

Gemtek

正文科技股份有限公司

Gemtek Technology Co., Ltd.



2021 永續報告書 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 published sustainability reports regularly per "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies". This sustainability report is the sixth edition published by the Company, registering salient facts and achievements of the Company that surround topics on "Corporate Governance", "Products and Services", "Sustainable Environment" and "Workplace Well-being" throughout the entire report. In other words, the ESG report is a summary of Gemtek's general principles and values when navigating business paths that are tied to corporate governance, economy, environment, and social issues, serving as a means to allow all stakeholders to witness Gemtek's efforts in the course of its implementation of the sustainable development goals.

● Scope and Basis of the ESG Report

The scope of the content and performance data covered by this ESG Report are mainly derived from Gemtek Technology Co., Ltd. Taiwan Headquarters (hereinafter referred to as Gemtek Technology). The consolidated financial statements are the aggregated financial data collected from the Gemtek Group entities (Taiwan Headquarters, Gemtek Electronics (Changshu) Co., Ltd., Gemtek Electronics (Kunshan) Co., Ltd., and Gemtek Vietnam Corporation Limited) and other affiliated companies. Environmental information depends on the locations where the affiliated companies of the Gemtek Group operate (Taiwan Headquarters, Gemtek Electronics (Changshu) Co., Ltd., Gemtek Electronics (Kunshan) Co., Ltd., and Gemtek Vietnam Corporation Limited), which excludes sales offices and service centers that are located in the Americas, Europe, Japan, and other business entities that Gemtek Technology does not have direct control over. The date range of the disclosed information starts on January 1, 2021, and ends on December 31, 2021. The content may cover topics and issues that come before and after 2021 to better describe the Company's future policies, goals, and plans. The statistical data disclosed in the content of this report are the results of the data gathered and researched by Gemtek Technology. Financial reports are publicly disclosed information confirmed by Certified Public Accountants of Deloitte Touche Tohmatsu Limited and presented according to international standards. Any assumptions or hypotheses will be noted in the relevant chapters.

The framework of this report follows the standards for sustainability reporting under the Global Reporting Initiative (GRI): The report is compiled and disclosed based on the core option (Core) of GRI Standards. (GRI standards are detailed in Appendix 1). Any modifications made to past events and data that have already been disclosed in the former report, the "Gemtek Technology 2020 Corporate Social Responsibility Report", will be further explained in the current report.

Senior executives shall be appointed by the Company's general manager to oversee the implementation of sustainable development goals. The preparation of this report follows the Company's "Guidelines for Sustainability Report Preparation and Verification Management" categorized under internal control measures. The ESG team is responsible for the overall planning, communication, integration, data collection, editing, and revision of the report. A

third-party verification agency, SGS Taiwan Ltd., will be commissioned to reassure the Inclusivity, Materiality, Responsiveness, and Impact of the disclosed information with the use of AA1000 Assurance Standard (AA1000AS v3) Type 1 methodology. After the report has been fully reviewed by the manager of the designated department, it will be submitted to the Chairman of the Board by the Finance Department for a final assessment prior to publication. The SGS Verification Statement is detailed in Appendix II.

● Publication Date

Annual sustainability reports can be found on Gemtek's company website.

Previous Publication Date: 2021 September

Latest Publication Date: 2022 June

Next Publication Date: Approximately in 2023 June

● 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

Since its establishment in 1988, Gemtek Technology has adhered to the corporate mission of "Creating a Wireless Lifestyle & Infinite New Ideas" together with the corporate vision of 4A (Wireless broadband Anytime, Anywhere, Any Content, Affordable), and is faithfully committed to the research and development of network communication technology. As technology continues to evolve and change, Gemtek persistently stands by its core values of business professionalism, integrity, and service commitment, helping to realize the era of communication in which heterogeneous networks integrate with advanced technologies. Gemtek Technology strives to accumulate more technological capabilities to provide customers with best of the best service quality. At the same time, thanks to visionary strategies and the supporting efforts of all colleagues, since 2017, Gemtek Technology was again able to gradually increase its operating income, passing numerous challenges with flying colors throughout the years that follow.

Over the past two years, the world has been turned upside down by many global predicaments. The outbreak of the COVID-19 pandemic and the Sino-US trade war has led to unprecedented supply chain disruptions, causing a drastic structural impact on the industry. In response to changes amid the global crisis, Gemtek Technology has created plans to expand its global layout and strengthen its supply chain management, which customers have acknowledged with full support. Despite the challenges brought about by the COVID-19 pandemic, Gemtek Technology insists on providing high-quality services and unarguably became a winner for the Supplier Achievement Award (SAA) by Intel in 2021. As the demand for wireless communication products continues to increase across the globe, 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. Gemtek Technology has obtained many internationally recognized certifications, such as ISO14001 and ISO 45001 for Environmental Management System and Occupational Health and Safety Management System. One of Gemtek's important aims for doing business is to carry out plans that are environmentally conscious by eliminating or reducing foreseeable factors that may lead to detrimental environmental pollution and safety hazards.

After two long years, the COVID-19 pandemic is still far from over. The importance of wireless communication products and services in the post-epidemic era has become more prominent. Infrastructure deployment not only contributes to better network connectivity and communication among people, but is also the indispensable basis of the Internet of Things, smart factories, and the Metaverse. As 5G infrastructure deployment continues to move forward, the development of 6G technology has also begun to gain momentum in the industry. The significant demand for more advanced wireless communication Smart products and services has drawn global attention to wireless communication-related suppliers and manufacturers. In response to the widespread changes in the geopolitical and economic environment, Gemtek Technology has actively reorganized its global layout plan by integrating its overall production capacity and by building a new manufacturing plant in Vietnam, preparing itself for the next wave of high product demands.

Technology is ever-evolving while the world is standing on the brink of a capricious political and economic state of affairs. Despite all odds, Gemtek's fellow management team has the professional insight to overcome and adapt our business to the dynamic changes that are happening to us. Gemtek is consistently driven by our business philosophy, striving to sustain our leading position in the industry while we carry on to bring out our best performances through our day-to-day business operations. Besides professional undertakings, we also encourage our colleagues to join the ranks of volunteers by actively participating in the many public welfare activities, reaching out to underprivileged school children, and taking part in improving employee welfare. The goal is to allow employees to realize the importance of corporate social responsibility by taking small steps to care for the people, things, the environment, and communities around us, finding ways to extend our love and care to support social and cultural activities. The imminent threat of climate change has prompted companies to fall in line with the implementation of sustainable development. Over the years, Gemtek Technology has taken up its responsibilities as a green citizen under the principles and guidelines of three major ESG implementation strategies --- "Strive Towards Sustainability, Build Stronger Business Partnership, and Implement Corporate Governance". The concept of sustainability has become an essential part of the corporate culture. In addition to contributing to a prosperous new era in the field of network communications, Gemtek Technology is also highly committed to helping sustain the global environment and providing care for our social communities, thus, linking the hearts of every Gemtek employee as one big family.



A handwritten signature in black ink, appearing to be 'Howard Chen' in a stylized, cursive script.

Chairman **Howard Chen**

★ Awards & Recognitions

2021 - RBA VAP Silver Recognition



2021- Intel Supplier Achievement Award (SAA)



2021- Taiwan iSports Enterprise (certified by the Sports Administration of the Ministry of Education)



Sustainable Business Performances

- Has conformed to the principles of AA1000SES Stakeholder Engagement Standard to identify the 7 categories of stakeholders.
- Has categorized 43 sustainability topics, which include elements of corporate governance, economics, environment, and society.
- Has identified 18 material sustainability topics.

Business Operations and Governance Performances

- Consolidated revenue in 2021 increased by 14.97% compared to 2020.
- Average attendance rate of the board of directors in 2021 is 97.22%.
- The 2021 current ratio is 149.06%, and the debt ratio is 41.06%, indicating that the company's financial structure is sound.
- The performance evaluation of the board of directors in 2021: The overall effectiveness of the board of directors and functional committees is good.
- In 2021, there were no punishments imposed by competent authorities due to violation of business ethics, anti-competitive behavior and monopoly, or anti-corruption laws and regulations; and there were no cases of corruption reported.
- In 2021, no incidents of violation of product health and safety regulations, product labeling regulations, or antitrust were reported.
- In 2021, the company did not receive any complaints concerning the violation of labor or human rights.
- In 2021, no incidents of discrimination, forced labor, child labor, violation of indigenous people's rights, or sexual harassment in the company were reported.

