

Gemtek

Gemtek Technology Co., Ltd.



2023

ESG Report

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● About the ESG Report

Gemtek Technology Co., Ltd. (hereinafter referred to as Gemtek Technology, Gemtek, or the Company) has regularly published sustainability reports in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies". This current report marks the 8th edition and encompasses significant achievements across key areas such as "Corporate Governance", "Products and Services", "Sustainable Environment", "Supply Chain Management", and "Workplace Well-being" throughout the entire report. Essentially, the ESG report summarizes Gemtek's core principles and values, guiding its business practices related to governance, economy, environment, and social responsibility. It aims to provide stakeholders with insight into Gemtek's commitment to achieving sustainable development goals.

● Scope and Basis of the ESG Report

The scope of this ESG Report encompasses content and performance data primarily from Gemtek Technology Co., Ltd., Taiwan Headquarters (hereinafter referred to as Gemtek Technology). Consolidated financial statements include financial data from various entities within the Gemtek Group, such as Gemtek Electronics (Changshu) Co., Ltd., Gemtek Electronics (Kunshan) Co., Ltd., and Gemtek Vietnam Corporation Limited, alongside other affiliated companies. Environmental data reflects operations at locations where these affiliated companies operate, including Taiwan Headquarters and the aforementioned entities. Additionally, due to the disposal operation carried out by Gemtek Electronics (Changshu) Co., Ltd. in the latter half of 2023, some information does not include complete annual data from the entity. Details regarding this

matter will be noted within the main body. This excludes sales offices and service centers in the Americas, Europe, Japan, and other entities not directly controlled by Gemtek Technology. The disclosed information spans from January 1, 2023, to December 31, 2023, with coverage extending to topics and issues before and after 2023 to provide context for the Company's future policies, goals, and plans. Statistical data in this report originates from research conducted by Gemtek Technology. Financial reports are based on publicly disclosed information audited by Certified Public Accountants from Deloitte Touche Tohmatsu Limited and presented in accordance with international standards. Any assumptions or hypotheses will be detailed in relevant sections of the report.

The framework of the report adheres to the Global Reporting Initiative (GRI) Standards (2021) published by the Global Sustainability Standards Board (GSSB) in addition to the "Corporation Rules Governing the Preparation and Filing of Sustainability Reports" issued by the Taiwan Stock Exchange. These rules and standards serve as the foundation for information disclosure in this report. Furthermore, the report includes the sustainability indicators and initiatives that are mentioned in the Task Force on Climate-related Financial Disclosures (TCFD) made by the International Sustainability Standards Board (ISSB) and the United Nations Sustainable Development Goals (SDGs). The report follows these guidelines and frameworks and provides detailed indices in Appendices 1-3. Any adjustments made to data compared to the "Gemtek 2022 ESG Report" will be clearly explained in relevant sections of the report.

On March 13, 2023, the ESG Sustainability Committee was officially established, comprising four functional units: "Environmental Sustainability," "Supply Chain Sustainability," "Corporate Governance," and "Workplace Well-being." Each unit is responsible for promoting and addressing sustainable development goals. The information presented in this report was collected, compiled, and reviewed by these functional units. Following final review and approval by the General Manager, it was submitted to the Board of Directors for final approval by the Chairman of the ESG Sustainability Committee prior to publication. SGS Taiwan Ltd., a third-party verification agency, was engaged to ensure the Inclusivity, Materiality, Responsiveness, and Impact of the disclosed information using the AA1000 Assurance Standard (AA1000AS v3) Type 1 methodology. Detailed information on the SGS Verification Statement can be found in Appendix IV.

● Publication Date

Annual sustainability reports can be found on Gemtek's company website.
Previous Publication Date: June of 2023
Latest Publication Date: July of 2024
Next Publication Date: Approximately in July of 2025

● Contact Information

If you have any questions about the ESG Report, please feel free to contact us any time.

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Letter from the Chairman and General Manager

Since its establishment in 1988, Gemtek Technology has been dedicated to its corporate mission of "Creating a Wireless Lifestyle & Infinite New Ideas" and guided by the 4A corporate vision (Wireless broadband Anytime, Anywhere, Any Content, Affordable). The Company remains faithfully committed to advancing network communication technology through continuous research and development. In an ever-evolving technological landscape, Gemtek persistently stands by its core values of business professionalism, integrity, and service commitment, contributing to the integration of heterogeneous networks with advanced technologies in communication. Gemtek Technology strives to enhance its technological capabilities to deliver the highest service quality to customers. With visionary strategies and the collective efforts of its team, Gemtek Technology has successfully navigated challenges, achieved increased operating income at the start of 2017, and maintained strong performances in subsequent years.

In recent years, the world has faced significant global challenges, including the COVID-19 pandemic and the Sino-US trade war, resulting in disruptions to supply chains and unprecedented impacts on industries. Responding to these global crises, Gemtek Technology has devised plans to build an 'Antifragile' business

model by expanding its global footprint and enhancing its supply chain management, efforts that have garnered strong support from customers. Despite the challenges posed by the COVID-19 pandemic, Gemtek Technology remains committed to delivering high-quality services and was recognized with the Supplier Achievement Award (SAA) by Intel in November 2022, underscoring its resilience and success. In 2023, Gemtek Technology also received recognition from Intel for its delivery of Wi-Fi 7 products. As global demand for wireless communication products continues to rise, all aspects of Gemtek Technology's efforts are based on the aspiration to satisfy the ardent expectations of customers. Gemtek not only continues to upgrade its research and development capabilities while keeping tabs on global technology trends and actively developing advanced products, but the Company also pays a great deal of attention to whether its manufacturing processes conform to international standards. The company has obtained numerous internationally recognized certifications, such as ISO 14001 for Environmental Management and ISO 45001 for Occupational Health and Safety Management. One of Gemtek's key business objectives is to carry out environmentally conscious plans by eliminating or reducing foreseeable factors that could cause environmental pollution and safety hazards.

Chairman **Howard Chen**





The importance of wireless communication products and services has become increasingly prominent in the post-pandemic era. Infrastructure deployment not only enhances network connectivity and communication among people, but also forms the vital backbone of the Internet of Things, smart factories, and the Metaverse. As the deployment of 5G infrastructure progresses, the development of 6G technology is also gaining momentum in the industry. The growing demand for advanced wireless communication products and services has drawn global attention to suppliers and manufacturers in this sector. In response to the widespread changes in the geopolitical and economic environment, Gemtek Technology has actively reorganized its global strategy. This includes consolidating its overall production capacity and expanding its manufacturing capabilities by building a new plant in Vietnam. These efforts position the company to meet the next wave of high product demand and to navigate the challenges and opportunities that lie ahead.

Technology is ever-evolving, and the world teeters on the brink of unpredictable political and economic changes. Despite these challenges, Gemtek's management team has the professional insight to adapt our business to dynamic circumstances. Driven by our core business philosophy, we strive to maintain our industry leadership

and deliver excellence in our daily operations. Beyond our professional endeavors, we encourage our colleagues to volunteer by actively participating in public welfare activities, supporting underprivileged school children, and enhancing employee welfare. Our goal is to foster a sense of corporate social responsibility among employees, encouraging them to take small steps to care for people, the environment, and communities around us. By extending our support to social and cultural activities, we aim to make a meaningful impact. The imminent threat of climate change has compelled companies to embrace sustainable development. Over the years, Gemtek Technology has taken on its responsibilities as a green citizen, guided by three major ESG strategies: "Strive Towards Sustainability," "Build Stronger Business Partnerships," and "Implement Corporate Governance."

The concept of sustainability has become an integral part of our corporate culture. In addition to driving innovation in network communications, Gemtek Technology is deeply committed to sustaining the global environment and supporting our social communities. This commitment unites every Gemtek employee, fostering a sense of belonging and purpose within our company.

General manager **James Lee**

Awards & Recognitions

Gemtek
Headquarters



2024 - RBA VAP Platinum Status Recognition

Gemtek
Electronics
Kunshan
Co., Ltd.



2023 - RBA VAP Gold Status Recognition

Gemtek
Vietnam
Co., Ltd.



2023 - RBA VAP Silver Status Recognition



2023 - BUFFALO The Best Supplier Award



2023 - Intel Supplier Award

Gemtek
Group



2024 - EcoVadis Silver Medal

Gemtek
Headquarters






2024 Badge of Accredited Healthy Workplace






Communication with Stakeholders

Stakeholder Engagement

In 2021, based on the framework of business experience and operational development, the ESG Team and relevant departments have discussed and concluded that the stakeholders of Gemtek Technology are to be evaluated, ranked, and categorized according to the five principles of AA1000 Stakeholder Engagement Standards (SES). In 2023, we took further steps to comply with the 2021 GRI Standards. External ESG experts were engaged to assess and identify the significance of both the existing and potential negative impacts and positive influences on our stakeholders. This comprehensive assessment incorporated our company's evaluations to ensure a thorough understanding. Upon reviewing the assessment results provided by external experts along with stakeholder evaluation findings from the previous year, department managers have concluded and identified 8 types of stakeholders: shareholders/investors, government agencies, employees, customers/distributors, banks, media, suppliers/contractors, and external rating agencies.

Stakeholder Engagement and Communication Channels

Stakeholder	Meaning	Material Topics	Communication Channel	Frequency	Results
 Shareholder/Investor	Shareholders are key supporters of the company. The company should protect their rights, treat all shareholders fairly, and ensure they have the right to be fully informed about, participate in, and make decisions on significant company matters.	<ul style="list-style-type: none"> ● Economic Performance ● Occupational Health and Safety ● Business Integrity ● Risk Management ● Customer Satisfaction 	<ul style="list-style-type: none"> ● Annual General Shareholders' Meeting ● Market Observation Post System ● Monthly Revenue Announcement ● Quarterly Report ● Company Website ● Earnings Conference 	Annually Immediately Monthly Quarterly Immediately Annually	<ul style="list-style-type: none"> ● Held 1 Earnings Conference ● Held 1 AGM ● Published 17 Press Releases
 Government Agencies	Adhering to regulations is fundamental to all business operations and activities. It is the company's responsibility and obligation to ensure compliance with the law to avoid legal violations or business shutdowns.	<ul style="list-style-type: none"> ● Greenhouse Gas Emission ● Compliance with laws and regulations ● Energy ● Customer Health and Safety 	<ul style="list-style-type: none"> ● Official Document, E-mail, and Meetings ● Health and Safety Training 	Immediately Occasionally	<ul style="list-style-type: none"> ● Attended 9 government meetings ● Responded to 39 government documents
 Employee	Creating a diverse and inclusive workplace environment, establishing multiple communication channels, improving labor conditions and benefits, and fostering good labor-management relations enable employees to work with peace of mind, collectively striving towards organizational goals, and continuously growing to achieve sustainable operation and development.	<ul style="list-style-type: none"> ● Occupational Health and Safety ● Economic Performance ● Employment Relationship ● Product Information Security ● Compliance with laws and regulations 	<ul style="list-style-type: none"> ● Labor-Management Meeting ● Employee Benefits Committee ● Occupational Health and Safety Committee ● Training and Development Platform ● Performance Evaluation ● E-platform/Company Announcement ● Employee Grievance Mechanism 	Quarterly Quarterly Quarterly Immediately Semi-annually Immediately Immediately	<ul style="list-style-type: none"> ● Held 4 Employee Benefits Meeting ● Labor- management meeting ● Received 10 letters in the Suggestion Box

Stakeholder	Meaning	Material Topics	Communication Channel	Frequency	Results
 Customer/Distributor	Establish strong customer relationships and communication channels, increase customer satisfaction, reduce customer churn, improve service quality, and enhance the company's image, allowing for sustainable operation and development.	<ul style="list-style-type: none"> Customer Satisfaction Product Information Security Risk Management Customer Privacy Business Integrity 	<ul style="list-style-type: none"> Sales Meeting Customer Satisfaction Survey Complaint Mechanism Customer Survey or Audit 	Occasionally Annually Immediately Occasionally	<ul style="list-style-type: none"> Conducted 1 Customer Satisfaction Survey Received 15 customer complaints, handled appropriately.
 Bank	Banks are the primary source of operating funds. Through close communication and interaction with banks, we secure stable and competitive operating funds to ensure sustainable operations.	<ul style="list-style-type: none"> Economic Performance Corporate Governance Business Integrity Risk Management Task Force on Climate-Related Financial Disclosures 	<ul style="list-style-type: none"> Market Observation Post System Monthly Revenue Announcement Quarterly Report Company Website Earnings Conference Special Guests 	Immediately Monthly Quarterly Immediately Annually Annually	<ul style="list-style-type: none"> Held 1 Earnings Conference
 Media	The company can effectively communicate its operational status, performance, and future development strategies to the public, thereby enhancing market transparency and increasing investor confidence and awareness in the company. This approach helps gain support and trust from investors and consumers alike.	<ul style="list-style-type: none"> Economic Performance Corporate Governance Product Information Security Risk Management Compliance with laws and regulations 	<ul style="list-style-type: none"> Company Website Investor Conference 	Immediately Annually	<ul style="list-style-type: none"> Held 1 Earnings Conference Published 17 Press Releases
 Supplier/Contractor	Establish mechanisms to review sustainable operation partners, improve supplier risk management and efficiency, develop long-term green energy partners, sustain continuous procurement policy objectives, and work with suppliers to promote corporate social responsibility to jointly implement ESG.	<ul style="list-style-type: none"> Economic Performance Business Integrity Risk Management Customer Satisfaction Customer Health and Safety 	<ul style="list-style-type: none"> Supplier Platform Supplier Review/Evaluation Supplier Conference 	Immediately Quarterly Occasionally	<ul style="list-style-type: none"> Evaluated 284 Suppliers Completed RBA on-site/online audit of 20 suppliers Conflict Mineral Survey: 87%: response rate from suppliers CSR Declaration Statement: 87% completion rate from suppliers RBA Code of Conduct: 86% signature completion rate
 External Rating Agencies	Through external rating agency verification, businesses can demonstrate their commitment and practices by actively complying with regulations, prioritizing employee safety and health, and maintaining good cooperation with government agencies.	<ul style="list-style-type: none"> Occupational Health and Safety Greenhouse Gas Emission Compliance with laws and regulations Customer Health and Safety Energy 	<ul style="list-style-type: none"> Company Website 	Immediately	<ul style="list-style-type: none"> Completed CDP questionnaire for climate change, received a B-. Gemtek Headquarters, Gemtek Electronics (Kunshan) and Gemtek Vietnam completed RBA validation. Gemtek Headquarters received Platinum Status Recognition. Gemtek Electronics (Changshu) received Golden Status Recognition. Gemtek Vietnam received Silver Status Recognition.

Grievance / Reporting Handling Mechanism

The company's website offers a reporting channel for all stakeholders to submit their opinions that are related to corporate social responsibility matters or report complaints. Employees can express their opinions or report complaints through the suggestion box or other channels announced by the company. Reports submitted to the reporting office will be assigned to the appropriate units for review in accordance with the report handling procedures. If a complaint regarding a violation of the code of conduct is found to be valid, an ad hoc committee will be established to address and resolve the complaint. Depending on the severity of the violation, the accused party will be subject to administrative discipline, and efforts will be made to recover any improper benefits and pursue legal responsibilities. The identity of the whistleblower and the relevant information will be kept confidential at all times. Gemtek aims to enhance the company's management and internal control procedures by leveraging these real-world experiences to raise employees' awareness of the consequences associated with unethical behavior and prevent future incidents.

Reporting Channel	Aspects	Department In Charge	Related Rules
1. Report via Email <ul style="list-style-type: none"> Gemtek Headquarters: Gemtek_suggestion@gemteks.com Gemtek Kunshan: China_hr1@ks.gemteks.com Gemtek Vietnam: VN_suggestion@vn.gemteks.com 	Corporate Governance	RBA Team	<ul style="list-style-type: none"> Business Ethics and Anti-Corruption/Anti-Bribery Management Procedures
2. Report via Telephone <ul style="list-style-type: none"> Gemtek Headquarters: 03-5985535#1119 Gemtek Kunshan: 57390366-32120 Gemtek Vietnam: +8422 6358 3758 	Environment	Occupational Health and Safety Department	<ul style="list-style-type: none"> Environmental, Health, and Safety Communication Management Procedures
3 Write a direct letter to Human Resources Department			
4 Employees can submit written letters or the "Suggestion Form" via the Employee Suggestion Box (Gemtek Headquarters, Gemtek Vietnam) / General Manager's Suggestion Box (Gemtek Kunshan)	Humanity	RBA Team	<ul style="list-style-type: none"> Human Rights and Whistleblower Protection Policy
<ul style="list-style-type: none"> Gemtek Headquarters: aqe@gemteks.com Gemtek Kunshan: aqe@ks.gemteks.com <div> <div>Non-EMS(Wifi Products)</div> <div>EMS(non Wifi Products)</div> </div> <ul style="list-style-type: none"> Gemtek Vietnam: 0930-03@vn.gemteks.com 0930-04@vn.gemteks.com 0920-03@vn.gemteks.com 0920-04@vn.gemteks.com 	Products	Quality Assurance Department	<ul style="list-style-type: none"> Defective Product Return and Repair Control Procedures Customer Complaint Handling Procedures

Note: The complaint and reporting channels of Gemtek Electronics (ChangShu) are not disclosed due to the handling of business divestment in the second half of 2023

Grievance / Complaint Handling Situations

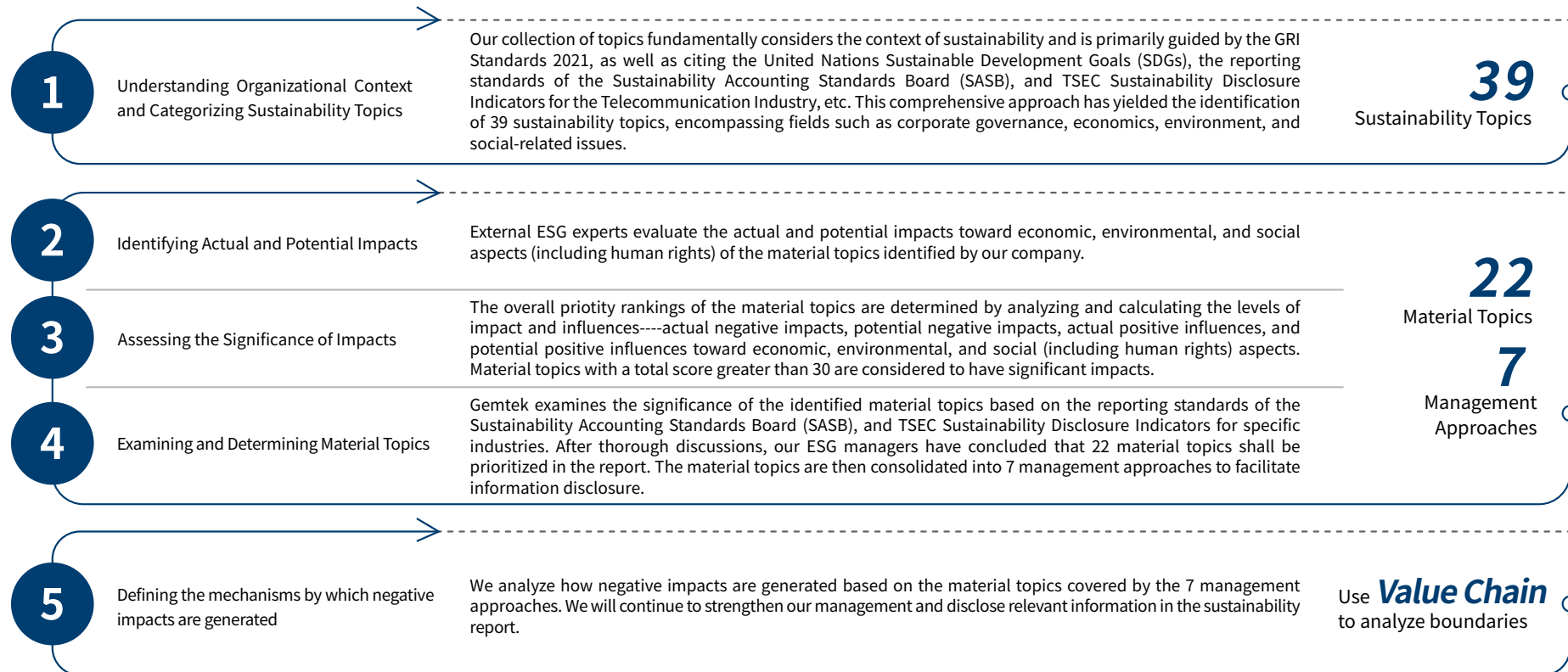
In 2023, there were a total of 15 customer complaints that were formally handled, all of which were quality-related issues with no impact on customer safety and health. Through internal education and expanded inspection measures, we ensured that employees followed the proper procedures to handle anomalies. Continuous monitoring and follow-up confirmed that there were no recurring issues, and all cases have been closed. In the future, our company will continue to improve internal operational processes to prevent similar incidents from happening again and maintain open complaint channels to protect stakeholders' rights and interests.

Material Topics and Management

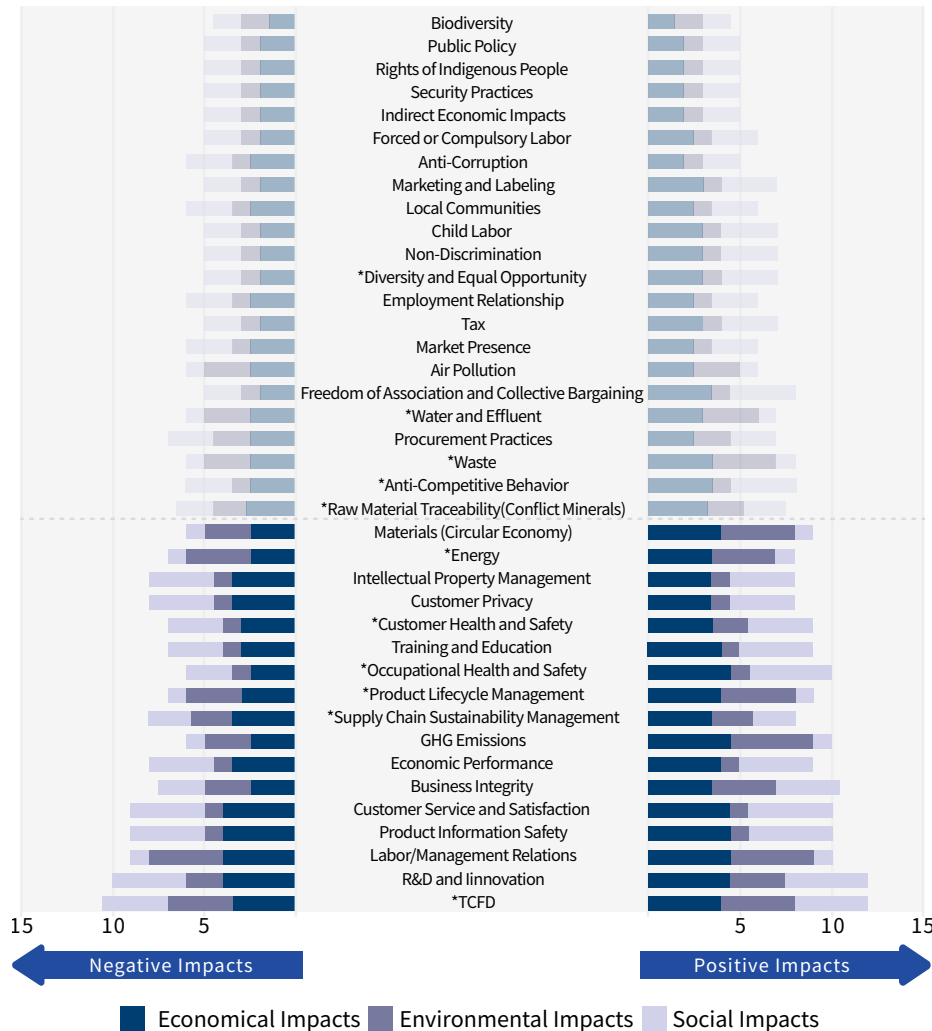
Materiality Analysis

Gemtek Technology conducts the materiality analysis in accordance with GRI Standards (2021). Through systematic analysis, we identify the sustainability issues that have significant impacts on our company in terms of the economy, environment, and social aspects (including human rights), which serves as the basis of the foundation for information disclosure in our ESG reports and facilitate effective communication with information users. The identification process and results of Material Topics for 2023 are as follows:

Materiality Analysis and Process for Sustainability



Result of Materiality Analysis



Note:

- "*" indicates industry-specific topics listed by the Sustainability Accounting Standards Board (SASB) and the TSEC Sustainability Disclosure Indicators (Telecommunications Industry).
- Topics highlighted in yellow are sustainability issues with a total score greater than 30, based on the assessment of their positive and negative impacts on the economy, environment, and society.

Material Topics

- TCFD
- Innovation and R&D
- Employment Relationship
- Product Information Security
- Customer Service and Satisfaction
- Business Integrity
- Economic Performance
- GHG Emission
- Supply Chain Sustainability Management
- Product Lifecycle Management
- Occupational Health and Safety
- Training and Education
- Customer Health, and Safety
- Customer Privacy
- Intellectual Property Management
- Energy
- Materials (Circular Economy)
- Raw Material Traceability (Conflict Minerals)
- Anti-Competitive Behavior
- Waste
- Water and Effluent
- Diversity and Equal Opportunity

Sub-Material Topics

- Procurement Practices
- Freedom of Association and Collective Bargaining
- Air Pollution
- Market Presence
- Tax
- Labor/Management Relationship
- Non-Discrimination
- Child Labor
- Local Communities
- Marketing and Labeling
- Anti-Corruption
- Forced or Compulsory Labor
- Indirect Economic Impact
- Security Practices
- Rights of Indigenous people
- Public Policy
- Biodiversity

Note:

- Compared to the significant topics in 2022, this year we have added six new topics based on the results of the materiality assessment and in reference to industry-specific topics listed by the Sustainability Accounting Standards Board (SASB) and the TSEC Sustainability Disclosure Indicators (Telecommunications Industry). The new topics are "Materials (Circular Economy)," "Raw Material Traceability (Conflict Minerals)," "Anti-Competitive Behavior," "Waste," "Water and Effluents," and "Employee Diversity and Equal Opportunity."
- This year, "Supplier Environmental Assessment" and "Supplier Social Assessment" have been consolidated into "Supply Chain Sustainability Management Management." Additionally, "Corporate Governance," "Regulatory Compliance," and "Risk Management" are considered general disclosure items and are not included in the process of consolidating and identifying material topics.

Scope and Boundaries of Material Topics

Policy	Sustainability -Material Topics	Impact Definition	Impact of Boundaries On the Value Chain	Corresponding Chapter	Pages
Sustainable Business	<ul style="list-style-type: none"> ● Business Integrity ● Economic Performance ● Anti-Corruption 	Gemtek Technology leverages the extensive technical expertise and experience of its management team to enhance operational performance and maximize profits. Thus, failure to comply with relevant legal requirements during business operations could harm the company's reputation, result in the loss of customer orders, and cause a decline in revenue.	<ul style="list-style-type: none"> ● Gemtek Technology ▲ Subsidiaries 	1.Business Operations and Corporate Governance	21
Customer Relationship Management	<ul style="list-style-type: none"> ● Product Information Security ● Customer Privacy ● Customer Health and Safety ● Customer Service and Satisfaction 	Failure to implement customer relationship management could result in customer attrition and decreased profitability. Conversely, strengthening customer relationship management and ensuring robust security and privacy protections can enhance our competitiveness and safeguard the rights and interests of both the company and our customers.	<ul style="list-style-type: none"> ● Gemtek Technology ▲ Subsidiaries ★ Supplier ★ Contractor ★ Customer 	2.Products and Services	38
R&D and Intellectual Property	<ul style="list-style-type: none"> ● Innovation and R&D Intellectual Property Management ● Product Life Cycle Management ● Materials (Circular Economy) 	Gemtek Technology is committed to the research, development, and design of new products, integrating green and energy-efficient concepts from the initial design stage and utilizing low-carbon materials to strengthen our core competitiveness. By managing intellectual property, we safeguard our R&D achievements and prevent potential negative impacts from their loss. Moreover, without conducting product life cycle assessments, we cannot identify the carbon emission hotspots of our products, which could result in excessive energy consumption or environmental impacts from unrecycled product waste.	<ul style="list-style-type: none"> ● Gemtek Technology ▲ Subsidiaries ★ Supplier ★ Customer 	2.Products and Services	39
Supply Chain Management	<ul style="list-style-type: none"> ● Supply Chain Sustainability Management ● Raw Material Traceability (Conflict Minerals) 	Gemtek Technology upholds corporate social responsibility for suppliers by establishing a qualification evaluation system focused on green and environmental standards. This ensures that suppliers meet their social responsibilities across environmental, governance, and social aspects, promoting sustainable supplier relationships. However, if a supplier faces any negative incidents, it could impact material quality, harm stakeholder interests, and damage the company's reputation.	<ul style="list-style-type: none"> ● Gemtek Technology ▲ Subsidiaries ★ Supplier ★ Contractor 	3.Supply Chain Management	50
Climate Change Countermeasures	<ul style="list-style-type: none"> ● Energy ● GHG Emission ● TCFD ● Waste ● Water and Effluent 	With growing emphasis on environmental concerns, regulatory standards and customer demands are becoming stricter, encompassing greenhouse gas inventories, energy efficiency measures, water resources, and waste management. Inadequate management could potentially impact the company significantly. Gemtek is actively implementing measures to manage greenhouse gas emissions and energy consumption, aiming to meet market dynamics, fulfill customer needs, and enhance corporate competitiveness.	<ul style="list-style-type: none"> ● Gemtek Technology ★ Supplier ★ Contractor 	4.Sustainable Environment	58
Human Resources Development	<ul style="list-style-type: none"> ● Labor/Management Relationship ● Training and Education ● Diversity and Equal Opportunity 	Quality human capital is a critical factor in the success of any enterprise. By fostering strong employer-employee relations, improving employee skills through education and training, and ensuring a safe working environment, companies can enhance their competitiveness. Neglecting social responsibilities to protect employee rights may result in reduced or redirected orders from customers, government penalties, negative financial impacts, and hindered external recruitment and sustainable talent development efforts.	<ul style="list-style-type: none"> ● Gemtek Technology ★ Supplier ★ Contractor 	5. Workplace Well-being	71
Occupational Health and Safety	<ul style="list-style-type: none"> ● Occupational Health and Safety 	Establishing a secure work environment not only mitigates regulatory risks but also safeguards the health and safety of personnel while preventing losses to company assets. Our company is committed to providing employees with a safe and fulfilling work environment, actively advancing occupational health and safety management with diligence to uphold our corporate responsibility for worker safety and well-being.	<ul style="list-style-type: none"> ● Gemtek Technology ★ Supplier ★ Contractor 	5. Workplace Well-being	72

Note: Level of Impact: ● Main Impact; ▲ Facilitated Impact; ★ Direct Correlation

Sustainable Goals and Outcome



Sustainable Business

Material Topics | Business Integrity/Economic Performance/Anti-Competition

Goal (2023)

- Primary production sites completed RBA verification.
- Zero tolerance for corruption, fair competition, anti-trust/monopoly practices.
- Zero incidents of conflicts of interest involving employees or management.
- Zero incidents of fraudulent activities such as false advertising, misleading information.
- Zero incidents of dishonest business practices including money laundering and unethical transactions.

2023 Performance Outcome

- ★ Gemtek Taiwan Headquarters, Gemtek Electronics (Kunshan), and Gemtek Vietnam have completed RBA audits. The Taiwan headquarters achieved Platinum status certification, Gemtek Electronics (Kunshan), achieved Gold status certification, and Gemtek Vietnam achieved Silver status certification.
- ★ There were no incidents violating ethical business practices, anti-competitive behavior, or corruption-related laws resulting in penalties by regulatory authorities, nor were there any reported cases of corruption.
- ★ There were zero incidents of conflicts of interest involving employees or management.
- ★ There were zero incidents of fraudulent activities such as false advertising or misleading information.
- ★ There were zero incidents of unethical practices including money laundering or improper transactions.

Short-Term Goal(2024)

- Zero tolerance for corruption, fair competition, anti-trust/monopoly practices.
- No incidents of conflicts of interest involving employees or management.
- No incidents of fraudulent activities such as false advertising, misleading information.
- No incidents of unethical practices including money laundering, improper transactions.

Medium ~Long-Term Goal (2025~2030)

- Pursue high-profit, high-growth niche product development, continuously invest in research and development, and master key wireless communication technologies to maximize profits.
- Establish a corporate culture of integrity and implement policies for ethical business practices, strictly adhering to integrity principles in all commercial activities, and continually educating and advocating ethical conduct among employees.
- Align with short-term marketing, production, and product development goals to timely expand operational scale in response to company development needs.
- Uphold the philosophy of sustainable business practices, fostering a strong corporate culture, and continuing in the direction set by short-term development plans to accommodate operational growth.
- Zero tolerance for corruption, fair competition, anti-trust/-monopoly practices.
- No incidents of conflicts of interest involving employees or management.
- No incidents of fraudulent activities such as false advertising, misleading information.
- No incidents of unethical practices including money laundering, improper transactions.

★ : Achieved ; ▲ : Not yet achieved



R&D and Intellectual Property

Material Topics

Innovation and R&D/Intellectual Property Management Product Life Cycle Management/Materials (Circular Economy)

Goal (2023)

- Respect others' intellectual property rights.
- The procurement proportion of PCR (Post-Consumer Recycled) plastics reaches 12.1%.
- The procurement proportion of environmentally friendly packaging materials reaches 28.5%.

2023 Performance Outcome

- ★ In 2023, there were no infringement lawsuits.
- ★ In 2023, the procurement proportion of PCR (Post-Consumer Recycled) plastics was 12.1%.
- ★ In 2023, the procurement proportion of environmentally friendly packaging materials was 28.5%.

Short-Term Goal(2024)

- Respect others' intellectual property rights.
- The procurement proportion of PCR (Post-Consumer Recycled) plastics reaches 24.2%.
- The procurement proportion of environmentally friendly packaging materials reaches 35%.

Medium ~Long-Term Goal (2025~2030)

- Enhance innovative R&D capabilities and independently design products.
- Encourage employees to apply for patents to increase the company's competitiveness.
- Develop low-carbon products to align with low-carbon market trends.
- Setting 2022 as the baseline year, achieve a 90% procurement proportion of PCR (Post-Consumer Recycled) plastics by 2030.
- Setting 2022 as the baseline year, achieve a 90% procurement proportion of environmentally friendly packaging materials by 2030.
- Achieve a 90% refurbishment rate for recycled products.



Customer Relationship Management

Material Topics

Product Information Security /Customer Privacy Customer Service and Satisfaction/Customer Health and Safety

Goal (2023)

- The rate of customer complaints resolved was 100%, customer satisfaction rate was ≥ 92%.
- All 13 Information Security KPI targets were met.
- No customer complaints (0 cases per month) regarding hazardous substances in products (HSF).
- Ensured that 100% of products pose no threat to health and safety.
- Zero incidents of information leakage. Achieved 55.87% of the information security enhancement targets.

2023 Performance Outcome

- ★ In 2023, the rate of customer complaints resolved on a timely basis was 100%, and customer satisfaction scored 93.7.
- ★ In 2023, all 13 Information Security KPI targets were met.
- ★ In 2023, there were no customer complaints regarding hazardous substances (HSF) in products.
- ★ In 2023, there were no customer complaints related to customer health and safety, nor any incidents of violations of related laws and regulations.
- ★ In 2023, there were no verified complaints of customer privacy infringement or data loss.
- ★ The achievement rate for information security enhancement goals reached 60.2%.

Short-Term Goal(2024)

- Customer satisfaction rate is ≥ 92%.
- Achieve all 13 Information Security KPI targets.
- No customer complaints (0 cases per month) regarding hazardous substances in products (HSF).
- Passed the transition verification for the latest version of ISO/IEC 27001:2022 international information security management standard.
- Ensured that 100% of products pose no threat to health and safety.
- Zero incidents of information leakage. Achieve 62.17% of information security enhancement targets.

