity, Equity, and Inclusion) principles and core corporate values
3. Occasionally hold discussions related to physical, mental, and spiritual wellness

Action Plan

1. Plan to conduct employee feedback surveys and engagement surveys
2. Analyze and evaluate the feedback, and develop optimization action plans

Communication Channels

- Labor-management meetings and town hall meetings
- Company public mailbox: gu.careyou@globeunion.com

Milim

Short-Term Goals

1. Employee grievance resolution rate reaches target

Action Plan

1. Launch of promotional activities and improvement of employee living conditions
2. Employee satisfaction surveys and problem resolution
3. Inherent safety production management framework to foster an inherent safety corporate culture

Medium and Long-Term Goals

1. Improve employee satisfaction
2. Build corporate image
3. Hold regular Talent Development Evaluation Committee meetings

Communication Channels

- Through worker representative assemblies/employee representative mechanisms and employee proposal communication systems, hold regular communication meetings and implement timely improvements

Action Plan

1. Enhance labor relations
2. Establish employee protection systems (salary, benefits, safety, physical and mental health)
3. Promote a culture of employee care
4. Continue to improve workplace physical environment
5. Actively participate in social welfare businesses

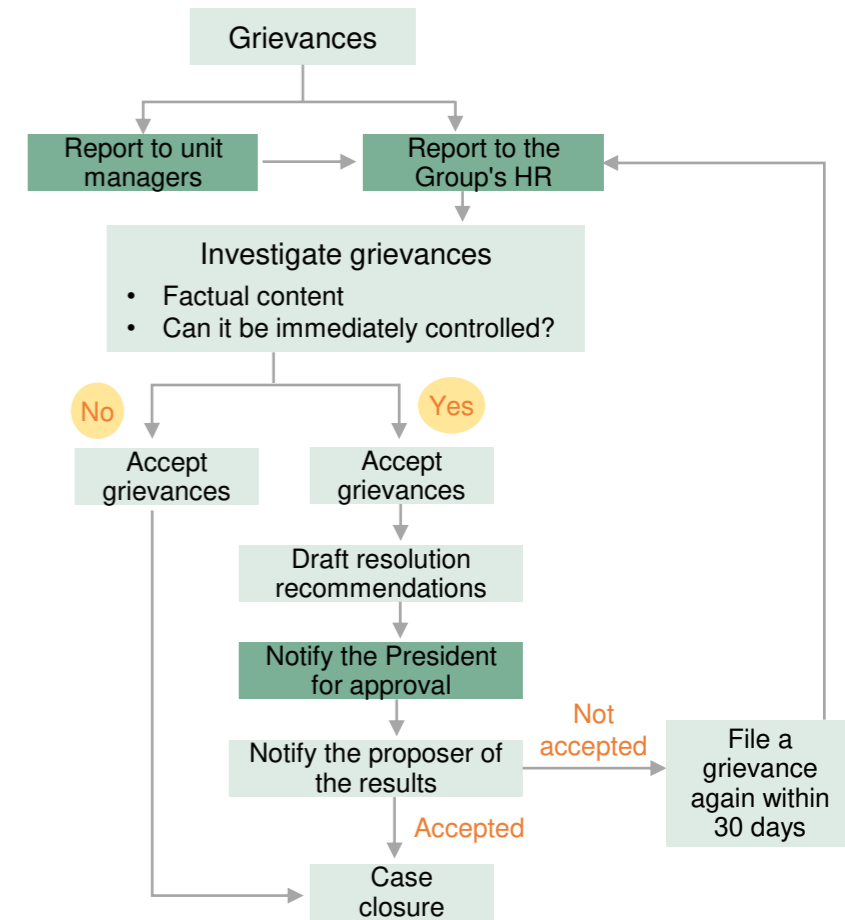
2023 Actual Performance

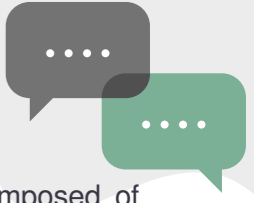
- 4 labor-management meetings
- 4 occupational safety meetings
- 3 town hall meetings
- 3 disaster prevention awareness sessions and drills
- 1 gender equality and anti-sexual harassment awareness session

Globe Union actively builds positive employee relations by establishing various open communication channels. Employees can share any opinions through diverse channels to achieve thorough communication and effective problem-solving.

In 2023, Milim collected 4,552 proposals for daily management, with 4,031 proposals officially filed. Among these, 207 were categorized as innovative and 53 were recognized as excellent proposals (primarily involving small tool inventions, equipment improvements to enhance work efficiency, and work improvements to reduce labor).

Grievance Mechanism of Globe Union





● Important Communication Channels and Grievance Channels

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1. Labor-Management Meetings:

Hold regularly as required by law to conduct labor-management negotiations and discuss labor issues. Labor-management meetings are composed of representatives from both labor and management. Labor representatives are elected directly by all employees and serve a four-year term, with the possibility of re-election. Labor-management meetings are held every three months. All employees can submit suggestions to the company through these labor and management representatives. Through quarterly meetings, labor representatives are informed of recent important operational updates, workforce conditions, and labor-related communication issues, which helps establish harmonious labor-management relations and promotes labor-management cooperation.

2. "I Have Something to Say" Care Mailbox:

Employees who encounter sexual harassment or face issues related to work or life can seek assistance from the Human Resources department or the Care Mailbox.

✉ : gu.careyou@globeunion.com

3. Global Employee Reporting Mailbox:

To uphold employee rights, the Company has established a confidential mechanism for reporting grievances or incidents, ensuring the freedom and confidentiality of employee complaints.

✉ : whistle@globeunion.com

4. Chairman & CEO Meetings:

Held every 2 to 3 months, where the Chairman and CEO discuss the current progress of company operations with employees. Prior to the meeting, employees are invited to submit questions or suggestions anonymously via a web link. After consolidating the questions, a Q&A session is scheduled during the meeting to address employees' inquiries.

4.3.2 Human Rights Management

Since its establishment, Globe Union has been committed to promoting and protecting the inherent basic rights of employees, supporting international labor-related human rights standards. The company has implemented the "Code of Conduct" and "Human Rights Policy" (for detailed information, please refer to the [official website](#)), requiring all employees to adhere to these standards in their daily work and business operations. Additionally, suppliers and partners are required to ensure that their operational activities do not infringe on basic human rights (for detailed information, please refer to section [2.3 Responsible Procurement](#)). To fully reflect its responsibility to respect and protect human rights, Globe Union has conducted physical human rights education training, totaling 2,099 hours in 2023 (for detailed information, please refer to section [4.1.2 Knowledge and Skills](#) Enhancement), with no significant grievance incidents reported.

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“ Be committed to human rights, equality, and inclusion. We oppose discrimination and strive for a safe, respectful environment. Globally, we promote dignity and well-being.” ”

2023 Human Rights Focus and Actions

Item	Description	Stakeholders	[Taiwan Headquarters]		[Milim]	
			Objectives / Mitigation Measures	Achievement Status	Objectives / Mitigation Measures	Achievement Status
Anti-discrimination	<ul style="list-style-type: none"> Non-discriminatory recruitment advertising No discrimination disputes 	Job seeker	No discrimination incidents in recruitment announcements and advertisements: 0 cases	100% Achieved	Full implementation of anti-discrimination: Employment, training, and promotion of employees are conducted without discrimination based on ethnicity, race, gender, age, religion, beliefs, or any other characteristic	100% Achieved
Sexual harassment	<ul style="list-style-type: none"> No sexual harassment complaint cases 	Employee, Job seeker	Sexual harassment complaint: 0 cases	100% Achieved	Sexual harassment complaint: 0 cases	100% Achieved
Child labor and young workers	<ul style="list-style-type: none"> Prohibition of child labor Workers under the age of 18 are not allowed to engage in hazardous work 	Employee	<ol style="list-style-type: none"> Percentage of child labor (under 15 years old): 0% Percentage of young workers (under 18 years old) in hazardous positions: 0% 	100% Achieved	<ol style="list-style-type: none"> Percentage of child labor (under 15 years old): 0% Percentage of young workers (under 18 years old) in hazardous positions: 0% 	100% Achieved
Female employee protection policy	<ul style="list-style-type: none"> Pregnant women who are more than 7 months pregnant are not allowed to engage in hazardous work Female employees are entitled to 1 day of menstrual leave per month and 3 days per year, which should not affect their salary 	Employee	<ol style="list-style-type: none"> Pregnant women who are more than 7 months pregnant are not allowed to engage in hazardous work: 0 cases No incidents of menstrual leave (1 day per month / 3 days per year) affecting salary: 0 cases 	100% Achieved	<ol style="list-style-type: none"> Female employees are not terminated for any reason during the three periods (pregnancy, maternity leave, and breastfeeding period). Equal employment rights for both men and women, with equal pay for equal work 	100% Achieved
Safe and healthy working environment	<ul style="list-style-type: none"> Regularly conduct occupational safety and health training courses 	Employee	<ol style="list-style-type: none"> At least 2 occupational safety and health training courses are conducted annually 	100% Achieved	<ol style="list-style-type: none"> Provide occupational safety and health training for all new employees Regularly conduct fire drills 	100% Achieved

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5 Prevention and Welfare as Priorities

5.1 Comprehensive Environment

5.1.1 Occupational Safety and Health Management

In 2023, Globe Union continued to hold the Badge of Accredited Healthy Workplace. Milim also adheres to the ISO 45001 Occupational Health and Safety Management System, regulating the management and operation of various safety aspects. In addition to preventing ergonomic and overload hazards, as well as chemical exposure risks, Globe Union conducts ongoing follow-ups and health education for employees with abnormal health check results. As per occupational safety and health regulations, special care and guidance are provided to female employees' maternal health by specialist doctors and nurses. The company also

continuously organizes consultations and seminars on employee physical and mental health, aiming to prevent occupational accidents and create a safe working environment, and striving to build a more friendly and comprehensive occupational safety and health management model. There were no major occupational safety incidents or cases of occupational diseases in 2023, reflecting the effectiveness of Globe Union's efforts and measures in workplace safety management.