Products and Services Performances

- In 2021, no incidents of customer privacy invasion or loss of customer information were reported.
- Scored 94.9 points for customer satisfaction in 2021, which is higher than the target score of 92 points.
- As of the end of December 2021, Gemtek Technology has applied for 465 patents in total, of which 202 patents were for "utilities" and an aggregate total number of 101 patents were approved for "plant" and "design".
- As of the end of December 2021, the total number of Gemtek Technology's registered trademarks worldwide was 32.
- Products manufactured and sold in 2021 had a lower energy consumption by a total of approximately 50,678,459kWh, which can be translated into approximately 25,441 TCO_{2e} of reduced greenhouse gas emissions.
- All suppliers have signed the Declaration of Environmental Protection.
- In the 2021 Conflict Minerals Supplier Survey, an 80% response rate was achieved, and the use of conflict minerals was not present.
- 85% of suppliers have signed CSR Commitment Statement.

Environmental Sustainability Performances

- In 2021, energy conservation measures saved a total of 114.23GJ in energy consumption, and greenhouse gas emission was reduced by 15,927KgCO₂e.
- In 2021, all air pollution discharges complied with regulatory standards; and no incidents of major air pollution were reported.
- In 2021, all wastewater discharges complied with regulatory standards; and no incidents of impaired water quality were reported.

Workplace Well-being Performances

- In 2021, all new employees have undergone occupational health, safety, and environmental protection training.
- In 2021, no incidents of occupational diseases were reported.
- In 2021, the company received the Taiwan ISports Enterprise certification.
- In 2021, the onboarding rate for new hires was 29.03%, and the turnover rate was 23.38%.
- In 2021, the ratio of indirect compensation relative to statutory salaries is approximately 1.5:1.
- In 2021, the company employed 5 indigenous and 11 disabled employees.
- In 2021, no incidents of labor disputes or violations of labor laws were reported.
- In 2021, all employees participated in the performance review conducted by the company.
- In 2021, all employees and contractors have undergone RBA training.
- In 2021, all employees and catering staff have undergone health inspections.

★ Communication with Stakeholders

● Stakeholder Engagement

After extensive and thorough discussions among the ESG Team and relevant departments, based on the framework of business experience and operational development, the stakeholders of Gemtek Technology are evaluated and categorized following the five principles of AA1000 Stakeholder Engagement Standards (SES). The 7 types of stakeholders identified are: customers/distributors, employees, shareholders/investors, suppliers/contractors, government agencies, external rating agencies, and media.

To actively respond to the expectations and demands of stakeholders, Gemtek has set up designated divisions to strengthen communications. Gemtek seeks to provide stakeholders with answers based on stakeholder feedback and material concerns collected from the company's various communication channels such as telephone, email, questionnaire, and company website. Through cross-department coordination and communication, material sustainability topics will be dealt with according to their nature and level of impact. Then, together with the results from the Stakeholder Engagement Questionnaire, a detailed response will be subsequently compiled and presented on that basis.

Stakeholder Engagement and Communication Channels

Stakeholder	Response Division	Material Topics	Communication Channel	Frequency
Customer/ Distributor	Sales Division	Customer Satisfaction	ESG Questionnaire	Occasionally
		Product Security	Sales Meeting	Occasionally
		Risk Management	Customer Satisfaction Survey	Annually
		Customer Privacy	Complaint Mechanism	Immediately
		Business Integrity	Customer Survey or Audit	Occasionally
Employee	Organizational Effectiveness Division	Occupational Health and Safety	ESG Questionnaire	Occasionally
			Labor-Management Meeting	Seasonally
		Organizational Performance	Employee Benefits Committee	Seasonally
			Occupational Health and Safety Committee	Seasonally
		Employment Relationship	Training and Development Platform	Immediately
		Product Security	Performance Evaluation	Semi-annually
		Socioeconomic Compliance	E-platform/Company Announcement	Immediately
			Employee Grievance Mechanism	Immediately

Stakeholder	Response Division	Material Topics	Communication Channel	Frequency
Shareholder/ Investor	Finance Division	Economic Performance	Annual General Shareholders' Meeting	Annually
		Occupational Health and Safety	ESG Questionnaire	Occasionally
		Business Integrity	Market Observation Post System	Immediately
		Risk Management	Monthly Revenue Announcement	Monthly
		Customer Satisfaction	Quarterly Report	Seasonally
			Company Website	Immediately
			Investor Conference	Annually
Supplier/ Contractor	Strategic Procurement Division	Economic Performance	ESG Questionnaire	Occasionally
		Business Integrity	Supplier Platform	Immediately
		Risk Management	Supplier Review/Evaluation	Seasonally
		Customer Satisfaction	Supplier Conference	Occasionally
		Customer Health and Safety		
Government Agencies	Organizational Effectiveness Division	Greenhouse Gas Emission	ESG Questionnaire	Occasionally
	Finance Division	Socioeconomic Compliance	Official Document, E-mail, and Meetings	Immediately
		Energy		Occasionally
		Environmental Compliance	Health and Safety Training	
		Customer Health and Safety		
External Rating Agencies	Spokesperson's Office	Occupational Health and Safety		
	Legal Office	Greenhouse Gas Emission	ESG Questionnaire	Occasionally
		Socioeconomic Compliance	Company Website	Immediately
		Customer Health and Safety		
		Energy		
Media	Spokesperson's Office	Economic Performance		
		Corporate Governance	ESG Questionnaire	Occasionally
		Product Security	Company Website	Immediately
		Risk Management	Investor Conference	Annually
		Socioeconomic Compliance		

● Materiality Analysis

Gemtek Technology conducts the materiality analysis in accordance with relevant reporting principles. Through systematic analysis, material sustainability topics can be identified, which serves as the basis of the ESG Report and effectively communicate with stakeholders. The 2021 stakeholder identification procedures and material sustainability topics are as follows:

Materiality Analysis Procedures of Corporate Social Responsibility

1. Identify Stakeholders

After extensive and thorough discussions among the ESG Team and relevant departments, based on the framework of business experience and operational development, the stakeholders of Gemtek Technology are evaluated and categorized in accordance with the five principles of AA1000 Stakeholder Engagement Standards (SES). The 7 types of stakeholders identified are: customers/distributors, employees, shareholders/investors, suppliers/contractors, government agencies, external rating agencies, and media.

7 Types of Stakeholders

2. Categorize Sustainability Topics

To address the concept of sustainability, Gemtek has sorted out 43 sustainability topics based on the GRI Standards published by the Global Reporting Initiative (GRI) while citing the United Nations Sustainable Development Goals (SDGs), MSCI, performance disclosure items, etc. The results also serve as the guidelines for the compilation of the questionnaire, which include topics on corporate governance, economics, environment, and society.

43 Sustainability Topics

3. Conduct Research on Stakeholder Engagement

Conduct research on stakeholder engagement and material impacts on corporate sustainability by means of a questionnaire. The results can be used for sustainable development goals ranking. A total of 380 questionnaires were received, which include 375 for stakeholder engagement and 5 for managerial impact.

Received a total of 380 questionnaires

4. Identify Material Sustainability Topics

Through questionnaire analysis, a materiality matrix was mapped out according to the level of importance to stakeholders and managerial impact on corporate sustainability. Disclosure priorities were defined based on the results of the ESG Team discussion. A total of 18 material sustainability topics were identified, thus, consolidated into 7 management approaches.