Medium ~Long-Term Goal (2025~2030)

- Enhance overall quality; expand technological capabilities; uphold corporate sustainability principles; and build a strong corporate culture.
- Ensure the effectiveness of the information security management system and maintain the absence of significant deficiencies during internal and external audits regarding the protection of customer product information.
- Reduce manufacturing pollution; comply with environmental directives per customer requirement; build a healthy work environment; create opportunities for business development; and establish sustainable growth for the company.
- Ensure that 100% of products pose no threat to health and safety.
- Zero incidents of information leakage.
- Achieve an 83.7% target completion rate for information security enhancement.

★ : Achieved ; ▲ : Not yet achieved



Supply Chain Management

Material Topics | Supply Chain Sustainability Management/Raw Material Traceability (Conflict Minerals)

Goal (2023)

- The Suppliers Conflict Minerals Questionnaire response rate: 84%.
- The completion rate for the signing of Supplier CSR Declaration: 86%.
- The completion rate for the signing of RBA Commitment Statement : 81%.
- Achievement rate for suppliers signing the environmental protection declaration and halogen-free declaration: 100%.
- Implementation rate for local procurement in the supply chain: 30%.
- Conducted greenhouse gas inventory with 40% of key suppliers (PCB, injection molding [plastic, metal], IC [memory, chipset], adapter).

2023 Performance Outcome

- ★ The Suppliers Conflict Minerals Questionnaire response rate: 87%.
- ★ Supplier signing completion rate of Supplier CSR Declaration: 87%.
- ★ The completion rate for the signing of RBA Commitment Statement: 86%.
- ★ Achievement rate for suppliers signing the environmental protection declaration and halogen-free declaration: 100%.
- ★ Implementation rate of local procurement in the supply chain: 35%.
- ★ Conducted greenhouse gas inventory with 40% of key suppliers.

Short-Term Goal(2024)

- The Suppliers Conflict Minerals Questionnaire response rate: 90%.
- Supplier signing completion rate of Supplier CSR Declaration: 91%.
- Achievement rate of suppliers signing environmental protection declaration and halogen-free declaration: 100%.
- Implementation rate of local procurement in the supply chain: 40%.
- Greenhouse gas inventory conducted for 80% of key suppliers.

Medium ~Long-Term Goal (2025~2030)

- Setting 2022 as the baseline year, achieve a 100% response rate for the Suppliers Conflict Minerals Questionnaire across the entire group by 2026.
- Conduct responsible sourcing investigations and management for conflict minerals.
- Achieve a 100% completion rate for suppliers signing the Supplier CSR Declaration.
- Achieve a 100% completion rate for signing RBA Commitment Statement.
- Setting 2022 as the baseline year, require key manufacturing suppliers to achieve a 30% reduction in carbon emissions by 2030.
- Achieve a 100% rate for suppliers signing environmental protection declarations and halogen-free declarations.
- Achieve a 100% implementation rate for local procurement in the supply chain.
- Conduct greenhouse gas inventories with 100% of key suppliers.



Response to Climate Change

Material Topics | Energy/GHG Emission/TCFD/Waste/Water and Effluent

Goal (2023)

- Achieve an annual average electricity savings of 1%.
- Implement greenhouse gas inventories verified by third parties.
- Complete support form for TCFD (Task Force on Climate-related Financial Disclosures) initiatives.
- Reduce greenhouse gas emissions by 5% annually.
- Decrease water intensity by 1%.
- Increase waste recycling rates by at least 1% annually.

2023 Performance Outcome

- ★ Annual average electricity savings rate: 1%.
- ★ Completed third-party verification of ISO 14064-1:2018 greenhouse gas inventory in June 2023.
- ★ Sign TCFD initiatives support form: Completed.
- ▲ Greenhouse gas emission intensity increased by 9% compared to last year.
- ★ Water intensity decreased by 24%.
- ▲ Waste recycling rate decreased by 1% compared to last year.

Short-Term Goal(2024)

- Setting 2022 as the baseline year, achieve a 5% reduction in the group's greenhouse gas emissions by 2024.
- Decrease water intensity by 1%.
- Increase the waste recycling rate by at least 1% annually.

Medium ~Long-Term Goal (2025~2030)

- Continuously improve the quality of information disclosure on climate-related issues.
- Adopt ISO 50001 energy management system.
- Sign the SBTi (Science Based Targets initiative) and establish carbon reduction goals.
- Increase the usage rate of renewable energy by 5% by 2025.
- Setting 2022 as the baseline year, achieve a 50% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030; achieve a 30% carbon reduction for key suppliers in Scope 3 by 2030.
- Setting 2022 as the baseline year, decrease water intensity by 5% by 2030.
- Setting 2022 as the baseline year, increase the waste recycling rate by at least 1% annually, reaching a 55% recycling rate by 2030.

★ : Achieved ; ▲ : Not yet achieved



Human Resources Development

Material Topics | Labor/ Management Relationship/Training and Education /Diversity and Equal Opportunity

Goal (2023)

- Incidence rate of child labor and forced labor: 0 cases.
- Incidence rate of harassment, discrimination, and inequality: 0 cases.
- Incidence rate of violations of freedom of assembly and association: 0 cases.
- All labor conditions meet government legal requirements as the minimum standard, with a 100% compliance rate.
- Compliance rate for basic legal insurance protection and parental leave benefits: 100%.
- Implementation of the RBA management system, with regular internal audits and completion of external verification.
- Human rights awareness training rate for new hires and current employees: 100%.
- Conduct annual RBA retraining for all employees.
- Achievement rate of the annual training plan: 80%.

2023 Performance Outcome

- ★ In 2023, there were no incidents regarding the employment of child labor and forced labor.
- ★ Incidents of harassment, discrimination, and inequality: 0 cases.
- ★ Violations of freedom of assembly and association: 0 cases.
- ★ All labor conditions meet government legal requirements as the minimum standard, with a 100% compliance rate.
- ★ Compliance rate for basic legal insurance protection and parental leave benefits: 100%.
- ★ Conducted a total of 3 RBA internal audits in 2023 (one each at Gemtek Taiwan HQ, Gemtek Electronics (Kunshan), and Gemtek Vietnam) and completed external verification.
- ★ Human rights awareness training rate for new hires and current employees: 100%.
- ★ RBA retraining completion rate for all employees: 100%.
- ★ Achievement rate of the annual training plan: 100%.

Short-Term Goal(2024)

- Incidence rate of child labor and forced labor: 0 cases.
- Incidence rate of harassment, discrimination, and inequality: 0 cases.
- Incidence rate of violations of freedom of assembly and association: 0 cases.
- All labor conditions meet government legal requirements as the minimum standard, with a 100% compliance rate.
- Compliance rate for basic legal insurance protection and parental leave benefits: 100%. Promotion of mother and baby-friendly initiatives.
- Annual human rights awareness training rate for new hires and current employees: 100%.
- Achievement rate of the annual training plan: 80%.

Medium ~Long-Term Goal (2025~2030)

- Maintain a good labor-management relationship, create a positive work environment, increase new hire retention and reinstatement rate, and reduce employee turnover.
- Implement an equal and friendly workplace environment.
- Increase the employment of employees with disabilities through job planning.
- Promote gender equality in the workplace.
- Incidence rate of child labor and forced labor: 0 cases.
- Incidence rate of harassment, discrimination, and inequality: 0 cases.
- Incidence rate of violations of freedom of assembly and association: 0 cases.
- All labor conditions meet government legal requirements as the minimum standard, with a 100% compliance rate.
- Compliance rate for basic legal insurance protection and parental leave benefits: 100%.
- Employee stock trust participation rate: 85%.
- Implement the RBA management system to ensure the company does not violate domestic and international human rights regulations, protecting the rights of employees and customers.
- Achievement rate of the annual training plan: 80%.

★ : Achieved ; ▲ : Not yet achieved



Occupational Health and Safety

Material Topics | Occupational Health and Safety

Goal (2023)

- Conduct 6 environmental, safety, and health theme promotions programs annually.
- Ensure 100% participation of new employees in environmental, safety, and health education training.
- Implement comprehensive occupational safety education and training: 3 hours annually for new employees and 3 hours every 3 years for regular employees.
- Hold at least 1 Occupational Safety and Health Committee meeting each quarter.
- Audit contractor management at least once each quarter.
- Provide monthly on-site health consultation services with a physician.
- Ensure no major occupational accidents occur (including contractors).
- Maintain a disabling injury frequency rate (FR) of less than 1.5.
- Achieve a 90% satisfaction rate for health promotion activities.
- Maintain zero cases of occupational diseases.

2023 Performance Outcome

- ★ In 2023, we conducted 6 environmental health and safety promotion programs.
- ★ 100% of new employees participated in environmental, safety, and health education training.
- ★ In 2023, we provided occupational safety education training for all employees (including new hires), totaling 22,068 hours, with an average of 3.11 hours per employee.
- ★ In 2023, we held 4 occupational safety and health committee meetings.
- ★ In 2023, we conducted quarterly contractor management audits.
- ★ In 2023, we offered monthly on-site health consultation services with physicians.
- ★ In 2023, there were no major occupational accidents at our facilities (including contractors).
- ★ The disabling injury frequency rate was 0.17.
- ▲ The satisfaction rate for health promotion activities was 85%.
- ★ In 2023, no employees were diagnosed with occupational diseases.

Short-Term Goal(2024)

- Conduct 6 environmental, safety, and health theme promotions programs annually.
- Ensure 100% participation of new employees in environmental, safety, and health education training.
- Implement comprehensive occupational safety education and training: 3 hours annually for new employees and 3 hours every 3 years for regular employees.
- Hold at least 1 Occupational Safety and Health Committee meeting each quarter.
- Conduct at least 1 contractor management audit each quarter.
- Provide monthly on-site health consultation services with a physician.
- Ensure no major occupational accidents occur (including contractors).
- Maintain a disabling injury frequency rate (FR) of less than 1.5.
- Achieve a 90% satisfaction rate for health promotion activities.
- Maintain zero cases of occupational diseases.

Medium ~Long-Term Goal (2025~2030)

- Promote workplace health; reduce occupational health and safety disasters; manage workplace health and safety and disaster prevention.
- Adhere strictly to occupational safety and health requirements, fulfill environmental, safety, and health management responsibilities, and continuously improve.
- Implement comprehensive occupational safety education and training: 3 hours annually for new employees and 3 hours every 3 years for regular employees.
- Ensure no major occupational accidents occur (including contractors).
- Maintain a disabling injury frequency rate (FR) of less than 1.5.
- Achieve a 90% satisfaction rate for health promotion activities.
- Maintain zero cases of occupational diseases.

★ : Achieved ; ▲ : Not yet achieved

Implementation of UN Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) comprise 17 goals and 169 targets, serving as a fundamental cornerstone to guide government systems, private enterprises, and non-profit organizations in their future operations and development. In a rapidly changing business environment, companies can integrate SDGs strategies into their medium- and long-term objectives to strengthen competitive advantages and showcase corporate values. In 2023, Gemtek Technology achieved 6 of the goals and 10 of the targets of the SDGs and will continue to pursue corresponding actions in the future.



SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



- Target 4.1** By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to a relevant and effective learning outcome.
- Target 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- Target 4.a.** Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.

Gemtek's SDGs Implementation Efforts

Donated educational and living supplies to children in remote areas, in addition to providing essential tutoring resources.

SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all.



- Target 7.3** By 2030, double the global rate of improvement in energy efficiency.

Gemtek's SDGs Implementation Efforts

Replaced all linear regulated power supplies with high-efficiency switch-mode power supplies in all products. The average energy conversion efficiency of switch-mode power supplies exceeds 80%, compared to traditional transformers.

SDG 8. Foster sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Target 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.

Target 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Target 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Gemtek' s SDGs Implementation Efforts

- Established a "Dual Career Development System" to encourage employees to self-motivate and enhance their skills and performance.
- Introduced the Responsible Business Alliance (RBA) Code of Conduct, reinforced RBA education and training, and established strict rules to prohibit child labor along with relevant remedial measures.
- Successfully implemented the ISO 45001 management system.

SDG 12. Ensure sustainable consumption and production patterns



Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Gemtek' s SDGs Implementation Efforts

Developed eco-friendly product specifications and guidelines for prohibited and restricted substances in manufacturing. Products comply with WEEE, RoHS, REACH, Packaging Directive, Battery Directive, and Halogen Free (HF) standards, and have attained IECQ QC080000 certification.

SDG 13. Take urgent action to combat climate change and its impacts



Target 13.2 Integrate climate change measures into national policies, strategies and planning.

Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Gemtek' s SDGs Implementation Efforts

- Followed the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) to assess and disclose the company's governance, strategy, risk management, metrics, and targets related to climate-related risks.
- Established a greenhouse gas inventory management plan, participated in the CDP (Carbon Disclosure Project), and set annual emissions reduction targets.

SDG 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels



Target 16.5 Substantially reduce corruption and bribery in all their forms.

Target 16.6 Develop effective, accountable and transparent institutions at all levels.

Gemtek' s SDGs Implementation Efforts

- Formulated the "Code of Ethical Conduct", "Business Integrity Policy", "Responsible Business Alliance (RBA) Code of Conduct".
- Gemtek Taiwan HQ, Gemtek (Kunshan), and Gemtek Vietnam completed RBA certification for 2023.

1

Business Operations and Corporate Governance

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Sustainable Business

Material Topics | Economic Performance, Business Integrity, Anti-Competition

Management Objectives	Gemtek Technology strives to create company value by serving the best interests of its shareholders and employees, enhancing corporate competitiveness, safeguarding investor rights, and fulfilling its "sustainable development" goals. Gemtek operates under the principles of business integrity and Responsible Business Alliance (RBA) guidelines, adhering to the laws and ethical standards of the countries in which it operates, strictly prohibiting any form of corruption or anti-competitive behavior. Through diligent implementation of integrity-focused education and training, Gemtek Technology aims to enhance trust among customers and suppliers in the company.
Remedial Actions/Mechanisms	Upon thorough investigation of any related complaints or negative incidents, if proven true, a specialized committee will be convened to review and adjudicate the cases. Depending on the gravity of the situation, appropriate actions will be taken, such as disciplinary measures, recovery of unjust gains, or legal prosecution. Concurrently, we will strengthen our company's management processes and internal control procedures, utilizing these cases as educational materials to educate all employees and mitigate the risk of future occurrences.
Policies and Commitments	<ul style="list-style-type: none"> ● Business Integrity: Prohibits any form of bribery, embezzlement, extortion, or corruption. ● No Improper Advantages: Prohibits offering or accepting any form of bribery or improper advantages. ● Anti-corruption: Values strong workplace ethics such as honesty, transparency, integrity, responsibility, and opposes fraud. ● Anti-Competition: Comply with all applicable fair competition and antitrust laws to ensure that business activities are completely just and fair, and to reduce or prevent the occurrence of unfair competition.
Responsibility	<ul style="list-style-type: none"> ● A dedicated RBA Implementation Team has been established to oversee the company's implementation of business integrity and anti-corruption management. The team is led by the company's Chief Human Resources Officer. ● The company aims to ensure compliance with applicable laws and regulations by establishing robust internal controls and audit mechanisms. ● In accordance with relevant regulatory requirements, the company regularly assesses its compliance with applicable laws and regulations.
Course of Action and Results	<ul style="list-style-type: none"> ● Formulated the "Guidelines for the Adoption of Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Responsible Business Alliance (RBA) Code of Conduct", "Human Rights and Whistleblower Protection Policy", "Sexual Harassment Grievance Procedure", and other policies related to human rights. ● Conduct educational training courses and meetings, and promote compliance and anti-corruption issues through posters and announcements. ● All new employees and suppliers sign a "Integrity Commitment Statement," with a signing rate of 100%. ● All employees have completed anti-corruption education training based on the Responsible Business Alliance (RBA) Code of Conduct, achieving a training rate of 100%. ● No violations of business integrity, anti-competitive behavior, or corruption-related laws have resulted in penalties from regulatory authorities, nor have there been any reported cases of corruption. ● The Gemtek Taiwan HQ, Gemtek (Kunshan), and Gemtek Vietnam completed RBA verification in 2022-2023, obtaining Platinum, Gold, and Silver certifications respectively.
Evaluation Mechanism	<ul style="list-style-type: none"> ● Implementation of RBA sustainability management system, conduct regular internal audits, and complete external validation. ● Conduct PDCA effectiveness evaluation by carrying out risk identification and management in accordance with ISO, IECQ QC080000, and other management systems every year. ● The Human Resources Department adheres to Business Integrity and Anti-Corruption Management Procedures by conducting regular audits to oversee company operations. ● The CPA conducts quarterly audits of the financial statements and reports to the Audit Committee.

1.1 About Gemtek

Gemtek Technology Co., Ltd. (Stock code 4906) is a leading manufacturer of wireless networking products in Taiwan. Established in 1988, Gemtek specializes in the advancement of Wireless Communications Technologies and is a world-class total solutions provider in the industry. Gemtek employs an outstanding team of experienced research and development professionals and stands out as one of the few manufacturers in Taiwan that provide essential technologies for Wireless Area Network and Broadband Network products.

Gemtek Headquarters is located in Hsinchu, Taiwan. Over the years, Gemtek has expanded its global footprint with production and marketing offices in key locations including Greater China (Kunshan, Changshu), Vietnam, the U.S., Japan, and many European countries. Currently, Gemtek employs over 4,500 professionals worldwide. Looking ahead, Gemtek remains committed to its globalization strategy, aiming to enhance its international market presence while staying rooted in Taiwan by embracing the concept of "Cultivating deep roots in Taiwan while maintaining a global vision." Our goal is to become the leading manufacturer of wireless communications systems globally.



Our Vision

Become the world-leading wireless communications solutions provider
Anytime, Anywhere, Any Content, Affordable

Our Mission

Transforming lives through innovative wireless solutions. Empowering every individual with equal access to information and the realization of the 4A benefits.

Company Profile

Establishment Date	June 29, 1988
Stock Listing Date	June 30, 2003
Paid-up Capital	NT\$3,944,745,000 (March 22, 2023 completed change of registration with MOEA)
No. of Employees	Approximately 4,500 employees worldwide
Main Products	Wireless Broadband, Fixed Line Broadband, Cloud, IoT Application, System Integration and Development
Chairman of the Board	Hong-Wen Chen (Howard Chen)
General Manager	Rong-Chang Li (James Lee)
HQ Location	No. 15-1 Zhonghua Road, Hsinchu Industrial Park, Hukou, Hsinchu, Taiwan R.O.C

Base Date: March 31, 2024

Shareholder Structure

Base Date: March 31, 2024

Government Institutions	0.00%
Financial Institutions	1.24%
Other Legal Entities	3.15%
Individuals	82.19%
Foreign Entities and Foreign Individuals	13.42%

Worldwide Manufacturing Centers

Gemtek aims to optimize global production capacity and supply flexibility by establishing production centers around the world. Currently, Gemtek's four main production centers are located at its Taiwan Hsinchu Headquarters, Kunshan City in China (Gemtek Electronics Kunshan), Changshu City in China (Gemtek Electronics Changshu) and Vietnam (Gemtek Vietnam). Gemtek Vietnam, established in September 2018, serves as the company's third manufacturing facility. The plant officially commenced production in February 2019. In 2023, as part of a local government project in China, a plan was implemented to divest the Gemtek Electronics Changshu production center. Furthermore, to enhance technical support and customer service, the company has established regional offices in the United States and Europe to facilitate business growth and attract new clients.

Gemtek's Worldwide Manufacturing Centers

Location	Address	Main Products
Taiwan HQ	No. 15-1 Zhonghua Road, Hsinchu Industrial Park, Hukou, Hsinchu, Taiwan R.O.C	New Product Polit Run Wi-Fi Product, LTE, Gateway, GPON, Module, SIP Module
Gemtek Electronics (Kunshan)	No.88, Xin Zhu Road, Comprehensive Bonded Zone, Kunshan 215300, Jiangsu, China	Wi-Fi Product, LTE, Gateway, GPON, Module, SIP Module
Gemtek Electronics (Changshu)	NO.1, Zheng Wen Road. New & High Tech Industrial Park, Changshu Economic Development Zone, Jiangsu Province, 215500, P.R.C	Wi-Fi Product, LTE, Gateway, GPON, Module, SIP Module
Gemtek Vietnam	Dong Van II Industrial Zone, Duy Minh Ward, Duy Tien Town, Ha Nam Province, Vietnam	Wi-Fi Product, LTE, Gateway, GPON, Module, SIP Module

Membership in Business Associations and Certifications

Gemtek Technology is committed to staying at the forefront of industry trends and developments by actively participating in domestic and international business associations. As a member of these associations, the company benefits from exchanging and acquiring information on the latest standards updates, technologies, and knowledge. This involvement also helps Gemtek expand its business through strategic partnerships. As of 2023, Gemtek is an active ordinary member in a total of 44 business associations.

Membership in Business Associations

Bluetooth SIG	CDP WORLDWIDE
Broadband Forum	ECOVADIS SAS
Business Intelligence Management Consulting Inc.	RBA
CBRS Alliance	Digitimes
Dolby	Business Council for Sustainable Development
EKO_KOM,a.s.	Taiwan Association of Information and Communication Standards
Global Certification Forum (GCF) Ltd.	5G Industrial Innovation & Development Alliance
HDMI Licensing Administrator, Inc.	Taiwan Glora Alliance
LoRa Alliance	TWCERT/CC
MFI PROGRAM LICENS	Taiwan Electrical and Electronic Manufacturers' Association
ONGO ALLIANCE	Taipei Computer Association
Open Connectivity Foundation	Taiwan Association of Information and Communication Standards
PCI Speial Interest Group	Photonics Industry & Technology Development Association
prpl Foundation	Independent Director Association Taiwan
RDK	Tsing Hua Entrepreneur Network
The International Wireless Industry Consortium (IWPC)	Hsinchu City Human Resource Management Association
TIA	High-tech Industry Payroll Management Association
UL	Hsinchu County Industrial Zone Entrepreneurs Association
USBIF	Hsinchu County Nurses Association
Wi-Fi Alliance	Taiwan Compatriot Investment Enterprises Association of Kunshan
Zigbee Alliance	Kunshan Municipal Human Resources Association
Z-Wave Alliance	Kunshan Economic and Technological Development Zone Association of Work Safety and Environmental Protection

Gemtek Technology has successfully implemented a range of quality management systems, including ISO 9001, TL 9000, QC 080000, ISO 13485, and IATF 16949, to enhance its quality management practices. The company has obtained third-party certifications for these systems, reflecting its commitment to delivering high-quality, versatile, and customer-centric solutions. Furthermore, Gemtek Technology actively pursues environmental protection measures. The company obtained ISO 14001 certification in 1999, demonstrating its adherence to environmental management standards. Since 2009, it has conducted annual third-party assessments and prepared a greenhouse gas inventory in accordance with ISO 14064-1, consistently meeting required standards and achieving satisfactory results. In terms of occupational health and safety, Gemtek Technology obtained OHSAS 18001 certification in 1999 and by 2020, successfully transitioned to ISO 45001, the latest international standard for occupational health and safety management.

Gemtek is actively engaged in various global initiatives, such as the Carbon Disclosure Project (CDP), Responsible Business Alliance (RBA), Waste Electrical and Electronic Equipment Directive (WEEE), Restriction of Hazardous Substances Directive (RoHS), and Eco-design of Energy-using Products Directive (EuP), and so forth. The company's ultimate goal is to enhance its core competitiveness and align with global development trends. In 2022 and 2023, Gemtek Headquarters, Gemtek Electronics (Kunshan), and Gemtek Vietnam successfully underwent RBA VAP validation, acquiring platinum, gold, and silver certifications respectively.

Gemtek's Quality Management Systems Worldwide

Management System	ISO 9001	TL 9000	QC 080000	IATF 16949	ISO 13485	ISO 45001	ISO 14001	ISO 14064-1	Global Security Verification	Responsible Business Alliance	ISO 27001	BCM	CDP Registration
Taiwan HQ	★	★	★	★	★	★	★	★	★	★	★	●	●
Gemtek(Kunshan)	★	★	★	★	—	★	★	★	★	★	●	●	●
Gemtek(Changshu)	★	★	★	—	—	—	—	★	★	—	●	●	●
Gemtek Vietnam	★	★	★	—	—	★	★	★	●	★	●	●	●

Note:

1. "★" refers to third-party certification; "●" refers to system implementation without third-party certification.
2. Due to the divestment of the Gemtek Electronics (Changshu) in the second half of 2023, management systems including TL 9000, QC 080000, OHSAS 18001, and ISO 14064-1, were not renewed in 2023.

Economic Performance

Gemtek Technology's consolidated revenue in 2023 is NT\$26,136,349 thousand, a decrease of 6.32% compared to 2022. Looking back at 2023, besides the long-standing conflict between Ukraine and Russia, the year ended with Israel and Hamas engaging in war, significantly impacting the global landscape amidst post-pandemic inflation and political unrest. The pandemic had led to worldwide material shortages, triggering a vicious cycle of supply-demand imbalances and abnormal market conditions. The ambiguity of the situation therefore forced Gemtek customers to place excessive orders ahead of time in an effort to mitigate risks, which resulted in surplus inventory in the latter half of 2023 as the world economy gradually recovered. Not only that, inflation caused by the pandemic has weakened consumer purchasing power, prompting more conservative buying behaviors. Nevertheless, with new technologies and applications driving robust demand, stabilizing the networking industry amid current challenges, it is anticipated that these issues will ease after the second quarter of 2024. For more information on Gemtek's financial performances, please refer to the "2023 Annual Report of Gemtek Technology Co., Ltd."

Despite inflation impacting the consumer market, the demand for network communication products continues to grow even stronger as European and American countries are actively promoting the construction of fiber and 5G broadband network infrastructure. In the meantime, the U.S.-China trade war and geopolitical risks have made the diversification of production bases a trend. To adapt to this situation, Gemtek Technology developed a production facility in Vietnam as early as 2018. In 2022, the company expanded to a second facility and plans to launch a third one in the second half of 2024. We are committed to enhancing our technology and operations and continuously preparing for future development.

Looking ahead to 2024, the International Monetary Fund predicts a gradual recovery in trade, while the Taiwan Institute of Economic Research forecasts that emerging technologies will drive increased demand for industrial applications. Digital technology will be crucial for industrial transformation, and Gemtek Technology plans to invest more resources in the research and development of SoC (System on Chip) and user platform integration, including both hardware and software, as well as applications.

In addition to staying at the forefront of technological advancements, achieving "Net Zero" is another critical issue demanding global attention. As a world-class telecommunications company, we recognize our responsibility to prioritize environmental protection. At Gemtek, our research and management teams are actively engaged in promoting environmental sustainability. In recent years, we have made deliberate adjustments to our production management to ensure environmental friendliness, including the selection of components, manufacturing processes, and packaging. Our commitment to sustainability has become a key strength of our company, integrated into every aspect of our operations.

Gemtek Group's Consolidated Financial Performance of the Last 3 Years

Unit: Thousand NT\$

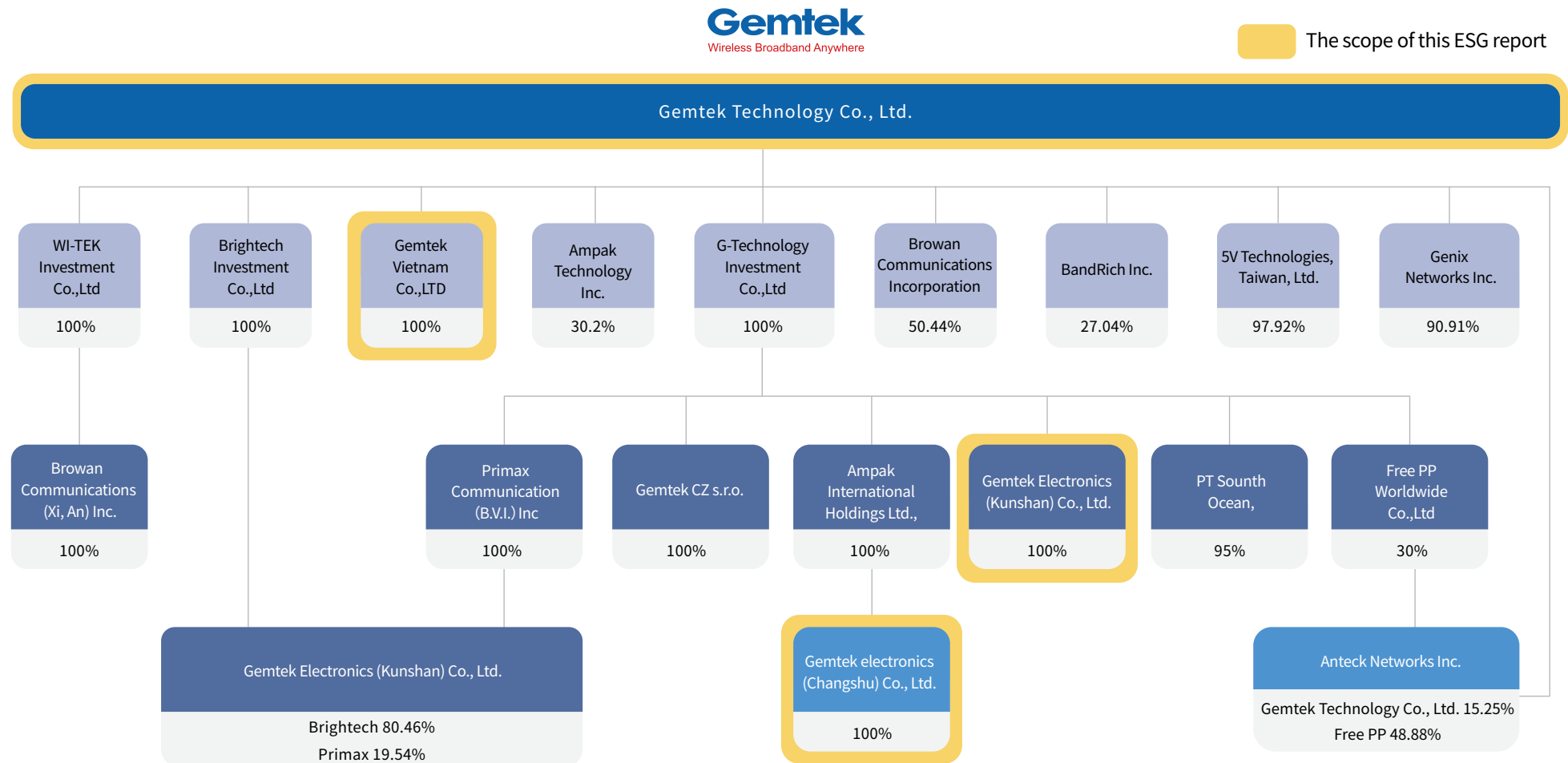
Item / Year	2021	2022	2023
Operating Income	22,912,691	27,899,990	26,136,349
Gross Profit	2,060,592	2,865,274	2,771,157
Operating Profit	356,093	728,357	463,625
Non-operating income and expense	367,360	190,976	325,043
Profit before tax	723,453	919,333	788,668
Current period net profit	681,584	746,050	545,545
Other current comprehensive income (loss) profit (net after tax)	1,968,169	610,824	(611,436)
Total comprehensive income of current period	2,649,753	1,356,874	(65,891)
Earnings per share	1.89	1.70	1.55
Employee compensation and benefits	2,506,563	2,910,364	2,859,834
Dividend payments to shareholders*	607,738	591,712	615,576
Payments to the government*	64,018	13,058	67,965
Subsidies provided by the government*	60,272	47,691	30,949

Note:

1. Employee compensation and benefits include: employee salaries and bonuses, old and new labor pension funds, meal expenses, labor/health insurance, group insurance, personnel expenses, and remuneration of directors and supervisors.
2. Payments to the government include: profit-seeking enterprise income tax, land value tax, house tax, stamp tax, vehicle license tax, and fuel tax etc.
3. Subsidies provided by the government s include: research and development investment tax credit.
4. * Only shows the individual financial statements for Gemtek Technology, excluding subsidiaries.

Subsidiaries and Affiliated Companies

The consolidated financial statements include all subsidiaries and affiliates of Gemtek Technology. The corporate structure of Gemtek Group's consolidated financial statements is illustrated as follows:



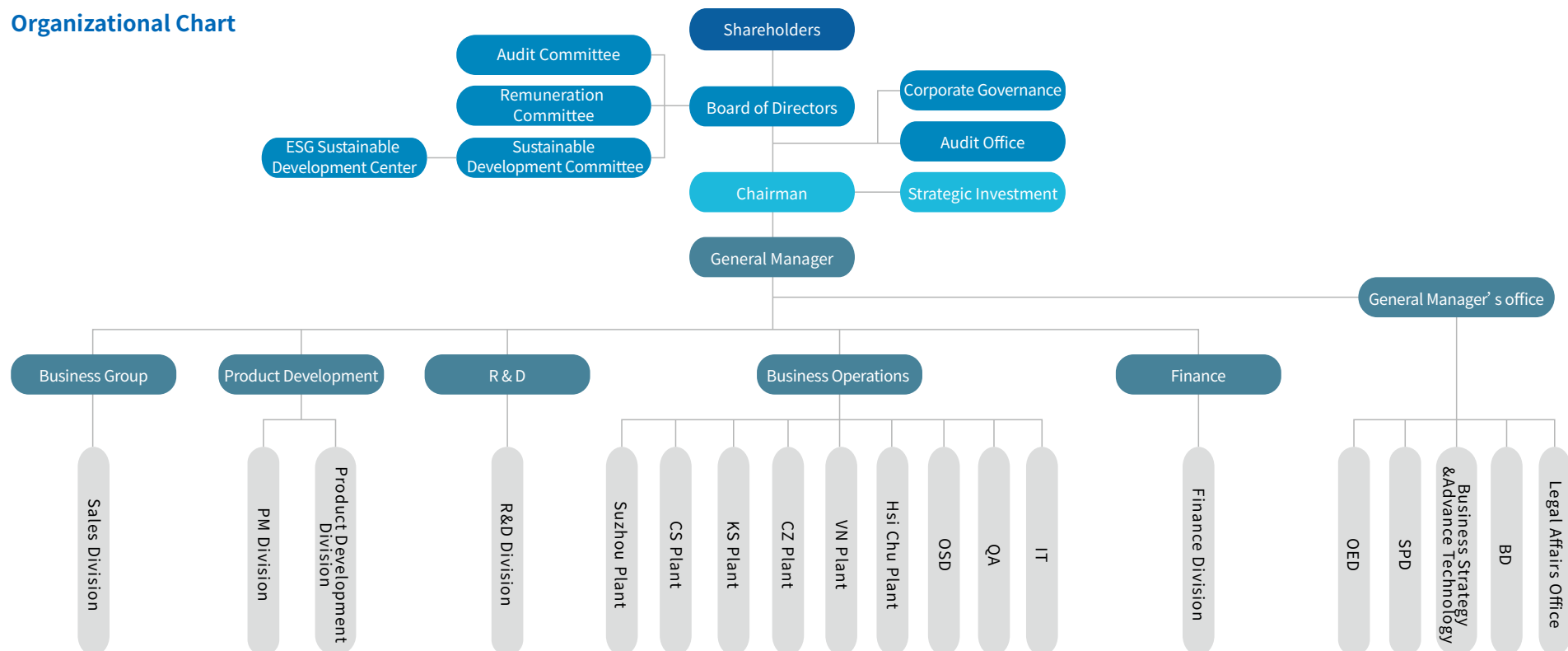
Note: The consolidated financial statements do not include AMPAK Technology Inc., BandRich Inc., PT. South Ocean, Free PP Worldwide Co., Ltd., & subsidiaries, and WI-TEK Investment Co.,Ltd. & subsidiaries.