Occupational Safety Organization Structure

Both the Taiwan Headquarters and Milim have established Occupational Safety and Health Management Committees, which hold regular meetings to ensure the health and safety of employees.

	Taiwan Headquarters	Milim
Member	Total of 6 members, composed by Chairperson and Vice Chairperson; and 4 labor representatives	Composed of senior management and representatives from various departments, with a total of 17 members, of which 16 are labor representatives, accounting for 94.11% of the committee
Frequency	Quarterly meeting	every 2 weeks
Responsibility	Responsible for implementing and enforcing occupational health management and occupational disease prevention work, integrating these into the company's daily operational policies. Additionally, set occupational safety goals and formulate plans, and ensure their execution through regular monitoring programs. Address inter-departmental coordination to effectively implement the employee health and safety management system	

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Occupational Accident Statistics

During the reporting period, neither the Taiwan Headquarters nor Milim experienced any major occupational safety incidents, indicating that Globe Union's efforts and measures in employee workplace safety management have been quite effective. In 2023, Milim reported 3 cases of disabling injuries and 3 confirmed cases of occupational diseases. The company has processed these cases in accordance with procedure and requirement, including job reassignment, injury assessment, treatment, and compensation. Below is the table showing the occupational injury statistics for Globe Union's various locations over the past three years:

Operating Sites	Taiwan Headquarters			Milim		
	Safety Indicators / Year	2021	2022	2023	2021	2022
Occupational Injury Rate (IR)	-	-	-	0.19	0.30	0.15
Occupational Disease Rate (ODR)	-	-	-	0.10	0.08	0.15
Lost Time Rate (LDR)	-	-	-	5.70	21.12	5.15
Absenteeism Rate (AR)	0.61%	0.41%	0.59%	0.69%	0.68%	0.34%
Number of Fatalities	-	-	-	-	-	-

Note:

- Data above excludes work-related injuries caused by commuting
- Total Worked Hours = Actual working hours experienced by labor in the year (including overtime, excluding Globe Union)
- Injury Rate (IR) = (Total number of disabling injuries / Total worked hours) * 200,000
- Occupational Disease Rate (ODR) = (Total number of occupational diseases / Total worked hours) * 200,000
- Lost Time Rate (LDR) = (Total number of lost workdays / Total worked hours) * 200,000
- Absenteeism Rate (AR) = (Number of absence days (sick leave + non-commuting work injury leave) / Total annual working days for all employees) * 100%
- There have been no major occupational safety incidents in the company in the past three years.

Optimization of Occupational Safety Equipment and Environment

Optimize the slurry processing procedures to reduce physical labor for employees

Introduce dust extraction equipment to reduce dust exposure for on-site workers



Item	Background Information	Standard	Protective Measures
<input checked="" type="checkbox"/> Silica dust	0.4-0.8 mg/m ³	1 mg/m ³	Wear a dust mask
<input checked="" type="checkbox"/> Noise	73.5-83.7 dB (A)	85 dB (A)	Wear earplugs and a headset
<input checked="" type="checkbox"/> High temperature	24.1-26.9 °C	32 °C	Protective cooling and heat prevention items

Note: Occupational diseases are negative health impacts caused by exposure to hazards at work. Occupational diseases include acute, recurrent, and chronic health problems caused or exacerbated by working conditions or practices. These include musculoskeletal disorders, skin and respiratory diseases, malignant cancers, diseases caused by physical factors (such as noise-induced hearing loss and vibration-related illnesses), and mental health disorders (such as anxiety and post-traumatic stress disorder).

Investments and Actions Related to Occupational Health and Safety in 2023

Item	Description	Investment Amount/Quantity
Improve fire safety equipment in the raw material storage area	Meet fire safety requirements	NT\$178,000/ 1 item
Introduce dust collection equipment in the workshop	Used to remove dust and related pollutants, reduce air pollution in the workplace, and minimize the risk of operators inhaling harmful substances	NT\$368,000/ 1 item
Install air conditioning ducts in the workshop	Improve the heat issues in the work area and provide employees with a comfortable working environment	NT\$96,000/ 1 item
Structural safety retrofit for ball mills	Improve production processes to reduce physical labor intensity for employees and optimize the working environment	NT\$112,000/ 1 item

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Occupational Safety Supervision Audit

In 2023, Milim continued to advance and refine 13 management projects in accordance with the three-level safety standardization evaluation criteria, including safety objectives, organizational structure, safety investment, legal regulations, education and training, hazard identification, production equipment and facilities, operational safety, hazard source identification, occupational health, accident investigation and handling, emergency rescue, and continuous improvement. At the same time, Milim continued to receive recertification for the ISO 45001 Occupational Health and Safety Management System from the Quality Assurance Center of China Association for Quality.



Occupational Health and Safety Management Certification ▶

5.1.2 Employee Communication on Occupational Health and Safety

Globe Union places great importance on occupational health and safety issues. Although the work environment does not involve production activities or hazardous substances, quarterly occupational safety physical meetings are held regularly. The safety committee is composed of labor representatives from labor-management meetings, who engage in thorough and effective communication on occupational health and safety issues of concern to labors.

Occupational Safety and Health Meetings - Taiwan Headquarters

Members: 1 Chairperson and 1 Vice Chairperson; a total of 6 members (4 labor representatives)

Meeting frequency: Once/ quarter (4 meetings held in 2023)

Meeting content: Propose suggestions for safety and health policies, and review, coordinate, and provide recommendations on safety and health-related matters



Occupational Safety and Health Meetings - Milim

Attendees: President, Vice President, and relevant department representatives

Meeting frequency: Held every two weeks

Meeting content: Discussion and resolution of occupational health and safety matters. Through routine management and coordination by the Safety and Health Management Committee, the safety incident rate in 2023 was reduced by 57.1% compared to 2022

Education and Training

To actively enhance employees' awareness of occupational health and safety, Globe Union regularly conducts occupational health and safety training activities. This includes a variety of physical courses and training materials designed to provide in-depth knowledge of occupational health and safety. The goal is to ensure that each employee understands potential safety risks in the workplace and is equipped with the appropriate measures to protect their own health and safety.

	Training Courses	Description	Participants	Implementation Result
Taiwan Headquarters	Park hazard prevention and occupational accident case study	Identify and prevent various hazards within the park to enhance participants' awareness and vigilance regarding these hazards	Occupational safety and health management personnel	3 hours
	First aid personnel safety and health education certification training	Teach how to perform first aid treatment in emergency situations. They include basic first aid knowledge, CPR, wound care, fracture immobilization, etc.	Occupational safety and fire safety management personnel	12 hours
	Taichung branch occupational safety and health hazard prevention promotion seminar	Explanation of labor inspection policies, an overview of occupational safety and health laws, case studies of occupational accidents and preventive measures, establishment of autonomous occupational safety and health management, and contract management practices	Occupational safety and health management personnel	3 hours
	Refresher training for fire safety management personnel/ Once every three years	Strengthen knowledge and skills in fire safety management, including fire prevention knowledge, operation of fire-fighting equipment, and emergency evacuation plans	Fire safety management personnel	6 hours

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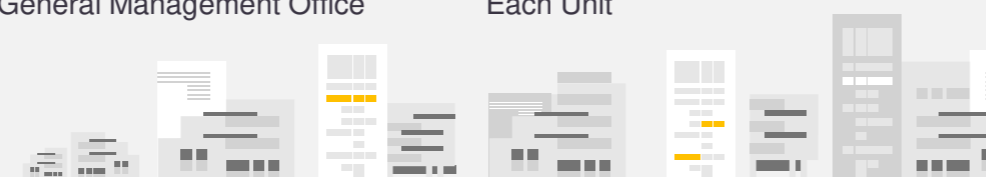
	Training Courses	Description	Participants	Implementation Result
Taiwan Headquarters	Internal fire safety training	Enhance employees' fire response capabilities, including understanding the causes and spread of fires, how to use fire-fighting equipment, and evacuation and escape techniques	All employees	Conducted two fire safety training sessions
Milim	Occupational health and safety training	Identify hazardous factors in positions being exposure to occupational disease risks, protective measures, and the use of personal protective equipment	All employees	96 hours
	Safety operating procedures training	Training on equipment and personnel operating procedures for each division	Employees in each production division	50 hours
	Emergency drills	Includes fire evacuation drills, electrical shock accident handling drills, mechanical injury handling drills, poisoning and asphyxiation emergency drills, burn injury handling drills, container explosion response drills, drowning emergency drills, vehicle injury emergency drills, fall from height drills, and boiler explosion emergency drills	Relevant position employees	13 hours

During the reporting period, Globe Union did not experience any major occupational safety incidents. However, to effectively respond to unforeseen occupational disaster events, the following emergency response measures have been established:

Emergency Response Teams

- Convener and Spokesperson: Chief Financial Officer
- Vice Convener: Vice President of the General Management Office

- Secretary: HR Manager
- Team Members: General Affairs Section Manager and Managers of Each Unit



Emergency Response Command Chain

In the Events of Emergency:

- Notify the managers of each unit, the HR manager, and the General Affairs Section manager. Immediate remedial actions and external communication procedures should be undertaken
- After the incident, the HR manager or General Affairs Section manager will prepare and submit an information report to higher management (including the cause of the incident, the handling process, future improvements, and preventive measures)

External Communication

Within the Company Facility:

- Operational : Management office
- Alarm/Rescue: Establish a fire alarm system connected with the local fire department

Vendors:

- Equipment: Establish a list of emergency contact person
- Personal safety: Install a security system and establish contact person

Emergency Response Handling

Within the Company Facility:

- Operational: Consult and contact the designated personnel and hotline at the management office
- Alarm/Rescue: In the event of a fire within the company, the fire alarm system connected to the local fire department will automatically report and request assistance

Vendors:

- Equipment: In case of an emergency, notify the emergency contact person to request support and assistance
- Personal safety: If an anomaly occurs outside of working hours, the security team will be notified by the system and will contact the General Affairs Section manager. They will then dispatch personnel to the site to confirm the situation

5.2 Shared Health

5.2.1 Employee Wellbeing Program

Taiwan Headquarters operates as an office-type environment without production activities or hazardous substances. Although there are no potential occupational hazard factors, the Headquarters provides health checkups as a part of wellbeing program for all employees every two years to help keeping an eye on their health. In addition to routine checkups, on-site health services are arranged with medical professionals and mental health counselors (4 physician visits/ year and 48 nurse visits/ year) for health tier management, personalized health consultation, and guidance. Employees with moderate to high health risks receive ongoing care and follow-up. Moreover, a survey is conducted for two major programs: "Human Factor Hazard Prevention Plan" and "Prevention of Diseases Triggered by Abnormal Workloads." Based on the survey results, appropriate improvement suggestions are made for individuals or the company to ensure the effectiveness of the workplace health and safety protection network.



Milim Employee Health Checkup Overview

Milim conducts annual occupational health checkups for employees exposed to occupational disease hazard factors in accordance with regulatory requirements. Based on the results, necessary adjustments are made to job positions. Employees who require re-examinations are scheduled accordingly. If any suspected occupational diseases are identified, the company assists employees in obtaining an occupational disease diagnosis at a hospital. Once an occupational disease is confirmed, the employee will be removed from the hazardous position within 60 days, as required by law, and the case will be handled according to the work injury insurance process.

In 2023, the Safety Management Division entrusted the Weifang Haici Health Examination Center to conduct checkups for 771 employees working in position that pose potential occupational disease hazard factors, including those exposed to dust, high temperatures, and chemicals. Employees were notified of the test results, and each result was signed and confirmed by the respective employee. During the 2023 on-the-job checkups, three cases of occupational disease were confirmed.

In November of the same year, Milim commissioned a third-party organization to conduct an assessment of the company's occupational disease hazard status. The evaluation results indicated that Globe Union has properly followed regulatory requirements and established a comprehensive occupational health management system, effectively preventing occupational injuries and diseases.



Taiwan Headquarters Employee Health Checkup Overview

Unit: Person; NT\$

Year	2021	2022	2023
Basic health checkup items	- Note	Routine health checkup	- Note
Number of basic health checkup	- Note	138	- Note
Cost of basic health checkup	- Note	303,600	- Note
Special health checkup items	No special hazardous workplaces		

Note: The Company conducts routine basic health checkups every two years. Since the last checkup was in 2022, the next one will be in 2024.

Participants	Description	Investment Amount (RMB)
During the employment period of positions exposed to occupational disease hazard factors	In accordance with regulatory requirements, annual occupational health checkups are conducted for positions exposed to occupational disease hazard factors within the company	128,172
All employees from pre-employment and post-employment	Understand the health status of employees, exclude those unsuitable for certain tasks, or assist in adjusting their job assignments	10,920

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Occupational Disease Hazard Inspection Items:

Inspection Items	Inspection Positions
Benzene, Xylene	Mold Development Division
Benzene, Xylene, Dust, Noise	High-Pressure Mold Development Division
Dust, High Temperatures, Noise	Forming Division, High-Pressure Forming Division, Firing Division, Glazing Division, Assembly Inspection Division, Mixing Division, Mold Development Division, Factory Affairs Division, plaster Model Division
Electromagnetic Radiation	Electrical Automation Division, Mechanical Engineering Division



▲ Milim Occupational Health Checkup Report



▲ Occupational Health Checkup Situation

5.2.2 Employee Health Promotion Activities

To create a healthy and happy workplace environment, Globe Union organizes health promotion activities for employees. In 2023, we held 7 mental and physical health seminars, benefiting a total of 450 participants. These seminars covered topics such as musculoskeletal hazards from prolonged sitting and workplace misconduct. We invited nurses to provide on-site guidance and explanations, helping employees gain a deeper understanding of potential health risks and offering preventive and responsive measures to ensure their safety and well-being at work.

To encourage employees to keep exercise habits, Taiwan Headquarters has been promoting exercise-related competitions since 2022. Recognizing the importance of both regular exercise and a healthy diet, we incorporated dietary guidelines (3 servings of vegetables and 2 servings of fruit) into the "9934, i-sports" event in 2023. The initiative used both team and individual approaches to motivate employees to participate.



▲ Seminar on Musculoskeletal Hazards from Prolonged Sitting



▲ 9934, i-sports

In June 2023, Milim organized a "Safety Production Month" event at the company. The activities included promoting safety knowledge through bulletin boards and holding safety knowledge competitions. These initiatives not only enhanced the employees' safety awareness and learning atmosphere but also contributed to creating a safer and healthier work environment for the company.





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6.1 Integrity and Commitment

In today's fiercely competitive business environment, operating with integrity has become one of the essential pillars of corporate development. Globe Union firmly believes that only by upholding integrity can the company establish a solid foundation to face future challenges. Integrity is not only a commitment between the company and its customers, suppliers, and partners, but also a steadfast adherence to the company's own values.

Integrity Management

Policy Commitments

Adopt a management philosophy based on honesty, transparency, and responsibility. Establish the "Code of Conduct for Ethical Management," and "Operational Procedures and Guidelines for Ethical Behavior," serving as concrete behavioral standards for global employees in conducting business




Short-Term Goals

1. Compliance with laws and regulations, with no incidents of corruption or violations
2. The annual integrity training participation rate for employees reaches 75%
3. Integrity clauses for key suppliers are incorporated into supplier contracts, with a 100% signing rate

Action Plan

1. Formulate and adhere to guidelines for ethical business conduct, and update them in accordance with regulatory requirements
2. Implement integrity and compliance education and training
3. Extend core values to suppliers and partners

 The reporting mailbox for violations of integrity management: whistle@globeunion.com

Medium and Long-Term Goals

1. Establish an sound integrity management system, aim to have an annual employee integrity training participation rate of 90%
2. Communicate "Ethical Corporate Management Best Practice Principles" to subsidiaries

2023 Actual Performance

- Provide an annual report to the Board of Directors on the implementation of corporate integrity management for the year:
1. HQ Employees were required to read the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" within the system each year. We also managed and record personnel who have not yet completed the relevant training. In 2023, 129 training sessions were completed at the Taiwan Headquarters, achieving a completion rate of 83.77%
 2. HQ Suppliers have signed agreements to comply with Globe Union's integrity management clauses, with a signing rate of 100%

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Globe Union has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" as behavioral standards for employees worldwide when conducting business. These guidelines are included in the work rules and are promoted to new employees during their onboarding process to ensure that internal personnel adhere to ethical standards. Globe Union has also implemented the "Corporate Governance Best Practice Principles," which, in accordance with Article 17, stipulates that any business dealings between related parties and their shareholders must follow principles of fairness and reasonableness. Written regulations must be established for financial and business transactions, clearly specifying pricing terms and payment methods, while preventing irregular transactions and the transfer of improper benefits.

For many years, Globe Union has adhered to the principle of integrity in business operations. In 2023, there were no major violations or fines related to integrity management. Additionally, no incidents of corruption, bribery, or extortion were reported among Globe Union's internal employees. The Taiwan Headquarters has one internal auditor, while the Milim subsidiary has two. These internal control and Audit Units regularly review compliance with integrity and operational standards. The internal Audit Unit also has a reporting mechanism and a whistleblower system in place to handle both external and internal reports of corruption or other unethical behavior.