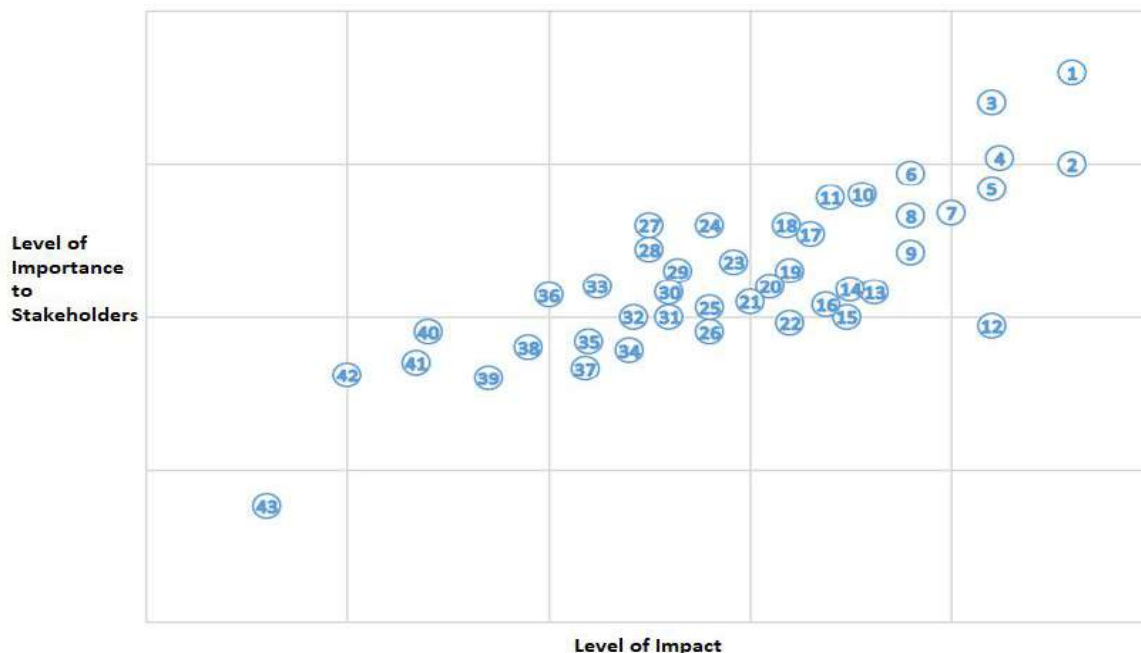
18 Material Sustainability Topics 7 Management Approaches

5. Review and Discussion

Based on the materiality analysis of material topics, responsiveness, and boundaries, in the future, we will continue to strengthen our management and disclose relevant information in the sustainability report.

ESG Report 6th Edition

Materiality Matrix



Ranking of Material Topics							
1	Business Performance	12	Corporate Governance	23	Corporate Image	34	Security Practices
2	Customer Privacy	13	Employer/Employee Relationship	24	Labor/Management Relationship	35	Indirect Economic Impact
3	Business Integrity	14	Innovation and R&D	25	Air Pollution	36	Supplier Corporate Social Responsibility Evaluation
4	Socioeconomic Compliance	15	Intellectual Property Management	26	Training and Education	37	Diversity & Equal Opportunity
5	Product Security	16	Greenhouse Gas Emission	27	Anti-discrimination	38	Materials
6	Risk Management	17	Energy	28	Waste	39	Rights of Indigenous people
7	Customer Health and Safety	18	Human Rights Assessment	29	Water and Effluent	40	Local Communities
8	Anti-corruption	19	Child Labor	30	Tax	41	Procurement Practices
9	Customer Satifaction	20	Forced or Compulsory Labor	31	Freedom of Association & Collective Bargaining	42	Biodiversity
10	Environmental Compliance	21	Marketing & Labeling	32	Anti-competitive Behavior	43	Public Policy
11	Occupational Health and Safety	22	Supplier Environmental Assessment	33	Financial Impacts Due to Climate Change		

Note: 2021 Material Sustainability Topics are highlighted in blue. In view of current business practices, “Human Rights Assessment” was therefore incorporated as one of the 2021 Material Sustainability Topics.

● Scope and Boundaries of Material Topics

Guidelines	GRI Standards- Material Topics	Impact of Boundaries On the Value Chain	Corresponding Chapter	Pages
Sustainable Business	Economic Performance			
	Business Integrity			
	Corporate Governance	●Gemtek Technology	1.Business Operations	
	Anti-Corruption	▲Subsidiaries	and Governance	16
	Risk Management			
Legal Compliance	Socioeconomic Compliance	●Gemtek Technology	1.Business Operations	
	Environmental Compliance	▲Subsidiaries	and Governance	16



Customer Relationship Management	Product Security Customer Privacy Customer Health and Safety Customer Satisfaction	<ul style="list-style-type: none"> ●Gemtek Technology ▲Subsidiaries ★Supplier ★Contractor ★Customer 	2.Products and Services	40
R&D and Patents	Intellectual Property Management Innovation and R&D	<ul style="list-style-type: none"> ●Gemtek Technology ▲Subsidiaries ★Supplier ★Customer 	2. Products and Services	40
Environmental Protection	Greenhouse Gas Emission Energy	<ul style="list-style-type: none"> ●Gemtek Technology ★Supplier ★Customer 	3.Environmental Sustainability	60
Occupational Health and Safety	Occupational Health and Safety	<ul style="list-style-type: none"> ●Gemtek Technology ★Supplier ★Contractor 	4. Workplace Well-being	70
Employee Care, Rights, and Interests	Employer/Employee Relationship Human Rights Assessment	<ul style="list-style-type: none"> ●Gemtek Technology ★Supplier ★Contractor 	4. Workplace Well-being	70

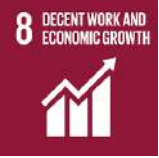



Note: Level of Impact: ● Direct Impact; ▲ Facilitated Impact; ★ Business Impact

★ Implementation of UN Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) is a collection of 17 Goals and 169 Targets that serves as the fundamental cornerstone to help guide government systems, private enterprises, and non-profit organizations in their future operations and developments. When planning in a rapidly changing business environment, a company may combine SDGs strategies into its medium and long-term organizational objectives to strengthen its competitive advantages and display its corporate values. In 2021, Gemtek Technology is capable of carrying out 6 goals and 12 targets of the SDGs and will continue to take corresponding actions in the future.



	<p>SDG 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Gemtek's SDGs Implementation Efforts</p> <ul style="list-style-type: none"> ● Support the Second Life for Computers program. ● Made donations to Ching Hwa University to facilitate the construction of the Applied Science Academic Research Building. ● Support aboriginal school activities and events. (Movie Watching Event: "Listen Before You Sing")
	<p>SDG 7. Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <p>Target 7.3 By 2030, double the global rate of improvement in energy efficiency.</p> <p>Gemtek's SDGs Implementation Efforts</p> <ul style="list-style-type: none"> ● Replaced all of its linear regulated power supplies with high conversion efficiency switch-mode power supplies on all products. The average energy conversion efficiency of switch-mode power supplies can go beyond 80% in contrast to traditional transformers.

	<p>SDG 8. Foster sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>Target 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.</p> <p>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.</p> <p>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.</p> <p>Gemtek's SDGs Implementation Efforts</p> <ul style="list-style-type: none"> ● Establish a "Dual Career Development System" to encourage employees to motivate themselves and improve their work ability and performance. ● Introduce the Responsible Business Alliance (RBA) code of conduct, reinforce RBA education and training; and establish rules to prohibit child labor and relevant remedial measures. ● Built the ISO 45001:2018 - Occupational health and safety management system.
	<p>SDG 12. Ensure sustainable consumption and production patterns</p> <p>Target 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</p> <p>Gemtek's SDGs Implementation Efforts</p> <ul style="list-style-type: none"> ● Develop eco-friendly product specifications and guidelines for prohibited and restricted substances used in manufacturing. Products should comply with WEEE, RoHS, REACH, Packaging Directive, Battery Directive, and Halogen Free (HF) standards as well as attain IECQ QC080000 certification.
	<p>SDG 13. Take urgent action to combat climate change and its impacts</p> <p>Target 13.2 Integrate climate change measures into national policies, strategies and planning</p> <p>Target 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p>Gemtek's SDGs Implementation Efforts</p> <ul style="list-style-type: none"> ● Followed 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 around climate-related risks. ● Has established a greenhouse gas inventory management plan, taken part in the CDP (Carbon Disclosure Project), and set annual emissions reduction targets.
	<p>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</p> <p>Target 16.5 Substantially reduce corruption and bribery in all their forms.</p> <p>Target 16.6 Develop effective, accountable and transparent institutions at all levels.</p> <p>Gemtek's SDGs Implementation Efforts</p> <ul style="list-style-type: none"> ● Formulated the "Code of Ethical Conduct", "Business Integrity Policy", "Responsible Business Alliance (RBA) Code of Conduct". ● Received 2021 - RBA VAP Silver Recognition