1.2 Corporate Governance

Gemtek Technology firmly believes that achieving good corporate governance can secure the most benefits for the company's stakeholders. The company has strived to maintain an effective board of directors to ensure the stability of operational performances, appointed competent management teams to collect and disclose important information about the company, and implemented a spokesperson system following regulations to protect the rights and interests of investors. In addition, the board of directors periodically reviews the appropriateness of the company's remuneration system. And to strengthen corporate governance, an audit committee and a remuneration committee were established under the board of directors to supervise the policies and general affairs of the company in accordance with the articles of incorporation.

With regard to ensuring good corporate governance, in 2021, Mr. Zhi-hong Lin, the chief financial officer of the company, was appointed the corporate governance supervisor by the company's board of directors. The corporate governance supervisor will be responsible for overseeing corporate governance-related affairs such as the handling of administrative matters for the board of directors, audit committee, remuneration committee, and shareholders meetings, directors' orientation and continuing education, collection of data, and providing legal guidance for the board of directors.

Organizational Chart



The Board of Directors

The Board of Directors is the highest governing body and the ultimate decision-making center of Gemtek Technology. It plays a crucial role in overseeing and managing the company's overall operations. According to the company's articles of incorporation and Procedures for Election of Directors, the board comprises nine directors, each serving a three-year term. Directors are elected through a candidate nomination system, with the current board inaugurated on June 9, 2022. The board includes 3 independent directors. All directors are Taiwanese citizens over 50 years old, and 1 of the 9 directors is female. In 2023, the Board of Directors held 6 meetings, with an average attendance rate of 96.33%.

Directors with an interest in the matters of a meeting, whether personal or on behalf of the corporation they represent, must adhere to Article 15 of the "Rules of Procedure for Board of Directors Meetings." They are required to disclose the significant content of their interest at the meeting. If there is a risk of damaging the company's interests, they must recuse themselves from discussion and voting, and they cannot act as a proxy for other directors in exercising voting rights. The spouses of directors, second-degree relatives by blood, or companies with a controlling or subordinate relationship with the directors are considered to have the same interest as the directors themselves in the meeting matters. For details on directors' recusals from discussions and voting on matters where they have an interest, please refer to the annual report.



Members of the Board of Directors

Title	Name	Gender	Education and Experience	Concurrent Positions in Gemtek and Other Companies	Rate of Attendance
Chairman	Chen, Hong Wen	Male	TSMC Syntek Semiconductor Co., Ltd. Master of Electrical Engineering, National Tsing Hua University	Chairman of Gemtek Investment Co.,Ltd Chairman of Browan Communications Inc. Chairman of Antek Networks Inc. Chairman of Polaris Group Director of G-Technology Investment Co., Ltd Director of Witek Investment Co.,Ltd Director of Ampak International Holdings Ltd Director of Primax Communication (B.V.I.)Inc. Director of Free PP Worldwide Co.,Ltd Director of Yield Microelectronics Corp. Legal representative director of LIONIC CORP.	100%
Director	Tsai, Fu Tsan	Male	Associate Researcher of National Chung Shan Institute of Science and Technology Chairman of Ampak Technology Inc. Master of Electro-Optical Engineering, National Chiao Tung University	Senior Deputy General Manager of Gemtek Technology Co., Ltd. Chairman of Gemtek Electronics Kunshan Co., Ltd. Chairman of Gemtek Electronics Suzhou Co. Ltd. Director of Brightech International Co., Ltd	100%
Director	Yang, Jheng Ren	Male	General Manager of Browan Communications Inc. Ph.D. of Electrical Engineering, National Tsing Hua University	Executive Director of Gemtek Technology Co., Ltd. Professor of Yuan-Ze University Legal director representative of Gemtek Investment Co.,Ltd Legal director representative of Antek Networks Inc. Director of Browan Communications Inc.	100%
Director	Hsu, Jung Hui	Male	Engineer at National Chung Shan Institute of Science and Technology Bachelor of Electrical Engineering, Tatung Institute of Technology	Chairman of BandRich Inc. Senior Deputy General Manager of Gemtek Technology Co., Ltd. Legal director representative of Gemtek Investment Co.,Ltd Legal director representative of of Gemtek Vietnam Legal director representative of Browan Communications Inc.	100%
Director	Chang, Yueh Chi	Female	Master of Business and Management, National University of Kaohsiung General Manager of BRILLIANT FOOTWEAR CORPORATION	Chairman of Joy Trade International Ltd.	67%
Director	APEX ACTION INVESTMENT LIMITED Representative: Luo, Wen Yi	Male	Master of Business Administration, National ChengChi University	Chairman of CSX MATERIAL CO., LTD. Supervisor of SWEEPOT INC. Independent Director of Taiflex Scientific Co., Ltd.	100%

Title	Name	Gender	Education and Experience	Concurrent Positions in Gemtek and Other Companies	Rate of Attendance
Independent Director	Zhao, Yao Geng	Male	PhD of Electrical Engineering, University of Maryland, College Park Director of ASANLITE CO., LTD. Independent Director of Favite Inc. Executive Director and Deputy Director of (Taipei) China Radio Association Dean of the College of Electrical and Communications Engineering, Yuan-Ze University	Legal director representative of Harbinger VII Venture Capital Corp. Professor of the College of Electrical and Communications Engineering, Yuan-Ze University	100%
Independent Director	Wang, Zhu San	Male	PhD of Science in Finance, University of Tennessee Convener of Undergraduate Programs for Bachelor of Finance, National Taipei University Consultant at Small and Medium Enterprise Administration, MOEA CEO of IEMBA Program, National Taipei University	Professor of Business Administration, National Taipei University Director of The Association of Global Crowdfunding and Financial Technology Service Council member of School of Business Administration, National Taipei University Member of the Ministry of Economic Affairs Audit Committee	100%
Independent Director	Chang, Zhi Yang	Male	PhD of Electrical Engineering, University of Texas at Austin Associate Researcher of National Chung Shan Institute of Science and Technology Professor of Electrical Engineering, National Chiao Tung University Independent Director of Ampak Technology Inc.	Independent Director/Member of the Remuneration Committee of Alpha Microelectronics Corp.	100%

Remuneration Committee

On December 27, 2011, Gemtek Technology established a remuneration committee composed of three independent directors to improve corporate governance and remuneration policies for directors and managers. The company formulated guidelines for remuneration that are overseen by the remuneration committee. At least 2 meetings are held by the committee each year. Their job is to evaluate the following: directors' remuneration and managers' performance, salary, and rewards. A total of 4 meetings were held in 2023, which the average attendance rate is 100%.

Title	Name	Actual Number of Attendance	Rate of Attendance(%)
Convener	Zhao, Yao Geng	4	100%
Member	Wang, Zhu San	4	100%
Member	Chang, Zhi Yang	4	100%

Remuneration Policy and Decision-Making Process

Pursuant to Article 20 of the Articles of Incorporation, the Company shall, after deducting employee bonuses and remuneration benefits of directors from the current year's pre-tax benefits, allocate 13.5% for employee profit sharing bonuses and no more than 1.8% for the remuneration benefits of directors and supervisors. Employee profit sharing bonuses are to be granted in the form of securities or cash to eligible company employees, and such occurrences will be mentioned and reported during the shareholders' meeting. However, in the event of accumulated losses, the Company shall not distribute bonuses.

Upon the closing of the Company's annual financial accounts, if surplus profit is determined, the Company shall first pay taxes and make up for all past losses; then, set aside a 10% legal capital reserve and a special capital reserve in accordance with applicable laws, rules and regulations. The remainder of the profits after deducting the foregoing shall be allocated as shareholders' dividends, subject to proposal by the board of directors and approval by shareholders at a shareholders' meeting.

Considering the current development status of the Company and the overall conditions of the industrial environment, other factors such as the Company's financial measures that might influence the financial structure and profit earnings are the key elements for determining the amount and type of surplus distributed. Bearing in mind the Company's capital requirements, long-term financial goals, and shareholders' demands for liquidity, the distribution of surplus profit shall be made preferably by way of cash and stock dividends. The distribution of cash dividends per year shall not be lower than 10% of the aggregate amount of the stock dividends and cash dividends distributed for that particular year.

Audit Committee

On June 18, 2019, Gemtek Technology established an audit committee composed of three independent directors. Their responsibilities include overseeing the company's financial statements, evaluating the effectiveness of the internal control system, monitoring financial business processes, addressing matters involving directors' conflicts of interest, and reviewing major transactions and derivatives transactions. They also handle the loaning of funds, making endorsements or guarantees, fundraising, and the issuance or private placement of securities. Additionally, the committee is responsible for the appointment, dismissal, and remuneration of certified public accountants, as well as the appointment and dismissal of supervisors in finance, accounting, or internal audit. In 2023, the Audit Committee convened 5 times, achieving an average attendance rate of 100%.

Title	Name	Actual Number of Attendance	Rate of Attendance(%)
Convener	Wang, Zhu San	5	100%
Member	Zhao, Yao Geng	5	100%
Member	Chang, Zhi Yang	5	100%

Evaluation of the Board of Directors

On March 10, 2020, in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Board of Directors passed the "Board Performance Evaluation Methods", which regulates the frequency, period, scope, implementer, and procedures for board performance evaluation. The 2023 evaluation of the effectiveness of the board of directors was carried out in the form of a "Self-evaluation" conducted by individual board members and functional committees. The items that are evaluated include the following aspects: degree of participation in the company's operations; improvement of board decision quality; the composition and structure of the board of directors; the selection and continuing education of directors; and internal control. According to the 2023 evaluation, the overall average score indicates that the effectiveness of the board of directors and functional committees is good.

Director's Continuing Education

To enhance the effectiveness of its board of directors, Gemtek Technology regularly schedules continuing education courses for board members to strengthen their professional knowledge. In 2023, all 9 members participated in the company's advanced training for directors, accumulating a total of 54 hours of training. All directors of the board have completed the required hours for continuing education prescribed by law. Continuing education of the board of directors is described in the following chart:

Gemtek Technology 2023 Continuing Education of the Board of Directors

Title	Name	Date	Organizer	Course Name	Hours
Director	Chen, Hong Wen	2023/11/07	Taiwan Institute of Directors	Adopting the Twin Transition Approach	3 Hours
Director	Tsai, Fu Tsan				
Director	Yang, Jheng Ren				
Director	Chang, Yueh Chi				
Director	Hsu, Jung Hui				
Legal Entity as Director	APEX ACTION INVESTMENT LIMITED Representative: Luo, Wen Yi	2023/11/08	Taiwan Institute of Directors	AI Trends and Risk Management	3 Hours
Independent Director	Wang, Zhu San				
Independent Director	Chang, Chih Yang				
Independent Director	Zhao, Yao Geng				

1.3 ESG Sustainable Development Committee

■ ESG Sustainable Development Policy



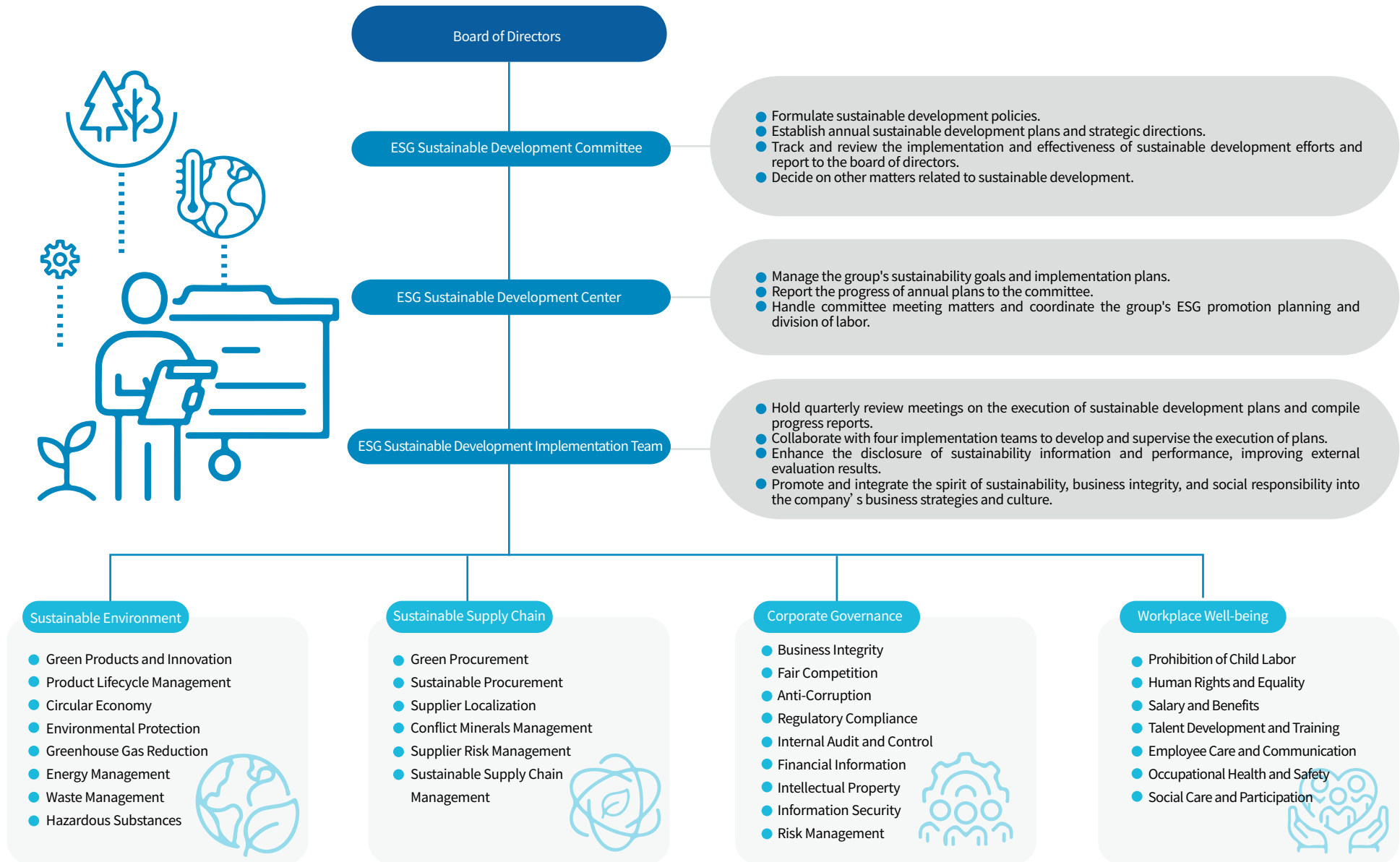
As we strive toward our goal to become a world-leading provider of wireless broadband solutions, part of our mission is to actively collaborate with our partners to foster economic, social, and environmental sustainability, working together to shape a sustainable future.



- Safeguard employee welfare; cultivate a healthy and safe work environment; protect the rights of employees, supply chains, and stakeholders; and achieve win-win outcomes for all.
- Observe international laws and ethical standards associated with social responsibility; respect differences and embrace diversity; uphold human rights and promote client interests; and fulfill corporate responsibilities.
- Comply with environmental regulations by implementing energy conservation, gas emission reduction, and resource recycling measures; integrate environmental aspects into product development during the initial phase of product design, selection of raw materials, and production management.
- Fulfill corporate responsibilities by engaging in social welfare, aiming to give back to society and benefit both our company and the local community.
- Aspire to become a leading company in the industry by upholding high standards and demonstrating an unwavering commitment to fulfill social responsibilities in all aspects.

On March 13, 2023, the ESG Sustainable Development Committee was formally established as part of the Board of Directors' functional committees to promote sustainability initiatives, including environmental protection, social responsibility, and corporate governance within the company. The committee comprises four functional units: "Environmental Sustainability," "Supply Chain Sustainability," "Corporate Governance," and "Workplace Well-being." It is responsible for formulating sustainable policies, developing annual plans and strategies, tracking and reviewing the progress of sustainable development, and making decisions on related matters. The ESG Sustainable Development Committee consists of five members, including the CEO, CFO, and three independent directors. Chaired by the General Manager, the committee meets at least once a year and regularly reports its performance and future plans to the Board of Directors. Annual ESG issues and sustainability reports are submitted to the board for approval. In 2023, a total of 2 meetings were held. The agenda included reporting the results of the 2022 greenhouse gas inventory, stakeholder communication outcomes, annual plans for sustainability development, and progress updates on their implementation.

To further fulfill our commitment to corporate sustainability, we established ESG sustainability goals in 2023. With the assistance of external consultants, we guided each manufacturing plant and department in setting short-, medium-, and long-term sustainability objectives and corresponding action plans. Feasibility assessments were conducted through exposure and benefit estimations. Goals were implemented subsequent to thorough review and approval by the General Manager, the ESG Sustainable Development Committee, and the Board of Directors. Moving forward, quarterly ESG goal execution review meetings will be held to evaluate progress and sustainability performance. The results will be reported to the ESG Sustainable Development Committee and the Board of Directors. Through active participation and practice across all departments, we aim to enhance Gemtek's sustainability capabilities and meet stakeholder expectations proactively.




1.4 Risk Management

Gemtek Technology has consistently upheld the principles of professionalism, business integrity, and service quality throughout its operations. Our management team remains vigilant of emerging technological trends within the industry and is adept at swiftly identifying and managing risks to minimize operational impacts. Risk identification, management, and response measures are carried out by various functional units accordingly to analyze underlying risks and opportunities. Based on the results of these analyses, we develop contingency plans to safeguard the rights and interests of employees, shareholders, partners, and customers. These efforts aim to enhance company value and optimize the allocation of business resources.

Risk Management Framework


Gemtek Technology's risk control mechanism is divided into two levels. The "First Level Control" is handled by the organizer/undertaker, who is responsible for initial risk identification, assessment, management, and prevention procedures. The "Second Level Control" involves the final review and decision-making by the chairman of the board, following an evaluation meeting held by senior management (deputy general manager and above) to assess the feasibility of business plans and related risks. To minimize the impact of operational risks, the company has established business continuity plans. In the event of an abnormal situation or emergency, the company will implement these plans in accordance with current policies (Business Continuity Management). The risk management framework is categorized as follows:



Risk Management Framework – Identifying Key Risk Factors	First Level Control Direct Risk Management - Responsible Units(Sales Division)	Second Level Control Risk Evaluation and Control
<ul style="list-style-type: none"> ● Climate change risks ● Impacts of natural disasters on industrial production risks ● Fire hazards & power outage risks ● Terrorism risks ● Raw material supply risks ● Interest rate, foreign exchange & financial risks ● High-risk and leveraged investment, loaning of funds, and derivatives trading ● Investment in mainland China & Reinvestment in subsidiaries ● Expansion of factory or production ● Disruption to information and communication technology risks ● Environmental and health & safety risks 	<ul style="list-style-type: none"> ● Organizational Effectiveness Division (Facility Management, HR, General Affairs, Environmental Health and Safety) ● Organizational Effectiveness Division (Facility Management, HR, General Affairs, Environmental Health and Safety) ● Manufacturing, IT ● Materials, HR ● Materials ● Finance ● Finance ● Finance ● Facility Management ● IT, Facility Management ● Organizational Effectiveness Division (Facility Management, HR, General Affairs, Environmental Health and Safety) ● Manufacturing 	<p>Implementation Team Members of Business Continuity Management: (General Manager, Chief of Operations, Manufacturing, Sales, Materials, IT, HR, General Affairs, Facilities, Environmental Health and Safety etc.)</p> <p>Report to the Board of Directors meeting after final decision is made by the Chairman</p> 

Risk Evaluation and Management

A total of 41 risk factors were identified, among which 10 risk factors were selected for 2023 target risk analysis and management.

Gemtek 2023 Risk Categorization Table

Topics in Risk Management		Internal/External Causes	Risk Control Measures
 <p>Technology and Economics (Non-human causes)</p>	Internal Causes	1 Digital security risk	In light of digital transformation initiatives, Gemtek Technology recognizes that digital information security is an important aspect in terms of business risk and opportunity, and therefore has established a cross-departmental and cross-functional project team in addition to its ISO 27001:2013 certified "Information Security Policy" to fortify information security in daily operations and management. At the same time, Gemtek continues to introduce new technology tools and streamline business operations. The company shall conduct internal audits and education training on information security regularly to ensure the successful implementation of information security and privacy protection.
		2 Disruption to information and communication technology risk	To implement business continuity management, Gemtek Technology has established an "Information Technology Service Continuity Plan" and "Business Continuity Management Plan" by ensuring that the company's UPS (uninterruptible power system) is well-maintained and operating and the information system and data are securely backed up and stored without fail.
	External Causes	3 Natural disasters (earthquake, typhoon, fire, flood, extreme weather and climate change)	Gemtek Technology has established "Standard Procedures for Emergency Preparedness and Response" and "Business Continuity Management Plan" to respond to business emergencies. Through advanced emergency management planning and disaster simulation, business operations can be sustained throughout a crisis, or resumed according to plan.
		4 Power and water outages	Based on its business continuity strategies to mitigate and control operational risks such as water and power outages, Gemtek Technology has established the following guidelines to ensure continuity of operations: 'Standard Procedures for Emergency Preparedness and Response,' 'Business Continuity Management Plan,' 'Electrical Room Operation Manual,' and 'Information Technology Service Continuity Plan.' These guidelines also help strengthen internal control and enhance responses to business disruptions.

Topics in Risk Management	Internal/External Causes		Risk Control Measures
 Personal, Social & Organizational (Human causes)	Internal Causes	5 Human capital risk	<p>The workforce ecosystem has evolved due to drastic changes in the global environment and the rise of social entrepreneurship, presenting new challenges for human capital management. For instance, the company must incorporate more diversity into its recruitment strategies, provide comprehensive employee training and development programs, and offer a more flexible and competitive salary and benefits system. Gemtek is acutely aware of the significance of this trend and is committed to strengthening and sustaining human capital. The company upholds fundamental principles of humanity and employee care to maintain a balance between labor and management alongside business development.</p>
	External Causes	6 Infectious diseases (COVID-19, influenza, African swine fever, Ebola)	<ul style="list-style-type: none"> ● Coronavirus Emergency Operations Center ": Gemtek Technology has established a "Coronavirus Emergency Operations Center" to oversee the development of disease prevention and control mechanisms across its global operation sites in compliance with local regulatory requirements. This initiative not only helps to prevent the spread of the epidemic but also ensures business continuity. Additionally, a disease surveillance system has been implemented, enabling supervisors and employees to stay informed about the company's latest infectious disease prevention policies in response to ongoing outbreaks. ● The company has established "Standard Procedures for Emergency Preparedness and Response" and a "Business Continuity Management Plan" to prevent and mitigate risks caused by the spread of diseases.
		7 Key Supply Chain Shortage	<ul style="list-style-type: none"> ● Strengthening "Global Operations Management": The US-China trade war and COVID-19 have imposed unprecedented challenges on the global supply chain. In response, Gemtek's global expansion strategy focuses on strengthening its capabilities in "Resilient Manufacturing" and "Global Operations Management" to effectively manage and integrate upstream and downstream supply chains. ● Gemtek has established "Supplier Management Procedures" and "Supply Chain Disruption Management Procedures" to mitigate and manage supply chain risks.
 Environmental	Internal Causes	8 Green Product	<p>Green energy concepts are integrated into the product design process, ensuring that materials used undergo inspection and meet energy-efficiency standards. Intelligent software designs are also fitted to minimize energy consumption over a product's lifecycle. Throughout the entire lifecycle of our products, we place a strong emphasis on meeting environmental sustainability requirements to minimize potentials impact on the environment. Our company is dedicated to making progress in three key areas:</p> <ul style="list-style-type: none"> ● Sustainable Materials: Minimize the use of hazardous substances in our current products. Use materials that have recyclable or reusable value. ● Recyclable/Reusable: Design products that can be easily reused, recycled, and disassembled. ● Energy Efficient: Reduce the energy consumption of products.
	External Causes	9 Climate Change	<ul style="list-style-type: none"> ● Stay updated on global climate change trends, conduct greenhouse gas inventories, and obtain third-party verification. ● Using the TCFD framework, identify climate change risks and opportunities that may lead to substantial financial implications; and develop appropriate measures to address the impacts of climate change.
		10 Environmental Compliance	<p>Continuously monitor pertinent environmental regulations and conduct regular assessments of regulatory compliance to ensure timely and responsive actions.</p>

1.5 Business Integrity

Business Integrity Policies

- **Prohibition of Corruption:** Prohibit corruption and unethical practices to ensure the integrity of company employees.
- **Avoidance of Conflicts of Interest:** Prevent employees or management from encountering conflicts of interest, ensuring the company's interests remain prioritized.
- **Prohibition of Fraud:** Ban fraudulent activities, including false advertising and misleading information.
- **Anti-Money Laundering:** Prevent the company from being used for money laundering activities and comply with relevant anti-money laundering regulations.
- **Unfair Competition:** Comply with competition laws to ensure fair competition with industry rivals.
- **Information Security:** Protect customer data and company information from potential threats and attacks.

Business Integrity Policies

The company has established the "Code of Ethical Conduct," "Business Integrity Policies," "Business Integrity and Anti-Corruption Management Procedures" and other guidelines to regulate workplace behavior. Gemtek requires directors, supervisors, managers, employees, and suppliers to exercise due diligence and self-discipline, actively avoiding conflicts of interest, corruption, and bribery. They must also refrain from abusing their positions of authority to gain improper advantages or retaliate against whistleblowers.

To enhance workplace integrity and ensure regulatory compliance, the company communicates its code of conduct through the corporate intranet and office bulletin boards. Regular lectures and public announcements are also conducted to reinforce employees' awareness of ethical standards. In 2023, there were no instances of penalties imposed by competent authorities for violations of business ethics, anti-competitive practices, monopolistic behavior, or anti-corruption laws and regulations. Furthermore, no cases of corruption were reported during this period.

Communication Target	Method of Communication	Number of Attendees	Total Number of Attendees	Effectiveness %
Members of the BOD	Reiterate the importance of Anti-Corruption Awareness annually	9	9	100%
Employees	<ul style="list-style-type: none"> ● All Gemtek employees are required to sign the "Integrity Commitment Statement(For Employees)" ● Policies are announced on the corporate intranet and office bulletin boards ● Employees undergo annual RBA training (includes anti-corruption, business integrity) <p>Note: Due to business divestment in the second half of 2023, Gemtek Electronics (ChangShu) did not conduct any employee training and development programs.</p>	4,354	4,354	100 %
Suppliers/ Customers	<ul style="list-style-type: none"> ● Customers, suppliers, service providers, and contractors who engage in business transactions with Gemtek are required to sign a "Procurement Contract" or an "Integrity Commitment Statement (Supplier)" 	532	601	89 %

Level of Legal and Regulatory Compliance

Gemtek is committed to full compliance with national and international laws, rules, and regulations. The company closely monitors and adheres to directives from competent authorities that may significantly impact its operations. Gemtek identifies business regulations pertaining to labor, health and safety, environmental protection, finance, information security, and intellectual property rights to ensure internal control and operating procedures align with relevant regulatory requirements. The company maintains a legal office responsible for overseeing all legal matters and collaborates with external consultants to seek professional advice. This office also communicates broadly with employees regarding the company's business compliance plans to avoid potential legal violations. Gemtek Technology has reviewed and revised relevant documents to stay current with the latest standards of the Responsible Business Alliance (RBA) Code of Conduct 7.0. In 2023, there were no violations related to social, environmental, economic, marketing and product labeling, or product service and health matters.

Note: A significant violation refers to a single offense with a penalty of NT\$1 million or more.

2

Products and Services

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Customer Relationship Management

Material Topics

Product Information Security, Customer Privacy, Customer Health and Safety, Customer Service and Satisfaction

Managemnet Objectives	Customer relationship management is a top priority for companies, particularly for network communication manufacturers. Safeguarding business secrets and customer privacy are fundamental ethical practices. Building customer trust is accomplished through effective product security management, customer service management, customer satisfaction surveys, and procedures for handling customer complaints. These practices enable the company to operate and grow in a sustainable manner.
Remedial Actions/Mechanisms	In the event of a cybersecurity breach, relevant reporting and corrective measures will be implemented according to the company's "Information Security Control Procedure".
Policies and Commitments	To uphold our commitment to information security, we ensure the protection of all business-related information and support sustainable operations. We implement comprehensive measures to safeguard the information we store or transmit, preventing damage, theft, leaks, tampering, misuse, and infringement. All employees should be familiar with our information security policy and follow the relevant procedures to continually improve the confidentiality, integrity, and availability of our information systems.
Responsibility	<ul style="list-style-type: none"> ● The company has set up a customer service unit responsible for handling customer complaints. ● The Sales Department conducts annual customer satisfaction surveys, while the Quality Assurance Department compiles the survey results, analyzes customer complaints, and implements necessary improvements. ● Gemtek's chief technology officer management is responsible for the establishment, implementation, and maintenance of the company's Information Security management system, and also serves as the spokesperson and liaison for relevant affairs. ● Set up a QC080000 implementation team. The convener will be one of the QC080000 management representative from each manufacturing plant.
Course of Action and Results	<ul style="list-style-type: none"> ● Adopt ISO/IEC 27001, an international standard for Information Security Management System. ● Adopt a comprehensive email filtering solution to prevent malicious attacks such as computer viruses, internet spamming, and phishing emails. ● Strengthen account security by applying a two-factor authentication mechanism----using user passwords and mobile phones to validate identity. ● Procured high-performance virtual systems and storage to achieve energy-saving and carbon reduction benefits. ● Established an intranet firewall, segmented network sections, and strengthened host segment defenses; adopted MDR (Managed Detection and Response) threat detection and response services. ● Conducted 13 information security training sessions in 2023. ● Performed 58 system disaster recovery drills in 2023. ● No major or minor deficiencies found in the 2023 external audit. ● Conducted two management review meetings annually to ensure the continuous suitability, adequacy, and effectiveness of the ISMS (Information Security Management System). ● Conducted two internal audits annually to continuously enhance information security, with all 13 information security indicators meeting targets in 2023. ● Achieved a customer satisfaction rate of 93.76% in 2023. ● Achieved a 100% on-time resolution rate for customer complaints in 2023.
Evaluation Mechanism	<ul style="list-style-type: none"> ● Based on the ISO/IEC 27001 international standard for information security management, perform regular internal audits once every six months, external audits once a year, and renew certificates every three years. ● Conduct regular customer satisfaction surveys. ● Manage customer complaints according to the "Customer Complaint Handling Procedure". Calculate the rate of resolved cases for every month and conduct a PDCA assessment.



Research & Development and Intellectual Properties

Material Topics | Intellectual Property Management, Innovation and R&D, Product Life Cycle Management, Materials (Circular Economy)

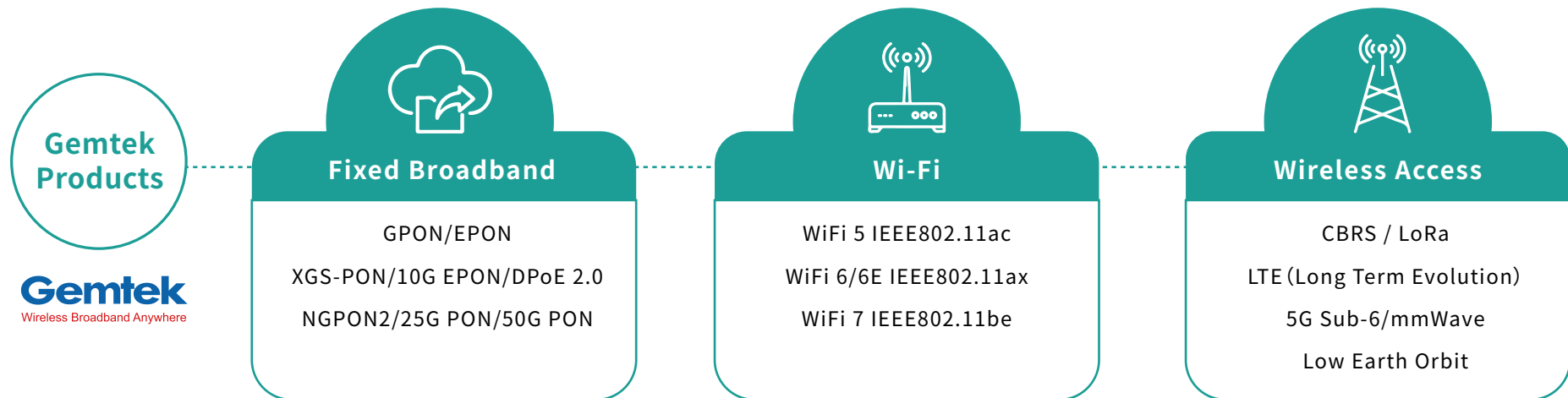
Managemnet Objectives	New product research and development is the fundamental drive for business sustainability. To secure the company's inventions, establishing a well-rounded patent strategy and intellectual property policy is essential to the filing of patent applications and patent protection. The company systematically manages innovations and patents by performing patent counts and checking on the filing status of patent applications on a regular basis. All products are evaluated and developed using a product lifecycle management model starting from the research and design stages, aiming to maximize resource efficiency and promote a circular economy.
Remedial Actions/Mechanisms	<ul style="list-style-type: none"> ● In regard to patent infringement, if an infringement warning letter is received, the patent infringement identification process will be initiated. ● The product management remediation mechanism is conducted through the "Production Emergency Response Plan Procedures."
Policies and Commitments	<ul style="list-style-type: none"> ● Intellectual Property Management Policy: Respect intellectual property rights. Protect intellectual property rights when transferring technology and production knowledge to customers. Shall not disclose confidential copyright information to a third party. ● Innovative R&D Management Policy: Social responsibility, sustainable development, global alignment. ● Product Life Cycle Management Policy: Client-centric; regulatory compliance; continuous improvement; sustainable business operations; develop low-pollution, cost-effective green products.
Responsibility	<ul style="list-style-type: none"> ● The legal office oversees the management of patents and intellectual property. ● The New Product Development Division (obtains development information) and the Research and Development Division (conducts product research and development) are responsible for the development and advancement of new products and technology.
Course of Action and Results	<ul style="list-style-type: none"> ● Formulated the "Code of Ethical Conduct", "Business Integrity Policy", "Responsible Business Alliance (RBA) Code of Conduct", "Intellectual Property Management and Incentives Guidelines" and other norms. ● Adopt ISO 9001, ISO 27001, and other management systems, and follow RBA-related norms and initiatives. ● The company requires all new hires to sign the "Intellectual Property and Confidentiality Agreement" and "Information Security and Internet Acceptable Use Agreement". The internal business ethics management procedures serves as the basis for operational practices and guidelines for intellectual property rights protection. The company shall also hold corporate training courses for the Responsible Business Alliance (RBA) code of conduct annually. ● Hold intellectual property- related training courses to ensure that Gemtek is capable of protecting and safeguarding its intellectual property rights. ● In 2023, a total of NT\$1,069,512 thousand was invested in research and development, accounting for 4.09% of the revenue. ● In 2023, NT\$86,882 thousand was spent on research and development instruments and equipment. ● The expenditure for patent applications and maintenance in 2023 is NT\$4,874 thousand. ● As of the end of December 2023, Gemtek Technology had filed 502 patent applications, including 207 approved "invention" patents and 111 "utility model" and "design" patents. ● By the end of December 2023, Gemtek Technology had a cumulative total of 32 registered trademarks globally. ● There were no infringement lawsuits in 2023. ● In 2023, carbon footprint assessments for two products were initiated, with external verification completed by the end of April 2024.
Evaluation Mechanism	<ul style="list-style-type: none"> ● According to the "Intellectual Property Management and Incentives Guidelines," employees are encouraged to invent, create, and obtain patent protection.

2.1 Products and Services

In response to the strong demand for digital content, long-distance broadband, and telecommunications network-related applications, the deployment of high-speed network infrastructure, 5G NR / LTE wireless broadbands, IoT terminals, and high-speed WiFi 6 / 6e / 7 continue to grow exponentially. Gemtek Technology actively develops networking products and solutions to combine with its various business models ----- OEM / ODM / JDM / Independent Development, striving to encompass more diversity, vision, and integration within niche products by following market trends to achieve profitability and rapid growth.