Grievance Reporting Mechanism and Whistleblower System:

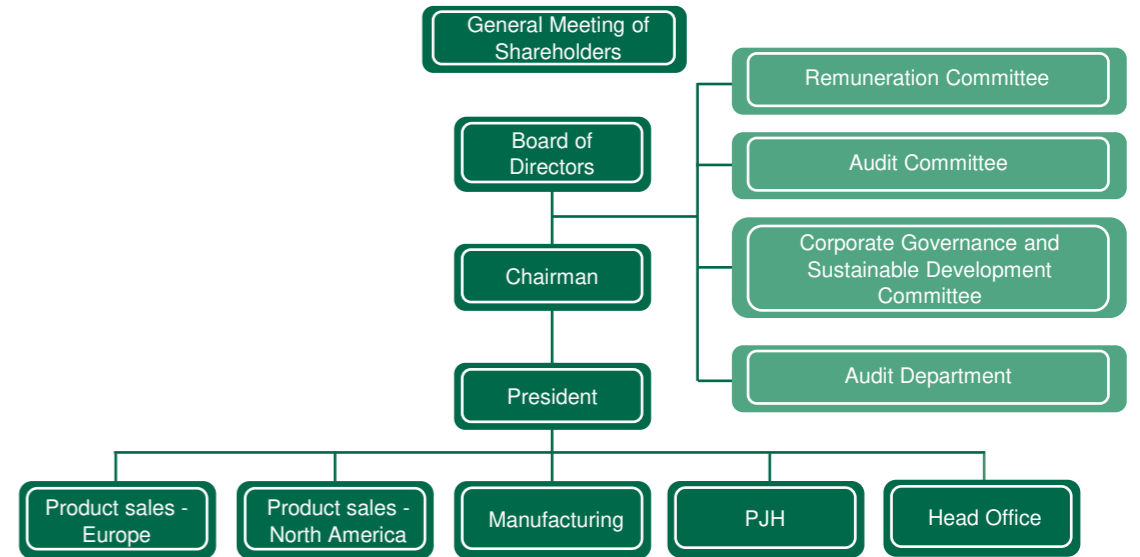
- 1 Issue an employee handbook outlining behavioral standards and disciplinary procedures for employees
- 2 Establish and announce a reporting mailbox, with audits conducted by the Internal Audit, Legal, and HR departments
- 3 Anonymous reports will be treated as blackmail and will not be processed

6.1.1 Corporate Governance

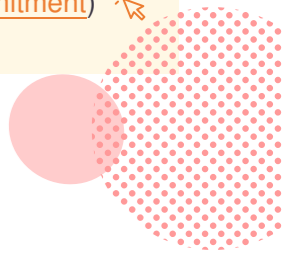
Strengthen the governance system of the Board of Directors and professional management teams, ensure that the Company does honest business and pursues sustainable development. With rich organizational experience, Globe Union's technical capacity, production and manufacturing, customer relations, service network, and organizational and management policies and culture have reached maturity. Under the Board's supervision, professional management teams strategize and develop short- and mid-term business plans with the goals of effective management, improvement of quality and cost control, and eventually, a steady revenue growth. We also abide by the Company's commitment to sustainable growth and strive to develop sustainable development through long-term planning, cautiousness, and steady steps.

Organizational Structure

Globe Union's comprehensive corporate governance organizational structure is key to implementing corporate integrity and ethics. This structure includes the General Meeting of Shareholders, the Board of Directors, the Audit Committee, the Remuneration Committee, the Internal Audit Department, the Chairman, the President, the Sales Division, Manufacturing, PJH UK, and the Head Office. The following diagram is Globe Union's corporate governance structure:



In 2023, Globe Union established a Sustainable Development Committee to advance its sustainability vision: "To be a trusted partner, a source of pride, and a sustainable business." The committee is dedicated to actively promoting and enhancing Globe Union's sustainability practices, ESG development, and corporate social responsibility governance functions. (For detailed information, refer to section [1.3 Environmental Commitment](#))



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● Board of Directors

The term of the 18th Board of Directors was from August 2, 2021, to August 1, 2024. All directors exercise their duties in accordance with the Company Act, the Articles of Incorporation, and other relevant regulations. They are responsible for guiding company strategy, overseeing management, and being accountable to the company and its shareholders, including all operational and organizational arrangements related to corporate governance. In 2023 and up to the annual report printing date of April 1, 2024, the Board of Directors held 10 meetings, with an average attendance rate of 92.5% for all directors.

Title	Name	Average Attendance Rate	Notes
Chairman	Shane Ouyang	100%	
Director	Hung-Kang Lin	100%	
Director	Andrew Yates	70%	
Director	Wen-Hsin Chen	100%	
Independent Director	Chin-Shan Huang	80%	
Independent Director	Young-Sheng Hsu	100%	
Independent Director	Wen-Yi Fan	90%	
Independent Director	Ta-Chin Hsu	100%	Elected on May 26, 2023, and required to attend 6 meetings

● Responsibilities of the Board of Directors

The Globe Union's Board of Directors provide guidance on the Company's strategies, supervise the management, be responsible for the Company and its shareholders. The Board shall also ensure that the Company's corporate governance and respective operation follow the requirements of applicable laws, the Articles of Incorporation, and resolution by shareholders' meetings

● Members of Board of Directors

Globe Union's Board of Directors consists of eight members with diverse professional backgrounds, including one female director. In May 2023, an additional independent director was elected to enhance the board's independence.

Note: For detailed information on the composition of the board members [the 2023 Annual Report, p.9](#)

● Board Members' Continuing Education

In 2023, to better the Board of Directors' knowledge and expertise in environmental, governance, and social issues, Globe Union's directors participated in professional development courses in relevant fields. The course content included topics such as economic trends, ESG and sustainable governance, risks and opportunities, legal affairs, and finance. A total of 7 directors (including the Chairman) participated in the training, accumulating 62 hours in total, with an average of 8.86 hours of training per person.

Note: For detailed information on the composition of the board members [the 2023 Annual Report, p.44](#)

● Audit Committee

The term of the 2nd Audit Committee was from August 2, 2021 to August 1, 2024.

In 2023 and up to the annual report printing date of April 1, 2024, the committee held 8 meetings. For details on actual attendance and significant resolutions, please refer to the 2023 Annual Report. The attendance of Audit Committee members is as follows:

Title	Name	Average Attendance Rate	Notes
Independent Director	Young-Sheng Hsu	100%	
Independent Director	Chin-Shan Huang	80%	
Independent Director	Wen-Yi Fan	90%	
Independent Director	Ta-Chin Hsu	100%	Elected on May 26, 2023, and required to attend 6 meetings

Note: Detailed resolutions of each meeting [the 2023 Annual Report, p.34-38](#)

● Remuneration Committee

Globe Union's Remuneration Committee consists of 5 members. The term for the 5th term members: From August 2, 2021, to August 1, 2024.

The committee is primarily responsible for establishing and regularly reviewing policies, systems, standards, and structures related to performance evaluation and compensation for directors, supervisors, and managers. In 2023 and up to the annual report printing date of April 1, 2024, the Remuneration Committee held 5 meetings. The attendance of committee members is as follows:

Title	Name	Average Attendance Rate	Notes
Independent Director	Chin-Shan Huang	100%	
Independent Director	Young-Sheng Hsu	100%	
Independent Director	Wen-Yi Fan	85.71%	
Committee member	Chao-Tang Yue	85.71%	
Committee member	Kuan-Chun Wang	85.71%	

Note: Detailed resolutions of each meeting [the 2023 Annual Report, p.49-50](#)

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Corporate Governance and Sustainable Development Committee

Globe Union's Corporate Governance and Sustainable Development Committee consists of 4 members and was established in November 2023. The committee is primarily responsible for promoting and strengthening Globe Union's sustainable operations, ESG development, and corporate governance functions related to corporate social responsibility. In 2023 and up to the annual report printing date of April 1, 2024, the Corporate Governance and Sustainable Development Committee held 1 meeting. The attendance of committee members is as follows:

Title	Name	Average Attendance Rate	Notes
Institutional Director Representative of the Chairman	Shane Ouyang	100%	
Institutional Director Representative of the Directors	Hung-Kang Lin	100%	
Independent Director	Young-Sheng Hsu	100%	
Independent Director	Ta-Chin Hsu	100%	

Performance Evaluation

Globe Union's Board of Directors revised and renamed the policy "Board Performance Evaluation Measures." on December 10, 2020. The board conducts an internal performance evaluation of the Board of Directors and its Functional Committees annually and reports the results. Additionally, an external performance evaluation by an independent professional organization is conducted at least once every three years. The most recent external performance evaluation was performed in 2021, with the next external evaluation scheduled for 2024.

Note: For details on the Board of Directors' evaluation criteria and execution, please refer to [the 2023 Annual Report, p.32](#)

6.1.2 Compliance and Legal Adherence

Globe Union has established a Board Secretary dept responsible for handling various tasks related to compliance as listed company, delegating relevant matters to the responsible units. Other applicable regulations are monitored by the corresponding departments, which follow up with regulatory authorities or external organizations to ensure that the company complies with legal standards across all aspects. In the event of disputes, responsibilities are allocated according to the nature of the incident, with legal matters reported to the Legal Department, which handles tracking and management of the dispute cases.

The company has no record of being fined for violations of environmental laws and regulations due to major leaks, air emissions, wastewater discharge, waste management, or energy-related issues. Additionally, there have been no complaints or protests filed due to environmental impact factors.

The estimated future or current foreseeing expense amount and response measures: Milim was fined CNY 48,000 for failing to implement operational procedures for research and development, environmental protection, and quality assurance positions as per organizational regulations, thereby violating safety management responsibilities. The company has since made improvements and successfully passed a follow-up inspection in July 2024.

(For detailed information, please refer to [the 2023 Annual Report, page 110](#).)

The Company has not experienced any social violations, including discrimination, sexual harassment, child labor, infringement of indigenous rights, or forced labor. In terms of products, there were no violations of health, safety, or marketing regulations in 2023, and no products were banned from sale.

There were no legal actions involving anti-competitive behavior, antitrust, and monopoly measures.