Business Operations and Governance

1. Business Operations and Governance

Sustainable Business	
GRI Material Topics	Economic Performance, Anti-corruption, Business Integrity, Corporate Governance, Risk Management
Material Reason	Gemtek Technology strives to create company value by delivering the best interests for all shareholders and employees, strengthening corporate competitiveness, and realizing its "sustainable development" goals. Gemtek operates by the principles of business integrity and abides by the laws and ethical standards of the country where the business is located. The company does not allow any form of corruption or fraud to exist within the organization. Economic indicators use quantitative measures to evaluate the company's operating performance. The company also sets annual business goals to achieve sales targets. The topic of economic performance in this report covers information related to Gemtek's consolidated financial statements. Other topics such as anti-corruption, business integrity, corporate governance, and risk management only disclose information on Gemtek's parent body.
Topic Boundary	Gemtek Technology Headquarters / Subsidiaries
Topic Boundary Disclosure Limitation	Gemtek Technology Headquarters is the primary disclosure entity of the topics related to Anti-corruption, Business Integrity, Corporate Governance, and Risk Management covered in this report. The topics related to economic performance in this report cover information on Gemtek's consolidated financial statements.
Purpose	Execute good financial planning and manage business risks and opportunities to increase profitability and protect the rights and interests of investors. Mitigate operational risks by adhering to the principles of business integrity and anti-corruption policies. Strengthen risk management capabilities.
Policy	<ul style="list-style-type: none"> • Business Integrity: Any forms of bribery, embezzlement, extortion, or embezzlement are prohibited. • No Improper Advantages: Offering or accepting any forms of bribery or improper advantages is prohibited. • Anti-corruption: Value strong workplace ethics such as honesty, transparency, integrity, responsibility, and opposition against fraud. • Corporate Governance: Establish an effective corporate governance structure, protect shareholders' equity, strengthen the effectiveness of the board of directors, respect the rights and interests of stakeholders, and enhance information transparency in accordance with the laws and regulations, the articles of incorporation, and the relevant contracts signed with the Taiwan Stock Exchange.
Goals	<ul style="list-style-type: none"> • Develop high-profit, high-growth niche products, continue to invest in research and development, master the key technology of wireless communication, and achieve the goal of maximizing profits. • Create a culture of integrity, implement the policies of business integrity, standardize the principles of ethics and integrity when engaging in business activities, and continue to promote business ethics in the workplace by training. • Implement growth strategies based on the company's short-term plans on marketing policy, manufacturing policy, and product development goals to meet the needs of the company's development. • Adhere to the concept of sustainable business, establish strong corporate culture; continue to carry out the company's short-term development plan to facilitate business development.
Responsibility	<ul style="list-style-type: none"> • A dedicated RBA Implementation Team is established to oversee the company's implementation of business integrity management and anti-corruption management. The RBA Implementation Team is led by the company's chief operating officer. • A designated corporate governance supervisor is appointed to direct and implement corporate governance affairs.

Responsibility	<ul style="list-style-type: none"> • The company 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 in accordance with regulations to protect the rights and interests of investors. • A designated team of staff is appointed to handle shareholder proposals, disputes, and other affairs; and to manage the list of major shareholders who have direct control over the company. • Conduct risk assessments for associated businesses and establish appropriate firewalls in accordance with laws and regulations. • A team of dedicated staff is responsible for the collection and disclosure of the company's information, and a company spokesperson system is implemented in accordance with regulations to protect the rights and interests of investors. • The board of directors regularly checks the appropriateness of the company's remuneration system.
Resources	<ul style="list-style-type: none"> • In 2021, the total amount invested in research and development was NTD753,460,000. • In 2021, the total cost of education and training spent was NTD197,000.
Course of Action	<ul style="list-style-type: none"> • Formulated "Corporate Governance Best Practice Principles"; and held regular board meetings. • Set up a Remuneration Committee and Audit Committee, and appointed a director to oversee the implementation of corporate governance in 2021. • Formulated the "Guidelines for the Adoption of Codes of Ethical Conduct", "Ethical Corporate Management Best Practice Principles", "Responsible Business Alliance (RBA) Code of Conduct", "Management Procedures for Humane Treatment and Disciplinary Measures", "Employees' Freedom of Assembly and Association Best Practices", "Religious Accommodation in the Workplace", "Sexual Harassment Grievance Procedure", "Employee Feedback Policies and Procedures", "Anti-retaliation Policy (Whistleblower Protection Policy)" and other policies related to human rights. • Provide continuous education and training for directors and anti-corruption education and training for employees. • Employees, suppliers, and customers are required to sign the "Declaration of Anti-corruption and Bribery".
Evaluation Mechanism	<ul style="list-style-type: none"> • Directors and functional committees shall conduct self-evaluation annually in accordance with the "Board Performance Evaluation Methods", and shall be reviewed by an external independent review organization every three years. • The internal audit division delivers the audit report and audit remediation follow-ups to the independent directors for review every month. An audit committee meeting shall be convened at least once a quarter by the chief auditor to report on the audit affairs and the effectiveness of its remediation approach. • Implementation of RBA sustainability management system, conducting regular internal audits, and completing VAP validation. • Conduct PDCA effectiveness evaluation by carrying out risk identification and management in accordance with ISO, IECQ QC080000, and other management systems every year.
Performances	<ul style="list-style-type: none"> • Consolidated revenue in 2021 increased by 14.97% compared to 2020. • Average attendance rate of the board of directors in 2021 is 97.22%. • The 2021 current ratio is 149.06%, and the debt ratio is 41.06%, indicating that the company's financial structure is sound. • The performance evaluation of the board of directors in 2021: The overall effectiveness of the board of directors and functional committees is good. • In 2021, there were no punishments imposed by competent authorities due to violation of business ethics, anti-competitive behavior and monopoly, or anti-corruption laws and regulations; and there were no cases of corruption reported. • Gemtek completed VAP validation in 2020, and received RBA VAP silver certification after carrying out its Closure Audit in 2021. • In 2021, no incidents of discrimination, forced labor, child labor, violation of indigenous people's rights, or sexual harassment were reported in the company.

Legal Compliance

GRI Material Topics	Environmental Compliance, Socioeconomic Compliance
Material Reason	Regulatory compliance is an integral part of the company's operating principles. Violation of relevant laws and regulations may lead to reputational and financial losses, which may seriously affect the company's operations. The company complies with domestic and foreign laws and relevant legal requirements of customers. The company also follows international trends as it is an important foundation and material topic for the company's sustainable development.
Topic Boundary	Gemtek Technology Headquarters
Topic Boundary Disclosure Limitation	Gemtek Technology Headquarters is the primary disclosure entity of the topics related to Environmental Compliance and Socioeconomic Compliance covered in this report.
Purpose	Effectively manage the company's regulatory risks and ensure that the company's operations comply with relevant laws and regulations.
Policy	Gemtek has many manufacturing plants located in various parts of the world ---- Taiwan, China, Vietnam, and the Czech Republic. And to comply with local laws and regulations, the company has hired legal professionals in the regions to measure the rule of law for business operations.
Goals	<p>Short-term goal: Abide by laws and regulations. Avoid serious violations and penalties.</p> <p>Medium and long-term goals: Establish relevant rules, processes, and management systems. Regularly perform regulatory inspections. Pay close attention to regulatory changes and development that may affect the company.</p>
Responsibility	<ul style="list-style-type: none"> • Achieve regulatory compliance through the establishment and implementation of internal control and audit mechanisms. • Per regulatory requirements, management practices are to be evaluated and updated regularly to ensure compliance with applicable laws and regulations. • The Environmental Health and Safety Team is responsible for overlooking health- and safety-related operations. The chairman of the team is the chief operating officer of Gemtek; the convener is the head of the Environmental Health and Safety Division.
Investments	<ul style="list-style-type: none"> • Provide annual training courses to teach employees how to protect confidentiality, personal information, and intellectual property as a means to generate employees' awareness on different aspects of the law and prevent possible violations.
Course of Action	<ul style="list-style-type: none"> • Formulated management guidelines such as "Corporate Governance Best Practice Principles", "Code of Ethical Conduct", "Business Integrity Policies", and "Responsible Business Alliance (RBA) Code of Conduct". • Organize education and training courses and conferences to maintain regulatory compliance. Encourage compliance through posters and announcements. • Incorporate ISO 9001, ISO 14001, ISO 45001, ISO 27001 and other management systems into the company's operational standards. Follow RBA and CDP standards and initiatives. • New employees are offered courses on intellectual property rights such as patent and trademark applications led by the legal office.
Evaluation Mechanism	<ul style="list-style-type: none"> • The company performs annual internal and external audits based on relevant key performance indicators (KPI) set by international standards such as ISO9001/TL9000, ISO14001, ISO27001, QC080000, and RBA. Audit findings shall be reviewed and remediated. • The Audit Division shall inspect whether the company is in compliance with laws and regulations annually in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies stipulated by the Financial Supervisory Commission.