The main products and solutions offered by Gemtek include high- performance fixed network terminals and their applications (GPON / XGSPON / DPoE / NGPON2 / g.fast / IPSTB), WiFi modules, indoor and outdoor WiFi-related products, and whole home solutions (WiFi AP Repeater / Router / Smart Plug / Whole Home Mesh). Additionally, the company provides advanced broadband WiFi 6 / 6e / 7 platforms, 5G NR / LTE Fixed Wireless Access (FWA), IoT terminal (Cellular IoT / LPWAN LoRa), millimeter wave (mmWave), phased array antenna for LEO satellite, and compact 5GNR / LTE Small Cell E2E system, etc. Gemtek also offers outstanding solutions such as Smart antenna designs, automated image recognition systems for factories, cost-effective security gateway platforms, cloud platforms, and services.

With strong integration capabilities and keen business acumen, Gemtek continues to expand its presence in the wired and wireless broadband telecommunications market. The company aspires to acquire cutting edge systems integration and development capabilities to transcend to new heights. Gemtek is widely recognized by international and domestic business partners for its superior technology and performance, solidifying its market leadership position in the broadband telecommunications industry.



Sales Proportion of All Product Categories

Product	Purpose and Function	Sales Proportion
WLAN CARD	Office computers and wireless transmission equipment	86.96%
WIRELESS GATEWAY	Wired and wireless network transmission equipment	0.95 %
WIRELESS TELECOMMUNICATION MODULE	Wireless transmission module for IoT equipment	0.01 %
OTHERS	Buying and selling of wires, packaging materials, pallets and raw materials	12.08 %
TOTAL		100.00%

Global Sales Regions and Statistics

		2021		2022		2023	
		Amount	%	Amount	%	Amount	%
Domestic		997,342	4.35%	682,028	2.44%	683,144	2.61%
Overseas	Asia	6,389,047	27.89%	6,038,146	21.64%	5,462,082	20.90%
	Europe	5,506,879	24.03%	6,047,532	21.68%	7,372,291	28.21%
	Americas	10,007,502	43.68%	14,931,672	53.52%	12,539,238	47.98%
	Pacific	0	0.00%	156,825	0.56%	11,019	0.04%
	Africa	11,921	0.05%	43,787	0.16%	68,575	0.26%
Total		22,912,691	100.00%	27,899,990	100.00%	26,136,349	100.00%

Product Liability

Gemtek Technology is a renowned manufacturer of wireless communication systems, offering products and services tailored to meet the specific demands and requirements of our customers. Besides having our product labeling adhere to relevant international and domestic laws and regulations, we prioritize customer satisfaction and ensure that all our mass-produced products undergo safety certifications for export to their respective destination countries. These certifications include Brazil-ANATEL, CE, China-SRRC, FCC, IC, Korea-KCC, BSMI, GCF Member Apply, IEC 60825-1, Taiwan-NCC, TELEC, and USA/Canada Safety-UL, WIFI, among others.



2.2 Research & Development and Patents

■ Research & Development and Patents

Gemtek Technology is dedicated to the research, development, and design of innovative products. In 2023, our total investment in research and development reached NT\$1,069,512 thousand. We are committed to enhancing the quality of our existing products while also focusing on developing new ones that adhere to the latest technical standards and meet the growing demand for cutting-edge wireless technologies. Currently, Gemtek has several ongoing product development initiatives, including:

- 1 5G NR R16 Standardized CPE
- 2 5G Small Cell End To End System Development
- 3 Computer vision-based Wireless SIP Module Multi-Scan Solution
- 4 Enterprise-grade WiFi platform development
- 5 GPON/XGSPON 2-in-1 Passive Optical Network access to Ultra-wideband Network Integration System development plan
- 6 High performance enterprise xPON/g.fast integration universal platform development based on open software architecture
- 7 Easy deployment and cost effective 5G NR FR1+ FR2 ODU CPE development
- 8 Cost effective 5G NR smallcell development for sharedband CBRS
- 9 Scalable Phased Array Antenna Development for LEO application ka ku band
- 10 High performance WiFi 7 AP platform development
- 11 Tiny compact WiFi 7 extender development
- 12 Cost-effective WiFi 6/6e AP platform development
- 13 Universal smart element management system software platform development
- 14 Cost-effective switch platform development

R&D Expenses by recent years

Item	2021	2022	2023
Investments	NT\$753,460,000	NT\$916,227,000	NT\$1,069,512,000
% of total revenue	3.29%	3.28%	4.09%

Gemtek's Patent Applications and Trademark Statistics

	2021	2022	2023
Number of Patent Applications (Cumulative)	464	476	502
Number of Approved Invention Patents	202	206	207
Number of Approved Utility Model Patents	85	89	93
Number of Approved Design Patents	15	15	18
Total Number of Registered Trademarks (Cumulative)	32	32	32

Patents, as the most significant form of intellectual property rights, hold great value as tradable assets in the hands of savvy businesses and market players. National laws govern inventions, technical products, or processes, providing protection and exclusivity to the patent holder, prohibiting others from making, using, importing, selling, or profiting from the patented innovation. Gemtek Technology utilizes IP knowledge management systems to handle patents, trademarks, and trade secrets. The company employs the Patent Early Warning Mechanism to stay informed about patent applications, ownerships, and incentive programs. This proactive approach helps mitigate technology transfer risks. The Patent Early Warning Mechanism is conducive to preventing competitors from gaining an advantage, allowing Gemtek to acquire insight to various aspects of the competitors' activities, including research and development, patent numbers, patent strategies, patent quality, and technical capabilities. Gemtek solicits monthly reports from its patent and trademark office to keep an eye on the latest number of patent applications and granted patents by country. This information helps the company reflect on its patent strategies and enhance its core competitiveness. In addition, through the Patent Early Warning Mechanism, Gemtek can monitor the technology readiness levels, the practical field of applied technologies, and development trends within the industry. This facilitates the implementation of a robust patent protection plan and enables the effective allocation of resources.

1 Analysis and Arrangement of Existing Intellectual Properties

Gemtek's intellectual property management team conducts quarterly reviews for new patent applications and the management of existing patents. Senior executives from technical and market backgrounds are invited to evaluate and analyze the strength and value of the company's patents. During these assessments, various factors are considered, including the company's current financial capacity, business goals, R&D plans, investor expectations, contracts, patent portfolios, and trade secrets. These discussions help determine whether the patents are worth maintaining.

2 Patent Strategies

Gemtek's primary patent strategy currently focuses on patent defense. Once the intellectual property management team has a comprehensive understanding of the company's technology and products, they determine the most suitable patent filing process, taking into account factors such as the type of patent protection required, the timeline, and the ultimate strategy. For urgent application filings, the company may choose to file a U.S. provisional patent application or utilize the Patent Cooperation Treaty (PCT) to expedite the process. However, in most cases, the filing follows formal application procedures.

3 Competitor Analysis

To effectively manage its patent portfolio, Gemtek conducts competitor analysis to assess the strengths, weaknesses, opportunities, and threats posed by competitor patent portfolios. Gemtek solicits monthly reports from its patent and trademark office to collect updates on the number of patent applications and granted patents by country. This information enables Gemtek to evaluate its current patent portfolio and refine strategies to enhance business competitiveness.

As of the end of December 2023, Gemtek Technology has filed a total of 502 patent applications. Among these, 207 are approved "invention" patents, and 111 are "utility model" and "design" patents. Additionally, by the end of December 2023, Gemtek Technology has registered a total of 32 trademarks globally.

2.3 Green Products

Gemtek Technology has formulated sustainable product specifications and product control measures for prohibited substances to comply with international environmental laws, protect the health and safety of customers, and meet customer requirements. To achieve these goals, Gemtek has taken appropriate steps to manage prohibited substances in addition to establishing environmental management protocols for respective corporate divisions to follow. This ensures that the company's suppliers and employees are aware of the necessary sustainability requirements in an aim to strengthen environmental protection measures and reduce overall environmental impact.

Material Usage

The company's assembly materials primarily consist of plastic casings, aluminum metal casings, antennas, cables, labels, and packaging materials. Among these, recyclable materials, including some labels and packaging materials (such as cartons and pallets), account for 28% of the total material weight. Non-recyclable materials, including plastic casings and aluminum metal casings, make up 72% of the total material weight. Some of the purchased plastic parts are made from post-industrial recycled plastics. To ensure the quality of our products, we practice meticulous material segregation and recycling after disassembly. Tin bars and solder paste undergo recycling, but they are not reintroduced into the production process for tin bars and solder paste. Instead, our vendors utilize these recycled materials in the creation of secondary products, like glassware.

Gemtek 2023 Material Usage

Year	Gemtek HQ		Gemtek Kunshan		Gemtek Vietnam	
Item	Weight(kg)	%	Weight(kg)	%	Weight(kg)	%
Recyclable Material	47,098	25.49%	1,488,545	31.39%	2,439,351	26.05%
Non-Recyclable Material	137,698	74.51%	3,254,186	68.61%	6,924,175	73.95%
Total	184,796	100%	4,742,731	100%	9,363,526	100%

Note: Statistics were not collected due to the divestment of Gemtek Electronics (ChangShu) in the second half of 2023.

To ensure the safe transportation of our products, we use shock-proof packaging materials inside cardboard boxes and plastic courier bags. As part of our commitment to environmental protection, we prioritize the reuse and recycling of cardboard boxes. We have established a robust recycling channel, collaborating with recycling companies capable of performing secondary recycling and reuse. By continuously enhancing our efforts in the recycling and reuse of packaging materials, we strive to make a positive impact on the environment.

Hazardous Substance Free (HSF)

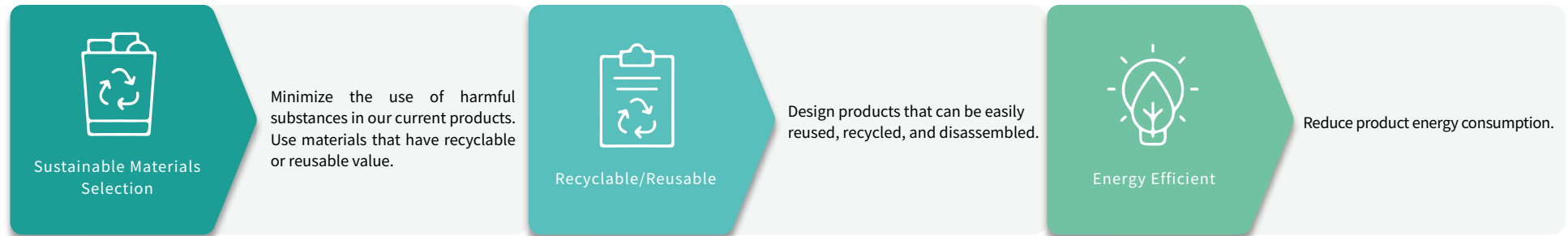
During the product design phase, Gemtek uses the Product Lifecycle Management (PLM) system and the Environmental Hazardous Substances (EHS) system to ensure that all parts and packaging materials comply with customer requirements for hazardous substances and international environmental regulations, such as RoHS, REACH, Packaging Directive, Battery Directive, and Halogen Free (HF). The company received the IECQ QC 080000 certification in March 2007 and has successfully passed the annual audits since then. Moreover, all auxiliary materials used during the manufacturing process must comply with customer demands and the aforementioned standards. In 2023, all products of Gemtek fully complied with the relevant HSF regulations and customer specifications. Notably, the company received no customer complaints or negative feedback concerning hazardous substances during this period.

In addition, to effectively manage hazardous substances, the company has introduced a systematic review process to ensure that all purchased materials adhere to relevant laws and regulations. The company continuously monitors and keeps track of any changes in laws and regulations to ensure that all applicable requirements are duly observed.

Green Design

To advance the green energy conservation concept, Gemtek Technology replaced all linear regulated power supplies in its products with high-efficiency switch-mode power supplies in 2009. These switch-mode power supplies have an average energy conversion efficiency of over 80%, surpassing traditional coil-type transformers. In addition, the company has established a dedicated spare parts management team, comprising designated engineers responsible for testing transformers. All transformer specifications must comply with international energy conservation codes---the California Energy Code (CEC) of the United States and the European Code of Conduct.

Gemtek incorporates the green energy-saving concept from the very beginning of product design. Primarily, production materials are examined and tested to verify their energy efficiency and compliance with relevant standards. Then, intelligent software engineering is incorporated to effectively reduce the power consumption of the finished product. Throughout the entire product life cycle, the company remains dedicated to the principles of environmental conservation, seeking to mitigate any undesirable environmental impacts that may arise from the product's use. The company aspires to accomplish the following goals:



In response to sustainable development trends, Gemtek Technology has set the following goals for green product design: "Incorporate Sustainable Low-Carbon Materials, Promote Green Packaging and Transportation Designs, and Apply CAE Mold Flow Analysis to Advance R&D Capability." By supporting R&D projects, the company aims to boost market competitiveness through designing and manufacturing environmentally friendly low-carbon products while striving to reduce any possible negative environmental impacts.



Incorporate Sustainable Low-Carbon Materials	<ul style="list-style-type: none"> ● Select plastics containing PCR (Post-Consumer Recycled) materials to reduce the exploitation of natural resources. ● Increase the proportion of PCR plastic materials in products to achieve energy-saving and carbon reduction goals. ● Use packaging materials with a higher recycled content and FSC certification.
Promote Green Packaging and Transportation Designs	<ul style="list-style-type: none"> ● Design new packaging boxes to achieve a pallet area utilization rate of over 85%. ● In 2023, employed a shipping container loading calculator to assist in packaging design. The approach is to reduce transportation carbon emissions while maintaining the same transport quality.
Apply CAE Mold Flow Analysis to Enhance Optimization and Low-Carbon Manufacturing	<ul style="list-style-type: none"> ● In 2023, adopted a mold flow analysis software to assist in carbon-reducing manufacturing by way of visualizing and quantifying injection molding processes during the design phase. ● Optimize the design of plastic casing thickness and strength; predict and address potential injection molding issues; and improve cycle times to reduce carbon emissions. ● Tackle potential molding issues arising from the use of PCR plastics by increasing production yield and minimizing excess design waste.

2.4 Customer Relationship & Information Security Management

Customer Privacy

The company requires all new hires to sign the "Intellectual Property and Confidentiality Agreement" and "Information Security and Internet Acceptable Use Agreement". The internal business ethics management procedures serve as the basis for operational practices and guidelines regarding customer privacy and intellectual property rights protection. The company also conducts annual corporate training courses concerning the Responsible Business Alliance (RBA) Code of Conduct.

The company has also developed a "Code of Ethical Conduct" to foster a workplace culture grounded in honesty and integrity. This code underscores the importance of protecting personal data by maintaining the confidentiality of business partner information (e.g., suppliers, customers, employees, and relevant stakeholders) and ensuring that the collection, storage, processing, and use of personal data are conducted for legitimate purposes. In 2023, there were no complaints of privacy infringement or customer data loss.

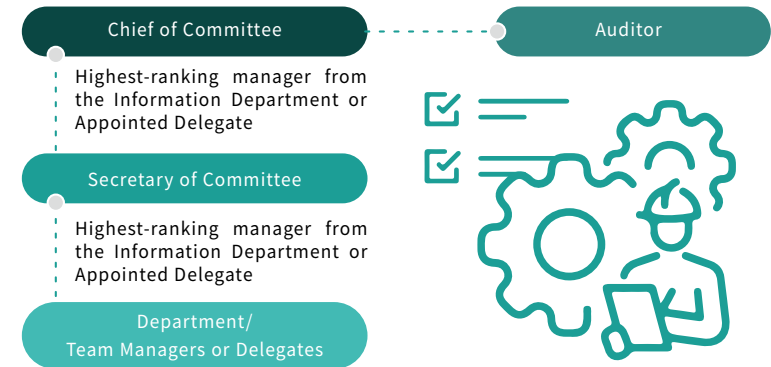
Privacy
Statement



Information Security Management

In 2010, Gemtek established an Information Security Committee to oversee and coordinate information security-related matters. This includes the development of information security policies, as well as the promotion, audit, and enhancement of cybersecurity. The company has also adopted the ISO/IEC 27001 international standard for information security management. The purpose is to prevent any form of damage, theft, leakage, tampering, abuse, infringement, or other incidents when storing or transmitting confidential information. Gemtek strictly abides by customer contracts and confidentiality commitments. Based on the ISO/IEC 27001, the company has devised an "Information Security Policy" and "Information Security Handbook" to facilitate the management of relevant affairs and protect personally identifiable information. Although affiliated manufacturing plants have not yet implemented ISO/IEC 27001, their management practices all adhere to the information security standards and framework established by the Taiwan headquarters.

Organizational Framework of Information Security Committee



The company continues to reinforce its Information Security measures by implementing a comprehensive email filtering platform to guard against malicious attacks such as computer viruses, internet spamming, and phishing emails. The company also reiterates the importance of employees adopting a two-factor authentication mechanism, using both passwords and mobile phones to ensure account security. Additionally, the company has invested in high-performance virtual servers and storage, consolidating these resources to achieve energy efficiency and reduce carbon emissions. The company has also implemented snapshot replications and protective measures against hacker attacks on storage areas. For the same reasons, an internal firewall has been set up to segment networks and strengthen defenses for server networks. An MDR (Managed Detection and Response) threat detection system and response services have also been introduced, with remote support provided by professional cybersecurity firms.

In an effort to raise information security awareness in the workplace, the company periodically issues public announcements about the latest cybersecurity breaches. These announcements serve as reminders to colleagues to remain vigilant and take all necessary precautions to prevent any incidents from happening. The company also holds information security education and training programs, which include an overview of Information Security policies and network security practices. In 2023, the company had organized 13 information security training events, with a total of 633 participants and 614 cumulative hours dedicated to these activities.

The company has established comprehensive business continuity management procedures to minimize the risk of disruptions in information operations. These include backup processes, hardware and software support, and restoration equipment. Drills based on Business Continuity Plans (BCP) are conducted on a regular basis, which include system and database backups, restorations, and system resets. The purpose of these drills are designed to keep professional IT personnel aware of the prevailing and emerging cyber threats. In 2023, the company conducted 58 system disaster recovery drills, simulating various impact scenarios to ensure the continuous operation of information systems and mitigate potential losses. To evaluate the effectiveness of the chosen information security controls and ensure that the Information Security Committee understands the current operation of the information security management system, the company has established a total of 13 information security indicators for monitoring on a monthly, quarterly, semi-annual, and annual basis. The company also conducts two internal management review meetings and one external audit annually to ensure the ongoing applicability, adequacy, and effectiveness of the ISMS (Information Security Management System). In 2023, all information security indicators for the various manufacturing plants met the standards, and no major or minor non-conformities were found during the external audit at the Taiwan headquarters.

Customer Satisfaction

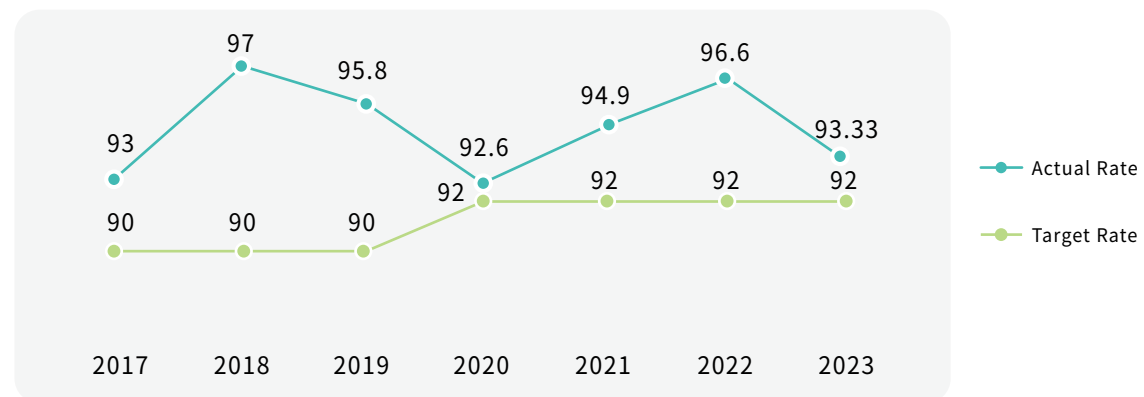
Gemtek Technology is committed to the development of high-quality products and services based on the Company's holistic approach to quality management. The company has established robust customer service management procedures, conducts customer satisfaction surveys, and implements customer complaint handling processes to effectively identify and resolve issues based on customer feedback.

To ensure that customers receive the best services possible, Gemtek conducts annual customer satisfaction surveys, covering six key aspects: "Manufacturing Capability and Quality," "Team Cooperation," "Development Progress and Technical Capability," "Customer Service and Management," "Quality of HSF Products," and "Overall Performance." Gemtek's commitment to excellence is reflected in the recognition it has consistently received from prominent clients such as Intel and Buffalo.

To successfully maintain and improve customer satisfaction, the Company has adopted several international quality management standards, including ISO9001, TL9000, ISO13485, IATF16949, in conjunction with its "Customer Complaint Handling Procedures". Based on the nature of customer complaints, the Company has defined individual goals for the average time to resolution. The percentage of resolved customer complaints is reviewed monthly alongside the effectiveness of the PDCA (Plan-Do-Check-Act) cycle. In 2023, the company did not violate any regulations nor receive any customer complaints or feedback related to hazardous substances (HSF). All 15 customer complaints were quality-related and have been duly addressed and resolved. In conclusion, the on-time resolution rate for customer complaints in 2023 was 100%.

- **Critical :**
Respond within 24 hours.
Case resolved within 7 days.
- **Major :**
Respond within 72 hours.
Case resolved within 2 weeks.
- **Minor :**
Respond within 7 days. Case
resolved within 4 weeks.

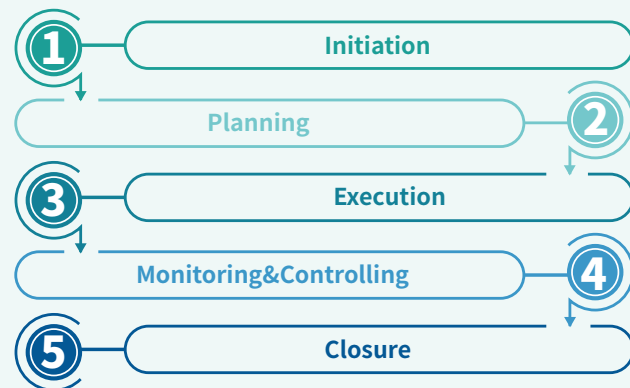
Gemtek's Customer Satisfaction Rate Over the Years



Customer Project Management

Gemtek's project management follows a five-phase approach: initiation, planning, execution, monitoring and controlling, and closure. Project initiation takes place once the project board grants authorization. However, in practice, project sponsors and product managers often begin analyzing project requirements, assessing and managing all identified needs before official authorization. Simultaneously, a project proposal should be prepared in advance to serve as the foundation for authorizing project initiation. Most of the time, project management supervisors typically participate in these preliminary actions to allocate human resources in advance.

Gemtek's project management consists of five phases: initiation, planning, execution, monitoring and controlling, and closure. Each of these phases represents a group of interrelated processes essential for establishing a structured project management framework. This approach ensures the achievement of goals and requirements, leading to improved efficiency and tangible benefits upon project completion.



Awarded the Best Supplier Award by Buffalo Technology (Taiwan) Inc.

In August 2023, Gemtek Technology received the "Best Supplier Award" from BUFFALO TECHNOLOGY. Counting in the awards received in 2020 and 2021, this marks the third time in recent years Gemtek had been granted this special honor. BUFFALO TECHNOLOGY evaluates suppliers quarterly, selecting the cream of the crop based on criteria such as development, production procurement, and supportiveness.

In the development category, BUFFALO evaluates and rates suppliers on their hardware development, software development, development costs, and specification testing and certifications. In line with these stringent standards, Gemtek Technology's development team meticulously reviews customer specifications to design products that meet development goals and cost-effectiveness. The team also ensures that products achieve the necessary international certifications and maintain high-quality standards through rigorous testing and verification.

In the production procurement category, BUFFALO also assesses suppliers based on product quality, market return rates, regular price adjustments, adherence to delivery schedules, minimal lead time from order to shipment, optimal lead time for Engineering Change Notices (ECN), and so forth. Gemtek Technology manages consistent product quality and low return rates by strictly monitoring its incoming quality control (IQC) and outgoing quality control (OQC). Additionally, precise standard operating procedures (SOPs) are set in place to shorten the lead time from order to shipment.

Gemtek Technology continues to uphold its business philosophy by putting customers first and striving to meet customer demands at all times. Everyone in the company, including the general manager and frontline workers, listens attentively to customer needs to render the best solutions. Quarterly meetings with customers are held by Gemtek's senior management in person to communicate face to face with customer executives, aiming to swiftly target areas for improvement and enhancement. The company remains committed to these efforts, aspiring to earn customer recognition and be their number one all-around supplier in the forthcoming years.



3

Supply Chain Management

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3.2 Supplier Responsibility Management 52





Supply Chain Management

Material Topics | Supplier Chain Sustainability Management, Raw Material Traceability(Conflict Minerals)

Management Objectives	Actively implement supply chain management and cultivate long-term and efficient partnerships with our suppliers. Through risk assessment and audit verification in the areas of environment, society, and governance, we ensure that our suppliers fulfill their corporate social responsibility obligations. Our goal is to create a sustainable supply chain and generate greater value for stakeholders.
Remedial Actions/Mechanisms	When material supply issues arise, the company takes remedial actions according to the "Supply Chain Abnormality Management Procedures." Based on the "Corrective Action Procedures," relevant suppliers are required to make improvements within a specified timeframe.
Policies and Commitments	<ul style="list-style-type: none"> ● Establish Supply Chain Management Policies to improve sustainable procurement standards and management systems based on three aspects: Quality Control, Environmental Protection, and Corporate Social Responsibility. Collaborate with our suppliers to practice environmental protection, energy conservation, and carbon reduction, aiming to build a sustainable supply chain. ● Support Conflict-Free Mineral Policy. Request suppliers to follow RBA standards.
Responsibility	<ul style="list-style-type: none"> ● The Procurement Department is responsible for organizing a cross-functional team to conduct supplier screening processes. The team includes members from R&D, quality assurance, environmental, health and safety, and other relevant departments. ● Establish an RBA Implementation Team, with the Human Resources Director of Gemtek headquarters serving as its management representative.
Course of Action and Results	<ul style="list-style-type: none"> ● New suppliers are required to sign an Environmental Protection Declaration, Supplier CSR Declaration, and Responsible Business Alliance Code of Conduct Compliance Commitment. ● Regular due diligence is conducted annually to strengthen the Conflict Minerals Management System. Suppliers are required to provide evidence that the minerals used in their products are not sourced from conflict zones. ● Sustainability performance is considered as one of the key factors for order allocation and long-term collaborations during periodic supplier assessments. ● The response rate for the supplier conflict minerals survey reached 87%. ● The completion rate for suppliers signing the Supplier CSR Declaration reached 87%. ● The completion rate for the signing of the RBA Commitment Statement reached 86%. ● Quarterly evaluations were conducted on 284 suppliers, with no D-grade high-risk suppliers. ● Audits were conducted on 55 suppliers, with all passing the audits. ● Quality and hazardous substance audits were conducted on 55 suppliers in Taiwan and China, as well as 29 suppliers in Vietnam, with all passing the audits.
Evaluation Mechanism	<ul style="list-style-type: none"> ● Conduct annual supplier risk assessments and develop audit plans according to the "Supplier Evaluation and Audit Guidelines". ● Conduct annual supplier conflict minerals investigations according to the "Conflict-Free Minerals Policy and Guidelines".

3.1 Supply Chain Overview

Sustainable Procurement Policy

- **Sustainable Procurement Policy:** Reduce adverse environmental impacts, increase the use of renewable and green resources; promote a green low-carbon supply chain, key suppliers conduct greenhouse gas inventories.
- **Environmental and Social Practices in Sustainable Procurement Policy:** Ensure that raw materials and components comply with international standards, fulfill social responsibility commitments, achieve renewable energy economic benefits, establish green procurement and low-carbon operational development.
- **Labor and Human Rights Sustainable Procurement Policy:** Ensure that suppliers comply with international labor and human rights standards, protect workers' rights, prohibit child labor and forced labor.



Gemtek Technology remains committed to optimizing supplier management policy to enhance supply chain sustainability through close collaboration with business partners. The ultimate goal is to balance business profitability with environmental sustainability and social responsibility, creating greater values for all stakeholders. Additionally, Gemtek aims to promote a sustainable, low-carbon supply chain by urging key suppliers such as PCB, Injection Molding (plastics and metals), IC (memory and chipsets), and Adapters to implement greenhouse gas inventories.

Gemtek wishes to fulfill environmental and social responsibilities by requiring suppliers to sign the Declaration of Environmental Protection and the Halogen-Free Compliance Declaration. The completion rate for these declarations is 100%. Gemtek has also established an evaluation system to recognize subcontractors that are committed to supporting sustainable practices. The goal of the system is to ensure that the quality of incoming materials meets environmental standards. Furthermore, the system serves as a guideline for subcontractors to follow, enabling them to improve their overall quality and performance in the long run.

In response to customer demands and global capacity planning, Gemtek has further expanded its production lines in many parts of the world, which are mainly located in Taiwan, China, and Vietnam. On top of that, Gemtek's procurement division collaborates closely with strategic suppliers to build a more resilient global supply chain.

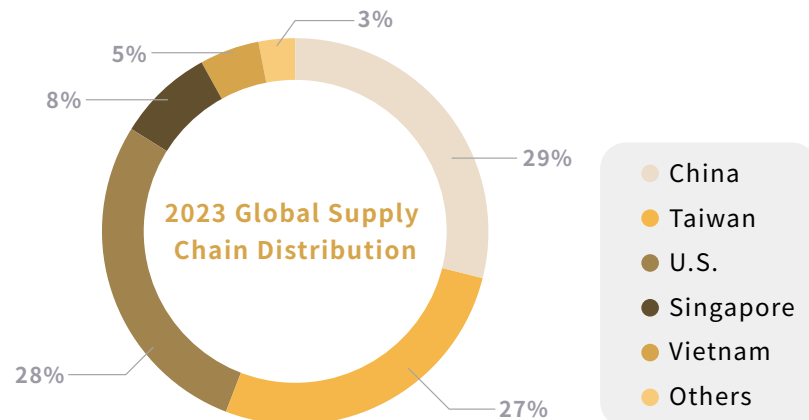
The main materials and components used in the company's products include integrated circuits, circuit boards, wires, diodes, and capacitors. Notably, the materials for assembling communication chipsets are sourced from designated overseas manufacturers. Given the reliance on imported components, any delays in supply delivery could potentially impact the overall production lead time. As a result, effective inventory control is crucial for the company to be adequately prepared for any unexpected supply disruptions. Procuring materials from certified domestic suppliers may have less of an issue in terms of supply shortage. While there may occasionally be tight supplies of certain passive components, the company has established contingency plans to mitigate risks arising from insufficient supplies. Fortunately, there have been no instances where a lack of materials has hindered or suspended the company's production plans thus far.

Localized procurement at each manufacturing plant is strategically planned to be timely and geographically suitable, helping to reduce operational costs and risks, as well as lowering transportation expenses and carbon footprints. This approach enhances the quality and service within the supply chain while ensuring stable material supply, leading to more consistent production operations and the creation of sustainable value. In 2023, local suppliers accounted for 35% of the total procurement amount across all Gemtek Technology plants.

Notes :

1. Taiwan Headquarters: Local suppliers refer to those based in Taiwan.
2. Gemtek Kunshan & Gemtek Changshu: Local suppliers refer to those based in mainland China.

Gemtek's 2023 Global Supply Chain Distribution



3.2 Supplier Responsibility Management

Supplier Selection

Gemtek Technology should consider the following criteria when selecting new suppliers. The evaluation process should be conducted by the relevant company divisions using the supplier risk assessment checklist to assess potential suppliers. Suppliers scoring below 60 will not be considered. For those scoring between 61 and 70, an on-site audit is required. Suppliers scoring above 71 must submit an audit report and sign ESG supporting documents to be recognized as qualified.

Evaluation Items

- In accordance with the ISO 9001 "Supplier Management Procedures," suppliers are required to adhere to the RBA regulations and initiatives.
- Documentations linked to the supply chain are assessed and audited through the Supplier Management System to ensure that suppliers align with the RBA Code of Conduct. This alignment is measured using specific operational responsibilities as indicators based on sustainable development, which include environmental protection, social responsibility, and corporate governance to assess stakeholder risks.
- The company uses the Supplier Management System to regularly evaluate supply chain performances and reports, ensuring business integrity, social responsibility, safe working conditions, respectful and fair treatment of workers, and environmentally responsible production processes.
- Supplier Risk Assessments include whether the supplier has the ability to fulfill product compliance expectations and ensure a consistent and uninterrupted delivery of products to its customers.
- Relevant quality and delivery performance.
- Evaluation and investigation of suppliers' quality and hazardous substance management systems, including obtaining and verifying their international quality system certifications.
- Cross-functional team decisions (spearheaded by the Procurement Department, along with R&D, QA, EHS, and other relevant departments).
- When suppliers provide products with both hardware and software components, their technical capability in hardware and software development should be factored in during the evaluation.

ESG Supporting Documents

- **Procurement contract:** This contract defines the quality standards that suppliers must meet.
- **Environmental Protection Declaration:** This document pertains to the international electronic and electrical equipment (EEE) standards for managing prohibited and restricted substances and relevant environmental regulations. It requires that all raw materials comply 100% with RoHS, REACH, and WEEE directives and regulations.
- **Corporate Social Responsibility Statement:** This document outlines Gemtek's commitments to promoting labor rights, health and safety, environmental standards, ethical norms, management systems, and social impact. It serves as the cornerstone for Gemtek Group's Corporate Social Responsibility policy and statement, and sets the requirement for suppliers to adopt ESG policies.
- **Supplier Code of Conduct Statement:** This document advocates the spirit and practices of the RBA, requiring adherence to business ethics and anti-corruption standards.
- **Conflict Minerals Commitment:** This document addresses social and environmental issues, ensuring that the sources of raw materials meet OECD requirements, and promoting the protection of labor rights, health and safety, ethical fairness, and economic development.



New Supplier Management Process:



As part of the Supplier Management Process, new suppliers are required to sign a procurement contract that includes specific provisions that addresses ethics and integrity. Aside from customer-designated suppliers, the document signing rate was 89% for the year 2023. According to the Integrity Commitment Statement, the company reserves the right to seek compensation from suppliers who cause damage to the company by violating anti-bribery and anti-corruption regulations. Additionally, such suppliers will have their rights to engage in further business transactions and contracts with the company revoked and terminated.

2023 Integrity Commitment Statement Signing Completion Rate of Gemtek Suppliers

Commitment Statement Year	Total Number of Suppliers(A)	Number of Suppliers Completed Signing (B)	Number of New Suppliers Completed Signing	Completion Rate (B/A)
2021	523	428	14	88%
2022	585	512	23	88%
2023	601	532	27	89%

Supplier Risk Assessment

Gemtek conducts risk assessments for new suppliers by using a preliminary risk assessment form (The content of the form assesses various aspects, including basic operations, performance in the last two years, upstream and downstream relationships, customer segmentation, engineering capability, factory locations, and facilities). Once a supplier contract is established, Gemtek maintains regular monitoring of the supplier's performance and financial health. Particular attention is given to high-risk suppliers to prevent any potential disruptions that could affect the timely delivery of supplies. This ongoing task ensures proactive risk management and smooth supply chain operations. In addition, suppliers are subject to close scrutiny for signs of significant supply chain risks such as material shortages spurred by the COVID-19 pandemic, labor disputes, and changes in the political and economic landscape. Suppliers will be measured for supply chain resilience as part of the supply chain contingency plan, and an appropriate response method will be communicated to prevent potential business disruptions and safeguard the rights and interests of stakeholders.