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Regulatory Compliance in 2023

Aspect	Regulatory Identification
Product	Milim continues to manufacture products in accordance with the existing American standards ASME A112.19.2-2018/CSA B45.1-18. Additionally, in 2023, the Quality Assurance Department added a new testing item for lid impact testing to the lid inspection report, based on customer-specified inspection requirements, to ensure that the products meet the standards.
Environment	Milim has identified 125 types of applicable environmental laws and regulations. In accordance with these legal provisions, the company has implemented various measures to manage noise emissions, gas emissions, wastewater discharge, solid waste disposal, and dust emissions at the plant. These measures ensure that all environmental aspects comply with environmental protection laws and regulations.
Society	Milim's Energy Conservation and Environmental Protection Division is responsible for collecting and evaluating environmental laws and regulations, while the Lean Safety Management Division handles the collection and evaluation of occupational health and safety laws and regulations. These two sets of information are disseminated through the EHS system and the DMP system, allowing all departments to access and study the relevant regulations via these platforms. Additionally, the Energy Conservation and Environmental Protection Division and the Lean Safety Management Division strengthen employees' understanding of laws and regulations through various methods such as on-site audits, theoretical training and exams, knowledge competitions, emergency drills, and Level 3 safety education for new employees. This ensures that employees at all levels are kept up to date with industry-related legal and regulatory developments.

6.2 Globe Union's Vision

Risk Management

Comprehensive risk management is key to sustainable operations. Through effective risk management, we can help the company address various potential challenges and threats, reduce losses, and build positive relationships to gain support from stakeholders. Globe Union will continuously improve our risk management processes to ensure the company remains competitive in the market.

Policy Commitments

Effectively identify, assess, monitor, and control various risks and opportunities through systematic and institutionalized management methods. Achieve a balance between risk and opportunity to maintain daily business operations



Short-Term Goals

1. Enhance the internal control systems of subsidiaries and strengthen the group's internal audit management

Medium and Long-Term Goals

1. The Audit Unit identifies issues during execution, proposes and implements improvement measures, and establishes compliance codes to enhance the internal control system
2. Establish a Risk Management Committee to regularly conduct risk identification, assessment, and monitoring, and to seek opportunities for long-term development

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Risk Management

Action Plan

1. In 2023, Globe Union actively promoted the internal control systems of its subsidiaries and standardized operations. The goals for internal control system management within the group were achieved as follows:
 - **Operational Risk:** Globe Union conducted risk assessments in line with international market expectations, adjusting operational strategies as needed while ensuring smooth horizontal and vertical communication within the organization to reduce operational risks
 - **Supply Chain Risk:** Beyond consolidating and enhancing the group's core manufacturing capabilities, regular audits of supplier were conducted, and the CHINA+1 strategy was actively promoted for global supply chain positioning
 - **Information Security Risk:** The PDCA (Plan-Do-Check-Act) approach was continuously refined. The company advanced and implemented information security management to support the group's sustainable operation and development of various business areas
 - **Intellectual Property Risk:** The company has implemented the TIPS (Taiwan Intellectual Property Management System) for years. Initially focused on defensive patents, the strategy will shift towards enhancing offensive patents in the medium to long term to protect and utilize the company's intellectual property
2. The Audit Unit conducts regular audits related to operational risks
3. Arrange for accountants to report communication matters to the Audit Committee, Corporate Governance Body, and management

2023 Actual Performance

- Independent directors, accountants, and the internal auditor communicate regarding corporate governance matters twice a year
- Obtained Taiwan Intellectual Property Management System (TIPS) A-level certification
- Invested NT\$4.26 million in information security risk management, completed the 2023 information security report, and had no information security incidents

6.2.1 Operational Continuity and Risk Management

Globe Union utilizes its existing Business Continuity Planning (BCP) to assess and inventory current risk mitigation solutions. It analyzes potential expansions of each plan and employs PDCA (Plan-Do-Check-Act) cycle management to ensure goal achievement and continuous improvement.

Risk Categories	Risk Identification	Response Measures
Financial Exchange rate fluctuation	The main sources of exchange rate risk for the Group are the fluctuations between the New Taiwan Dollar (TWD) and both the US Dollar (USD) and the Chinese Yuan (CNY). The exchange rate risks are primarily related to operational activities (when the currency used for revenue or expenses differs from the Group's functional currency) and net investments in foreign operations	The Group has receivables and payables in foreign currencies that are denominated in the same currencies, which naturally provides some hedging effect. For certain foreign currency positions, forward foreign exchange contracts are used to manage exchange rate risk and reduce the risk arising from currency fluctuations. Due to the aforementioned natural hedging and the use of forward foreign exchange contracts to manage exchange rate risk not meeting the criteria for hedge accounting, the company does not apply hedge accounting. Additionally, net investments in foreign operations are considered strategic investments, so the Group does not hedge these investments

Risk Categories		Risk Identification	Response Measures
Financial	Interest Rate Fluctuation	Interest rate risk mainly comes from change of the market interest rate, which causes fluctuations and risks in cash flow and the fair value of financial tools. The Group's interest rate risk mainly comes from loans with fixed and floating interest rates	It is anticipated that the long-term risk of further appreciation in both the US dollar and the New Taiwan dollar will be minimal. The Company manages its interest rate risk by having a balanced portfolio with fixed and floating interest rates, strengthening balance sheet management, and reducing the amount of credit lines used to reduce the risk of increased interest rate. We also evaluate whether to enter into interest rate swaps to manage interest rate risks. Going forward, we will continue to monitor interest rate trends to formulate and adjust the company's investment and financing strategy
		Information Security	External threats - Virus intrusion protection
System and service downtime prevention	<ul style="list-style-type: none"> Continuously implement local and remote backup measures and subscribe to ERP cloud backup services to ensure that the ERP system remains operational in the event of a primary data center failure or disaster Conduct annual disaster recovery drills to verify the availability of remote data centers and enhance IT personnel's ability to respond effectively to system interruptions 		
Customer privacy protection	<ul style="list-style-type: none"> Implement information security training for new employees and regular social engineering drills Access Control: Grant access to specific resources or information only to authorized personnel, preventing unauthorized individuals or departments from accessing customer data and protecting customer privacy Access Management: Enable VPN multi-factor authentication control mechanisms to prevent unauthorized users from accessing or intercepting sensitive customer data through insecure networks Email Management: In 2023, invested NT\$1.5 million in advanced protection for O365 cloud email, enabling advanced email threat protection to prevent external email attacks (such as phishing emails) and implementing email archiving mechanisms to reduce the risk of customer information being stolen or leaked during email transmission 		
Intellectual Property	Patent infringement disputes with external competitors	Continuously monitor product trends in the market. If there are concerns, gather evidence and conduct patent analysis to ensure the company's interests are protected	
	Patent layout may not yet be fully comprehensive	For key modules, actively discuss potential specific implementation plans during patent searches and patent application review meetings, and proactively arrange patent strategies in advance	
	Security of intellectual property data storage	Invest NT\$850,000 in acquiring a new intellectual property management system and conduct data construction and system maintenance for the intellectual property department	

Note: For identification of climate-related risks and opportunities, please refer to [section 3.1 of our Climate Strategy](#)

Additionally, for potential uncontrollable risk types, develop new risk response measures to establish a unified command system. This system will enable the activation of emergency response measures in the shortest possible time for various types of incidents. The priority is to ensure the safety of employees, minimizing personal injuries as the foremost consideration. After confirming that all employees are safe, formulate proactive measures. Evaluate the company's existing resources from the perspectives of internal and external stakeholders to enable the business to quickly restore its basic production capacity and avoid breach of contract risks. Subsequently, gather unit heads from various departments to develop enterprise-level strategies, considering costs and necessary operational timelines. This integrative approach aims to restore normal business operations.

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6.2.2 Internal Control System

Globe Union has established internal control system guidelines and, based on the "Guidelines for Establishing Internal Control Systems for Public Companies," has built the foundational framework. The internal audit unit assists the board of directors and management in fulfilling their responsibilities and implementing the company's governance system effectively. Furthermore, to maintain and continuously improve audit quality and effectiveness, the company focuses on and enhances the professional capabilities of internal audit personnel.

● Audit Personnel Training and Education

Through education and training, audit personnel gain in-depth professional knowledge and skills, enabling them to effectively fulfill their responsibilities and enhance the accuracy and efficiency of audits. The training covers various areas, including auditing standards, risk assessment methods, and communication skills, aimed at improving the company's internal control effectiveness, reducing risks, and ensuring the company's development.

Type	Course Items	Hours
Audit courses	Production cycle practices and audit focus	6
	Analyzing financial statements to assess business performance and prevent risks	6
	Analysis and countermeasures regarding auditor, financial and accounting personnel's illegal cases	6
	How secret should a secret be? - Discussing the protection and management of business secrets	6
	Driving the future of business control with technology - Smart control for the future	6
	Management and auditing of intellectual property rights - Business secrets	6
	Interpersonal communication skills for internal auditing	6

Internal audit operations adhere to the principle of integrity, assisting the company in preventing the possibility of any fraudulent activities. For fraud prevention and auditing, the execution is divided into the following three parts:

- 1 Preventing fraud through internal controls, corporate governance, and enterprise risk management
- 2 Detection to identify and confirm the occurrence of fraud
- 3 Imposing appropriate constraints and regulations on violators through company policies and legal oversight

In addition to the nine major audit cycles and statutory requirements, Globe Union places significant emphasis on substantial project audits. These are carried out in accordance with the "Internal Audit Implementation Rules." When necessary, a project team comprising internal and external experts is assembled to conduct in-depth audits to correct unreasonable internal control designs and unimplemented execution items to achieve the goals of improving benefits and eliminating disadvantages.