Performances

- In 2021, no incidents of violation of product health and safety regulations, product labeling regulations, or antitrust were reported.
 - In 2021, no incidents of socioeconomic non-compliance were reported.
 - In 2021, no punishments were imposed by competent authorities due to violation of business ethics, anti-competitive behavior and monopoly, or anti-corruption laws and regulations; and no cases of corruption were reported.
 - In 2021, no incidents of discrimination, forced labor, child labor, or violation of indigenous people's rights were reported in the company.
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1.1 About Gemtek



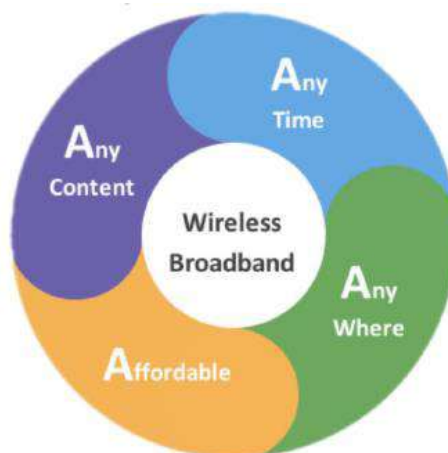
Gemtek Technology Co., Ltd. (Stock code 4906) is a leading manufacturer of wireless networking products in Taiwan. Established in 1988, Gemtek specializes in the advancement of Wireless Communications Technologies and is a world-class total solutions provider in the industry. Gemtek employs an outstanding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

Gemtek's headquarters is located in Hsinchu, Taiwan. Over the years, Gemtek has further expanded its global production and marketing offices in Greater China (Kunshan, Changshu), Vietnam, the U.S., Japan, and many European countries. As of today, Gemtek is responsible for the well-being of more than 4,900 employees worldwide. In the future, Gemtek wishes to globalize and expand its international market by means of applying the concept "To cultivate deeply in Taiwan, while maintaining a global vision ", determined to become the world's number one wireless communications system manufacturing company.

Our Vision : Become the world-leading wireless communications solutions provider

Anytime, Anywhere, Any Content, Affordable

Our Mission : Create a wireless life with unlimited new ideas. Empower every individual the equal amount of freedom to access information, and to realize the prospects of 4A.



Company Profile		Base Date : December 31, 2021
Establishment Date	June 29, 1988	
Stock Listing Date	June 30, 2003	
Paid-up Capital	NT\$4,051,589,000 (April 11, 2022 completed change of registration with MOEA)	
No. of Employees	Approximately 4,900 employees worldwide (Located in Taiwan: 1,082 employees /Dispatched workers: 92 employees)	
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	
HQ Location	No. 15-1 Zhonghua Road, Hsinchu Industrial Park, Hukou, Hsinchu, Taiwan R.O.C	

Shareholder Structure



Base Date : April 11, 2022

Worldwide Manufacturing Centers

Gemtek Technology's five manufacturing centers are located in the following regions around the world: Gemtek Headquarters, Hsinchu, Taiwan; Gemtek Electronics (Kunshan), Kunshan City, Jiangsu Province, China; Gemtek Electronics (Changshu), Changshu City, Jiangsu Province, China; Gemtek Czech, Czech Republic; and Gemtek Vietnam, Vietnam. In September 2018, a new subsidiary was established in Vietnam to serve as the company's third manufacturing facility in an effort to streamline global capacity planning and increase supply chain flexibility. The plant was officially put into production in February 2019. Moreover, in order to provide better technical support and customer services, the company has set up regional offices in the United States, Hungary, India, Malaysia, and other countries to facilitate business growth and acquire new clients.

Gemtek's Worldwide Manufacturing Centers

Location	Address	Production Line
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 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

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 Electronics (Kunshan)	88, Xin Zhu Road, Comprehensive Bonded Zone, Kunshan 215300, Jiangsu, China	Wi-Fi Product, LTE, Gateway, GPON, Module, SIP Module
Gemtek Czech	Chebska 555/7, 322 00, Plzen-Krımice- Czech Republic.	Field Returns Refurbishing and Repairing Center

● Membership in Business Associations and Certifications

Gemtek Technology strives to keep up with industry trends and development by continuously taking part in domestic and overseas business associations. As a member of an association, the company may have the opportunity to share and acquire information on the latest standard updates, technologies, and knowledge, and expand businesses through strategic partnerships. By 2021, Gemtek had actively engaged in a total of 25 business associations, in which the company took part as an ordinary member of each organization.

Membership in Business Associations

Global Certification Forum (GCF) Ltd.	Tsing Hua Entrepreneur Network	Taiwan Association of Information and Communication Standards
HDMI Licensing Administrator, Inc.	Independent Director Association Taiwan	High-tech Industry Payroll Management Association
PCI Special Interest Group	Taiwan Glora Alliance	Bluetooth SIG
Zigbee Alliance	Hsinchu City Human Resource Management Association	Broadband Forum
Z-Wave Alliance	Taipei Computer Association	USBIF
CBRS Alliance	Taiwan Electrical and Electronic Manufacturers' Association	Dolby
The International Wireless Industry Consortium (IWPC)	Taiwan Association of Information and Communication Standards	UL
Wi-Fi Alliance	LoRa Alliance	RBA
Digitimes		

Gemtek Technology has successively introduced ISO 9001, TL 9000, QC 080000, ISO 13485, IATF 16949, and other systems to strengthen quality management and passed third-party certification to provide high-quality, multi-functional, and customer-oriented solutions as its primary goal. As part of the company's efforts to enforce environmental protection measures, the company acquired the ISO 14001 certification in 1999. And since 2009, the company has compiled a greenhouse gas inventory under ISO 14064-1, accompanied by an annual third-party assessment, which the requirements have always been met with satisfaction. In terms of occupational health and safety, the company acquired OHSAS 18001 certification in 1999. By 2020, the company completed the migration to ISO 45001, the new international management standard on occupational health and safety, after the withdrawal of OHSAS 18001 was announced.

Gemtek is also an avid follower of various global initiatives, including the Carbon Disclosure Project (CDP), Responsible Business Alliance (RBA), Waste Electrical and Electronic Equipment Directive (WEEE), Restriction of Hazardous Substances Directive (RoHS), Eco-design of Energy-using Products Directive (EuP), and so forth. The ultimate goal is to strengthen the core competitiveness of the company and follow global development trends. Gemtek underwent RBA VAP validation in 2020 August, and received RBA VAP silver certification after completing the Closure Audit in 2021.

Gemtek's Certifications Worldwide

Management System	Taiwan HQ	Gemtek (Changshu)	Gemtek (Kunshan)	Gemtek Vietnam
ISO 9001	★	★	★	★
TL 9000	★	★	★	★
QC 080000	★	★	★	★
IATF 16949	★	-	★	-
ISO 13485	★	-	-	-
OHSAS 18001 / ISO 45001	★	★	★	★
ISO 14001	★	★	★	★
ISO 14064-1	★	★	★	-
Global Security Verification	★	★	★	★
Responsible Business Alliance	★	★	★	★
ISO 27001	★	-	-	-
BCM	★	★	★	★
CDP Registration	★	★	★	-



ISO 9001
Valid : 2021.6.5~2023.5.22



TL 9000
Valid : 2021.6.5~2023.5.22



QC 080000
Valid : 2022.5.16~2023.6.2



IATF 16949
Valid : 2021.12.16~2024.12.15



ISO 13485
Valid : 2021.12.9~2024.10.21



ISO 45001
Valid : 2022.2.2~2025.2.2



ISO 14001
Valid : 2021.5.16~2024.5.16



ISO 14064-1
Date of Certification : 2021.5.31



Global Security Verification
Valid : 2021.12.1~2022.12.3



Responsible Business Alliance
Valid : 2021.3.13~2022.8.18



ISO 27001
Valid : 2019.8.2~2022.8.1

● Economic Performance

Gemtek Technology's consolidated revenue in 2021 is NT\$22,912,691 thousand, an increase of 14.97% compared to 2020. During 2020 Q1 amid the COVID-19 pandemic, the company struggled with manufacturing labor shortages and transportation challenges in the supply chain, which inevitably led to a decline in revenue and profit. After Q2, the company quickly adjusted to the dynamic changes in the industrial landscape. The impact of the pandemic has reshaped global demands for long-distance networking, which not only contributed to the increase in the company's product sales, but business performances have also progressed by leaps and bounds as Gemtek Vietnam, Gemtek Electronics (Kunshan), and Gemtek Electronics (Changshu) resumed normal operations.