3. Conflict Minerals Policy and Guidelines

- Conflict-Free Minerals Policy
Conflict Minerals Policy Gemtek Technology promises to support the requirements of conflict-free minerals policies and ensure that its suppliers comply with the RBA Code of Conduct to validate the fulfillment of corporate social responsibilities upon the establishment of the following rules:
(1) Fulfill social and environmental responsibilities.
(2) Will not accept "Conflict Minerals" collected from the Democratic Republic of Congo (DRC) and its adjoining countries and regions. This policy extends to minerals obtained from conflict-affected and high-risk areas as defined by the OECD or other recognized organizations.
(3) Trace the origin of the minerals used in products, i.e., gold (Au), tantalum (Ta), tin (Sn), tungsten (W), cobalt (Co), and mica.
(4) Upstream suppliers are required to exercise due diligence, and smelters are advised to complete the Responsible Minerals Assurance Process (RMAP) audit.
(5) Cobalt raw material suppliers must disclose the smelters from which their cobalt raw materials are sourced, and ensure that there are no mining activities involved in severe human rights abuses such as child labor and hazardous working conditions.
- Conflict Minerals Guidelines
Gemtek conducted a conflict minerals investigation among suppliers that had transactions with the company in the previous year. A quality assurance specialist at the Taiwan Headquarters was responsible for reviewing the suppliers' conflict minerals reports and researching relevant regulations. For the year 2023, the company performed conflict minerals due diligence investigations with 532 suppliers and successfully completed 466 of them, achieving a 87% completion rate.

4. Responsible Business Alliance Code of Conduct Compliance Commitment

All suppliers are required to sign the "Responsible Business Alliance Code of Conduct Compliance Commitment" to support the prohibition of child labor, the protection of young workers' rights and interests, and the prevention of forced labor. In 2023, 86% of the "Responsible Business Alliance Code of Conduct Compliance Commitments" were signed.



Responsible Business Alliance Code of Conduct
Compliance Commitment

Signing Completion Rate of Documentations by Gemtek Suppliers in Recent Years

Name of Document	Year	2021	2022	2023
Total Number of Suppliers		418	313	365
Declaration of Environmental Protection		100%	100%	100%
Supplier CSR Declaration		86%	86%	87%
Conflict Minerals Policy and Guidelines		80%	84%	87%
Responsible Business Alliance Code of Conduct Compliance Commitment		76%	81%	86%

Gemtek conducts quarterly evaluations and annual audits of suppliers to maintain supply chain competitiveness and eliminate underperforming suppliers.

The quarterly evaluation criteria apply to suppliers who make more than five supply deliveries per quarter. Led by the group's strategic procurement team, suppliers are evaluated based on multiple factors such as quality, delivery time, price, service, and technical capabilities. The overall rating is classified into four grades: Grade A (90 points or above), Grade B (70 points or above), Grade C (60 points or above), and Grade D (below 60 points). If a supplier is rated as Grade C due to quality-related issues, the Quality Assurance Department will require the supplier to submit a quality improvement plan within a specified time frame and may conduct on-site audits as necessary. Suppliers rated as Grade C for three consecutive quarters will be downgraded to Grade D. A meeting will be convened by the relevant departments to discuss the status of Grade-D suppliers. If a supplier is eventually deemed unqualified, their supplier status will be revoked. In 2023, Gemtek Technology conducted quarterly evaluations on 284 suppliers and there were no high-risk Grade D suppliers. For Grade C suppliers, all have initiated improvement plans, facilitated by occasional on-site audits according to the "Supplier Management Procedures".

Regarding the annual supplier audit, a noteworthy aspect is its focus on addressing red flags uncovered during CLCA (Close Loop Corrective Action) and quarterly evaluations, which include the re-examination of supplier manufacturing problems and design defects resulting from product quality issues reported by customers. The supplier auditing processes are led by respective Quality Assurance teams at the manufacturing plants and audit methods may vary. Some plants may opt for on-site inspections, document reviews, or even online discussions. In 2023, Gemtek Technology re-examined suppliers with CLCA outstanding matters. 55 suppliers at the Gemtek (Kunshan) plant and 29 suppliers at the Gemtek Vietnam plant underwent the inspection, with all suppliers passing the audits.

As for the RBA annual audits, in 2023, Gemtek audited a total of 20 suppliers (19 on-site and 1 via document review) and achieved a 100% completion rate. High-risk suppliers were examined for governance, environmental protection, and social responsibility, covering aspects such as child labor, forced labor, health and safety, freedom of association, discrimination, punishment, working hours, wages and compensation, environmental management, business ethics, and supplier management. All audited suppliers met the standards with no major deficiencies for the year 2023. Starting in 2024, on-site RBA audits will also be conducted at the Gemtek Vietnam plant.

Gemtek's Supplier Evaluation Results in Recent Years

Grade \ Year	2021	2022	2023
A	247	106	139
B	169	206	144
C	2	1	1
D	0	0	0

Risk of Critical Materials

Gemtek Technology adheres to its "Supplier Management Procedures" to manage the risks associated with critical materials, requiring suppliers to comply with RBA (Responsible Business Alliance) related specifications and sign the commitment letter. At the same time, for materials with potential risks, we take proactive measures by identifying second-tier suppliers and establishing new partnerships with reliable suppliers to mitigate the risk of potential material shortages.





Sustainable Environment

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Climate Change Response Strategy

Material Topics | Energy, Greenhouse Gas Emission, Task Force on Climate-Related Financial Disclosures, Wastes, Water and Effluent

Management Objectives	Maintaining a healthy environment is crucial to our business success. Gemtek Technology not only ensures environmental compliance but is also deeply committed to energy conservation and carbon reduction efforts. We actively implement environmental protection practices across our operations, striving to minimize the impact of climate change caused by our business activities.
Remedial Actions/Mechanisms	Take appropriate actions based on relevant environmental protection procedures and the company's Business Continuity Management Plan.
Policies and Commitments	Implement environmental protection policies across multiple operational aspects, including but not limited to reducing energy and resource consumption, optimizing production processes to minimize waste, promoting a circular economy, and supporting the use of sustainable energy.
Responsibility	<ul style="list-style-type: none"> Established the Environmental Health and Safety Committee. Established a Greenhouse Gas Inventory Team to oversee GHG inventory affairs. Gemtek's general manager is appointed as the head of the team; the EHS manager is appointed as the team's executive secretary. Established the ESG Sustainable Development Committee, a multifunctional body under the Board of Directors, responsible for overseeing the formulation of sustainable policies, annual agendas, and strategies. The committee also monitors the implementation of sustainable development initiatives and addresses related matters.
Course of Action and Results	<ul style="list-style-type: none"> In 2023, received a B- rating on the CDP Climate Change questionnaire. In 2023, water withdrawal intensity decreased by 24%. In 2023, wastewater discharge complied with regulatory standards. No air pollution leaks or violations occurred in 2023. In 2023, emissions complied with regulatory standards.
Evaluation Mechanism	<ul style="list-style-type: none"> The PDCA cycle for the environmental management system (EMS) is evaluated annually according to the ISO 14001 management review procedures. Internal and external audits are performed regularly to ensure the effectiveness of the environmental management system. The Occupational Health and Safety Committee meets quarterly to discuss matters related to environmental, health, and safety. Labor representatives are asked to attend the meetings to review implementation outcomes of EHS affairs and communicate measures to continuously maintain and improve EHS management. Implementation progress and the achievement of sustainability targets are continuously being monitored by the ESG Sustainable Development Committee and the ESG Sustainability Implementation Task Force. The ESG Sustainable Development Committee receives reports on climate risk identification and corresponding countermeasures on a regular basis.

Environmental Protection Initiatives

Enforce energy management policies.
Outline roadmap to achieve carbon reduction goals.
Comply with energy conservation regulations.
Research and develop eco-friendly products.
Use renewable energy and materials in production.
Employ low-carbon emissions strategies.
Practice resource recycling.
Implement source reduction measures.



- **Energy Consumption and Greenhouse Gas Emissions:** Reduce both energy consumption and greenhouse gas emissions to achieve Energy Conservation and Carbon Reduction targets.
- **Wastewater Treatment and Reuse:** Reduce water consumption and adopt efficient treatment solutions.
- **Air Pollution Prevention:** Reduce carbon emissions and air pollutants to minimize environmental impacts.
- **Raw materials, chemicals, and wastes:** Reduce the use of raw materials and the production of hazardous waste.
- **Environmental Impacts Associated with the Product Use Stage:** Minimize the negative environmental impacts generated during product use stage.
- **Environmental Impacts Associated with the Product End-of-Life Stage:** Maximize reuse and recycling of products.
- **Consumer Health and Safety:** Ensure that products do not compromise consumer health and safety.

4.1 Response to Climate Change

Governance

In 2023, Gemtek established its ESG Sustainable Development Committee, and comprises the General Manager, CFO, and three independent directors, with the General Manager serving as chair. The committee convenes at least once a year and reports regularly to the Board of Directors regarding matters on climate change initiatives, target indicators, and operational outcomes to ensure the continuity and transparency of sustainability efforts, as well as to timely adjust and improve related strategies. On May 3, 2023 and December 20, 2023, Gemtek and its subsidiaries conducted greenhouse gas inventory and relevant verifications, where the results were duly reported to the Board of Directors. Similarly, by the end of June 2023, Gemtek and its subsidiaries completed the ISO 14064-1:2018 greenhouse gas inventory verification, and obtained the final verification statement.

Risk Management

Gemtek Technology discloses climate-related financial information in alignment with the four core recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). An ad hoc ESG Team was specially created to discuss and evaluate TCFD-defined climate-related risks, including Transition Risks (policy and regulation, technology, market, reputation), Physical Risks (acute and chronic), and Opportunities (resource efficiency, energy sources, products/services, markets, and resilience). The evaluation employs a matrix that addresses the "likelihood" and "impact severity" of risks and opportunities, considering their potential occurrence over short-term (2024), medium-term (2025-2026), and long-term (2027-2030) timeframes, along with corresponding countermeasures. In 2023, Gemtek Technology identified three transition risks, one physical risk, and one opportunity related to climate change. In contrast to the previous year, the "demand for low-carbon products and services" was recognized as a new climate change risk.

Strategy

Climate-Related Risks and Opportunities

Type	Source of Risks and Opportunities	Timeframe	Impact on Gemtek	Countermeasures	Potential Financial Impact
Physical Risk	Acute- Water restrictions /outage	Short-term	The Hsinchu Industrial Park Administration requires all businesses under its jurisdiction to implement water conservation measures and set annual water-saving targets. In 2021, the Water Resources Agency introduced a weekly two-day water rationing plan in the Hsinchu area, which significantly affected company operations. Gemtek HQ has a water reservoir capacity of approximately 150 tons, with an average daily water usage of about 163 tons. If the water supply is halted for a single day, we can adjust work shifts to manage the shortage. However, if the restriction extends beyond 15 days, it would severely impact our operations.	<ul style="list-style-type: none"> ● Adjust work shifts to accommodate water restrictions lasting up to one day. ● To manage water resources more effectively, the company has implemented several measures, including dividing the premises into four zones and installing individual water meters to monitor usage in each area. ● The company has also secured a contract with a water trucking service to ensure a steady water supply in case restrictions extend beyond one day. 	<ul style="list-style-type: none"> ● Production impact resulting in decreased output → Decrease in revenue. ● Delayed deliveries result in penalty payments → Increase in operating expenses.
Transition Risk	Market Risk- Changes in customer preferences	Short-term	<p>Gemtek Technology is a global network product supplier which relies heavily on raw materials in its manufacturing process, with plastics accounting for at least one-third of the total materials used. While certain product models incorporate post-consumer recycled plastics at customer request, the majority of plastics used are still primarily single-use and petroleum-based.</p> <p>To stay competitive, Gemtek must navigate the challenges posed by emerging sustainability trends and the increasing costs of post-consumer recycled plastics needed to replace single-use plastics. Additionally, Gemtek must meet customer demands for eco-friendly products that comply with carbon management and carbon footprint standards. Failure to do so could result in decreased orders or even customer attrition.</p>	<ul style="list-style-type: none"> ● Develop Diverse Sources of Raw Materials: Beyond traditional single-use plastics, the company can explore or develop more renewable and recyclable raw material sources, such as bio-based plastics and biodegradable plastics, to reduce dependency on petroleum while meeting customer demands. ● Enhance Product Innovation and R&D: By strengthening product innovation and research and development capabilities, the company can create more environmentally friendly products, such as alternatives that use less or no plastic and develop recyclable packaging designs, thereby reducing plastic usage and increasing product competitiveness in the market. ● Establish Supply Chain Partnerships: Building strong partnerships with suppliers to collaboratively seek more sustainable raw material sources and optimize the supply chain will help ensure that production remains unaffected by disruptions or fluctuations in material supply. ● Strengthen Environmental Certification and Management: Actively participating in environmental certifications, such as carbon management and carbon footprint assessments, will demonstrate the company's commitment to environmental protection, meet customer demands for green products, and enhance market competitiveness. 	<ul style="list-style-type: none"> ● Decrease in customer orders → Decrease in revenue. ● Increase in R&D costs → Increase in operating expenses.

Type	Source of Risks and Opportunities	Timeframe	Impact on Gemtek	Countermeasures	Potential Financial Impact
Transition Risk	Regulatory Risk- Carbon Border Tax	Medium to Long-Term	Starting in 2026, according to current EU regulations, there will be progressively stricter greenhouse gas emission standards for products entering the EU market across various industries. Although network communication products are not included in the first wave of industries subject to taxation (such as steel, cement, and other traditional industries), there is a potential risk of cost pass-through if these products are targeted by future EU regulations. Therefore, Gemtek is closely monitoring this issue.	In the short term, we will implement product carbon footprint assessments by beginning with a pilot model. After evaluating its performance, we plan to extend this approach to other product lines. By analyzing the results of the pilot models, we aim to add more sustainable designs to the very beginning of the production to reduce the carbon footprint of our products and maintain their market competitiveness.	<ul style="list-style-type: none"> ● Increase in production and cost of sales → Increase in operating expenses.
Transition Risk	Technology Risk- Demand for Low-Carbon Products and Services	Medium -Term	As global discussions around net-zero carbon emissions gain momentum, the development of "Low-Carbon Products" is becoming increasingly important. To stay ahead of market trends, Gemtek Technology is committed to actively developing environmentally friendly and sustainable products and services. We are also focusing on enhancing energy-efficient technologies and employing efficient manufacturing processes to reduce carbon emissions, ultimately boosting the market competitiveness of our products.	<ul style="list-style-type: none"> ● Green energy concepts are integrated into the product design process, ensuring that materials used meet energy efficiency standards during approval testing. Intelligent software designs are also incorporated to minimize energy consumption throughout a product's lifecycle. ● Use sustainable materials and increase the proportion of PCR plastic in products to reduce the exploitation of natural resources. ● Prioritize the use of materials with a higher proportion of recycled content in packaging materials, especially ones that are FSC-certified. 	<ul style="list-style-type: none"> ● Increase in customer orders → Increase in revenue. ● Increase in R&D costs → Increase in operating expenses.
Opportunity	Market- Invest in new market trends	Medium -Term	With global carbon reduction awareness on the rise, customers are now required to comply with new government regulations on energy conservation and green energy adoption. As a result, we are investing in the research and development of wind energy products to stay ahead of market trends and enhance our product competitiveness.	The company is investing in the research and development of wind power equipment to expand its range of green energy products. This approach is expected to enhance the competitiveness of our products in the market while also reducing carbon emissions.	<ul style="list-style-type: none"> ● Increase in customer orders → Increase in revenue. ● Increase in R&D costs → Increase in operating expenses.

Indicators and Goals

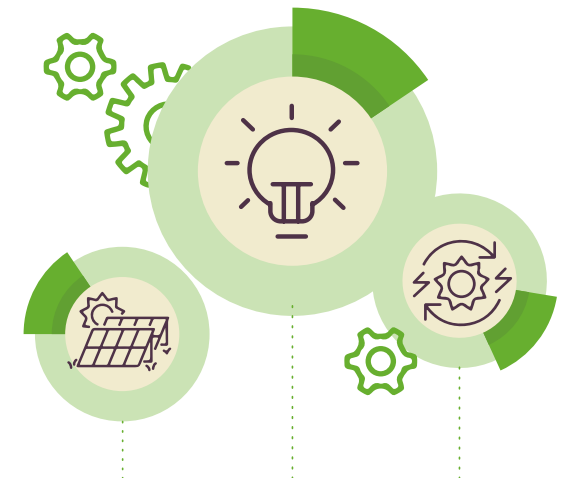
To effectively manage climate change response strategies, Gemtek has set key benchmarks based on 2022 data and monitors the indicators on a regular basis. The General Manager reports the progress and achievements to the ESG Sustainable Development Committee and the Board of Directors to ensure continuous supervision and tracking of improvement measures. The relevant indicators and short-, medium-, and long-term goals are outlined in the following chart:

Indicator	Short-Term (2024)	Medium-Term (2025~2026)	Long-Term (2027~2030)
Gemtek Group Reduce Carbon by 50%	Decrease greenhouse gas emissions by 5% annually.	Decrease greenhouse gas emissions by 5% annually.	Achieve a 50% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030, and reach net-zero emissions by 2050. Set a 30% reduction target in Scope 3 for key suppliers by 2030.
Reduce Water Consumption	Reduce water withdrawal intensity by 1%.	Reduce water withdrawal intensity by 1%.	Reduce water withdrawal intensity by 5% by 2030.
Waste Recycling Rate	Increase waste recycling rate by at least 1% annually.	Increase waste recycling rate by at least 1% annually.	Achieve a 55% waste recycling rate by 2030.
Increase the proportion of procurement spending on PCR (Post-Consumer Recycled) plastics	Proportion of procurement spending on PCR (Post-Consumer Recycled) plastic reaches 24.2%.	Proportion of procurement spending on PCR (Post-Consumer Recycled) plastic reaches 58.08%.	Proportion of procurement spending on PCR (Post-Consumer Recycled) plastic reaches 90% by 2030.
Increase the proportion of procurement spending on sustainable packaging materials	Proportion of procurement spending on sustainable packaging materials reaches 35%.	Proportion of procurement spending on sustainable packaging materials reaches 50%.	Proportion of procurement spending on sustainable packaging materials reaches 90% by 2030.

4.2 Energy and Emission

Energy Consumption

The primary energy that Gemtek Technology uses is electricity, which accounts for over 87% of its total energy consumption. Liquefied petroleum gas is mainly used by the cafeteria kitchen at the Taiwan headquarters, while gasoline and diesel are used by company-owned vehicles and industrial generators at various factories. Details of energy usage at each factory are shown in the table below. The company actively monitors energy usage and implements energy management practices to reduce environmental impact. In 2023, Gemtek Technology's total energy consumption was 169,898.47 GJ, with an energy intensity of 0.0065 GJ per thousand NTD --an 8.3% increase from 2022, largely due to increased electricity use from expanded production capacity at the Vietnam plant. To overcome this matter, Gemtek plans to install solar panels in 2024, aiming for a 20% self-generation rate by 2025.



Gemtek Group's Energy Consumption in Recent Years

Unit: GJ

Year	Manufacturing Plant	Electricity	Liquefied petroleum gas (LPG)	Gasoline	Diesel	Liquefied natural gas (LNG)	Total Energy Consumption	Gemtek Group's Operating Income(NTD in thousands)	Energy Intensity (GJ/ per thousand NTD)
2021	Gemtek Headquarters	31,675.19	613.46	73.93	75.14	0.00	32,437.72	22,912,691	0.0073
	Gemtek(Kunshun)	48,850.20	0.00	375.37	4,449.82	0.00	53,675.39		
	Gemtek(Changshu)	33,828.19	0.00	202.55	0.00	1,350.44	35,381.18		
	Gemtek Vietnam	44,659.90	0.00	184.72	0.35	0.00	44,844.97		
	Total	159,013.48	613.46	836.57	4,525.31	1,350.44	166,339.26		
2022	Gemtek Headquarters	30,048.84	810.64	82.88	31.98	0.00	30,974.34	27,899,990	0.0060
	Gemtek(Kunshun)	46,929.73	0.00	227.71	1,453.02	0.00	48,610.46		
	Gemtek(Changshu)	33,314.99	0.00	178.94	0.00	1,068.95	34,562.89		
	Gemtek Vietnam	54,745.47	0.00	0.00	299.12	0.00	55,044.59		
	Total	165,039.03	810.64	489.53	1,784.12	1,068.95	169,219.78		
2023	Gemtek Headquarters	29,949.36	864.78	96.78	0.00	0.00	30,910.92	26,136,349	0.0065
	Gemtek(Kunshun)	53,768.40	0.00	382.47	55.28	0.00	54,206.15		
	Gemtek(Changshu)	5,599.89	0.00	0.00	0.00	0.00	5,599.89		
	Gemtek Vietnam	76,183.20	0.00	0.00	2,998.31	0.00	79,181.51		
	Total	165,500.85	864.78	479.25	3,053.59	0.00	169,898.47		

Notes :

- 1 GJ=10⁹ J.
- Reference: Electricity consumption data is as stated in each plant's monthly electricity bill; LPG, diesel, and gasoline usage are based on actual consumption; diesel generator fuel consumption is based on the amount per purchase requisition.
- Energy Conversion Values: Electricity-1kwh=3,600KJ ; LPG-Taiwan=6,635 kcal/L, China=10,200 kcal/kg ; Gasoline-Taiwan=7,800 kcal/L, China=10,300 kcal/kg(Gasoline density in China =0.7475 kg/L), Vietnam= 7,800 kcal/L; Diesel-Taiwan=8,400kcal/L, China=10,200 kcal/kg, Vietnam= 8,400kcal/L ; Natural gas-China=8,500kcal/ M³.
- Gemtek (Changshu) underwent business divestment in the second half of 2023, so only data from January to May is available.

Greenhouse Gas Management

To strengthen greenhouse gas emissions management, since 2009, Gemtek Group (Taiwan Headquarters), Gemtek (Changshu), and Gemtek (Kunshan) have been conducting internal greenhouse gas emissions inventories in accordance with ISO 14064-1:2006. These inventories are verified annually through internal reviews and external audits to accurately track the GHG emission status. In 2021, the company updated its greenhouse gas inventory process as Gemtek Vietnam was incorporated into the Group in the same year. Hence, all inventory reports were compiled according to the ISO 14064-1:2018 standard. The report covers direct emissions (Category 1), indirect emissions from energy consumption (Category 2), and other indirect emissions covered by the company's value chain (Categories 3-6). The assessment of the significance of indirect greenhouse gas emissions in Categories 2-6 is based on five indicators: company demands, regulatory requirements or the request of a specific business function, emissions, management capabilities, and employee engagement. Indirect emissions with a score of 100 or above are disclosed in the report. The quantified GHG emissions recorded in this report uses 2022's total greenhouse gas emissions as benchmark to compare annual emissions and set reduction targets. The GHG emissions inventory report of each manufacturing plant are shown in the table below.

In 2023, Gemtek Technology's Scope 1 and Scope 2 carbon emissions added up to a total of 31,390.20 CO₂e, while Scope 3 carbon emissions were 4,974.59 CO₂e. The emissions intensity for Scope 1 and Scope 2 was 0.0012 CO₂e per thousand NTD, a 9% increase compared to 2022. This increase is attributed to the expansion in production capacity and higher electricity consumption at Gemtek Vietnam. To overcome this matter, the company has planned to install solar panels in 2024, aiming for a 20% self-generation rate by 2025.

Gemtek has been taking part in the CDP climate change and water security questionnaires since 2011 in an aim to further disclose the results of its GHG inventory management and align with global initiatives. In 2023, the company received a B- rating on the CDP climate change questionnaire. Based on the feedback provided by the CDP, Gemtek will develop plans to re-adjust its future directions and strategies.

Gemtek Group's Greenhouse Gas Emission in Recent Years

Unit: TCO ₂ e								
Year	Manufacturing Plant	Scope 1	Scope 2	Category 1+Category 2	Gemtek Group's Operating Income(NTD in thousands)	Emission Intensity (TCO ₂ e / NTD in thousands)	Scope 3	
		Category 1	Category 2				Category 3	Category 4
2021	Gemtek Headquarters	526.66	4,416.93	4,943.59	22,912,691	0.0015	9.60	3,119.03
	Gemtek(Kunshun)	741.70	10,748.40	11,490.10			-	1,402.32
	Gemtek(Changshu)	586.33	7,443.14	8,029.48			-	926.44
	Gemtek Vietnam	225.64	9,975.29	10,200.93			-	1,203.11
	Total	2,080.34	32,583.76	34,664.10			9.60	6,650.91
2022	Gemtek Headquarters	529.87	4,248.57	4,778.44	27,899,990	0.0011	111.65	788.16
	Gemtek(Kunshun)	468.93	7,434.45	7,903.38			-	1,251.58
	Gemtek(Changshu)	564.84	5,277.65	5,842.49			-	877.06
	Gemtek Vietnam	867.43	10,981.03	11,898.46			-	1,434.83
	Total	2,431.07	27,941.70	30,372.77			111.65	4,351.64

Unit: TCO₂e

Year	Manufacturing Plant	Scope 1	Scope 2	Category 1+Category 2	Gemtek Group's Operating Income(NTD in thousands)	Emission Intensity (TCO ₂ e / NTD in thousands)	Scope 3	
		Category 1	Category 2				Category 3	Category 4
2023	Gemtek Headquarters	595.97	4,109.72	4,705.68	26,136,349	0.0012	138.69	858.39
	Gemtek(Kunshun)	463.19	8,517.81	8,981.00			-	1,530.85
	Gemtek(Changshu)	166.48	887.12	1,053.60			-	166.25
	Gemtek Vietnam	1,368.84	15,281.08	16,649.92			-	2,280.41
	Total	2,594.48	28,795.72	31,390.20			138.69	4,835.90

Notes :

1. The greenhouse gas emission data presented in this report has been verified.
2. Types of GHG: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃.
3. GHG Protocol - Method of Establishing Organizational Boundaries: Operational Control Approach.
4. Methodology: IPCC AR6, emission factors, and mass balance methods are applied during the calculation of Global Warming Potential (GWP).
5. Calculation method abides by the following standards: ISO/CNS 14064-1, ISO/CNS 14064-3, GHG Inventory Spreadsheet 3.0.0(Revised).
6. Category 1 direct emissions consist of petroleum gas, diesel, gasoline, natural gas, refrigerant, BOD in septic tank etc.
7. Category 2 indirect emissions consist of purchased electricity and steam. Emission factor-Taiwan=0.495kg CO₂e/

kWh (Reference: Taiwan's electricity emissions factor announced by the Energy Administration, Ministry of Economic Affairs, R.O.C.in 2022); China =0.5703 kg CO₂e/kWh; Vietnam=0.7221 kg CO₂e/kWh.

8. Category 3 is indirect GHG emissions resulting from an organisations' transportation operations, e.g. business travel.
9. Category 4 is indirect GHG emissions from an organisations' use of products, e.g. emissions from acquired energy (electricity/gasoline/diesel/natural gas/LPG) and waste disposal.
10. Gemtek (Changshu) underwent business divestment in the second half of 2023, so only data from January to May is available.

Energy Conservation Measures

Amid growing environmental awareness, Gemtek Technology has proactively embraced initiatives to reduce its carbon footprint and promote a sustainable future by ensuring regulatory compliance in areas like water consumption, electricity conservation, and waste management. Additionally, Gemtek is committed to fostering a stronger connection between its employees and the global community. In 2023, Gemtek Technology's energy-saving measures reduced emissions by a total of 223,561.39 kgCO₂e. The company will continue to implement energy-saving initiatives in the future to fulfill its environmental responsibilities.

To conserve energy and reduce carbon emissions, the company has installed central air conditioning systems in its offices and factories, ensuring temperature settings are regulated at an optimal level to maintain a comfortable work environment while complying to environmental regulations. Additionally, office lighting has been replaced in phases, with lights automatically switching off at night and guards inspecting them during patrols. Additionally, the Company continues to prepare meals in its centralized kitchen to supply food for all employee in the Company cafeteria. The cafeteria offers eco-friendly tableware for employee use and has invested in automated dishwashing equipment to reduce water waste.

2023 Gemtek's Energy Conservation Measures and Results

Measures	Reduced Electricity Expenses(NT\$/Year)	Estimated Reduced Energy Consumption (kWh/Year)	Estimated Reduced Energy Consumption converted to a different unit (GJ/Year)	Reduced Carbon Emission (KgCO ₂ e /Year)
Energy-saving improvements for air compressors	250,656	83,552	300.79	60,332.90
Replace LED lighting equipment	23,898	7,966	28.68	4,543.01
Use plate heat exchangers in place of central air cooled chillers in winter	810,000	270,000	972	153,981
Changed display setup to a 1-to-4 configuration with a video splitter	28,512	9,504	34.21	4,704.48
Total	1,113,066	371,022	1,335.68	223,561.39

Notes :

1. NT\$3/kWh is used in the calculation of reduced electricity expenses.
2. Conversion value of reduced GHG carbon emission(KgCO₂e/year)= Energy Saved (kWh/Year) *Energy emission (Taiwan - 0.495kgCO₂e/kWh; China - 0.5703kgCO₂e/kWh; Vietnam - 0.7221 kgCO₂e/kWh).
3. Electrical energy conversion factor =3,600KJ/kWh.

4.3 Water Resources

Water Resource Management

Gemtek primarily relies on tap water provided by the Taiwan Water Company for its daily water supply, and does not use shared water resources. The Company observes the rules and regulations for water usage established by the park management authority, and its overall usage and consumption has had no significant impact on the local water sources. To assess the water stress level at respective manufacturing plantss, the Company referenced the World Resource Institute's (WRI) Aqueduct Water Risk Atlas and developed targeted strategies for high-risk areas across all its facilities. At Gemtek Vietnam,the Company has constructed a water reservoir with a generous capacity of 360 cubic meters. This reservoir is projected to meet Gemtek Vietnam' s water requirements for a span of five days without interruption. To date, the Company has successfully averted any water shortages or disruptions that could potentially impact its operations.

The Company launched its water management plan in 2021, initially dividing the premises into four areas, each equipped with water meters to monitor usage. This data-driven approach allows the Company to quickly identify areas with higher water consumption. Based on these insights, water-efficiency measures can be effectively implemented under the supervision of designated personnel. Year-over-year reports show that these efforts have led to significant water conservation effects. Additionally, the company has secured a contract with a water trucking company to ensure a continuous supply in case of extended water restrictions lasting more than a day. The chart below illustrates Gemtek's water consumption over the past three years.

Item	Gemtek Headquarters	Gemtek(Kunshan)	Gemtek(Changshu)	Gemtek Vietnam
Water Sources	Touqian River,Baoshan Reservoir	Yangtze River,Taihu Lake	Yangtze River,Shang Lake	Red River,(Sông Hồng)
Water Risk Assessment	Low-Medium(1-2)	High(3-4)	Medium-High(2-3)	High(3-4)
Wastewater discharge	Jiadong River	Suzhou Creek	Zhangjagang River	Jiang River

Note: Water Stress Level Data Source - Aqueduct Water Risk Atlas.

In 2023, Gemtek Technology's total water withdrawal was 146.02 megalitre, with a water intensity of 0.0056 megalitre per million NTD in revenue—a 24% reduction compared to 2022. This significant decrease was largely due to the discovery of the excess sediment levels of the ecological pond at the Taiwan headquarters. After dredging the pond and installing a mechanical float valve to monitor the water level, the overall water usage was greatly reduced. Moreover, due to the fact that each facility has been eagerly promoting water-saving measures, such as installing water-efficient fixtures, reusing non-potable water from cooling towers in non-human-use areas, and improving manufacturing processes to reduce water consumption—the results of these conservation efforts have been exceptional. Moving forward, the company will continue to implement more water conservation measures and explore the feasibility of water recycling in various operations.

Gemtek's Water Consumption in Recent Years

Unit: Megalitre

Year	Item	Gemtek Headquarters	Gemtek(Kunshan)	Gemtek(Changshu)	Gemtek Vietnam	Total
2021	Total Withdrawal	46.90	44.81	63.69	23.43	178.83
	Total Discharge	37.52	35.85	50.95	18.74	143.06
	Total Water Consumption	9.38	8.96	12.74	4.69	35.77
2022	Total Withdrawal	59.36	41.67	70.48	33.72	205.23
	Total Discharge	47.49	33.34	56.38	26.98	164.19
	Total Water Consumption	11.87	8.33	14.10	6.74	41.04
2023	Total Withdrawal	46.73	37.51	18.21	43.57	146.02
	Total Discharge	37.38	30.01	14.57	34.86	116.82
	Total Water Consumption	9.35	7.50	3.64	8.71	29.20

Notes :

1. Water Consumption = Withdrawal – Discharge.
2. The Total Discharge figures for Mainland and Vietnam plants are only estimated numbers (80% of water withdrawal).
3. Gemtek (Changshu) underwent business divestment in the second half of 2023, so only data from January to May is available.

Wastewater Treatment

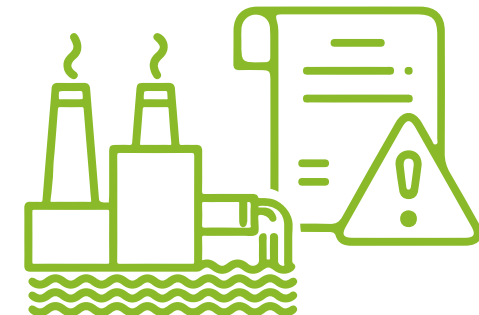
Gemtek Technology's wastewater discharge is mainly municipal wastewater. All wastewater generated by its manufacturing plants undergoes proper treatment at authorized sewage treatment plants. The treated wastewater is then discharged in compliance with required emission standards, ensuring no significant impact on local water sources. To date, there have been no major sewage pollution incidents. Sewage treatment plants regularly send personnel to collect water samples from our facilities. These samples are used to assess water quality and determine fees. If the water quality does not meet the standards set by the sewage treatment plant, the company is required to make necessary improvements within a specified time frame upon receiving notice. The water quality test results for 2023 are as follows, and all results meet the required standards.

2023 Gemtek's Wastewater Quality Analysis

Effluent Discharge Parameters	Gemtek Headquarters		Gemtek(Kunshan)		Gemtek Vietnam	
	Standard	Test Results	Standard	Test Results	Standard	Test Results
pH	5~9	6.75	6~9	7.3	5.5-9	7.1
COD (mg/L)	480	266.36	500	175	150	41
SS (mg/L)	400	35.16	400	52	100	41

Notes :

1. Water quality test results = Annual average values.
2. Gemtek (Changshu) underwent business divestment in the second half of 2023, so only data from January to May is available.



4.4 Pollution Prevention

Air Pollution Prevention

Gemtek Technology makes substantial efforts to mitigate environmental impacts caused by air pollutants through continuous monitoring. The primary source of the Company's gas emissions is the small amount of exhaust gas generated from printing and soldering operations. To ensure compliance with regulations, the Company regularly commissions an accredited environmental inspection agency to conduct tests and submits reports to the Environmental Protection Agency on a quarterly basis. All employees in relevant positions are provided with personal protective equipment (PPE), and corresponding exhaust systems are set up in place to ensure employee health and safety. This approach not only safeguards their well-being but also helps minimize any potential adverse effects of VOCs on the environment. In the future, we plan to increase the frequency of activated carbon replacement in our exhaust systems to further reduce VOC emissions. Moreover, we are actively exploring eco-friendly solvents as alternatives to lessen our environmental impact. Over the years, our gas emissions have consistently met regulatory standards, and there have been no instances of air pollution.