The following measures were implemented in 2023 to strengthen the control of business secrets and prevent losses caused by the leakage of business confidential information:

Management Policies

1. Establish internal control systems for the management and protection of confidential documents
2. Intellectual property - Continuously promote and effectively implement TIPS
3. Information security - The Information Security Management Committee holds regular information security meetings and conducts periodic employee training related to information security.



6.3 Tax Expertise

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Taxation

Globe Union understands that tax governance is one of the key aspects of demonstrating the company's management capability. Effective tax governance can effectively manage tax-related risks, improve the quality of financial statements, and enhance company value. By establishing robust tax strategies and processes, the company ensures that it fulfills its tax obligations legally and compliantly.

Policy Commitments

Implement tax governance policies to ensure compliance with relevant tax laws and regulations. Uphold transparency and a reasonable tax structure while conducting routine transactions



Short-Term Goals

No tax-related penalties

Action Plan

1. Participate in external seminars and courses
2. Receive the latest updates through newsletters from accounting firms
3. Actively communicate with tax authorities
4. Accountants share tax issues and opinions during audit meetings

Medium and Long-Term Goals

Manage tax governance for tax compliance at each entity/subsidiary location, create a structured approach for businesses to prepare and adjust to constantly evolving tax laws and regulations.

Communication Channels

- Globe Union and its subsidiary accounting and finance personnel have substantial tax knowledge and serve as contact person for various tax issues

2023 Actual Performance

- Accounting managers and their deputies completed a 12-hour professional training course titled "Continuing Development Course of Principal Accounting manager for public listed company"
- Individuals involved in the preparation of individual and consolidated financial statements completed a 6-hour professional training course
- Tax personnel participated in a 2.5-hour online seminar on transfer pricing

Income Tax Information

Unit: Million NTD

Item	2021	2022	2023
Net profit before tax	176	(897)	812
Income tax expenses	Current income tax	133	23
	Deferred income tax	31	(31)
Income tax paid	167	117	161

2023 Tax Subsidies and Exemptions

Unit: NTD / Ten thousand CNY

Entity	Item	Subsidy Unit	Subsidy Details	Amount of Exemption
Taiwan Headquarters	Subsidy program for on-site health services for small and medium enterprises	Occupational Safety and Health Administration, Ministry of Labor	Subsidy for factory maintenance	54,080 (NTD)
Milim	Government partial subsidized salary program and social insurance subsidy policy	Weifang City Fangzi District Human Resources Management Service Center	Social insurance and position salary subsidies	28 (Ten thousand CNY)
	Continuation of the implementation of a one-time job expansion subsidy	Weifang City Fangzi District Public Employment and Talent Service Center	Job expansion subsidy	0.45 (Ten thousand CNY)

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6.4 Information Security

With the increasing level of informatization, information often becomes a target for hacker or malicious software attacks. Therefore, Globe Union has established four major information security management mechanisms and five information security management measures to ensure the effective operation of organizational information security management.

Management Mechanisms

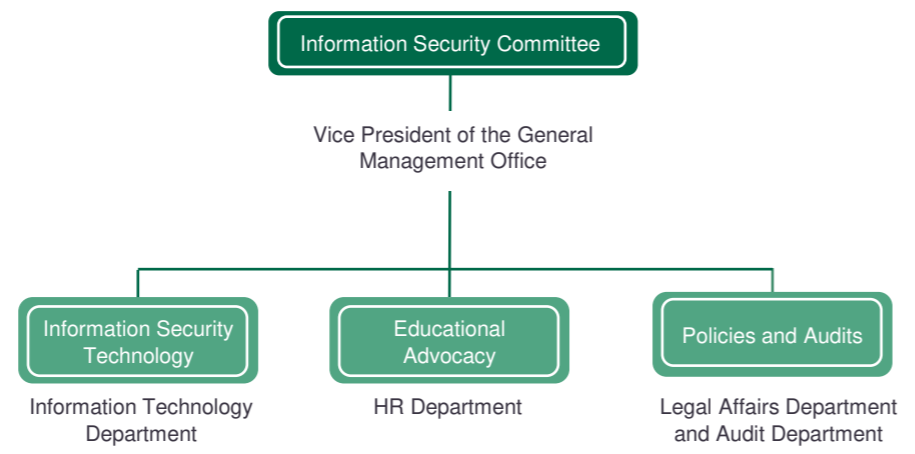
1. Formulation of information policy
2. Use of information technology
3. Cybersecurity promotion and training
4. Cybersecurity audit and improvement

Management Measures

1. Access control
2. Access management
3. Virus intrusion protection
4. System and service downtime prevention
5. Email security management

Note: For detailed information, please refer to the [official website](#) 🖱️

Globe Union has established an "Information Security Management Committee," chaired by the Vice President of the General Management Office. A cross-departmental team has been formed to strengthen horizontal communication regarding information security work, facilitating the promotion and implementation of information security policies. Regular information security meetings are held to oversee operations and review the progress of implementation.



In 2023, Globe Union continued to build its information security management plan based on the NIST CSF framework and introduced the ISO 27001 Information Security Management System (ISMS) to elevate its information security management to a higher level. To prevent operational disruptions due to information security threats, Globe Union actively enhances overall information security awareness within the company. This includes conducting 1-hour information security training for new employees, 1-hour internal information security education for all current employees, and biannual social engineering drills for all staff to reinforce information security awareness.

In 2023, the information security team continued to conduct risk identification and response (see [6.2.1 Operational Continuity and Risk Management](#)) through comprehensive assessments. The overall implementation effectiveness is as follows:

- Vulnerability scanning**
Group The high-risk hosts has decreased from 27% to 18%. Scheduled scans and regular patching plans have been implemented to reduce the risk of system breaches by hackers
- Domain security testing**
Group External domain security testing scores have improved from Level D (64 points) to Level C (70 points)
- AD domain security testing**
Group By modifying domain security policies (GPO), the security of the AD domain has been enhanced, reducing the risk of AD-related attacks
- Endpoint detection and response system**
Headquarters ,U.S. and Mexico-based Subsidiaries
Based on the detection results, security enhancements were implemented on the existing dedicated network, including the installation of a dedicated firewall, to prevent lateral spread of network attacks
- Social engineering drills**
Group The Headquarters' phishing scenario intrusion analysis indicates that click rate reduced from 9% to 5%. All employees who clicked on phishing links were later completed additional information security training

“ We will continue to leverage the collective strength of the organization to establish a more secure and robust information security environment, thereby laying a solid foundation for the long-term development of the business. ”

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More Than Just Globe Union

“Not only support, but participate ”

“Become a reliable partner, a source of pride, and a sustainable business.”

7.1 Hand in Hand - Building a Better World Together

Since its establishment in 1979, Globe Union has firmly believed that a company's success should not only be measured by economic indicators but also by its contributions and feedback to society. Therefore, Globe Union has persistently worked quietly on the path of social responsibility. Over the past year, we have collaborated with various sectors to promote sustainable development and achieve shared prosperity for both the enterprise and society.

Five Major Focus Areas of Social Welfare



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7.1.1 Quality Education

● Create a Library of Love

Reading is not only about accumulating knowledge but also about shaping attitudes. The power of books lies not just in expanding knowledge but also in subtly influencing our values and behaviors. The Headquarters has long upheld the founder Mr. Scott Ouyoung's commitment to supporting reading. In response to the Taiwan Reading Culture Foundation's book donation campaign, the company initiated an internal drive to collect donated books and distribute them to elementary schools in need. This initiative is not just a practical action but also reflects our recognition of the values of reading education. Employees and their families at the Taiwan Headquarters have actively participated, gaining a personal understanding of the significance of public welfare activities and deeply aligning with the company's philanthropic principles.

● Scholarship Backpacks for Uninterrupted Learning

World Vision's "Kits for Kidz" program aims to bring a glimmer of hope to children facing hardships around the world. The North American subsidiary participated in this initiative by ordering 200 backpacks with educational kits (approximately USD 3,700) (approximately NT\$118,400). Employees personally wrote notes and placed each kit along with their blessings into the backpacks, hoping that the children will be able to engage in learning with dignity.



7.1.2 Zero Hunger

● Happiness Cafeteria

To help elderly residents address difficulties with daily food shopping and cooking, the local government launched a community meal program for seniors, enabling older adults to enjoy meals with ease. Milim was honored to be invited by the local government and, through charitable donations and collaboration with local businesses, jointly established a senior meal service. This initiative provides warm meals for the elderly, allowing them to experience care and warmth.

● Feeding Children and Zero Hunger

FMSC (Feed My Starving Children) is a non-profit organization dedicated to eradicating hunger and ensuring that children around the world receive their basic nutritional needs. Employees from the North American subsidiary worked together at FMSC locations to prepare approximately 27,216 meals for children worldwide, aiming at joining the global fight against hunger.



7.1.3 Environmental Conservation

● Join Hands for Beach Cleanups and Build a Bright Future

Led by Chairman Shane Ouyang, President Todd Talbot, and management, Globe Union employees and their families participated in a

"Restoring Natural Environments Starts with Me" event to remove invasive species. A total of 132 participants went to the Aogu Wetlands in Dongshi, Chiayi, for ecological restoration. Additionally, an educational activity on ecological knowledge was held for elementary school students to promote environmental education and implement ecological protection.