Looking back over the past year, the company has strived to expand its production at home and abroad to meet market demands while continuously launching new products, exploring new markets, and seeking new customers. For more information on Gemtek's financial performances, please refer to the "2021 Annual Report of Gemtek Technology Co., Ltd."

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

Unit: Thousand NT\$

Item / Year	2019	2020	2021
Operating Income	18,057,131	19,929,372	22,912,691
Gross Profit	1,772,491	2,265,576	2,060,592
Operating Profit	51,499	467,913	356,093
Non-operating income and expense	231,056	1,105,259	367,360
Profit before tax	282,555	1,573,172	723,453
Net income for the year from the continuing department	209,973	1,407,574	681,584
Current period net profit	209,973	1,407,574	681,584
Other current comprehensive income (loss) profit (net after tax)	(475,358)	(184,190)	1,968,169
Total comprehensive income of current period	(265,385)	1,223,384	2,649,753
Earnings per share	0.57	3.86	1.89
Employee compensation and benefits	2,079,301	2,192,896	2,506,563

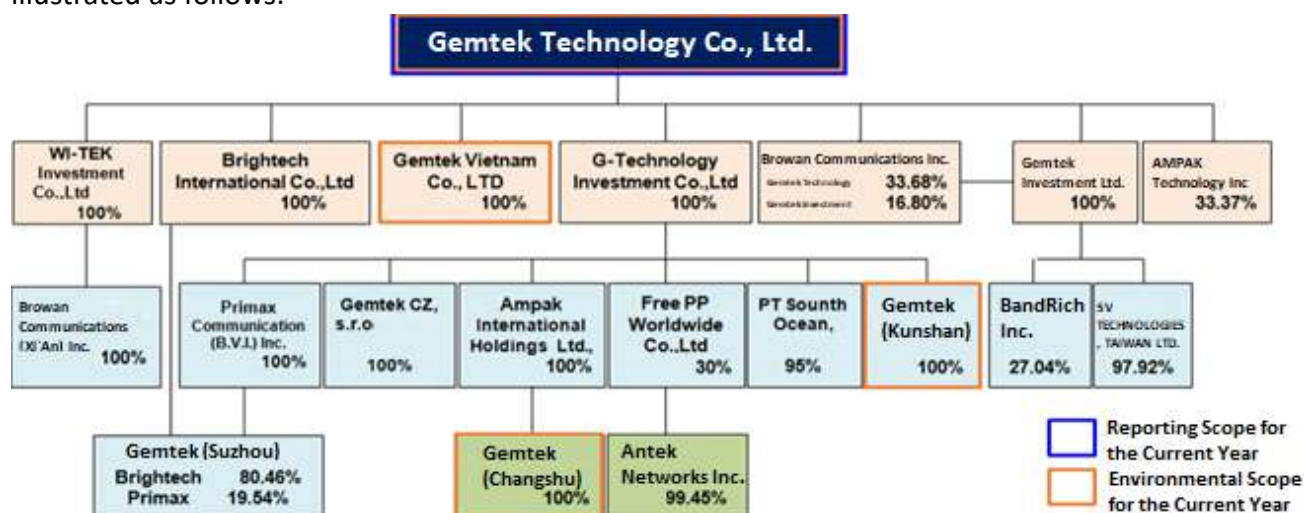
Dividend payments to shareholders*	0	357,667	607,738
Payments to the government*	4,424	4,384	64,018
Subsidies provided by the government*	54,896	56,667	60,272

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 parent company only financial statements for Gemtek Technology.

● 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:



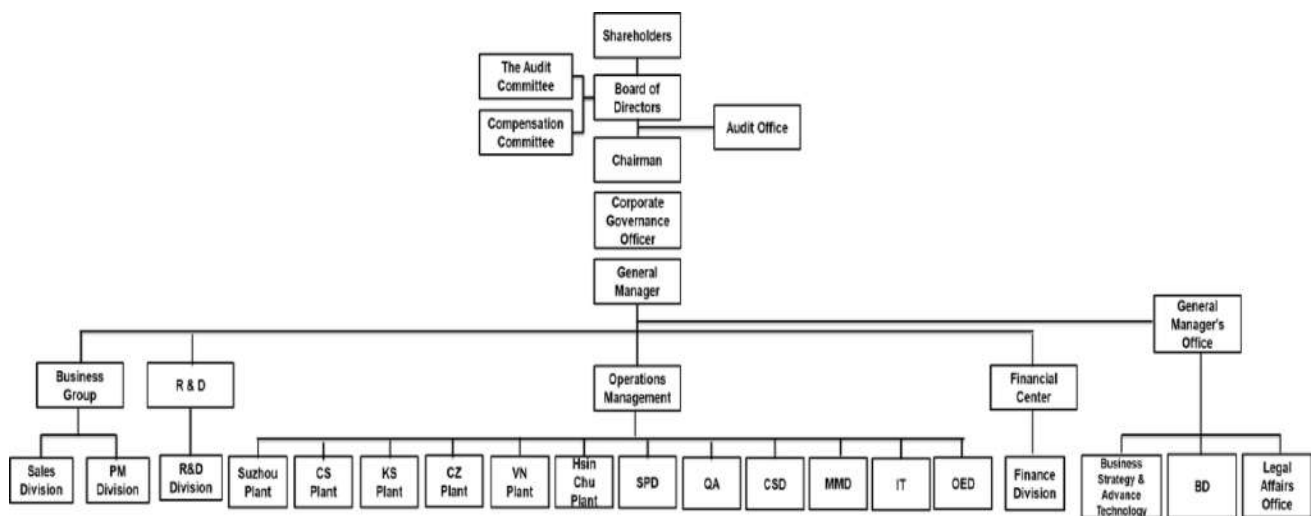
Note: The consolidated financial statements do not include AMPAK Technology Inc., BandRich Inc., PT. South Ocean, Free PP Worldwide Co., Ltd., & subsidiaries, and WI-TEK Investment Co.,Ltd. & subsidiaries.

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. The board of directors regularly checks 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



● Members of the Board of Directors

According to the company's articles of incorporation, the composition of the board of directors consists of 9 directors. The term of office for a director is three years. The company adopts the candidate nomination system for the election of directors. The inauguration ceremony of the board of directors was on June 18, 2019. The company's board of directors consists of 3 independent directors. All of the directors are Taiwanese citizens over 50 years of age. 1 among the 9 directors, in particular, is female.

The Board of Directors held 8 meetings during the year 2021. The average rate of meeting attendance for directors was 97.22%. The company has made the avoidance of conflict of interest a part of its Business Integrity Policies. There were no conflicts of interest to declare in 2021.

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.	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. Supervisor of Ampak Technology Inc. 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 Director of Gemtek Investment Co.,Ltd Director 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	Senior Deputy General Manager of Gemtek Technology Co., Ltd. Representative Director of Gemtek Investment Co.,Ltd Chairman of BandRich Inc.	100%
Director	Chang, Yueh Chi	Female	Master of Business and Management, National University of Kaohsiung General Manager of BRILLIANT FOOTWEAR CORPORATION	-	88%
Director	APEX ACTION INVESTMENT LIMITED Representative: Luo, Wen Yi	Male	Master of Business Administration, National ChengChi University	Chairman of CSX MATERIAL CO., LTD. Director of SWEEPOT INC. Independent Director of Taiflex Scientific Co., Ltd. Supervisor Representative of REC TECHNOLOGY CORPORATION	88%
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. Independent Director of Harbinger Venture Capital Dean 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	Professor of Business Administration, National Taipei University CEO of IEMBA Program, National Taipei University Director of The Association of Global Crowdfunding and Financial Technology Service	100%

Members of the Board of Directors

Title	Name	Gender	Education and Experience	Concurrent Positions in Gemtek and Other Companies	Rate of Attendance
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 Compensation 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 two 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 2 meetings were held in 2021, which the average attendance rate is 100%.