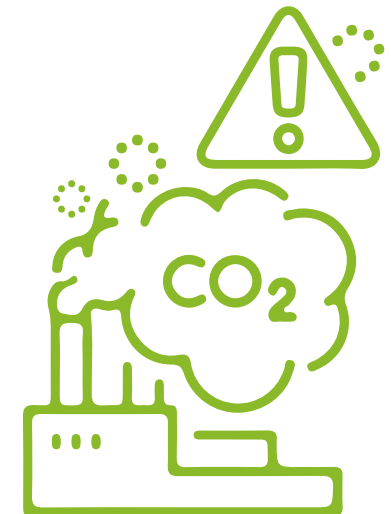
The Company's air conditioning system that is currently in service uses R22 refrigerant which contains ozone-depleting substances. In 2023, no actions were taken to refill the air conditioning units with R22 refrigerant. Moving forward, eco-friendly and non-ozone-depleting properties will be the primary considerations when purchasing cooling equipment. The Company also plans to phase out old equipment that emits harmful gases that damage the ozone layer as soon as possible.

Gemtek's Air Pollutant Emissions in Recent Years

Year	Type of Pollutant/Emissions(kg)	Gemtek Headquarters	Gemtek(Kunshan)	Gemtek(Changshu)	Gemtek Vietnam
2021	VOCs	3,373.42	382.88	3,533.76	Not Found
	TSP	551.1	552.96	475.2	42.1
2022	VOCs	3,399.9	1,805.76	1,287.36	Not Found
	TSP	1,024.0	368.928	388.8	42.9mg/M ³
2023	VOCs	2,211.8	1,391.04	-	Not Found
	TSP	982	343.872	-	36.0mg/M ³

Notes :

1. The emergency generators used by our company may generate nitrogen oxides (NOx) and sulfur oxides (SOx). However, since this type of emission is not part of our regular operations, therefore it is not categorized as a primary emission source.
2. The test data for Gemtek Vietnam is based on the inspection number 13/2022/GEMTEK/KQPT-DN conducted by Dai Nam Environmental Corporation.
3. Gemtek (Changshu) underwent business divestment in the second half of 2023, so only data from January to May is available.



Waste Management

Each manufacturing facility has established designated waste storage areas in compliance with regulations, where waste is sorted according to its characteristics. This practice ensures the effective recycling of reusable resources, reduces waste, and prevents environmental pollution. Waste removal and treatment strictly adhere to local regulations, including proper reporting and contracting of qualified vendors for cleanup, ensuring no environmental pollution or significant impact on the environment. Each year, on-site audits are conducted for vendors handling hazardous industrial waste to ensure that their operations, including transportation, storage, and treatment, meet all relevant standards. The results of these audits are also used as criteria for selecting vendors.

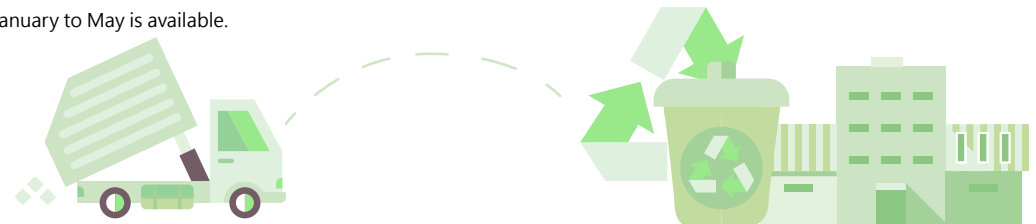
Gemtek Technology's main type of wastes are municipal and industrial wastes, both of which are managed off-site. In 2023, the total amount of waste generated was 1,105.62 tons, of which 583.451 tons accounted for 52.7% of the total waste, were recycled waste, while 524.14 tons, or 47.4% of the total waste, were waste directed to disposal. Waste management at the Taiwan headquarters follows the "Waste Classification and Management Guidelines" and the "Waste Disposal Act." Manufacturing facilities in Mainland China adhere to the "Prevention and Control of Environmental Pollution by Solid Waste of the People's Republic of China," while Gemtek Vietnam complies with the "Law No. 72/2020/QH14: Article 72. Waste Management Requirements." All waste is handled by qualified local disposal service providers and there were no incidents of leakage or regulatory violations.

2023 Gemtek's Waste Disposal Management

Unit: Ton

Manufacturing	Non- Hazardous Waste				Hazardous Waste					Total
	Direct Disposal			Transferred	Direct Disposal				Transferred	
Plant	Incineration (including recyclables)	Incineration (excluding recyclables)	Burial	Recycled and reused	Incineration (including recyclables)	Incineration (excluding recyclables)	Burial	Other Methods	Recycled and reused	
Gemtek Headquarters	1.77	63.1	0	48.36	0.2022	0	0	0	7.619	121.047
Gemtek (Kunshan)	-	-	-	458.9	-	6.2	-	2.05	64.1	531.25
Gemtek (Changshu)	-	29.6	-	-	-	-	-	-	-	29.6
Gemtek Vietnam	-	264.34	85.208	-	-	5.8228	57.535	8.316	2.5	423.7218
Total	1.77	357.04	85.208	507.26	0.2022	12.0228	57.535	10.366	74.219	1,105.62

Note: Gemtek (Changshu) underwent business divestment in the second half of 2023, so only data from January to May is available.





Workplace Well-being

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Human Resources Development

Material Topics | Employer/Employee Relationship, Training and Education, Diversity and Equal Opportunity

Management Objectives	Employees are Gemtek's most valuable asset. By establishing comprehensive company policies, ensuring open communication channels, providing favorable working conditions and benefits, and offering various learning activities to enhance employees' professional knowledge and skills, Gemtek empowers its employees to contribute effectively to the company's objectives, thereby ensuring long-term corporate sustainability.
Remedial Actions/Mechanisms	In 2023, Gemtek introduced the "Human Rights and Whistleblower Protection Policy," which outlines the responsibilities of departments across the organization in handling employee feedback. Initially, feedback is managed by a dedicated task force before being forwarded to the relevant departments for further review. If a case is substantiated, an ad hoc committee is formed to deliberate and arbitrate the complaint. Additionally, to enhance company management and internal controls, these cases are incorporated into the Company's preventive initiatives to avoid future occurrences.
Policies and Commitments	<p>In 2023, Gemtek introduced the "Human Rights and Whistleblower Protection Policy," underscoring its commitment to diversity and inclusion. The policy is designed to foster a safe, healthy, and harassment-free workplace, while ensuring equal employment opportunities for everyone.</p> <ul style="list-style-type: none"> ● Employee Health and Workplace Safety: Gemtek fosters a healthy and safe working environment to ensure employees' physical and mental well-being. Employees are encouraged to actively participate in health and safety training to raise personal safety awareness. ● Employee Compensation and Benefits: Gemtek provides fair compensation and a comprehensive benefits package, along with an attractive rewards system designed to retain top talent. ● Respect for Worker Voice: Gemtek respects labor union rights and complies with relevant regulations to ensure that union activities within the company are lawful and fair. ● Promotion of Diversity, Equality, and Inclusion: Gemtek cultivates a diverse and inclusive workplace, valuing the unique backgrounds and qualities of every employee. The company has zero tolerance for workplace discrimination and harassment and has implemented specific policies to address related issues. ● Emphasis on Career Development: Gemtek offers employees opportunities for career development, including training, education, and on-the-job learning, to help them strengthen their skills and capabilities. ● Prohibition of Child Labor and Forced Labor: Gemtek upholds international human rights standards to prevent child labor and forced labor. ● Establishment of External Stakeholder Communication Channels: Gemtek adheres to international human rights standards and respects the rights of its suppliers and partners.
Responsibility	<ul style="list-style-type: none"> ● The Human Resources Department, led by the department head, is responsible for overseeing Employer/Employee Relationship affairs. ● Employee Benefit Committee is responsible for holding all sorts of corporate events, managing workplace social clubs, and handling employee welfare and subsidies. ● The RBA team is led by the company's Chief of Human Resources. ● Gemtek established a Sexual Harassment Prevention Committee and a Labor Committee, with members selected or nominated from within the workforce.
Course of Action and Results	<ul style="list-style-type: none"> ● Training sessions on diversity and identity verification are provided for members of the recruiting team, helping to improve their interviewing techniques. ● Establish a comprehensive bonus and leave system. ● Provide comfortable recreational facilities. ● Regularly organize employee activities and encourage participation in workplace social clubs. ● Offer "Restricted Stock Units (RSUs)" to high-level management. ● Labor policies and documents are posted on the internal website or bulletin board, and human rights awareness courses are held periodically. ● In 2023, a total of 767 training sessions were conducted, with a cumulative participation of 43,468 employees. ● Launched the "Employee Stock Ownership Plans," with a participation rate of 81.34%. ● Offer a range of maternity benefits at the GemtekTaiwan headquarters and the Gemtek Vietnam plant.
Evaluation Mechanism	<ul style="list-style-type: none"> ● Conduct quarterly communications through labor-management meetings, employee welfare committee meetings, and annual management review meetings to enhance internal control. ● Each department holds performance review meetings every six months to regularly assess training and adjust plans and course offerings based on organizational needs. ● Conduct internal audits annually to review outcomes and monitor improvements.



Occupational Health and Safety

Material Topics | Occupational Health and Safety

Management Objectives	Gemtek places great importance on the health of its employees and workers, recognizing workplace safety as a critical issue for the company. In addition to complying with occupational safety and health regulations and meeting ISO 45001 standards, the company provides necessary training and resources to ensure that employees understand and adhere to safety policies and procedures. Furthermore, potential workplace risks are continuously monitored, and preventive measures are implemented to reduce the likelihood of accidents.
Remedial Actions/Mechanisms	In the event an employee or contractor should encounter a false alarm or a disaster incident, Gemtek will follow the "Incident Investigation and Handling Procedures" to conduct a systematic investigation and identify preventive measures to avoid recurrence. The Environmental, Health and Safety Department will then track and ensure the implementation of these preventive measures.
Policies and Commitments	<ul style="list-style-type: none"> Strictly abide by occupational safety, health, and environmental protection laws and regulations and comply with ISO 45001 standards. Follow RBA (Responsible Business Alliance) standards and initiatives to implement environmental safety and health responsibilities, with a commitment to improve management practices. Promote health initiatives, reduce occupational and environmental hazards. Ensure effective health management, disaster prevention, and pollution control.
Responsibility	<ul style="list-style-type: none"> Established an Environmental Health and Safety Team to oversee EHS affairs. Gemtek's EHS chief officer is appointed as the head of the team; the EHS manager is appointed as the team's executive secretary.
Course of Action and Results	<ul style="list-style-type: none"> Adopted international management systems such as ISO 45001. Followed RBA standards and initiatives. Conducted six environmental, health, and safety awareness campaigns in 2023. All new employees achieved full participation in environmental, safety, and health training in 2023. Conducted one retraining session for existing employees in 2023. Held four Occupational Health, and Safety Committee meetings in 2023. Conducted quarterly contractor management audits in 2023. Provided monthly on-site physician consultation services in 2023. Gemtek Taiwan HQ earned the Badge of Accredited Health Workplace in 2024.
Evaluation Mechanism	<ul style="list-style-type: none"> The PDCA cycle for the environmental management system (EMS) is evaluated annually according to the ISO 14001 and RBA standards. Internal and external audits are performed regularly to ensure the effectiveness of the system. The Occupational Health and Safety Committee meets quarterly to discuss matters related to environmental, health, and safety. Labor representatives are asked to attend the meetings to review implementation outcomes of EHS affairs and communicate measures to continuously maintain and improve EHS management.

5.1 Human Rights Protection

Labor Rights and Workplace Safety Policy

- **Employee Health and Workplace Safety:** Gemtek fosters a healthy and safe working environment to ensure employees' physical and mental well-being. Employees are encouraged to actively participate in health and safety training to raise personal safety awareness.
- **Employee Compensation and Benefits:** Gemtek provides fair compensation and a comprehensive benefits package, along with an attractive rewards system designed to retain top talent.
- **Respect for Worker Voice:** Gemtek respects labor union rights and complies with relevant regulations to ensure that union activities within the company are lawful and fair.
- **Promotion of Diversity, Equality, and Inclusion:** Gemtek cultivates a diverse and inclusive workplace, valuing the unique backgrounds and qualities of every employee. The company has zero tolerance for workplace discrimination and harassment and has implemented specific policies to address these issues.
- **Emphasis on Career Development:** Gemtek offers employees opportunities for career development, including training, education, and on-the-job learning, to help them strengthen their skills and capabilities.
- **Prohibition of Child Labor and Forced Labor:** Gemtek upholds international human rights standards to prevent child labor and forced labor.
- **Establishment of External Stakeholder Communication Channels:** Gemtek adheres to international human rights standards and respects the rights of its suppliers and partners.



Prohibition of Child Labour

In 2023, Gemtek Technology reported no incidents of illegal child labor. Additionally, all suppliers are required to sign the "Responsible Business Alliance Code of Conduct Compliance Commitment," which ensures adherence to human rights principles and prohibition of child labor, therefore safeguarding the rights of young workers while confirming that no forced labor is used. The Company's "Human Rights Protection and Whistleblower Protection Policy" specifies that, to avoid the inadvertent hiring of child labor, an ID verification mechanism is employed to confirm the age of workers. In the rare event that a minor under 15 years of age is accidentally employed, the Company will initiate a full-scale settlement process and implement appropriate remedial measures:

1. Discuss the situation with the young worker, then notify the appropriate authorities, parents, and guardians. The Company shall be responsible for arranging and covering relevant travel expenses to ensure that the young worker returns home safely.
2. The Company shall be responsible for providing the young worker with medical care and covering all medical bills and living costs incurred while they await their journey home.
3. Reckless deployment of workers is strictly prohibited. Any department or individual responsible for the injury, disability, or death of child labor shall face disciplinary action by the Company and may be subject to criminal investigation by the judicial authorities.
4. If the young worker has not yet completed their compulsory education, the Company may, with written consent from a parent or guardian, offer to cover the cost of their education until they reach the age of 18. If the applicant is 16 years of age and wishes to apply for a position at the company, their application will be accepted and processed accordingly.
5. The above procedures must be signed and acknowledged by the young worker and his/her guardian. The Company shall be responsible for the safekeeping of the worker's personal data and documents.
6. Cases of misemployment will be promptly investigated, followed by a review of the recruitment process and implementation of corrective measures.

As one of the world's leading wireless communication companies, Gemtek Technology takes on the primary responsibility of safeguarding the rights of its employees. Gemtek is committed to implementing the "Responsible Business Alliance (RBA) Code of Conduct," promising a safe working environment, promoting environmental protection, and upholding business ethics. When selecting candidates for a job, the company focuses on personal qualities, skills, and compatibility, regardless of race, social status, nationality, religion, biological status, gender, sexual orientation, marital status, political opinion, age, or any other basis for discrimination. Gemtek strives to ensure the absolute protection of human rights and strictly prohibits all forms of forced labor, including practices such as withholding identification documents, deposits, or wages to coerce employees into staying on the job. If an employee experiences discrimination, intimidation, abuse, exploitation, or any other inappropriate treatment in the workplace, a grievance mechanism is in place, allowing them to address their concerns through a communication channel of their choice, such as a suggestion box, email, or hotline. These complaints are handled directly by a dedicated team to safeguard the rights of employees.

Each of Gemtek Technology's manufacturing sites has created an RBA Implementation Committee. These committees routinely conduct internal auditor training, hold management review meetings, assess risks within the RBA management system, set key performance indicators, and perform internal audits. Additionally, the Company undergoes RBA or customer-initiated audits every two years. In 2023, Gemtek Taiwan Headquarters, Gemtek (Kunshan), and Gemtek Vietnam successfully completed external RBA verifications, achieving Platinum, Gold, and Silver certifications, respectively.

To safeguard employee safety and rights, the Company has established a Sexual Harassment Prevention Committee, with members elected through an open process. To address internal employee complaints, we have implemented the "Human Rights and Whistleblower Protection Policy." Employees who experience any incidents of sexual harassment or inappropriate treatment can directly submit their grievances to the Human Resources Department, and the Company shall be responsible for the protection of the whistleblower's identity. External stakeholders with concerns can submit complaints through the Corporate Social Responsibility mailbox posted on the company's official website. As of the 2023 fiscal year, the Company has not received any complaints or grievances related to labor rights or human rights issues.

In addition, contracts and agreements between the Company and its suppliers, contractors, and other business partners adhere to the human rights laws and regulations in the countries where the entities operate, without the inclusion of separate human rights clauses or filters. During the reporting period, there were no cases of child labor, no penalties from labor authorities, no violations of Indigenous rights, no external human rights audits or impact assessments, and no complaints related to gender or racial discrimination.

We recognize the importance of enhancing RBA competency across all departments. To this end, new hires are required to complete RBA training as part of their orientation, ensuring that every employee is fully informed of their rights and responsibilities from the start. Additionally, refresher courses are periodically offered to existing employees to reinforce their knowledge of the RBA principles. The company also reiterates the importance of business integrity, anti-corruption, and human rights by publishing labor policies and the code of conduct on the internal website and office bulletin boards. In 2023, all employees at our various manufacturing sites achieved a 100% participation rate in training. To further extend the reach of this training, Gemtek's Taiwan Headquarters regularly schedules internal auditor training sessions for RBA Implementation Committee members and provides RBA education for security and cleaning personnel.

Collective Agreement

Under the "Human Rights and Whistleblower Protection Policy," Gemtek employees have the freedom to associate, engage in collective bargaining, and participate in peace agreements, as well as the right to choose not to participate in such activities. The company faces no risks of forced or compulsory labor in any of its operations, and all business activities and investment agreements adhere to local regulations. In 2023, there were no reported incidents or complaints related to freedom of association. Both Gemtek (Kunshan) and Gemtek Vietnam have established labor unions, achieving a 100% implementation rate for collective agreements. While the Taiwan Headquarters does not have a labor union, regular labor-management meetings are held quarterly. These meetings bring together representatives appointed by the company's management team and elected by employees to discuss issues of employee concern, fostering effective communication and a strong commitment to safeguarding employee rights and interests.

The Number of Employee Representatives and the Number of Employees Covered by Collective Agreements at Gemtek in Recent Years

Year	Manufacturing Plant	Total Number of People	Number of Employee Representatives	Number of Employees Covered by Collective Agreements	Collective Agreements Coverage Rate
2021	Gemtek Headquarters	1,082	5	-	-
	Gemtek (Kunshan)	1,155	32	1,155	100%
	Gemtek (Changshu)	525	23	525	100%
	Gemtek Vietnam	1,490	5	1,490	100%
2022	Gemtek Headquarters	1,015	5	-	-
	Gemtek (Kunshan)	831	23	831	100%
	Gemtek (Changshu)	454	46	454	100%
	Gemtek Vietnam	2,444	7	2,444	100%
2023	Gemtek Headquarters	1,039	5	-	-
	Gemtek (Kunshan)	1,087	27	1,087	100%
	Gemtek (Changshu)	4	0	4	100%
	Gemtek Vietnam	2,218	7	2,218	100%

Note: Gemtek Taiwan Headquarters communicates through labor-management meetings, does not have a labor union, and has not entered into any collective agreements.

Employee Satisfaction Survey

Gemtek Technology is dedicated to fostering a supportive work environment by actively listening to employee feedback and suggestions. Since 2023, the Gemtek Group has conducted annual employee satisfaction surveys. These surveys explore various areas including business practices, performance management, employee development, teamwork, work environment, and cafeteria services. The goal is to gain valuable insights into employees' perspectives and use this feedback to guide future improvements and efforts, thereby creating a more positive workplace.

Manufacturing Plant	Number of Respondents	Employee Satisfaction (Scale of 1-10)
Gemtek Headquarters	1,039	7.1
Gemtek (Kunshan)	1,087	7.2
Gemtek Vietnam	2,218	7.4



5.2 Workforce Composition

Employee Classification

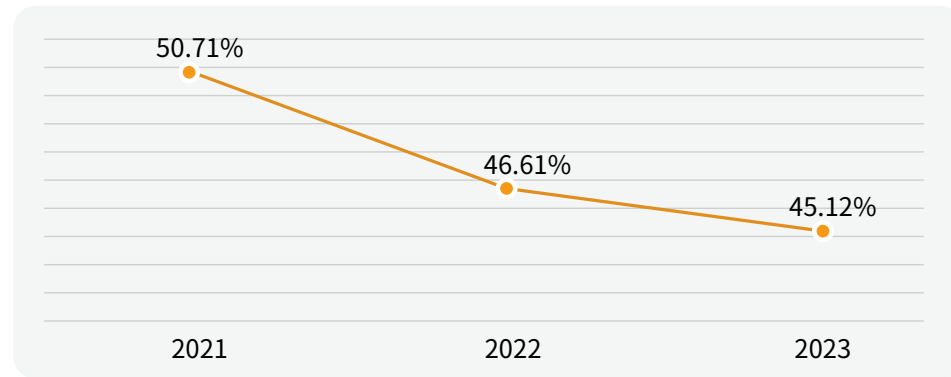
Employees are the Company's most valuable asset. At Gemtek Technology, we follow labor regulations and the Gender Equality in Employment Act, focusing on skills and qualifications as the main criteria for hiring. We ensure that all employees are treated fairly and without discrimination based on gender, age, race, nationality, religion, or political views. In 2023, the company had a total of 4,348 employees (2,386 males and 1,962 females), all of whom are full-time employees with no temporary or part-time staff.

2023 Gemtek's Workforce Composition

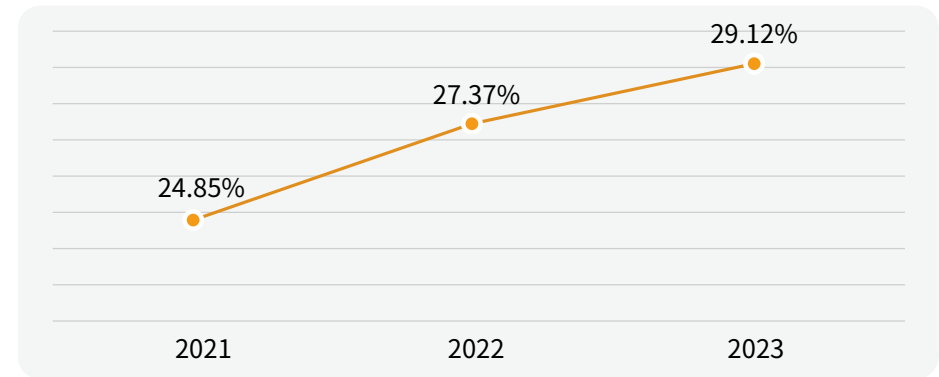
Region/Age/Gender	Female			Male			Total
	<Age 30	Age 30-50	>Age 50	<Age 30	Age 30-50	>Age 50	
Gemtek Headquarters	89	362	32	96	391	69	1,039
Gemtek(Kunshan)	117	310	1	260	396	3	1,087
Gemtek(Changshu)	0	4	0	0	0	0	4
Gemtek Vietnam	744	303	0	879	291	1	2,218
Total	950	979	33	1,235	1,078	73	4,348

Note: The above data is based on the number of employees as of December 31, 2023, and does not involve any assumptions or estimates.

Percentage of Female Employees at Gemtek in Recent Years



Percentage of Female Managers at Gemtek in Recent Years



2023 Gemtek's Workforce Demographics

Job Level/Gender/Age/ Manufacturing Plant			Gemtek Headquarters	Gemtek (Kunshan)	Gemtek (Changshu)	Gemtek Vietnam
Managerial Employee	Male	< 30	0	0	0	0
		30-50	80	10	0	8
		> 50	31	0	0	0
	Female	< 30	0	0	0	1
		30-50	29	5	0	11
		> 50	6	1	0	0
Non-managerial Employee	Male	< 30	96	260	0	879
		30-50	311	386	0	283
		> 50	38	3	0	1
	Female	< 30	89	117	0	743
		30-50	333	305	4	292
		> 50	26	0	0	0
Total			1,039	1,087	4	2,218

Note:

- Definition of managerial positions at each plant: At Taiwan Headquarters, it includes those receiving managerial allowances and those at the assistant manager level or above; at Gemtek (Kunshan) and Gemtek (Changshu) plants, it includes department head level or above; and at Gemtek Vietnam, it includes team manager level or above.
- Expatriate employees are counted at their respective locations, while the highest-ranking supervisor at each site (Manufacturing plant manager) is counted based on their place of employment.
- The above data is based on the number of employees as of December 31, 2023, and does not involve any assumptions or estimates.

In 2023, Gemtek Technology employed 158 non-employee workers, comprising 85 women and 73 men. The table below outlines the number of workers and their job types at each site.

2023 Gemtek's Non-Employee Workforce Demographics

Region/Gender	Female	Male	Job Type
Gemtek TW HQ	20	8	Security Guard, Cleaner, Cafeteria Worker, Administrator, Testing Technician
Gemtek(Kunshan)	31	37	Security Guard, Cleaner, Cafeteria Worker
Gemtek(Changshu)	0	0	
Gemtek Vietnam	34	28	Security Guard, Cleaner, Cafeteria Worker

Note: The above data is based on the number of employees as of December 31, 2023, and does not involve any assumptions or estimates.

To support employment opportunities for vulnerable groups, Gemtek Technology adheres to local regulations protecting the rights of people with physical and mental disabilities. In 2023, the number of such employees at our Taiwan headquarters and Mainland China sites fell short of the mandated quota, and we have fulfilled our legal obligations by making the required financial contributions to the government. We also ensure equal employment opportunities for all ethnic groups, and there have been no reported incidents concerning the infringement of the rights of indigenous peoples or minority groups.

Gemtek's Workplace Diversity Statistics in Recent Years

Year	Manufacturing Plant	Indigenous / Ethnic Minority Employees		Disabled Employees	
		Number of Employees	%	Number of Employees	%
2021	Gemtek Headquarters	5	0.46	11	1.02
	Gemtek (Kunshan)	25	2.16	0	0
	Gemtek (Changshu)	1	0.19	0	0
	Gemtek Vietnam	215	14.43	0	0
2022	Gemtek Headquarters	6	0.59	10	0.99
	Gemtek (Kunshan)	13	1.56	0	0
	Gemtek (Changshu)	1	0.22	0	0
	Gemtek Vietnam	282	11.54	0	0
2023	Gemtek Headquarters	5	0.48	9	0.87
	Gemtek (Kunshan)	15	1.38	0	0
	Gemtek (Changshu)	0	0	0	0
	Gemtek Vietnam	420	18.93	0	0

Note:

- Among the 56 ethnic groups in Mainland China, all except the Han ethnic group are considered minorities.
- According to Vietnam's Official Dispatch No. 121/TCTK-PPCĐ, all ethnic groups in Vietnam, except for the majority Kinh ethnic group, are classified as ethnic minorities.
- Category Ratio (%) = Number of individuals in that category at each site for the year / Total number of employees at each site at the end of the year.

New Hire Turnover Rate

The table below shows the number of new hires who left the company at each Gemtek Technology manufacturing site in 2023. To successfully recruit the right talent, our recruitment team undergoes continuous training in diverse interviewing techniques, including improving interview skills and utilizing professional assessment tools, to ensure fairness in the interview process and a positive experience for candidates. During recruitment, we follow a transparent and open selection process, focusing on matching talent with the right roles. The substantial increase in turnover rates was due to the closure of the Gemtek (Changshu) plant in the second half of 2023. At the same time, the rise in new hire and turnover rates at the Gemtek (Kunshan) plant was influenced by neighboring companies switching from monthly to weekly or daily pay schedules, which impacted Gemtek's traditional monthly pay system.

2023 Gemtek's New Hire Rate

Region/Age/Gender		Gemtek Headquarters		Gemtek (Kunshan)		Gemtek Vietnam	
		Male	Female	Male	Female	Male	Female
<30	Headcount	60	34	1,556	556	1,030	593
	New Hire%	62.50%	38.20%	598.46%	475.21%	117.18%	79.70%
30-50	Headcount	52	51	955	458	207	130
	New Hire%	13.30%	14.09%	241.16%	147.74%	71.13%	42.90%
>50	Headcount	7	2	0	0	1	0
	New Hire%	10.14%	6.25%	0%	0%	100%	0%
Total Headcount		206		3,525		1,961	
Total Number of Employees		1,039		1,087		2,218	
New Hire%		19.83%		324.29%		88.41%	

Note:

- The above data is based on the number of employees as of December 31, 2023, and does not involve any assumptions or estimates.
- New Hire Rate (%) = Number of new hires in that category for the year / Total number of employees in that category at year-end.
- The count of new hires includes re-employed staff who have returned during the year and does not subtract employees who left midway through the year.
- In the Vietnam region, the rapid increase in the number of new factories has generally led to higher employee turnover rates.
- The Gemtek (Changshu) plant underwent business divestment in the second half of 2023, resulting in no new hires. By year-end, only 4 employees were left to oversee the plant's closure operations.

2023 Gemtek's Turnover Rate

Region/Age/Gender		Gemtek Headquarters		Gemtek (Kunshan)		Gemtek Vietnam	
		Male	Female	Male	Female	Male	Female
<30	Headcount	27	20	1,437	506	1,060	611
	Turnover%	28.13%	22.47%	552.69%	432.48%	120.59%	82.12%
30-50	Headcount	60	58	880	444	247	219
	Turnover %	15.35%	16.02%	222.22%	143.23%	84.88%	72.28%
>50	Headcount	10	7	2	0	0	0
	Turnover %	14.49%	21.88%	66.67%	0%	0%	0%
Total Headcount		182		3,269		2,137	
Total Number of Employees		1,039		1,087		2,218	
Turnover%		17.52%		300.74%		96.35%	

Note:

- The above data is based on the number of employees as of December 31, 2023, and does not involve any assumptions or estimates.
- The count of departed employees encompasses those who leave the company voluntarily, are dismissed, or are eligible for retirement.
- Turnover Rate(%)=Number of employee departing within the year./ Total number of employees in the company whose job descriptions are grouped under the same category within the year.
- In the Vietnam region, the rapid increase in the number of new factories has generally led to higher employee turnover rates.
- The Gemtek (Changshu) plant was divested in the second half of 2023, resulting in no new hires. By year-end, only 4 employees were left to oversee the plant's closure operations.



Minimum Notice Period

In the event of major operational changes resulting in the termination of employment, Gemtek Technology shall proceed to notify employees in accordance with the regional labor regulations.

Region	Description
Gemtek Taiwan Headquarters	<p>To protect employees' rights amidst career development rotations and significant operational changes, the Company adheres to the "Five Principles of Job Transfer" pursuant to Article 10-1 of the Labor Standards Act. Additionally, to ensure fair labor relations and conditions, the Company also follows the notice period guidelines set by the Labor Standards Act. In situations such as business closure, transfer, financial loss, downsizing, or when employees are unable to perform their job duties, based on the employee's length of service, the Company shall provide a notice period of 10 to 30 days before ending the employment contract.</p> <ol style="list-style-type: none"> Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.
Gemtek Mainland China	<p>Minimum notice period for resignation is thirty days in advance.</p>
Gemtek Vietnam	<ol style="list-style-type: none"> For irregular labor contract workers, laborers shall be notified at least 45 days in advance. For fixed-term labor contracts with a duration of 12 to 36 months, laborers shall be notified at least 30 days in advance. For fixed-term labor contracts with a duration of less than 12 months, laborers shall be notified at least 3 working days in advance.

Note: The Mainland factories include Gemtek (Kunshan) and Gemtek (Changshu).

5.3 Employee Benefits and Training & Development

Employee Compensation

Gemtek is dedicated to implementing equal pay. All our manufacturing plants offer base salaries that exceed the statutory minimum wage in their respective regions, with no gender-based differences in pay for 2023. We perform annual market salary surveys to benchmark our compensation levels and make adjustments to salaries and bonuses according to our operational needs. The following details the salary distribution at Gemtek Technology.

2023 Comparison of Gemtek's Base Salary

	Gemtek Headquarters	Gemtek Kunshan	Gemtek Changshu	Gemtek Vietnam
Direct Personnel	1.1	1.1	N/A	1.1
Indirect Personnel	1.6	1.8	N/A	2.1

Note:

1. Base salaries are set according to the regulations of each region for the year 2023.
2. For direct personnel, the monthly base salary is calculated based on inexperienced operators.
3. For indirect personnel, the monthly base salary is calculated based on inexperienced university graduates in engineering.
4. At the Gemtek (Changshu) plant, all indirect personnel are female.

2023 Highest-Compensation and Annual Total Compensation Ratio at Gemtek HQ

	Ratio
Annual Total Compensation %	13.50
Compensation Growth %	8.34

Note:

1. The annual total compensation calculation period is from December 2022 to November 2023.
2. Employees who have been with the company for less than one year in 2023 are excluded from the calculation.
3. The compensation growth rate is calculated based on the highest individual compensation and the annual total compensation of other employees, comparing this year to the previous year.
4. Annual total compensation ratio = Annual total compensation of the highest-paid individual / Median annual total compensation of other employees.
5. Compensation growth rate = Increase in annual total compensation of the highest-paid individual / Increase in median annual total compensation of other employees.

2023 Gemtek's Gender Wage Gap by Job Level

Job Level /Item/Region /Gender		Gemtek Headquarters		Gemtek (Kunshan)		Gemtek (Changshu)		Gemtek Vietnam	
		Female	Male	Female	Male	Female	Male	Female	Male
Managerial	Base Salary%	1	1.28	1	1.09	1	N/A	1	1.25
	Annual Compensation %	1	1.42	1	1.23	1	N/A	1	1.26
Non-managerial	Base Salary%	1	1.36	1	1.03	1	N/A	1	1.08
	Annual Compensation %	1	1.38	1	0.93	1	N/A	1	1.00

Note:

1. This table uses female as the calculation base, with the ratio calculated as: male/female.
2. Base salary is the approved salary for December 2023, excluding overtime and other incentive bonuses.
3. Annual total compensation is based on total income for 2023, excluding data for salaries not received in full months within the year.
4. The salary difference between male and female managers at the Taiwan headquarters is primarily due to differences in job levels, while the salary difference among non-managerial staff is largely due to a higher proportion of female foreign employees.
5. The annual total compensation ratio difference between male and female managers at Gemtek Vietnam is mainly due to higher overtime hours for male managers compared to female managers.
6. Definition of managerial positions at each plant: At Taiwan Headquarters, it includes those receiving managerial allowances and those at the assistant manager level or above; at Gemtek (Kunshan) and Gemtek (Changshu) plants, it includes department head level or above; and at Gemtek Vietnam, it includes team manager level or above.

Employee Benefits Programs

Gemtek Technology is dedicated to addressing employee needs by fostering a positive work environment and offering a range of benefits and protections. These benefits include generous bonus programs, leave entitlements, a comprehensive benefits package, and access to recreational facilities. The company has established an Employee Benefits Committee to manage and promote various corporate activities. Additionally, the committee oversees the distribution of special gifts during holidays and birthdays.

In Aug 2023, Gemtek Technology launched the “New Restricted Employee Shares” program as part of its long-term incentive and reward strategy. This initiative is designed to attract and retain top talent, foster a sense of camaraderie among employees, and instill a strong sense of responsibility in senior executives and key personnel. The goal is to drive the creation of long-term shareholder value and achieve excellence in ESG. The program aims to effectively motivate employees who have demonstrated outstanding performance. Eligibility for receiving these shares is based on factors such as seniority, job grade, position, work performance, overall contribution, and special merits. Employees must meet the Company’s performance goals to qualify for the shares, thereby strengthening the mutually beneficial relationship between Gemtek and its employees.