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7.1.4 Good Health and Well-being

● Living Water Charity Run

In developing countries, residents often have to walk 3.7 miles (6 kilometers) to access clean water. To help these residents obtain clean drinking water, World Vision continues to promote the "Global 6k for Water" event worldwide. The North American subsidiary participated actively by contributing approximately USD 2,200 (approximately NT\$70,400) in donations, raising awareness about water resource issues in developing countries and supporting the provision of clean water.



● Globe Union Passion - Heartfelt Support with You

Globe Union employees actively participate in the "Globe Union Passion - Heartfelt Support with You" event and respond to the "Run for our Planet" charity run, demonstrating their commitment to corporate social responsibility through practical actions.



● Ignite Hope, Illuminate the Future

Globe Union places great importance on children's rights and their health. The German subsidiary donates approximately €400 to €600 (approximately NT\$13,600 to NT\$20,400) annually to the Children's Cancer Charity and SOS Kinderdorf, aiming to support the foundations' efforts in improving children's health and well-being through their modest contributions.

● Endless Love - Join Hands to Spread Pink Power

Casa di Rosa is dedicated to the prevention and care of breast cancer patients. The Mexican subsidiary has responded to this initiative by donating supplies and partnering with the organization to support cancer patients in their fight against breast cancer. For Globe Union, taking care of employee health and supporting community activities holds significant meaning, as employees and the community are vital partners.



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Team Up for Cancer Support



Become a Advocate for Charitable Fundraising —

Macmillan Cancer Support is dedicated to providing comprehensive support to thousands of cancer patients across the UK. PJH encourages employees to organize various fundraising activities as a team to raise more funds for external cancer support organizations, hoping that through this collaborative effort, employees will increase their awareness and concern for cancer patients.

Happy Family Day

PJH expresses gratitude to employees for their hard work throughout the year with an annual Happy Family Day. This event also serves as an opportunity to organize various fundraising activities, raising approximately £20,000 (approximately NT\$840,000) each year. Through diverse activities, participants and their families not only enjoy themselves but also provide valuable support to cancer support organizations.



Macmillan Coffee Morning



The World's Biggest Coffee Morning is an annual fundraising event organized by Macmillan Cancer Support, where people across the UK use the opportunity to raise funds for the organization. PJH actively participates in this event, with employees not only baking and selling cakes but also organizing various creative activities to aid in fundraising. Each year, they raise approximately £500 (approximately NT\$21,000) for cancer support organizations.



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● Christmas Jumper Day

By participating in the UK's annual Christmas Jumper Day, employees are encouraged to wear festive Christmas sweaters to celebrate the season. This event also serves as an opportunity to raise funds for cancer support organizations, with approximately £200 (NT\$8,400) collected each year.



● Three Peaks Challenge



PJH has raised more funds for cancer support organizations by encouraging employees to participate in team fundraising activities. PJH employees collectively took on the challenge of hiking three peaks this year, covering a total distance of 23 miles (approximately 37 kilometers), and successfully raised over £2,000 (NT\$84,000). This event was not only a fundraising effort but also a manifestation of our care and support for cancer patients.

● HYROX Endurance Challenge

In response to the endurance competition organized by Macmillan Cancer Support and HYROX, PJH employees participate in this challenging physical fitness event to not only achieve a healthier physique but also raise funds for cancer support organizations.



7.1.5 Humanitarian Care

● Respond with "Globe Union"



The Globe Union Welfare Committee has always been dedicated to supporting the disadvantaged and actively demonstrating its commitment to social welfare through concrete actions. During the 2023 Mid-Autumn Festival, 142 mooncake gift boxes from the Eden Social Welfare Foundation were purchased and given to employees as Mid-Autumn Festival gifts. This initiative not only supports charitable causes but also creates more opportunities and hope for the disadvantaged.

● Shoebox Gifts - Let Love Soar

The Samaritan's Purse has been long-promoting the "The Amazing Journey of a Simple Shoebox Gift" initiative. Through the love of volunteers, this program conveys hope to impoverished children around the world. The subsidiary in Canada voluntarily supports this activity, with employees collaboratively selecting gifts, personally placing them into shoeboxes, and sincerely distributing these blessings worldwide.



● Toy Rebirth and Sharing the Love



The Mexican subsidiary invites employees' children to donate their toys to the local community. This initiative not only brings warmth to the community but also allows the children who contributed their toys to experience the joy of sharing.

● A Warm Gesture in the Cold - Love Knows No Borders

The German subsidiary raised €1,450 (approximately NT\$49,300) through internal fundraising to purchase food and hygiene products, which were then delivered to the Ukrainian border. Through this tangible donation of supplies, the company aims to bring a touch of warmth to Ukrainian citizens suffering from the conflict.





2023 Public Welfare Impact:

	Donation Recipient	Public Welfare Activity	Amount of Public Welfare
Taiwan Headquarters	Taiwan Reading Culture Foundation	Create a Library of Love	NT\$20,000
	Eden Social Welfare Foundation	142 Mooncake Gift Boxes Were Given to Employees	NT\$71,000
Milim	Shandong Charity Federation	Supporting Elderly Happiness Cafeteria	5,000 CNY (NT\$22,000)
GERBER	World Vision	Scholarship Backpacks for Uninterrupted Learning	USD 3,757 (NT\$120,000)
		Living Water Charity Run	USD 2,229 (NT\$71,000)
	FMSC (Feed My Starving Children)	Feeding Children and Zero Hunger	Prepared 27,216 Meals
PJH	Macmillan Cancer Support	Happy Family Day	£20,000 (NT\$840,000)
		Three Peaks Challenge	£2,000 (NT\$84,000)
		Macmillan Coffee Morning	£500 (NT\$21,000)
		Christmas Jumper Day	£200 (NT\$8,400)
GUGM (German subsidiary)	Children's Cancer Charity & SOS Kinderdorf	Charitable Donations	€400 to €600 (NT\$13,600 to NT\$20,400)
	Ukrainian Citizens	A Warm Gesture in the Cold - Love Knows No Borders	€1,450 (NT\$49,300)

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Appendix 1 GRI Standards Index

Usage Statement	Globe Union Industrial Corp. published the 2023 Sustainability Report in accordance with GRI Standards The reporting period was from January 1, 2023, to December 31, 2023
Version of GRI 1	GRI 1: Foundation 2021
Applicable GRI Sector Standards	N/A

GRI 2 - General Disclosures

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
Organization and Reporting Practices				
2-1	Organizational details	1.1 Globe Union's Overview	12	
2-2	Entities included in the organization's sustainability reporting	About Report	3	
2-3	Reporting period, frequency and contact point	About Report	3	
2-4	Restatements of information	About Report	3	There were no restatements this year
2-5	External assurance	-	-	No third-party independent assurance was conducted this year

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
Activities and Workforce				
2-6	Activities, value chain and other business relationships	1.1 Globe Union's Overview	12	
2-7	Employee	4.1 Talent Development	63	
2-8	Workers who are not employees	-	-	Globe Union has no such situation
Governance				
2-9	Governance structure and composition	6.1 Integrity and Commitment	84	For details, please refer to Globe Union's annual report
2-10	Nomination and selection of the highest governance body	6.1 Integrity and Commitment	84	
2-11	Chair of the highest governance body	6.1 Integrity and Commitment	84	
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Environmental Commitment 6.1 Integrity and Commitment	19 84	
2-13	Delegation of responsibility for managing impacts	1.3 Environmental Commitment	19	
2-14	Role of the highest governance body in sustainability reporting	About Report 1.3 Environmental Commitment	3 19	
2-15	Conflict of interest	Identification of Material Topics and Stakeholder Communication 6.1 Integrity and Commitment	6 84	
2-16	Communication of critical concerns	1.3 Environmental Commitment Management Policies for Material Topics	19 -	
2-17	Collective knowledge of the highest governance body	6.1 Integrity and Commitment	85	
2-18	Evaluation of the performance of the highest governance body	6.1 Integrity and Commitment	84	

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GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
2-19	Remuneration policies	4.2 Foundation for Progress 6.1 Integrity and Commitment	71 85	For details, please refer to Globe Union's annual report
2-20	Process to determine remuneration	4.2 Foundation for Progress 6.1 Integrity and Commitment	71 85	
2-21	Annual total compensation ratio	-	-	
Strategy, Policies, and Practices				
2-22	Statement on sustainable development strategy	Message from the Chairman	5	
2-23	Policy commitments	1.3 Environmental Commitment 4.3 Open and Diverse 6.1 Integrity and Commitment	19 73 84	
2-24	Embedding policy commitments	1.3 Environmental Commitment 4.3 Open and Diverse 6.1 Integrity and Commitment	19 73 84	
2-25	Processes to remediate negative impacts	Identification of Material Topics and Stakeholder Communication 4.3 Open and Diverse	6 73	
2-26	Mechanisms for seeking advice and raising concerns	Identification of Material Topics and Stakeholder Communication 4.3 Open and Diverse	6 73	
2-27	Legal compliance	6.1 Integrity and Commitment	83	
2-28	Membership associations	-	-	Water Sense program member
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Identification of Material Topics and Stakeholder Communication	6	
2-30	Collective bargaining agreements	-	-	No collective bargaining agreements in place yet

GRI 3 - Material Topics

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
3-1	Process to determine material topics	Identification of Material Topics and Stakeholder Communication Management Policies for Material Topics	6	
3-2	List of material topics		-	
3-3	Management of material topics		-	