Title	Name	Actual Number of Attendance	Rate of Attendance(%)
Convener	Zhao, Yao Geng	2	100%
Member	Wang, Zhu San	2	100%
Member	Chang, Zhi Yang	2	100%

● Audit Committee

On June 18, 2019, Gemtek Technology established an audit committee composed of three independent directors. Their job is to handle the following affairs: the company's financial statements; the effectiveness of the internal control system; financial business processes; matters that involve directors conflict of interest; major transactions and derivatives transactions; loaning of funds; making endorsements or guarantees; fundraising and issuance or private placement of securities; appointment, dismissal, and remuneration of certified public accountants; appointment and dismissal of supervisors in finance, accounting, or internal audit; and other important matters as prescribed by the competent authority. In 2021, the Audit Committee was convened 6 times, and the average attendance rate is 100%.

Title	Name	Actual Number of Attendance	Rate of Attendance(%)
Convener	Zhao, Yao Geng	6	100%
Member	Wang, Zhu San	6	100%
Member	Chang, Zhi Yang	6	100%

● Director's Continuing Education

In order to enhance the effectiveness of its board of directors, Gemtek Technology schedules continuing courses for board members from time to time to help strengthen their professional knowledge. In 2021, 9 members participated in the company's advanced training for directors, which is equivalent to a cumulative 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 in 2021 is described in the following chart:

Gemtek Technology 2021 Continuing Education of the Board of Directors

Title	Name	Date	Organizer	Course Name	Hours
Director	Chen, Hong Wen	2021/03/16	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations	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	2021/11/25	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations Case Study – Related Party and Unconventional Transactions	3 Hours
Independent Director	Wang, Zhu San				
Independent Director	Chang, Chih Yang				
Independent Director	Zhao, Yao Geng				
Director	Chen, Hong Wen	2021/11/25	Taiwan Corporate Governance Association	Corporate Governance 3.0 "Sustainability Report" Practical Analysis	3 Hours
Director	Tsai, Fu Tsan				
Director	Yang, Jheng Ren				
Director	Chang, Yueh Chi	2021/11/25	Taiwan Corporate Governance Association	Corporate Governance and Securities Regulations Case Study – Related Party and Unconventional Transactions	3 Hours
Director	Hsu, Jung Hui				
Legal Entity as Director	APEX ACTION INVESTMENT LIMITED Representative: Luo, Wen Yi	2021/12/21	Taiwan Corporate Governance Association	Corporate Governance and Competition for Management Rights Case Analysis	3 Hours
Independent Director	Wang, Zhu San				
Independent Director	Chang, Chih Yang				
Independent Director	Zhao, Yao Geng				

- **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 2021 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 2021 evaluation, the overall average score indicates that the effectiveness of the board of directors and functional committees is good.

1.3 Risk Management

Gemtek Technology has adhered to the principles of professionalism, business integrity, and service quality throughout the course of its operations. Our management team is highly aware of new trends in technology within the industry and can promptly identify and manage risks to mitigate 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 the analysis, contingency plans are proposed to protect the rights and interests of employees, shareholders, partners, and customers to increase company value and optimize the allocation of business resources.

● Risk Management Framework

Gemtek Technology's risk control mechanism is divided into two levels: the organizer/undertaker is the "First Level Control", and must be responsible for the initial risk identification, assessment, management, and prevention. Gemtek Technology's risk control mechanism is divided into two levels: the organizer/undertaker is the "First Level Control", and must be responsible for the initial risk identification, assessment, management, and prevention procedures. The "Second Level Control" is the final review and decision rendered by the chairman of the board subsequent to the evaluation meeting held by senior management (deputy general manager and above). The meeting is to assess the feasibility of business plans and related risks. The company has established business continuity plans to minimize the impact of operational risks. If an abnormal or emergency shall occur, the company will put the plan into effect based on the company's current policies (Business Continuity Management). The risk management framework is organized 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>Execution 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 38 risk factors were identified, among which 7 risk factors were selected for 2021 target risk analysis and management.

Gemtek 2021 Risk Categorization Table

Topics in Risk Management	Internal/External Causes		Risk Control Measures
Technology and Economics (Non-human causes)	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 electric 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". Such guidelines may also help strengthen internal control and sharpen reactions to business disruptions.
Personal, Social & Organizational (Human causes)	Internal Causes	5. Human capital risk	The workforce ecosystems have evolved due to drastic changes in the global environment and the rise of social entrepreneurship, which signifies new challenges for human capital management. For instance, the company would be obliged to incorporate more diversity into its recruitment strategies, more comprehensive employee training and development programs, and more flexibility and competitive edge to its salary and welfare system. Gemtek is highly aware of the significance of this trend and is therefore committed to strengthening and sustaining human capital and upholding the fundamental principles of humanity and caring for employees to maintain a balance between labor and management in addition to business development.

	External Causes	6. Infectious diseases (COVID-19, influenza, African swine fever, Ebola)	<p>1. "Coronavirus Emergency Operations Center ": Gemtek Technology has set up a "Coronavirus Emergency Operations Center" to direct the development of disease prevention and control mechanisms throughout its global operation sites to comply with local regulatory requirements. This not only helps to prevent the epidemic from spreading, but also helps to ensure business continuity. In addition, a disease surveillance system has also been installed so that supervisors and employees can stay informed of the company's latest infectious disease prevention policies in response to the most recent outbreak.</p> <p>2. The company has established "Standard Procedures for Emergency Preparedness and Response" and "Business Continuity Management Plan" to prevent and reduce risks caused by the spread of diseases.</p>
		7. Key Supply Chain Shortage	<p>1. Strengthening "Global Operations Management": The US-China trade war and COVID-19 have imposed unprecedented challenges to the global supply chain. Under the circumstances, Gemtek's global expansion strategy continues to strengthen its capabilities in "Resilient Manufacturing" and "Global Operations Management" to help the company effectively manage and integrate upstream and downstream supply chains.</p> <p>2. Gemtek has established "Supplier Management Procedures" and "Supply Chain Disruption Management Procedures" to mitigate and manage supply chain risks.</p>

● Climate Change Risk Management

Gemtek discloses climate-related financial information under four categories by the recommendation of TCFD (Task Force on Climate-Related Financial Disclosures) created by the Financial Stability Board (FSB). The ESG team conducts a meeting to identify and discuss measures to manage climate-related risk sources such as transition risks (policy and regulation, technology, market, reputation), physical risks (acute, long-term), and climate-related opportunities (resource efficiency, energy sources, products/services, markets, resilience). At present, climate-related resolutions have not been discussed by the board of directors. In 2021, a total of 2 potential climate-related risks and 1 potential climate-related opportunity were identified by Gemtek, delineated as follows:

Climate Change Risks and Opportunities

Type	Risk Sources	Potential Impact	Countermeasures
Transition Risk	Market Risk- Changing customer preferences	<p>In the face of pressing environmental issues caused by plastic pollution, countries around the world have started to formulate plans to reduce or even ban the use of plastic items, especially single-use plastics.</p> <p>Gemtek Technology is a global network product supplier that uses large quantities of raw materials in its manufacturing process, and among them, plastics account for at least one-third of all raw materials used. The use of post-consumer recycled plastics may be present in specific product models as requested by customers, and yet, most of the plastics employed are mainly single-use petroleum-based. As environmental awareness continues to grow, we may one day face the possibility that customers would request to change product specifications to meet new regulatory or</p>	<p>1. Committed to waste minimization and 3R concept (Reduce-Reuse-Recycle).</p> <p>2. Company ensures that its products comply with RoHS, REACH, Packaging Directive, Battery Directive and Halogen Free (HF) standards in addition to the adoption of IECQ QC 080000 standards, thus allowing the company to systematically manage hazardous substances while making sure that purchased materials comply with</p>

social responsibility standards. Hence, Gemtek should learn how to cope with challenges that may arise from new sustainability trends and customer demands: the rising cost of post-consumer recycled plastics to replace single-use plastics, and the time and cost needed for product transition to meet customer standards in terms of manufacturing and packaging materials.

► **Potential Financial impact**

- Decrease in customer orders →
Decrease in operating income

- relevant laws and regulations.
- 3. Continuously monitor manufacturing regulatory compliance, follow latest information on laws and regulations, or engage compliance consultant to deal with compliance matters.
- 4. Implement green management to demonstrate our commitment to customers.