Employee Insurance and Retirement Policies

Region	Description
Gemtek Headquarters	<p>In compliance with regulatory requirements, Gemtek employees are provided with labor insurance coverage, including benefits for injuries, sickness, disability, maternity, and survivorship, as well as national health insurance coverage, effective immediately upon onboarding. As per the Labor Standards Act, Article 55 Pension Payment Standard and Article 56 Labor Retirement Reserve, the Company either deposits 6% (under the new system) or 2% (under the old system) of the employee’s monthly salary, depending on whichever is applicable, into the employee’s labor pension reserve account at the Bank of Taiwan. And by the Labor Pension Act, after excluding student participants and foreign employees, the proportion of regular employees participating in the retirement plan is 100%, of which 3 employees are categorized under the old system. In addition to the legally required pension reserves, the Company also engages professional actuarial consultants to conduct annual pension fund valuations. Currently, the reserve amount stands at approximately 88 million, with sufficient allocations to ensure that employees’ future pension claims are safeguarded. This ensures that employees’ retirement benefits are well-protected and their retirement life is properly cared for.</p> <p>Both regular and contract employees are entitled to group insurance plans (life insurance, accident insurance, hospitalization insurance, and cancer insurance) from the first day of employment, providing extra protection for employees and their families. Considering the increasing risk of cancer among the population, the Company also offers an optional "Critical Illness Insurance Policy" that employees can choose to add (with 50% subsidized by the Company), allowing employees to secure more extensive coverage and care at a reduced premium rate.</p>
Gemtek Mainland China	<p>All employees are required to contribute to the five insurance programs, which include: endowment, medical, unemployment, work injury, and maternity insurance. Male employees are eligible for retirement at the age of 60, while female employees can retire at the age of 50. They are entitled to a retirement pension under the social security system, equivalent to the full amount of their contributions to the five insurance programs. The Company contributes 16% of the endowment insurance, while employees contribute 8%. For medical insurance, the Company contributes 6%, while employees contribute 2%. Full-time employees have a 100% participation rate in the retirement pension plan.</p>
Gemtek Vietnam	<p>In accordance with the Vietnam Social Insurance Law, Gemtek Vietnam is obligated to cover a portion of the social insurance for its employees. This includes 17.5% for social insurance, 3% for medical insurance, and 1% for unemployment insurance. Employees who have contributed to the social insurance for more than 20 years and are over 55 years and four months old can receive a lifelong retirement pension after retirement. For foreign executives, as per the Vietnam Social Insurance Law, a lump-sum retirement allowance can be claimed upon resignation. Full-time employees have a 100% participation rate in the retirement pension plan.</p>

Note: The Mainland factories include Gemtek (Kunshan) and Gemtek (Changshu).

Number and Percentage of Participants in the Retirement Plan at Gemtek in Recent Years

Year	Participants %	Gemtek Headquarters	Gemtek (Kunshan)	Gemtek (Changshu)	Gemtek Vietnam
2021	Participants %	969 (The new fund / 966 participants, The old fund 3 participants)	1,155	525	1,392
		100%	100%	100%	100%
2022	Participants %	961 (The new fund / 958 participants, The old fund 3 participants)	831	454	2,213
		100%	100%	100%	100%
2023	Participants %	970 (The new fund / 967 participants, The old fund 3 participants)	1,087	4	2,097
		100%	100%	100%	100%

Note:

- Explanation of the difference between the total number of employees and the number of participants in the retirement plan at the Gemtek Taiwan Headquarters for each year:
 - 2021: Total number of employees: 1,082 (126 ineligible for insurance, 13 resigned in December, end balance is 969).
 - 2022: Total number of employees: 1,015 (72 ineligible for insurance, 18 resigned in December, end balance is 961).
 - 2023: Total number of employees: 1,039 (91 ineligible for insurance, 22 resigned in December, end balance is 970).
- Explanation of the difference between the total number of employees and the number of participants in the retirement plan at the Gemtek Vietnam for each year:
 - 2021: Total number of employees: 1,490 (105 ineligible for insurance, 7 resigned in December, end balance is 1,392).
 - 2022: Total number of employees: 2,444 (246 ineligible for insurance, 15 resigned in December, end balance is 2,213).
 - 2023: Total number of employees: 2,218 (131 ineligible for insurance, 10 resigned in December, end balance is 2,097).

Number and Percentage of Participants Enrolled in Statutory Medical Insurance at Gemtek in Recent Years

Year	Participants / %	Gemtek Headquarters	Gemtek (Kunshan)	Gemtek (Changshu)	Gemtek Vietnam
2021	Participants	1,080	1,155	525	1,392
	%	100%	100%	100%	100%
2022	Participants	1,014	831	454	2,213
	%	100%	100%	100%	100%
2023	Participants	1,048	1,087	4	2,097
	%	100%	100%	100%	100%

Note:

- Taiwan Headquarters: Foreign personnel, part-time employees, and migrant workers without residence permits are not eligible for statutory medical insurance.
 - 2021: Total number of employees: 1,082. Ineligible for insurance: 4. Additionally insured: 2 (retroactive leave processing, migrant workers leaving the country beyond the end of the current month). End balance of total number of employees insured: 1,080.
 - 2022: Total number of employees: 1,015. Ineligible for insurance: 4. Additionally insured: 3 (end-of-month resignations, retroactive leave processing, migrant workers leaving the country beyond the end of the current month). End balance of total number of employees insured: 1,014.
 - 2023: Total number of employees: 1,039. Ineligible for insurance: 7. Additionally insured: 16 (end-of-month resignations). End balance of total number of employees insured: 1,048.
- Gemtek (Kunshan) / Gemtek (Changshu): All employees are enrolled in the Five Insurances, which includes medical insurance.
- Gemtek Vietnam: The Company covers 3% of the medical insurance in Vietnam. There is a difference between the number of people enrolled in statutory medical insurance and the total number of employees due to some employees being in the probationary period, during which insurance is not required according to Vietnam regulations.

Gemtek Employee Benefits

Item	Description
Employee Bonus	Special Holiday Bonus, Salary Adjustment Policy, Performance/Incentive Bonus, Patent Bonus.
Special Benefits offered by the Employee Benefits Committee	Corporate outings, Special benefits and allowances for marriage, bereavement, and other occasions, Special gifts during holidays and birthdays, Special store deals, Corporate events.
Leave Policy	<p>Gemtek Headquarters: In accordance with the Labor Standards Act, Gemtek provides a comprehensive leave benefits package that includes parental leave, family care leave, menstrual leave for women, paternity leave for men, and disease prevention childcare leave. Employees have the flexibility to manage their time off to meet their personal and family needs.</p> <p>Mainland China Plants: In accordance with the labor laws in China, Gemtek has put in place a well-rounded leave system that covers annual leave, parental leave, maternity leave, and nursing leave.</p> <p>Gemtek Vietnam: Leave benefits are provided for regular and contract employees in accordance with the Vietnam labor laws.</p>
Health Exams	<p>Gemtek Headquarters: Regular health exams, special operations health examinations, and physical assessments for new hires are conducted. Health management measures are implemented based on the overall results. An occupational health physician visits the site to offer consultations focused on preventing workplace hazards, promoting wellness, and managing diseases.</p> <p>Mainland China Plants: Employees receive health check-ups every two years. Health management measures are implemented based on the overall results. Additionally, those in special positions undergo annual occupational disease screenings to monitor and safeguard their health.</p> <p>Gemtek Vietnam: Annual health check-ups are provided for all employees. Health management measures are implemented based on the overall results. Additionally, employees in special positions undergo annual occupational disease screenings to closely monitor their health.</p>
Workplace Club Activities	Social club activities are organized to encourage employees to participate in healthy leisure and wellness events. The clubs include Badminton, Baking, Heqigong, Wilderness, Dance and Photography.
Recreational Facilities	Basketball Court, Gym, Badminton Court, Table Tennis Room, Aerobics Classroom, etc.
Prenatal Care	<p>Gemtek Headquarters: Designated parking spaces are available for expectant mothers, offering convenient access with direct elevator access to the main office building. Additionally, a private, secure, and comfortable lactation room equipped with essential amenities is accessible at all times for breastfeeding mothers.</p> <p>Gemtek Vietnam: Mothers with children under 6 years old are eligible to receive childcare allowances.</p>
Expat Benefits Package	The Company's Expatriate Assignment Policies offers extensive support to expatriate employees, ensuring they can work abroad with ease. The expatriate compensation package includes provisions for home travel and flight expenses, expatriate allowances, travel and accommodation costs, meal allowances, family healthcare, living and education allowances for children, and airport pick-up services.
Other Benefits	Housing allowance, Employee dormitories, Indoor parking, Quarterly departmental meal subsidies, Western and Chinese-style employee cafeterias, Office café, etc.



Note: The Mainland factories include Gemtek (Kunshan) and Gemtek (Changshu).

Parental Leave Number of Parental Leaves at Gemtek Headquarters in Recent Years

Employees are entitled to statutory parental leave for up to 2 years, until their youngest child turns three years old. They also have the right to return to their previous job after their leave. The company will conduct follow-up calls to confirm employees' intention to return and to facilitate their reinstatement. Parental leave without pay is available to all employees, regardless of gender, position, or work location. Both male and female employees can apply for this leave.

Year / Gender / Toal	2021			2022			2023		
	Male	Female	Total	Male	Female	合計	Male	Female	Total
Total number of employees eligible for parental leave A	58	43	101	49	38	87	43	53	96
Actual number of parental leave applications submitted for the current year B	1	9	10	2	6	8	1	14	15
Total number of employees to be reinstated after parental leave for the current year C	2	3	5	3	7	10	0	9	9
Actual number of employees reinstated after parental leave for the current year D	2	3	5	1	5	6	0	8	8
Actual number of employees reinstated after parental leave for the previous year E	0	4	4	2	3	5	1	5	6
Number of employees who stayed on the job for more than a year after reinstatement for the previous year F	0	2	2	2	1	3	1	5	6
Reinstatement for the current year % (D/C)	100%	100%	100%	33%	71%	60%	N/A	89%	89%
Stay on job for the current year % (F/E)	N/A	50%	50%	100%	33%	60%	100%	100%	100%

Note:

1. For 2023, eligibility for parental leave without pay includes employees who have taken maternity or paternity leave between January 1, 2020, and December 31, 2023.
2. The total number of employees eligible for parental leave, A, will be adjusted according to the revised eligibility criteria for parental leave without pay, resulting in updated data for 2021 and 2022.

Parental Leave Benefit at Gemtek

Region	Parental Leave Benefit
Gemtek Headquarters	<ul style="list-style-type: none"> ● In accordance with the Labor Standards Act and the Gender Equality in Employment Act, we provide paid maternity leave (eight weeks), miscarriage leave (based on the duration of pregnancy), and seven days of paid prenatal examination leave. Male employees are also granted seven days of paid leave for accompanying prenatal examinations and childbirth. ● Employees with children under the age of two who requires breastmilk or nursing are given a total of 60 minutes lactation break each day, which is considered work time. Employees with children under the age of three can apply to reduce their work hours by one hour per day (unpaid) or adjust their work schedule. If a child needs to receive vaccinations, experiences a serious illness, or faces other significant issues requiring personal care, employees are eligible to take family care leave. ● Employees can also apply for parental leave without pay before each child reaches the age of three.
Mainland China	<ul style="list-style-type: none"> ● In accordance with the "Special Provisions for the Labor Protection of Female Employees" and the "Jiangsu Province on Population and Family Planning Regulations," maternity leave is granted as follows: 98 days for regular maternity leave, 60 days as extra benefit, 15 days for difficult births, and for multiple births, an additional 15 days for each additional child; 15 days of paternity leave are also provided. ● Since March 2022, Gemtek Mainland facilities have adopted childcare leave policies based on the "Notice on the Implementation Plan for Optimizing Fertility Policies and Promoting Long-term Balanced Population Development in Jiangsu Province." Before a child reaches the age of 3, both parents are entitled to 10 days of childcare leave each year.
Gemtek Vietnam	<ul style="list-style-type: none"> ● In accordance with the Vietnam Labor Law and Social Insurance Law, the company offers paid maternity leave (6 months), 5 days of prenatal check-up leave, 30 minutes of daily menstrual leave, and miscarriage leave (a minimum of 10 days, depending on the stage of pregnancy). Additionally, female employees who are at least 7 months pregnant or have a child under 1 year old are permitted to leave work 1 hour early. Male employees are entitled to 5 days of paternity leave as stipulated by the regulations.

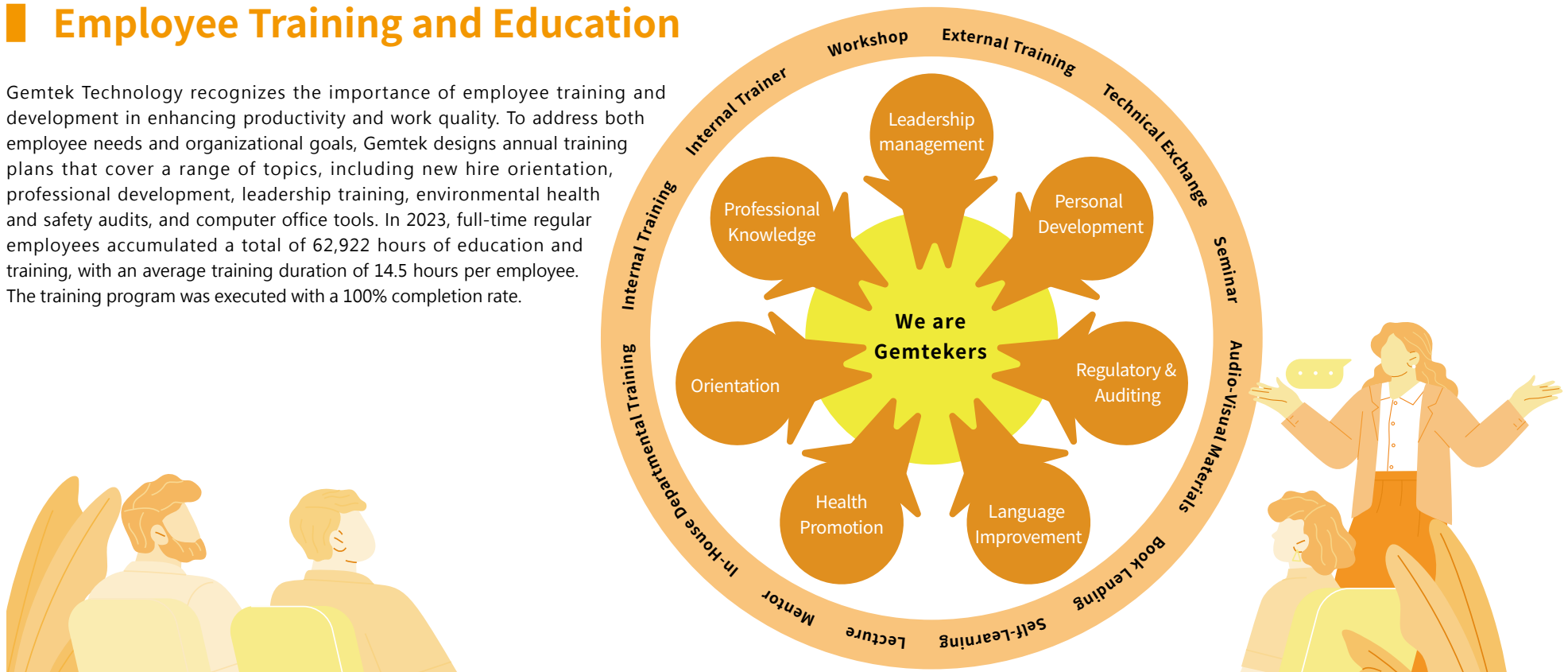
Note: The Mainland factories include Gemtek (Kunshan) and Gemtek (Changshu).

Performance Management and Employee Development

Gemtek's performance management and employee development systems are closely integrated, playing a key role in determining eligibility for career opportunities and rewards based on job performance. The company conducts performance evaluations twice a year, with rewards and promotions based on individual performance, skill development, and business growth. New employees with less than 24 weeks of employment and reinstated employees who have been back for less than 16 weeks are excluded from the assessment, except for the chairman of the board. Employees are required to collaborate with their supervisors to set work and career development plans for the next six months. At Gemtek (Kunshan) and Gemtek (Changshu), new regular employees with less than 3 months of tenure are not included in the evaluations but must work with their supervisors to set goals and development plans for the next six months. At Gemtek Vietnam, new regular employees with less than 24 weeks of tenure are excluded from the assessment. Additionally, Gemtek (Changshu) did not conduct performance evaluations in the second half of 2023 due to the handling of business divestment. In 2023, all employees, regardless of gender, underwent the assessment.

Employee Training and Education

Gemtek Technology recognizes the importance of employee training and development in enhancing productivity and work quality. To address both employee needs and organizational goals, Gemtek designs annual training plans that cover a range of topics, including new hire orientation, professional development, leadership training, environmental health and safety audits, and computer office tools. In 2023, full-time regular employees accumulated a total of 62,922 hours of education and training, with an average training duration of 14.5 hours per employee. The training program was executed with a 100% completion rate.



Employee Training and Education Statistics at Gemtek in Recent Years

Year	Manufacturing Plant	Total Number of Employees				Total Number of Training Hours				Average Training Hours per Person			
		Managerial Employee		Non-managerial Employee		Managerial Employee		Non-managerial Employee		Managerial Employee		Non-managerial Employee	
		Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
2021	Gemtek Headquarters	120	55	424	483	1,136.5	479.5	3,243.5	5,091.5	9.5	8.7	7.6	10.5
	Gemtek (Kunshan)	14	4	646	491	482	179	14,668	13,543	34.4	44.8	22.7	27.6
	Gemtek (Changshu)	4	5	278	238	16.5	73.3	5,134.3	4,361.5	4.1	14.7	18.5	18.3
	Gemtek Vietnam	1	1	609	879	27	15	14,234	11,759	27	15	23.4	13.4
2022	Gemtek Headquarters	134	53	400	428	1,870.3	998.5	4,468.8	6,913	14	18.9	11.2	16.2
	Gemtek (Kunshan)	13	4	454	360	31.5	31.5	13,074	11,081	2.4	7.9	28.8	30.8
	Gemtek (Changshu)	4	5	233	212	17	64	3,877	3,724	4.3	12.8	16.6	17.6
	Gemtek Vietnam	6	6	1,288	1,144	93	102	23,210.5	21,044	15.5	17	18.02	18.4
2023	Gemtek Headquarters	111	35	445	448	2,538.5	1,045.5	5,926.5	7,647.5	22.9	29.9	13.3	17.1
	Gemtek (Kunshan)	10	6	649	422	209	109	8,248	6,030	20.9	18.2	12.7	14.3
	Gemtek (Changshu)	0	0	0	4	0	0	0	0	N/A	N/A	N/A	0
	Gemtek Vietnam	8	12	1,163	1,035	101	141	17,002	13,924	12.6	11.8	14.6	13.5

Note:

1. Non-managerial employees exclude temporary staff.
2. Calculation formula: Average training hours per gender within each employee category for the year = Total training hours per gender within each employee category for the year / Total number of employees per gender within each category for the year (excluding those not trained).
3. The increase in training hours for management positions at the Gemtek Taiwan headquarters is due to the implementation of ESG (Environmental, Social, and Governance) sustainability goals starting in 2023. With growing international trends, government, and client demands, ESG sustainability has become crucial for the organization's long-term development. Training for management focuses on ESG-related topics to understand its future impact on business and to drive ESG initiatives.
4. At Gemtek Vietnam, the average training hours have decreased compared to 2022 due to the rapid growth in staff numbers and higher employee turnover rates at the new plant.
5. Gemtek (Changshu) Plant did not conduct employee education and training in the second half of 2023 due to the handling of business divestment.

2023 Gemtek's Employee Training and Education Expenses

Unit: NTD in thousands

Item	Gender	Gemtek Headquarters	Gemtek (Kunshan)	Gemtek (Changshu)	Gemtek Vietnam
Total Cost for Training and Education	Male	397.21	18.48	0	115.576
	Female	463.48	4.48	0	221.146
Average Cost for Training and Education	Male	0.71	0.04	0	0.05
	Female	0.96	0.10	0	0.11

Note: Average training expenses per gender within each employee category for the year= Total training expenses per gender within each category/Total number of employees per gender within each category for the year (Not total number of trainees).



Dual Career Development System

Gemtek offers a comprehensive career development framework to actively retain talent, encouraging employees to self-motivate and enhance their work capabilities and performance. Through a "Dual Career Development System" for both professional and managerial tracks, employees can advance in both technical and management fields based on their individual traits, expertise, and career goals. Additionally, internal job openings are transparently communicated, respecting employees' desires for career transitions. This approach aims to stimulate employees' potential and reduce job burnout by providing varied job experiences. The Company has established a policy for on-the-job continuing education, encouraging employees to pursue further education to improve essential professional knowledge and skills, while also expanding their perspectives and networks.

- **Promotion of Indirect Employees:** The "Dual Career Development System" adopts a dual-track system based on professional and management criteria. With reference to an employee's past work experience, project experience, and job performance, the department manager will nominate and submit the assessment results to the Personnel Evaluation Committee for review and evaluation.
- **Promotion of Direct Employees:** Based on work performance and organizational needs, an employee may be promoted to roles such as a production line manager (e.g., team leader or foreman), assistant engineer, or engineer.



In 2023, all employees, regardless of gender, participated in career development plans, ensuring equal career opportunities for everyone.

In August 2016, the company introduced a new online training system in addition to regular courses, offering employees a broader range of professional development options and learning resources. This platform enables employees to provide valuable feedback on their learning experiences, helping the company monitor and improve the effectiveness of the training programs. Additionally, a designated area stocked with books and magazines is available for employees to unwind and enjoy some reading time.

■ Contractor Training Programs

To safeguard the rights of individuals who undertake security and cleaning roles (employed via labor outsourcing companies) at Gemtek, the company expects these outsourcing companies to uphold labor rights and ethical standards in accordance with the Responsible Business Alliance Code of Conduct. Starting in 2021, all security and cleaning staff are required to undergo training on the "Responsible Business Alliance Code of Conduct." Gemtek achieved a 100% completion rate in 2023.

Additionally, labor outsourcing companies must comply with the 'Human Resources Company Management Regulations,' sign the 'Supplier Integrity Commitment' and the 'Responsible Business Alliance Code of Conduct Compliance Commitment,' and successfully pass the 'Human Resources Company Audit.'



5.4 Employee Health and Safety

■ Occupational Health and Safety Management

Gemtek Technology has established an occupational health and safety management system based on ISO45001 standards. Both the Mainland China and Vietnam facilities have voluntarily adopted this system, achieving third-party certification. The scope of the management system is the same as the boundaries for greenhouse gas inventory, covering 100% of all workers at Gemtek such as employees, outsourced personnel (such as on-site IT staff), cleaning staff, kitchen workers, and security personnel. To create a safe and healthy work environment, Gemtek has established comprehensive occupational health and safety management regulations and actively promotes occupational health and safety related initiatives. The Company also regularly reviews the performance of the occupational health and safety system to prevent occupational diseases and injuries, with a strong commitment to enhancing the physical and mental well-being of all employees.

To strengthen occupational health and safety management across its facilities, Gemtek Technology has established comprehensive management protocols for chemicals, machinery and equipment, contractors, and procurement processes:

- **Chemical Management:** All chemicals used on-site are strictly managed according to regulations, including the Hazardous Chemical Labeling and Communication Rules. This ensures that employees are fully aware of the properties and potential hazards of the chemicals they handle. Safety data sheets are readily available, and regular training and assessments are conducted for on-site personnel. Additionally, appropriate protective equipment and safety measures are provided to ensure the health and safety of all employees.
- **Machinery and Equipment Safety Management:** During the introduction, installation, and acceptance stages of equipment at the facility, thorough hazard identification and safety inspections are conducted, including checks for safety features such as emergency stop buttons and interlocks. Equipment suppliers are required to adhere to contractor safety management protocols during installation, maintenance, and service, which include the posting of hazard warnings and the implementation of appropriate protective measures. Throughout the equipment's operational life, it should undergo regular safety inspections in accordance with legal requirements to guarantee user safety.
- **Contractor Management:** To protect both employees and contractors, safety protocols are clearly communicated, and a "Contractor Hazard Notification Form" is signed before any work begins. The responsible departments and safety officers conduct regular inspections to prevent accidents and ensure compliance with safety standards.
- **Procurement Management:** Health and safety standards are integral when outsourcing construction services and labor. These standards are embedded in procurement contract agreements, execution processes, and acceptance criteria, ensuring that all operations adhere to stringent safety and health requirements. For new equipment purchases and process modifications, comprehensive safety assessments are conducted as part of the transition, including the evaluation and selection of low-hazard chemical alternatives to replace higher-risk substances. Regular reviews of operational processes, hazard identification, and risk assessments are carried out to effectively manage and mitigate any unacceptable risks.

■ Worker Participation, Consultation, and Communication

To ensure a comfortable and safe working environment and to foster effective communication between labor and management, Gemtek has established relevant committees at its various facilities. These include the Occupational Health and Safety Committee at the Gemtek Taiwan Headquarters, the Environment, Occupational Health and Safety Management Committee at Gemtek Vietnam, and the Production Safety Committees at the Mainland China plants. These committees are composed of representatives from all levels of management, health and safety personnel, medical staff, and employee representatives. At the Taiwan Headquarters, long-term on-site contractors, such as cleaning and security personnel, are also invited to participate. Quarterly meetings are held to actively engage workers in the planning and operation of safety and health systems, review management policies, ensure regulatory compliance, and evaluate the effectiveness of these measures. The outcomes of these meetings are communicated to employees through meeting minutes, posters, or newsletters, promoting transparency and continuous improvement in safety and health management. Additionally, non-employee workers, such as contractors, receive hazard notification training before commencing any on-site work.

Gemtek prioritizes open communication and provides multiple channels for employees to offer timely feedback. Labor representatives, elected regularly, collect feedback from employees each quarter. This feedback is then discussed in labor-management meetings to address concerns, improve internal procedures, and adapt to new regulatory requirements. Notice boards display available communication channels and contact details for designated departments, including email, hotlines, and suggestion boxes. Employees can use these channels at any time to provide feedback or anonymously report any unlawful or inappropriate activities. Additionally, various surveys, such as those on meals, welfare activities, and departmental service satisfaction, are periodically conducted, with the results shared on the Company's internal network.

■ Identifying Hazards in the Workplace

Gemtek is committed to ensuring a safe and healthy working environment for its employees by maintaining the standards of the ISO 45001 Occupational Health and Safety Management System. To achieve this, implementation teams consisting of trained and qualified personnel from each department regularly conduct hazard identification and risk assessments of workplace activities. These assessments are then reviewed by the Environmental Health and Safety (EHS) team, which is responsible for reviewing and determining the risk acceptance criteria, which serve as a foundation for enhancing relevant controls and measures.

The scope of hazard identification and risk assessment at Gemtek includes all potential health and safety hazards both inside and outside the facility, covering routine and non-routine activities, all personnel entering the premises (including contractors and visitors), and external contractors working on-site. A management representative oversees and approves these processes, after which each department conducts detailed risk assessments. The Environmental Health and Safety (EHS) team regularly holds management review meetings to discuss and approve newly identified risks and update existing ones. Risk levels and control measures are reviewed and adjusted annually to meet corporate needs. In 2023, the Gemtek Group identified 5 high-risk, 486 medium-risk, and 821 low-risk items. Each facility has implemented targeted control measures for high-risk activities, with quarterly monitoring to ensure effective management.

Besides regularly conducting hazard identification and risk assessments, Gemtek requires all departments to perform self-inspections to keep occupational safety and health in check. These inspections include evaluating hazard factors within the facility to identify potential risks across various departments, helping to prevent workplace accidents:

- **Self-Inspections:** At Gemtek's Taiwan headquarters, each department annually prepares and updates a "Health and Safety Self-Inspection Plan" and a "Self-Inspection Checklist" based on regulatory requirements, equipment specifications, and chemical properties. In Mainland China and Vietnam, environmental safety units at each facility compile a "Comprehensive Environment and Occupational Health and Safety Inspection Checklist." These checklists support the implementation of regular departmental audits and help track any necessary improvements.
- **Workplace Hazard Monitoring:** Based on the "Guidelines for Workplace Environmental Monitoring," regular assessments are carried out to evaluate the work environment and measure workers' exposure to potential hazards. This proactive approach enables the early identification of risks and provides a foundation for improving workplace conditions, safeguarding the health and safety of all personnel. Through a comprehensive risk assessment process, Gemtek identifies workplace hazards, strictly controls medium and high-risk factors, and implements a range of occupational safety measures to protect workers. This rigorous approach supports the company's goal of achieving a zero-accident workplace.

Preventive Measures

To ensure the safety and health of employees, visitors, and contractors at Gemtek facilities, the Company has established and enforced comprehensive risk control procedures, including the "Contractor Management Procedure" and the "Guidelines for Managing Modifications in Environmental Health and Safety Standards." Gemtek also provides contractors with the "Contractor Environmental, Health, and Safety Memorandum" to ensure they are familiar with the company's safety standards. Before any work begins, organizational coordination and hazard notifications are implemented to integrate safety regulations into the contractors' operations, thereby enhancing overall safety. To prevent unacceptable risks arising from deviations in working conditions or environments beyond the established safety scope and control measures, all changes (both temporary and permanent) are subject to a risk assessment prior to implementation. Control measures are then applied based on the assessment results to prevent any potential safety deviations.

Incident Investigation and Analysis

Gemtek Technology has established the "Incident Investigation and Handling Procedure" to understand the causes of accidents, injuries, and major incidents, and to prevent their recurrence. Accidents are categorized into several types: fatal accidents, lost worktime incidents, medical incidents, minor injuries, false alarms, fire and explosion incidents, gas and chemical leaks, severe natural disasters, pollution control equipment malfunctions, and other environmental anomalies. When employees or contractors encounter a false alarm or disaster, the procedure involves investigating and analyzing the incident, developing preventive and corrective measures, and ensuring these measures are followed up on by the Environmental, Health, and Safety unit. The outcomes are communicated to employees through emails, notices, or during Environmental Health and Safety Committee meetings to raise awareness and prevent similar incidents in the future. According to Occupational Health and Safety regulations, employees are informed during safety training that they have the right to withdraw from immediately dangerous work environments. In such situations, employees may stop work and relocate to a designated safe area without endangering others, and must report the situation to their supervisor. The company supports employees exercising this right and does not impose any penalties for doing so.



Occupational Accident Statistics

In 2023, Gemtek Technology's Taiwan Headquarters reported one cutting injury incident, with the affected individual fully recovered. The company conducts thorough investigations of each incident and takes proactive measures to prevent recurrence, including implementing engineering controls, refining work processes, enhancing training and education, and ensuring the use of appropriate personal protective equipment.

Employee Occupational Safety Performance at Gemtek in Recent Years

Year	Manufacturing Plant/ Gender/Item	Total Work Hours			Recordable Number of Occupational Accidents (including the number of deaths plus common and serious injuries at work)			Rate of Recordable Occupational Injuries (including the number of deaths plus common and serious injuries at work)		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
2021	Gemtek Headquarters	1,035,849	1,065,715	2,101,564	0	5	5	0	4.69	2.38
	Gemtek (Kunshan)	2,055,190	1,549,956	3,605,146	0	0	0	0	0	0
	Gemtek (Changshu)	881,753	740,760	1,622,513	0	0	0	0	0	0
	Gemtek Vietnam	1,719,906	2,458,374	4,178,280	0	0	0	0	0	0
2022	Gemtek Headquarters	1,177,616	947,558	2,125,174	0	2	2	0	2.11	0.94
	Gemtek (Kunshan)	1,464,896	1,178,966	2,643,862	0	1	1	0	0.85	0.38
	Gemtek (Changshu)	777,883	660,243	1,438,126	0	0	0	0	0	0
	Gemtek Vietnam	2,889,616	2,761,076	5,650,692	0	0	0	0	0	0
2023	Gemtek Headquarters	1,006,401	849,246	1,855,647	1	0	1	0.99	0	0.54
	Gemtek (Kunshan)	1,957,320	1,296,572	3,253,892	0	0	0	0	0	0
	Gemtek (Changshu)	88,455.25	82,436.75	170,892	0	0	0	0	0	0
	Gemtek Vietnam	3,524,458	2,995,477	6,519,935	0	0	0	0	0	0

Note:

- The occupational accident statistics does not include commuting accidents.
- Workplace Fatality Rate = Number of Workplace Deaths/Total Work Hours*1,000,000. There have been no fatal occupational injuries in the past three years.
- The rate of severe occupational injuries = Number of severe occupational injuries (excluding fatalities) / Total work hours * 1,000,000. Severe occupational injuries are those resulting in long-term disability and not recovering to pre-injury health within six months. There have been no severe occupational injuries in the past three years.

- The rate of recordable occupational injuries = Number of recordable occupational injuries (including fatalities and severe injuries) / Total work hours * 1,000,000.
- Total work hours for male and female employees are based on actual working hours, as recorded by clock-in and clock-out systems.
- There have been no major occupational injury incidents (including fatalities and severe injuries) involving non-employee workers in recent years. Due to the difficulty in calculating total work hours, this information is not disclosed for the current year.

Occupational Safety Training and Emergency Drills

To enhance safety awareness and emergency response skills, Gemtek follows occupational health and safety training regulations. New employees receive comprehensive safety training upon hiring, and current employees participate in regular safety training sessions, including specialized courses on solvent handling and position-specific safety protocols. The company also maintains dedicated fire safety protocols, including forming first responder units, evacuation guides, and first aid teams. Gemtek conducts fire safety training twice a year, and holds full scale disaster response drills annually. These drills simulate various scenarios such as fires, earthquakes, typhoons, and chemical incidents, helping employees improve their hazard recognition and emergency response capabilities. All training is conducted during working hours, ensuring that participation does not result in wage deductions, salary reductions, or leave penalties. In 2023, 100% of employees participated in occupational health and safety training, with all employees passing the required assessments.

Occupational Safety Education and Training at Gemtek in Recent Years

Year	Training Subject	Manufacturing Plant	Number of Participants	Participation Rate(%)	Training Hours (Hr)
2021	Occupational Health and Safety Education and Training (Including New Employees)	Gemtek Headquarters	975	100	1,960
		Gemtek (Kunshan)	554	100	1,662
		Gemtek (Changshu)	281	100	843
		Gemtek Vietnam	1,008	100	3,024
	Organic Solvent Operations Safety Training	Gemtek Headquarters	296	100	903
		Gemtek (Kunshan)	1,441	100	2,882
		Gemtek (Changshu)	676	100	1,352
		Gemtek Vietnam	1,539	100	4,617
	Fire and Emergency Evacuation Drills	Gemtek Headquarters	1,092	100	1,275
		Gemtek (Kunshan)	1,153	100	2,306
		Gemtek (Changshu)	-	-	-
		Gemtek Vietnam	1,539	100	1,539
	Special Position Safety Training ^{Note 1}	Gemtek Headquarters	13	100	39
		Gemtek (Kunshan)	1,155	100	28,872
		Gemtek (Changshu)	525	100	9,586
		Gemtek Vietnam	24	100	72
2022	Occupational Health and Safety Education and Training (Including New Employees)	Gemtek Headquarters	681	100	1,922
		Gemtek (Kunshan)	403	100	1,209
		Gemtek (Changshu)	228	100	684
		Gemtek Vietnam	2,567	100	7,701



Year	Training Subject	Manufacturing Plant	Number of Participants	Participation Rate(%)	Training Hours (Hr)
2022	Organic Solvent Operations Safety Training	Gemtek Headquarters	394	100	1,197
		Gemtek (Kunshan)	1,322	100	2,644
		Gemtek (Changshu)	523	100	1,046
		Gemtek Vietnam	2,355	100	7,065
	Fire and Emergency Evacuation Drills	Gemtek Headquarters	1,262	100	1,631
		Gemtek (Kunshan)	1,116	100	2,232
		Gemtek (Changshu)	-	-	-
		Gemtek Vietnam	2,355	100	2,355
	Special Position Safety Training ^{Note 1}	Gemtek Headquarters	10	100	30
		Gemtek (Kunshan)	831	100	24,218
		Gemtek (Changshu)	454	100	7,682
		Gemtek Vietnam	56	100	168
2023	Occupational Health and Safety Education and Training (Including New Employees)	Gemtek Headquarters	1,420	100	5,058
		Gemtek (Kunshan)	3,610	100	10,830
		Gemtek (Changshu)	101	100	303
		Gemtek Vietnam	1,959	100	5,877
	Organic Solvent Operations Safety Training	Gemtek Headquarters	127	100	381
		Gemtek (Kunshan)	1,469	100	1,938
		Gemtek (Changshu)	-	-	-
		Gemtek Vietnam	2,171	100	6,513
	Fire and Emergency Evacuation Drills	Gemtek Headquarters	1,166	100	1,616
		Gemtek (Kunshan)	945	100	1,890
		Gemtek (Changshu)	-	-	-
		Gemtek Vietnam	2,171	100	2,171
	Special Position Safety Training ^{Note 1}	Gemtek Headquarters	10	100	30
		Gemtek (Kunshan)	1,087	100	14,596
		Gemtek (Changshu)	-	-	-
		Gemtek Vietnam	23	100	69

Note:

1. The Special Position Safety Training items for each facility are as follows:

Gemtek Taiwan Headquarters: Radiological Operations, Forklift Operators.