GRI 200 Series - Economic Topics

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
201 Economic Performance				
201-1	Direct economic value generated and distributed	1.2 History of Globe Union	14	
201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Change Response	39	
201-3	Defined benefit plan obligations and other retirement plans	4.3 Open and Diverse	73	
201-4	Financial assistance received from government	6.3 Tax Expertise	91	
202 Market Presence				
202-2	Proportion of senior management hired from the local community	4.1 Talent Development	63	
203 Indirect Economic Impacts				
203-1	Infrastructure investments and services supported	7.1 Hand in Hand - Building a Better World Together	93	
204 Procurement Practices				
204-1	Proportion of spending on local suppliers	2.3 Responsible Procurement	31	
205 Anti-corruption				
205-1	Operations assessed for risks related to corruption	6.1 Integrity and Commitment	83	
205-2	Communication and training about anti-corruption policies and procedures	6.1 Integrity and Commitment	83	
205-3	Confirmed incidents of corruption and actions taken	6.1 Integrity and Commitment	83	
206 Anti-competitive Behavior				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.1 Integrity and Commitment	86	No relevant incidents have occurred
207 Tax (2019)				
207-1	Approach to tax	6.3 Tax Expertise	91	For details, please refer to Globe Union's annual report
207-3	Stakeholder engagement and management of concerns related to tax	6.3 Tax Expertise	91	

GRI 300 Series - Environmental Topics

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
302 Energy				
302-1	Energy consumption within the organization	3.2 Environmental Protection and Sustainable Energy	46	
302-3	Energy intensity	3.2 Environmental Protection and Sustainable Energy	46	
302-4	Reduction of energy consumption	3.2 Environmental Protection and Sustainable Energy	46	
303 Water and Effluents (2018)				
303-1	Interactions with water as a shared resource	3.4 Water Purification Practices	54	
303-3	Water withdrawal	3.4 Water Purification Practices	54	
303-4	Water discharge	3.4 Water Purification Practices	54	
303-5	Water consumption	3.4 Water Purification Practices	54	
305 Emissions				
305-1	Direct (Scope 1) GHG emissions	3.1 Climate Change Response	39	
305-2	Energy indirect (Scope 2) GHG emissions	3.1 Climate Change Response	39	
305-3	Other indirect (Scope 3) GHG emissions	3.1 Climate Change Response	39	
305-4	GHG emissions intensity	3.1 Climate Change Response	39	
305-5	Reduction of GHG emissions	3.2 Environmental Protection and Sustainable Energy	46	
306 Waste (2020)				
306-1	Waste generation and significant waste-related impacts	3.5 Zero Waste through Recycling	57	
306-2	Management of significant waste-related impacts	3.5 Zero Waste through Recycling	57	
306-3	Waste generated	3.5 Zero Waste through Recycling	57	
306-4	Waste diverted from disposal	3.5 Zero Waste through Recycling	57	
306-5	Waste directed to disposal	3.5 Zero Waste through Recycling	57	
308 Supplier Environmental Assessment				
308-2	Negative environmental impacts in the supply chain and actions taken	2.3 Responsible Procurement	31	

GRI 400 Series – Social Topics

GRI Standards	Disclosure Items	Corresponding Chapters	Page	Notes
401 Employment				
401-1	New employee hires and employee turnover	4.1 Talent Development	63	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Foundation for Progress	71	
401-3	Parental leave	4.2 Foundation for Progress	71	
403 Occupational Health and Safety (2018)				
403-1	Occupational health and safety management system	5.1 Comprehensive Environment	77	
403-2	Hazard identification, risk assessment, and incident investigation	5.1 Comprehensive Environment 5.2 Shared Health	81	
403-3	Occupational health services	5.2 Shared Health	81	
403-4	Worker participation, consultation, and communication on occupational health and safety	5.2 Shared Health	81	
403-5	Worker training on occupational health and safety	5.1 Comprehensive Environment	77	
403-6	Promotion of worker health	5.2 Shared Health	81	
403-9	Work-related injuries	5.1 Comprehensive Environment	77	
403-10	Work-related ill health	5.1 Comprehensive Environment	77	
404 Training and Education				
404-1	Average hours of training per year per employee	4.1 Talent Development	63	
404-2	Programs for upgrading employee skills and transition assistance programs	4.1 Talent Development	63	
404-3	Percentage of employees receiving regular performance and career development reviews	4.1 Talent Development	63	
405 Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees	4.1 Talent Development	63	For details, please refer to Globe Union's annual report

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406 Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	4.3 Open and Diverse	73	No incidents of discrimination have occurred
408 Child Labor				
408-1	Operations and suppliers at significant risk for incidents of child labor	2.3 Responsible Procurement 4.3 Open and Diverse	31 73	No child labor employed
409 Forced or Compulsory Labor				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.3 Responsible Procurement 4.3 Open and Diverse	31 73	No incidents of forced labor have occurred
413 Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Identification of Material Topics and Stakeholder Communication	6	
414 Supplier Social Assessment				
414-2	Negative social impacts in the supply chain and actions taken	2.3 Responsible Procurement	31	
416 Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	2.1 Taste and Quality	20	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	-	No violation of any relevant regulations
417 Marketing and Labeling				
417-2	Incidents of non-compliance concerning product and service information and labeling	-	-	No violation of any relevant regulations
417-3	Incidents of non-compliance concerning marketing communications	-	-	No violation of any relevant regulations
418 Customer Privacy				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Beyond Expectations, Excellence in Experience 6.2 Globe Union's Vision	36 87	No relevant incidents have occurred



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Topic	Code	Category	Accounting Metric	Unit	Data/Corresponding Chapters
Energy Management in Manufacturing	CG-BF-130a.1	Quantitative	(1) Total energy consumed	Gigajoules (GJ)	Taiwan Headquarters 2,478.96 GJ Milim 531,311.00 GJ
			(2) percentage grid electricity	Percentage (%)	Taiwan Headquarters 100.00% Milim 99.92%
			(3) percentage renewable	Percentage (%)	Taiwan Headquarters 0.00% Milim 0.08%
Management of Chemicals in Products	CG-BF-250a.1	Qualitative	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	-	2.1.2 Chemical Management
	CG-BF-250a.2	Quantitative	Percentage of eligible products meeting volatile organic compound (VOC) emissions and content standards	Revenue percentage(%)	Not applicable; Globe Union's main products are ceramic bathroom items and other related products
Product Lifecycle Environmental Impacts	CG-BF-410a.1	Qualitative	Description of efforts to manage product lifecycle impacts and meet demand for sustainable products	-	2.2.3 Create a Circular Future Together
	CG-BF-410a.2	Quantitative	(1) Weight of end-of-life material recovered	Metric tons (t)	0 metric tons
Wood Supply Chain Management	CG-BF-430a.1	Quantitative	(2) percentage of recovered materials recycled	Percentage (%)	0.00%
			(1) Total weight of wood fiber materials purchased	Metric tons (t) Percentage (%)	Not applicable; Globe Union's main products do not include items such as wood
			(2) percentage from third-party certified forestlands		
			(3) percentage by standard		
			(4) percentage certified to other wood fiber standards		
(5) percentage by standard					

Activity Indicators	Unit	Globe Union
Annual production volume	Metric tons; Units	53,848 (t); 2,918,804 (units)
Production facility area	Square meters (m ²)	137,845.63

Note:

Percentage of purchased electricity = Electricity consumed from the grid) ÷ Total energy consumption

Renewable energy usage rate = Renewable energy consumption ÷ Total energy consumption

Recycled material recovery rate = Weight of recycled or remanufactured materials ÷ Total weight of purchased recycled materials

Appendix 3 TCFD Standards Index

"Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" Appendix 2: Climate-Related Information for TWSE Listed Companies

Number	Required Items	Corresponding Chapters	Page
1	Description of the Board of Directors and Management's Oversight and Governance of Climate-Related Risks and Opportunities	3.1 Climate Change Response	39
2	How identified climate risks and opportunities impact business operations, strategy, and financials (short-term, medium-term, long-term)	3.1 Climate Change Response	39
3	The impact of extreme climate events and transition actions on finance	3.1 Climate Change Response	39
4	Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system	3.1 Climate Change Response	39
5	When using scenario analysis to assess resilience to climate change risks, it is essential to detail the scenarios employed, parameters, assumptions, analytical factors, and main financial impacts	Under evaluation for implementation 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.	-
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	Under evaluation for implementation 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	Under evaluation for implementation 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 used to achieve these targets, the source and quantity of the carbon offset credits or the number of RECs should be detailed.	Under evaluation for implementation After conducting a greenhouse gas inventory, GHG tracking will be initiated, followed by the setting and implementation of reduction targets and related measures.	-
9	Greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans		-
	Statement of detailed account of greenhouse gas emissions over the last two fiscal years, including total emissions (metric tons of CO ₂ e), intensity (metric tons CO ₂ e/NT\$ million), and the scope of data covered	Globe Union will complete the group's greenhouse gas inventory ahead of the regulatory schedule Globe Union, 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.	-
	Overview of the verification status for the last two fiscal years, including the scope of verification, the verifying body, the verification standards applied, and the opinion	Globe Union will complete the greenhouse gas assurance activities ahead of the regulatory schedule Globe Union, 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.	-
	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	Globe Union will complete the greenhouse gas assurance activities ahead of the regulatory schedule and establish reduction targets, strategies, and specific action plans.	-

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