Gemtek (Kunshan) Plant / Gemtek (Changshu) Plant: Plate Cutting Machine Operations, Soldering Operators, Tool Operations, Soldering Furnace Equipment Operations, Maintenance Personnel, Rework and Chemical Management Personnel, Facility Electricians, Radiological Operations.

Gemtek Vietnam Plant: Forklift Operators, Radiological Operations, Chemical Safety Training.

2. Gemtek (Changshu) Plant did not conduct employee training in the second half of 2023 due to handling of business divestment.



Healthcare

Gemtek assigns occupational health experts to provide on-site medical and health services, including regular health examinations and special checkups. Nurses are responsible for overseeing healthcare risk management, which involves monitoring high-risk conditions and treatments among employees, proactively ensuring their well-being, arranging physician consultations as needed, and tracking the overall progress of employees' health recovery. In 2023, there were no high-risk groups or statutory occupational disease cases identified at our Mainland China and Vietnam facilities. The Taiwan Headquarters also reported no personnel classified as levels 3 or 4 in health management. In 2024, the Taiwan Headquarters received the Badge of Accredited Healthy Workplace.

Note: Statutory occupational diseases refer to those defined by the Ministry of Labor's Regulations for the Implementation of Occupational Disease Assessment Procedures.

Manufacturing Plant	Execution Frequency	
	General Physical Exam	Special Health Inspection
Gemtek Headquarters	Once every two years	Once per year
Gemtek (Kunshan)	Once every two years	Once per year
Gemtek Vietnam	Once per year	Twice per year

Note: Gemtek (Changshu) Plant did not conduct employee health check-ups in the second half of 2023 due to handling of business divestment.

- According to the corporate health checkup policy, employees exposed to workplace hazards are eligible for special health examinations. In compliance with Personal Data Protection Management Regulations, Gemtek ensures the strict confidentiality of each employee's health information. The company nurse analyzes the top ten health anomalies identified in the workplace and maintains detailed health records for each employee based on the checkup results. This information is used to plan annual health promotion campaigns, including weight loss programs, walking challenges, expert medical lectures, and bone density testing, aimed at enhancing health awareness and encouraging healthier lifestyles among employees.
- A dedicated disease prevention team actively gathers the latest information on epidemic prevention and implements robust control measures in the workplace. All actions and strategies align with guidelines issued by the Executive Yuan's Department of Health Centers for Disease Control. Additionally, business travelers are equipped with an "Epidemic Prevention Kit" to ensure their personal protection.

- Maternity Protection:** At Gemtek Taiwan Headquarters, Mainland China plants, and Gemtek Vietnam, the safety and health units work together to conduct workplace visits and consultations for employees who are pregnant or have recently given birth. They also offer relevant educational resources throughout the different stages of pregnancy.
- Prevention of Occupational Diseases:** The Gemtek Taiwan Headquarters, Mainland China plants, and Gemtek Vietnam regularly collaborate with the occupational health and safety units to host Occupational Disease Prevention training courses. Together with safety personnel, company physicians, and department supervisors, they work together to conduct workplace visits to review and improve operational processes and work environments.
- Healthcare Management:**
 - The Gemtek Taiwan Headquarters and Gemtek Vietnam plant regularly organize employee health promotion programs and seminars, providing high-quality health management services.
 - The Gemtek Taiwan Headquarters regularly arranges on-site physician services, offering health consultations and services to facility personnel.
 - Gemtek Technology conducts regular employee health checkups, which include not only the legally required health screenings but also additional tests like abdominal ultrasounds, ophthalmoscopy, and cancer screenings. Optional self-paid examination items are also offered to help employees detect and manage health issues early.

Items	Gemtek Headquarters	Gemtek Mainland China	Gemtek Vietnam
General Physical Examination	<ul style="list-style-type: none"> General Examination Urinalysis 	<ul style="list-style-type: none"> Liver Function Chest X-ray 	<ul style="list-style-type: none"> Complete Blood Count
Enhanced Health Screening Items (beyond regulatory requirements)	<ul style="list-style-type: none"> Abdominal Ultrasound Ophthalmoscopy Cancer Screening 	<ul style="list-style-type: none"> Abdominal Ultrasound 	<ul style="list-style-type: none"> Breast Ultrasound Cancer Screening
Special Operations Health Examination	<ul style="list-style-type: none"> Ionizing Radiation Exposure Noise Exposure 	<ul style="list-style-type: none"> Dust Exposure Inspection Power Frequency Magnetic Field (PFMF) Testing Tin Dioxide Testing Ethanol Testing Radiation Exposure Assessments 	<ul style="list-style-type: none"> Ionizing Radiation Exposure Noise Exposure

Note: The Mainland factories include Gemtek (Kunshan) and Gemtek (Changshu).

- The Company employs a full-time head chef to prepare meals for our employees, ensuring that food is not outsourced to catering companies. Our self-service buffet offers a daily selection of one main dish, four side dishes, soup, and fruit. We provide both white and brown rice, along with vegetarian options to accommodate dietary preferences. In addition to rice-based meals, a variety of noodle dishes are available, giving colleagues a diverse range of choices each day. Our company is committed to employee health and balanced nutrition. We carefully select fresh, healthy ingredients, minimize the use of processed foods, and avoid reused cooking oil. Meals served in the company cafeteria are evaluated and approved by nutrition specialists, with calorie information clearly displayed for each dish. This allows employees to easily manage their food intake as part of their diet plan.
- We have established an infirmary staffed with occupational healthcare professionals to provide on-site medical services.

2023 Employee Health Promotion Event

Item	Content	Participants
General Physical Health Examination	Annual Physical Health Examination	3,030
Special Operations Health Examination	Ionizing Radiation/Radiation Operators, Noise Exposure Hearing Tests, Food Service Workers, Dust Exposure Inspection, Power Frequency Magnetic Field (PFMF) Testing, Tin Dioxide Testing, Ethanol Testing	209
Health Consultation	Employee Health Consultation Services, On-Site Physician Consultation Services	162
Health Promotion	Health and Safety Lectures, Epidemic Prevention Awareness	2,346
Blood Donation	Organize Blood Donation Activities, On-Site Blood Donation Services	166
722 Blood Pressure Monitoring Day	Develop Blood Pressure Monitoring Guidelines, Instruct Blood Pressure Measurement	80
Weight-Loss Program	Encourage Dietary Control and Exercise to Achieve Healthy Weight Loss	91

Note:

1. In 2023, Gemtek Taiwan Headquarters organized health promotion activities including blood donation drives, blood pressure monitoring, and healthy weight loss programs.
2. The Gemtek Mainland China facilities currently do not offer health consultation or health promotion activities.

Gemtek's Taiwan Headquarters recognizes the importance of workplace wellness activities. As a result, it encourages employees to engage in regular exercise, minimize health risks associated with their work environment, and prevent injuries and illnesses related to occupational tasks. These efforts aim to enhance employees' stamina and endurance, while also improving their overall satisfaction with the care they receive. In 2024, the Taiwan Headquarters received the Badge of Accredited Healthy Workplace.

In 2023, the Company hosted a two-month health and weight loss program, with 91 participants collectively losing a total of 250 kilograms. Among them, 48 individuals achieved a personal weight loss target of 5%. The blood donation drive had 166 participants, while the blood pressure monitoring event, held on July 22, saw 80 attendees. Additionally, three health seminars were conducted, with a total of 160 participants.



Employees are Gemtek's most valuable asset and the cornerstone of our success. We take proactive measures to ensure that every colleague feels appreciated for their time and contributions. To foster and maintain a positive organizational culture, Gemtek is committed to providing an exceptional workplace environment that helps employees meet their personal and professional goals. We offer ample recreational spaces and equipment, promote a variety of workplace activities, and encourage health and fitness. The company regularly organizes competitive sports events, including badminton, basketball, and table tennis, and employs professional trainers for group exercises such as aerobics and yoga. These initiatives support a balanced work-life integration and enhance overall well-being. Gemtek has been honored with the Taiwan i Sports Enterprise Certification Award for two consecutive years, recognizing our dedication to employee health and wellness. Through diverse welfare initiatives and leisure activities, we strive to support employees in maintaining their mental and physical health, strengthen team spirit and cohesion, and contribute to long-term corporate sustainability.



5.5 Contributing to the Common Good

Gemtek is dedicated to social welfare initiatives, fulfilling its corporate social responsibility, and advancing the common good through collective actions. Our primary goal is to give back to society and make a positive impact. Over the years, we have engaged in various charitable events, including beach cleanups, charity sales, material donations, blood drives, and support for underserved rural communities. In 2023, our philanthropic efforts are highlighted in the table below, showcasing a total donation and group purchase amount of NT\$918,807.

Name of Charitable Events	Description
i (Love) Charity Ambassador Event	In 2023, we continued with the "i (Love) Charity Virtual Passport" stamp collection campaign. This initiative encourages employees to actively engage in health promotion and charitable activities while competing for the title of "i (Love) Charity Ambassador." It's a great way for individuals to earn personal recognition while also fostering connections and camaraderie among colleagues. By promoting well-being and giving back to society, the campaign helps build a supportive and dynamic workplace environment. We're proud to say that 1,273 employees participated in this meaningful initiative.
Blood Donation	We encourage employees to voluntarily donate blood, reflecting a generous commitment to giving the gift of life to those in need in our community. In 2023, the company organized three blood drives on-site. A total of 166 volunteers participated, contributing 231 bags (57,750mL) of blood.
Ocean Guardian	In response to International Coastal Cleanup Day, we participated in a beach cleanup event organized by the Hsinchu Society of Wilderness. On the day of the event, our volunteers worked diligently, picking up bags of trash, dragging large fishing nets and discarded fishing gear, and even removing two large refrigerators left on the beach, a first-time experience for many of us. Over a hundred participants worked together to clean up 2,300 kilograms of waste . Seeing the beach transform from a littered area into a clean space was truly gratifying. In total, 29 Gemtek team members , both adults and children, joined hands to help clean up our community and protect our beautiful oceans.
Healthy 'Eco Cleanup' Walk ~ Go ~	We recently ventured to the Fengqi Sunset Trail in Hsinchu, inviting our colleagues to step away from their desks and enjoy the beauty of nature. During our hike, we made a point to pick up any litter we encountered and carried it out with us to help maintain the trail's pristine condition. This activity also provided an opportunity to involve children in environmental care. Despite the physical challenge of climbing numerous steps, the event highlighted the importance of mountain conservation and the necessity of leaving no trash behind. A total of 51 participants, both adults and children , came together for this "Clean Walk" event, working collaboratively to safeguard and cherish our natural surroundings.
Community Run Activity	In 2023, Gemtek participated in the "VEGRUN Veg-Revival Virtual Community Run." "VEGRUN" stands for vegan run and vegetarian run, symbolizing the promotion of plant-based diets and the betterment of our planet. This event not only supports environmental protection by encouraging plant-based eating to combat global warming but also contributes to charitable causes. For every 10 kilometers run, the Fo Guang Shan Buddhist organization donates one kilogram of rice to underprivileged communities and rural schools. A total of 46 colleagues took part, collectively covering 4,823 kilometers , resulting in a donation of 482 kilograms of rice to those in need.
Community Walk Activity	In 2023, Gemtek participated for the first time in the "Step by Step, Towards a Better Day!" event organized by the Syin-Lu Social Welfare Foundation. The event included various challenge activities aimed at raising awareness of the foundation's services for individuals with disabilities. Participants engaged in activities that simulated the daily challenges faced by those with disabilities and used wearable devices to experience how children with autism perceive the world. This experience deepened our understanding of the perspectives and difficulties faced by individuals with disabilities. Moving forward, we hope to encourage more colleagues to join in such initiatives, leveraging these experiences to support charitable causes and foster a more inclusive environment where love and care reach every corner. A total of 27 members participated in the event.
Moon Festival Charity Event	The Mid-Autumn Festival is a time for family reunions, and this year, we decided to purchase handmade mooncake gift boxes from Maria MAMA and the Syin-Lu Social Welfare Foundation. We ordered a total of 350 sets , with 200 of them donated to rural areas such as the Penghu Jibei 1919 Service Center, Yixin Home Orphanage, a youth baseball team in Nantou, Da Ya Shang Feng Church Sunshine Classroom (a program supporting underprivileged children), and the Hsinchu County I-Link Community Care Association (another program for underprivileged children). Our aim was to deliver the joy to children in these communities, allowing them to experience the sweetness of mooncakes and the warmth of the holidays. For many years, we have consistently supported products made by individuals with disabilities, contributing to stable employment opportunities for them. In 2023, our efforts were recognized by the Taichung City Government for our dedication to purchasing products from welfare organizations and community shelters during the Mid-Autumn Festival.
Sort, Share, and Spread Joy!	During the chilly winter of 2023, we organized a donation drive for winter essentials, including second-hand clothing, scarves, socks, and thermos bottles, generously provided by Gemtek employees. We collected and distributed a total of 22 boxes of these items to the Penghu Jibei Baptist Church, the Maria Social Welfare Foundation, and the Stray Dog Shelter. Our goal was to offer warmth and comfort to those in need during the cold months.

Name of Charitable Events	Description
Group Purchase for Charity	In 2023, we allocated NT\$430,387 to purchase charitable goods from several organizations, including the Genesis Social Welfare Foundation, Syin-Lu Social Welfare Foundation, Down Syndrome Foundation Taiwan, Simply ICR Organization, Maria Social Welfare Foundation, Hsiangyuan Nursing Institution, Kaohsiung Epilepsy Association, and Jishan Workshop of the Yu-Cheng Social Welfare Foundation. These items were used as participation gifts for various events, holiday gifts, and group purchases.
Christmas Charity	Gemtek's Christmas charity event invited employees to participate in a heartwarming activity by delivering practical Christmas gifts and handwritten cards to children in rural communities. In total, 114 Christmas gifts were gathered and donated to the children at Penghu Jibei Baptist Church, Da Ya Shang Feng Church Sunshine Classroom, and the Hsinchu County I-Link Community Care Association.
Material Donations	For many years, Gemtek has been committed to supporting students in rural areas by providing essential educational resources, aiming to make a meaningful impact on their learning environment. We donated a variety of supplies to enhance both educational activities and daily living, including eight folding tables, two 50-inch LCD panels, a teaching amplifier, air purifier filters, printer ink, and smart cameras, to Penghu Jibei Baptist Church, Da Ya Shang Feng Church Sunshine Classroom, and the Hsinchu County I-Link Community Care Association.
Other Donations	<ul style="list-style-type: none"> Donated 8 packages of hot pot ingredients and 1 reusable shopping bag to the St. Joseph Nursing Home of the Social and Family Affairs Administration, Ministry of Health and Welfare. Donated NT\$100,000 to sponsor the 2023 National High School Games. Donated NT\$258,411 to the Henan Province Disaster Relief Fund in 2023. Donated NT\$2,541 to support disabled individuals in Weixian City, Henan Province.



Gemtek Partners with Maria Social Welfare Foundation to Promote Sustainability through "Happy Eco-Friendly Socks"

In 2023, we started the campaign for reducing plastic waste by promoting responsible consumer choices. Our aim was to inspire more people to opt for products made from eco-friendly materials to lessen our environmental impact. In collaboration with the Maria Social Welfare Foundation, we created the Gemtek exclusive "Happy Eco-Friendly Socks." These socks are crafted from recycled PET bottles, with each pair repurposing two bottles, thereby easing the burden on the environment. The socks were distributed as participation gifts during our beach and mountain clean-up events, underscoring the importance of sustainability and reducing plastic waste in our daily lives.

The Maria Social Welfare Foundation is dedicated to creating job opportunities for people with disabilities, and their Merry Yang Happy Socks brand is a key part of this mission. In June 2023, we visited the foundation's Love Home and Happy Socks store. This visit gave us a firsthand look at their efforts to support disadvantaged children and the genuine care and compassion that go into their work. Each pair of Happy Socks features designs hand-drawn by the foundation's young participants. These vibrant patterns reflect their personal stories and experiences, conveying their unique perspectives and emotions. Through these socks, they aim to spread happiness and share their artistic vision.

During our visit, volunteers listened as the young store manager from Maria introduced the Merry Yang Happy Socks brand, detailing how the eco-friendly socks are made and the foundation's commitment to environmental sustainability. One statement that particularly struck us was: "No one is born perfect. Everyone faces their own challenges; while those with visible disabilities may stand out, others also deal with hidden struggles." Dr. Chuang, the foundation's founder, described these special children as "slow-flying" kids— they may not interact with society in the typical ways, but we can create environments that help bring reality closer to their lives. After the presentation, our volunteers began the task of packaging and boxing the Happy Socks. The young people from Maria carefully guided us through each step, their focused expressions revealing their passion and joy for their work. As their teacher explained, what might seem like simple tasks require a long time for these young people to learn and practice, therefore allowing them to confidently guide us. Though the process may be slow, each step is crucial in their journey toward independence.

In addition to Gemtek's exclusive Happy Socks, our colleagues organized a group purchase for Happy Socks for personal use or as gifts. During the Christmas season, we also donated Happy Socks to 108 underprivileged children at the Boyo Foundation's Hualien Center. This gesture aimed to spread warmth in line with the Happy Socks motto: "Wear good socks, do good deeds." In 2023, we purchased a total of 935 pairs of Happy Socks, which corresponds to 1,870 recycled PET bottles and a reduction of 118.5 kilograms of carbon dioxide emissions.



Appendix

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Appendix 1 : GRI Content Index

Statement of Use	The content reported for the period from January 1, 2023, to December 31, 2023, is based on the 2021 edition GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

GRI Standard	Disclosure	Location	Page Number	Omissions and / or Additional Comments
GRI 2: General Disclosure 2021				
The organization and its reporting practices				
2-1	Organizational details	About the ESG Report 1.1 About Gemtek	02 22	
2-2	Entities included in the organization' s sustainability reporting	1.1 About Gemtek	22	
2-3	Reporting period, frequency and contact point	About the ESG Report	02	
2-4	Restatements of information	About the ESG Report	02	
2-5	External assurance	About the ESG Report	02	
Activities and workers				
2-6	Activities, value chain and other business relationships	2.1 Products and Services 3.1 Supply Chain Overview	40 51	
2-7	Employees	5.2 Workforce Composition	75	
2-8	Workers who are not employees	5.2 Workforce Composition	75	
Governance				
2-9	Governance structure and composition	1.2 Corporate Governance 1.3 ESG Sustainable Development Committee	27 31	
2-10	Nomination and selection of the highest governance body	1.2 Corporate Governance	27	
2-11	Chair of the highest governance body	1.2 Corporate Governance	27	
2-12	Role of the highest governance body in overseeing the management of impacts	1.3 ESG Sustainable Development Committee	31	
2-13	Delegation of responsibility for managing impacts	1.3 ESG Sustainable Development Committee	31	

GRI Standard	Disclosure	Location	Page Number	Omissions and / or Additional Comments
Governance				
2-14	Role of the highest governance body in sustainability reporting	About the ESG Report 1.3 ESG Sustainable Development Committee	20 31	
2-15	Conflicts of interest	1.2 Corporate Governance	27	
2-16	Communication of critical concerns	1.3 ESG Sustainable Development Committee 4.1 Response to Climate Change	31 59	
2-17	Collective knowledge of the highest governance body	1.2 Corporate Governance	27	
2-18	Evaluation of the performance of the highest governance body	1.2 Corporate Governance	27	
2-19	Remuneration policies	1.2 Corporate Governance	27	
2-20	Process to determine remuneration	1.2 Corporate Governance	27	
2-21	Annual total compensation ratio	5.3 Employee Benefits and Training & Development	79	
Strategy, policies and practices				
2-22	Statement on sustainable development strategy	Letter from the Chairman	04	
2-23	Policy commitments	1.5 Business Integrity 3.1 Supply Chain Overview 4. Sustainable Environment 5.1 Human Rights Protection	36 51 57 73	
2-24	Embedding policy commitments	1.5 Business Integrity 3.1 Supply Chain Overview 4. Sustainable Environment 5.1 Human Rights Protection	36 51 57 73	
2-25	Processes to remediate negative impacts	Communication with Stakeholders 1.Business Operations and Corporate Governance 2.Products and Services 3.Supply Chain Management 4.Sustainable Environment 5.Workplace Well-being	07 20 37 49 57 70	
2-26	Mechanisms for seeking advice and raising concerns	Communication with Stakeholders 1.5 Business Integrity	07 36	
2-27	Compliance with laws and regulations	1.5 Business Integrity	36	
2-28	Membership associations	1.1 About Gemtek	22	

GRI Standard	Disclosure	Location	Page Number	Omissions and / or Additional Comments
Stakeholder engagement				
2-29	Approach to stakeholder engagement	Communication with Stakeholders	07	
2-30	Collective bargaining agreements	5.1 Human Rights Protection	73	

GRI Topic-specific Disclosures : Material Topics					
GRI Standards	Disclosures		Location	Page Number	Omission and/or Additional Comments
GRI 3 : Material Topics 2021	3-1	Process to determine material topics	Material Topics and Management	10	
	3-2	List of material topics	Material Topics and Management	10	
Management Policy: Sustainability Management					
Material Topic: Economic Performance					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 1. Business Operations and Corporate Governance	10 20	
GRI 201:Economic Performance 2016	201-1	Direct economic value generated and distributed	1.1 About Gemtek	22	
	201-4	Financial assistance received from government	1.1 About Gemtek	22	
Material Topic:Business Integrity					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 1.Business Operations and Corporate Governance	10 20	
GRI 205 : Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1.5 Business Integrity	36	
Material Topic: Anti-competitive Behavior					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 1. Business Operations and Corporate Governance	10 20	
GRI 206 : Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.5 Business Integrity	36	
Management Policy: R&D and Intellectual Property					
Material Topic: Innovation and R&D					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37	

GRI Standards		Disclosures		Location	Page Number	Omission and/or Additional Comments
Material Topic: Intellectual Property Management						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37		
Material Topic: Product Lifecycle Management						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37		
Material Topic: Materials (Circular Economy)						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37		
GRI 301 : Materials 2016	301-1	Materials used by weight or volume	2.3 Green Products	44		
	301-2	Recycled input materials used	2.3 Green Products	44		
	301-3	Reclaimed products and their packaging materials	2.3 Green Products	44		
Management Policy: Customer Relationship Management						
Material Topic: Customer Health and Safety						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37		
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.1 Products and Services 2.3 Green Products	40 44		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.5 Business Integrity	36		
Material Topic: Product Information Security						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37		
Material Topic: Customer Privacy						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2. Products and Services	10 37		
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Customer Relationship & Information Security Management	46		
Material Topic: Customer Service and Satisfaction						
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 2.Products and Services	10 37		

GRI Standards	Disclosures		Location	Page Number	Omission and/or Additional Comments
Management Policy: Supply Chain Management					
Material Topic: Raw Material Traceability (Conflict Minerals)					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 3.Supply Chain Management	10 49	
Material Topic: Supply Chain Sustainability Management					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 3.Supply Chain Management	10 49	
GRI 308 : Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	3.2 Supplier Responsibility Management	52	
	308-2	Negative environmental impacts in the supply chain and actions taken	3.2 Supplier Responsibility Management	52	
GRI 414 : Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.2 Supplier Responsibility Management	52	
	414-2	Negative social impacts in the supply chain and actions taken	3.2 Supplier Responsibility Management	52	
Management Policy: Environmental Protection					
Material Topic: Task Force on Climate-related Financial Disclosure					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 4.Sustainable Environment	10 57	
Material Topic:Energy					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 4.Sustainable Environment	10 57	
GRI 302 : Energy 2016	302-1	Energy consumption within the organization	4.2 Energy and Emission	62	
	302-3	Energy intensity	4.2 Energy and Emission	62	
	302-4	Reduction of energy consumption	4.2 Energy and Emission	62	
Material Topic: Water and Effluent					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 4.Sustainable Environment	10 57	
GRI 303 : Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.3 Water Resources	66	
	303-2	Management of water-discharge-related impacts	4.3 Water Resources	66	
	303-3	Water withdrawal	4.3 Water Resources	66	

GRI Standards	Disclosures		Location	Page Number	Omission and/or Additional Comments
Material Topic: Water and Effluent					
GRI 303 : Water and Effluents 2018	303-4	Water discharge	4.3 Water Resources	66	
	303-5	Water Consumption	4.3 Water Resources	66	
Material Topic: GHG Emission					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 4.Sustainable Environment	10 57	
GRI 305 : Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.2 Energy and Emission	62	
	305-2	Energy indirect (Scope 2) GHG emissions	4.2 Energy and Emission	62	
	305-4	GHG emissions intensity	4.2 Energy and Emission	62	
	305-5	Reduction of GHG emissions	4.2 Energy and Emission	62	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.4 Pollution Prevention	68	
Material Topic: Waste					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 4.Sustainable Environment	10 57	
GRI 306 : Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Pollution Prevention	68	
	306-2	Management of significant wasterelated impacts	4.4 Pollution Prevention	68	
	306-3	Waste generated	4.4 Pollution Prevention	68	
	306-4	Waste diverted from disposal	4.4 Pollution Prevention	68	
	306-5	Waste directed to disposal	4.4 Pollution Prevention	68	
Material Topic: Human Resources Development					
Material Topic: Employment Relationship					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 5. Workplace Well-being	10 70	
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	5.2 Workforce Composition	75	
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime empl Workplace Well-being oyees	5.3 Employee Benefits and Training & Development	79	
	401-3	Parental leave	5.3 Employee Benefits and Training & Development	79	
GRI 405 : Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	5.3 Employee Benefits and Training & Development	79	

GRI Standards	Disclosures		Location	Page Number	Omission and/or Additional Comments
Material Topic: Training and Education					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 5. Workplace Well-being	10 70	
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	5.3 Employee Benefits and Training & Development	79	
	404-2	Programs for upgrading employee skills and transition assistance programs	5.3 Employee Benefits and Training & Development	79	
	404-3	Percentage of employees receiving regular performance and career development reviews	5.3 Employee Benefits and Training & Development	79	
Material Topic: Diversity and Equal Opportunity					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 5. Workplace Well-being	10 70	
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	5.2 Workforce Composition	75	
Material Topic: Occupational Health and Safety					
Material Topic: Occupational Health and Safety					
GRI 3 : Material Topics 2021	3-3	Management of material topics	Material Topics and Management 5. Workplace Well-being	10 70	
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	5.4 Employee Health and Safety	87	
	403-2	Hazard identification, risk assessment, and incident investigation	5.4 Employee Health and Safety	87	
	403-3	Occupational health services	5.4 Employee Health and Safety	87	
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Employee Health and Safety	87	
	403-5	Worker training on occupational health and safety	5.4 Employee Health and Safety	87	
	403-6	Promotion of worker health	5.4 Employee Health and Safety	87	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Employee Health and Safety	87	
	403-8	Workers covered by an occupational health and safety management system	5.4 Employee Health and Safety	87	
	403-9	Work-related injuries	5.4 Employee Health and Safety	87	
	403-10	Work-related ill health	5.4 Employee Health and Safety	87	

GRI Topic-specific Disclosures : Voluntary Disclosures

GRI Standards	Disclosure		Location	Page Number	Omissions and/or Additional Comments
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Benefits and Training & Development	79	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5.5 Contributing to the Common Good	95	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	3.1 Supply Chain Overview	51	
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	5.2 Workforce Composition	75	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5.1 Human Rights Protection	73	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1 Human Rights Protection	73	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	5.1 Human Rights Protection	73	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Human Rights Protection	73	
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	5.1 Human Rights Protection 5.3 Employee Benefits and Training & Development	73 79	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	5.1 Human Rights Protection	73	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5.5 Contributing to the Common Good	95	
GRI 415: Public Policy 2016	415-1	Political contributions	1.5 Business Integrity	36	No political contributions in 2023
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.1 Products and Services	40	
	417-2	Incidents of non-compliance concerning product and service information and labeling	1.5 Business Integrity	36	
	417-3	Incidents of non-compliance concerning marketing communications	1.5 Business Integrity	36	

Appendix 2 : SASB – Sustainability Disclosure Indicators – Communications and Internet Industry

No.	Indicator	Indicator Type	Unit	Remarks
I	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy)	Quantitative	Gigajoules (GJ) , percentage (%)	Reference 4.2 Energy and Emission
II	Total water withdrawn, total water consumption	Quantitative	Thousand cubic meters (m ³)	Reference 4.3 Water Resources
III	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), percentage (%)	Reference 4.4 Pollution Prevention
IV	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage (%), quantity	Reference 5.4 Employee Health and Safety
V	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	Metric tons (t), percentage (%)	(1)N/A (2)Percentage recycled: 52.7%
VI	Description of the management of risks associated with the use of critical materials	Qualitative description	Not applicable	Reference 3.2 Supplier Responsibility Management
VII	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting currency(NTD)	None
VIII	Production by product category	Quantitative	Pcs	Reference 2.1 Products and Services

Appendix 3 : Climate-Related Information of TWSE/TPEX Listed Company

Item	Progress
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	4.1 Response to Climate Change
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	4.1 Response to Climate Change
3. Describe the financial impact of extreme weather events and transformative actions.	4.1 Response to Climate Change
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Response to Climate Change
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described	N/A
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	N/A
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	N/A
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	N/A
9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).	<ul style="list-style-type: none"> Gemtek completed the GHG inventory report and obtained external verification in June 2024. The audits and verification plans for consolidated reports of subsidiary companies will also be conducted in accordance with the Financial Supervisory Commission's requirements, with completion targeted for 2027 and 2029, respectively.

1-1 Greenhouse Gas Inventory and Assurance Status at Gemtek in Recent Years

1-1-1 Greenhouse Gas Inventory Data

Please specify the greenhouse gas emissions (in MTCO₂e), intensity (MTCO₂e per million dollars), and the data scope for the past two years.

Year	Scope 1 (MTCO ₂ e)	Scope 2 (MTCO ₂ e)	Intensity (MTCO ₂ e / million dollar NTD revenue)	Scope 3 (MTCO ₂ e)	Data Scope
2022	2,431.074	27,941.701	1.09	4,463.298	Gemtek Taiwan Headquarters, Gemtek (Kunshan), Gemtek (Changshu) Gemtek Vietnam
2023	2,594.478	28,795.725	1.20	4,974.589	Gemtek Taiwan Headquarters, Gemtek (Kunshan), Gemtek (Changshu) Gemtek Vietnam

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

In 2021, the Company updated its greenhouse gas inventory process to the ISO 14064-1:2018 standard. Each year, we conduct internal audits and undergo external verifications to accurately monitor our greenhouse gas emissions.

Scope of Assurance		2022	2023
Gemtek Taiwan Headquarters	Scope 1	529.8655	595.966
	Scope 2	4,248.5715	4,109.718
	Total	4,778.437	4,705.684
Gemtek (Kunshan)	Scope 1	468.9314	463.1909
	Scope 2	7,434.4509	8,517.8107
	Total	7,903.382	8,981.002
Gemtek (Changshu)	Scope 1	564.8437	166.4822
	Scope 2	5,277.65	887.1165
	Total	5,842.494	1,053.599
Gemtek Vietnam	Scope 1	867.433	1,368.838
	Scope 2	10,981.03	15,281.079
	Total	11,898.461	16,649.918
Percentage of Inventory Disclosure		100%	100%
Assurance Institution		SGS	SGS
Comments		Based on the ISO 14064-1:2018 standard, for Gemtek Taiwan Headquarters and Gemtek Vietnam, the verification was conducted by the assurance institution to a Reasonable Assurance Level, while Gemtek (Kunshan) and Gemtek (Changshu), the verification was conducted by the assurance institution to a Limited Assurance Level.	
Assurance Opinion		Unqualified opinion	Unqualified opinion

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year, data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

● Greenhouse Gas Reduction Base Year and Reduction Targets


To develop effective greenhouse gas reduction strategies, Gemtek has established 2022 as the baseline year, with total emissions for Scope 1 and Scope 2 combined at 30,372.77 TCO₂e. Through the following action plan, we aim to reduce emissions by at least 5% annually from the baseline year, striving to achieve a 50% reduction by 2030.

● Greenhouse Gas Reduction Strategy and Concrete Action Plan

In response to international carbon standards, we pay special attention to greenhouse gas regulations, using them as our basis to develop carbon reduction strategies and management. By leveraging the opportunities presented by the low-carbon initiative, we continuously refine our policies and plans. Our broad approach to managing greenhouse gas reduction includes improving energy efficiency, acquiring energy-efficient equipment, installing solar power systems, reducing emissions during raw material sourcing, exploring low-carbon fuels and energy sources, and developing negative emissions technologies. These efforts help us meet our reduction goals, minimize carbon impact, and bolster our operational competitiveness.

In 2023, Gemtek Technology's energy-saving initiatives led to a reduction of 223,561.39 kgCO₂e in total. We are committed to continuing these efforts to uphold our environmental responsibilities.

Appendix 4 : Third Party Assurance Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE GEMTEK TECHNOLOGY CO., LTD.'S ESG REPORT FOR 2023

NATURE AND SCOPE OF THE ASSURANCE
SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Gemtek Technology Co., Ltd. (hereinafter referred to as Gemtek) to conduct an independent assurance of the ESG Report for 2023 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance (2024/04/18~2024/05/23) in Gemtek headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD) and sustainability accounting standards (SASB).

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

INTENDED USERS OF THIS ASSURANCE STATEMENT
This Assurance Statement is provided with the intention of informing all Gemtek's Stakeholders.

RESPONSIBILITIES
The information in this Report and its presentation are the responsibility of the directors or governing body (as applicable) and management of Gemtek. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all Gemtek's stakeholders.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE
The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard Options	Level of Assurance	
A	SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000)	High
B	AA1000ASv3 Type 1 (AA1000AP Evaluation only)	Moderate

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SCOPE OF ASSURANCE AND REPORTING CRITERIA
The scope of the assurance included evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

- GRI Standards (Reference)
- AA1000 Accountability Principles (2018)

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI Content Index as material in the report and is conducted with reference to the Standards.

ASSURANCE METHODOLOGY
The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan, documentation and record review and validation with external bodies and/or stakeholders where relevant.

LIMITATIONS AND MITIGATION
Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD) and SASB related disclosures has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification, quality, environmental, social and ethical auditing and training, environmental, social and sustainability report assurance. SGS affirm our independence from Gemtek, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 50001, EMS, SMS, CFF, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

ASSURANCE / VERIFICATION OPINION
On the basis of the methodology described and the assurance work performed, we are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria. We believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

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ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

INCLUSIVITY
Gemtek has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, sustainability experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, Gemtek may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

MATERIALITY
Gemtek has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

RESPONSIVENESS
The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

IMPACT
Gemtek has demonstrated a process on identify and fairly represent impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, divisions and products and services, as well as any related performance. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND RECOMMENDATIONS
The report, Gemtek's ESG Report of 2023, complies with the Requirements for reporting with reference to the GRI Standards set out in Section 3 of GRI 1. The significant impacts are assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021. The report has properly disclosed information related to Gemtek's contributions to sustainability development. For future reporting, Gemtek is encouraged to prepare for the transition to reporting in accordance with the GRI Standards, with more comprehensive details of its management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights.

Signed:
For and on behalf of SGS Taiwan Ltd.



Stephen Pao
Business Assurance Director
Taipei, Taiwan
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