**Physical
Risk**

**Acute-
Water
restrictions/
outage**

The Hsinchu Industrial Park Bureau requires all factories under its jurisdiction to reduce water consumption by 5% from November 13, 2020. And by early May 2021, the percentage raised to 15%. In late May of 2021, the Water Resources Agency had planned to impose water rationing measures in the Hsinchu Area by restricting the availability of water supplies for two consecutive days after every five days of normal usage. Fortunately, the drought was relieved by the plum rain in late June before the measures had been implemented.

The company's water storage tank capacity is about 150 tons, and its average water consumption is about 130 tons per day. If water supplies were cut off for one day, the company may respond by adjusting work shifts to cope with the shortages; if water supplies were cut off for more than one day, production may inevitably be affected.

► **Potential Financial impact**

- Manufacturing output was affected →
Decrease in operating income
- Penalty for late delivery →
Increased operating expenses

- 1. Adjust work shift to cope with water restrictions that are imposed for one day at most.
- 2. In order to effectively manage water resources, besides installing individual water meters to monitor various water usage, the company has also divided its company premises into four areas to separately observe water usage.
- 3. The company has signed a contract with the water trucking company for the supply and delivery of water if water restrictions shall persist for more than a day.

Opportunity

**Product/
Service
opportunity**

Smart buildings embody a plethora of network communication solutions, which is the future of the living and architectural design concept. It has the potential to expand in many aspects of application development, such as broadband construction, Smart building surveillance system, Smart cloud housekeeping system, cloud-based Smart home network, and Smart grids. As Smart buildings become more prevalent, network communication companies have started to invest heavily in the research and development of relevant new products.

► **Potential Financial impact**

- Increased service market →
Increased operating income.
- Increased in R&D cost →
Increased operating expenses.

Gemtek Technology invests in the development of value-added applications for smart buildings, and expects to meet future market demands by designing and producing more energy efficient products.

1.4 Legal Compliance

● Business Integrity Policies

Gemtek operates by the principles of business integrity and abides by the laws and ethical standards of the country where it operates. The company does not allow any form of corruption or fraud, nor any unfair and anti-competitive behavior to exist within the organization. The company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct", "Business Integrity Policies", "Anti-retaliation Policy (Whistleblower Protection Policy)" and other norms to guide basic behaviors. Gemtek requires directors, supervisors, managers, employees and suppliers to exercise due care as in being self-disciplined; actively avoid conflicts of interest, corruption, and bribery; and to not abuse power of authority to obtain improper advantages, or retaliate against whistleblowers.

To strengthen workplace integrity and maintain regulatory compliance, the company publishes its code of conduct on its internal website and office bulletin board in addition to holding lectures and making public announcements to employees from time to time to reiterate the importance of ethical awareness. In 2021, no punishments were imposed by competent authorities due to violation of business ethics, anti-competitive behavior, monopoly, or anti-corruption laws and regulations; and no cases of corruption were reported.

● Reporting 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 listed on the company website. To send a feedback to Gemtek, please email to: Gemtek_suggestion@gemteks.com

● Handling Mechanism

Reports that are accepted by the reporting office will be assigned to the appropriate units for review following the report handling procedures. If a complaint about a breach of the code of conduct is deemed to be valid, an ad hoc committee will be established to address and resolve the complaint. Based on the level of severity, the accused will be subjected to administrative discipline, while the recovery of improper advantages and legal responsibilities shall be further pursued. The identity of the whistleblower and relevant content shall remain confidential at all times. Gemtek shall seek to strengthen the company's management and internal control procedures by way of using these real-world experiences to keep employees alert of the consequences led by unethical behaviors and prevent future occurrences.

● Level of Legal and Regulatory Compliance

Gemtek is committed to operating in full compliance with national and international laws, rules, and regulations, and follows closely with the orders of competent authorities that may have significant impacts on the Company. The Company identifies business regulations on labor, health and safety, environmental protection, finance, information security, and intellectual property rights to keep internal control and operating procedures in check with relevant regulatory requirements. The Company has a legal office, and its primary responsibility is to oversee all legal-related matters. The office also collaborates with external consultants to seek professional advice and communicate broadly with employees about the Company's business compliance plans to avoid possible violations of the law. In 2021, Gemtek Technology updated and revised relevant documents to stay current with the latest standards of the Responsible Business Alliance (RBA) Code of Conduct 7.0. In 2021, no incidents of socioeconomic non-compliance were reported. On June 21, 2021, the Hsinchu County Environmental Protection Bureau issued a NT\$60,000 fine to the Company under Article 31, Paragraph 1, Subparagraph 2 of the Waste Disposal Act. The penalty was due to wrongful reporting and measuring of waste. In consequence, the Company has modified its internal process to eliminate any probability of law violation.

On the topic of equality, when considering employment, promotion, compensation and benefits, and training opportunities for employees, the Company must treat all employees equally and must not discriminate based on the person's race (which includes indigenous people), nationality, color, age, gender, sexual orientation, religion, political beliefs, physical disability, pregnancy, or marital status, etc. Company policies are established on the grounds of protecting the rights and interests of employees as stipulated by the Labor Standards Act, the Act of Gender Equality in Employment, and relevant laws and regulations. In 2021, no incidents of discrimination, forced labor, child labor, violation of indigenous people's rights, or relevant occupational health and safety laws were reported in the Company.

The Company complies with customer requirements, laws, and international standards concerning marketing and labeling in all products and services offered. In 2021, no incidents of violation against product health and safety regulations, advertising law, consumer protection law, product labeling regulations, marketing law, or antitrust were reported.



Products and Services



2. Products and Services

Customer Relationship Management	
GRI Material Topics	Product Security, Customer Privacy, Customer Health and Safety, Customer Satisfaction
Material Reason	Information security has always been a primary concern that companies, especially network communication manufacturers, must pay close attention to. Protecting business secrets and customer privacy are essential practices for business ethics. Gaining customer trust is achieved through effective product security management, customer service management, customer satisfaction surveys, and customer complaint handling procedures so that the company can operate and develop sustainably.
Topic Boundary	Gemtek Headquarters/Suppliers/Contractors/Customers
Topic Boundary Disclosure Limitation	Gemtek Technology Headquarters is the primary disclosure entity of the topics related to Product Security, Customer Privacy, Customer Health and Safety, and Customer Satisfaction covered in this report.
Purpose	<ul style="list-style-type: none"> • Ensure product safety and reliability. Provide the best customer service. • Effectively protect business secrets, customer privacy, and intellectual property rights • Effectively manage customer satisfaction
Policy	<ul style="list-style-type: none"> • Reduce the impact caused by information security risks while continuing to operate and improve the information security management system to protect business interests. • Improve product quality and meet customer needs.
Goals	<p>Customer Satisfaction</p> <p>Short-term Goal: Resolve customer complaint 100%; Customer satisfaction $\geq 92\%$.</p> <p>Medium and Long-term Goal: Upgrade overall quality, technological advancement, uphold business sustainability, and establish a good corporate culture.</p> <p>Customer Privacy and Information Security</p> <p>Short-term Goal: Achieved 13 KPI targets.</p> <p>Medium and Long-term Goal: Maintain the effectiveness of the information security management system. No product security control deficiencies are identified by internal and external audits.</p> <p>Customer Health and Safety</p> <p>Short-term Goal: Complaints on RoHS compliance, 0 cases per month.</p> <p>Medium and Long-term Goal: Reduce pollution from all sources, meet customer requirements on environmental guidelines; create a healthy work environment for employees; allow space for corporate development; build business sustainability.</p>
Responsibility	<ul style="list-style-type: none"> • The company has set up a customer service unit responsible for handling customer complaints. • Gemtek's chief technology officer management is responsible for the construction, implementation, and maintenance of the company's information security management system, and also serves as the spokesperson and liaison for relevant affairs.
Resources	<ul style="list-style-type: none"> • Created an Information Security Committee to implement and coordinate various information security-related affairs. • Set up an RBA Team to help establish norms and promote employee education and training. • Established QC080000 implementation team; and obtained TUV certification
Course of Action	<ul style="list-style-type: none"> • Adopts ISO/IEC 27001, an international standard for Information Security Management System. • Adopts 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----the first factor is the use of passwords, and the second factor is a set of codes or biometrics sent to the users' mobile phone to validate identity.

- Formulate the "Code of Ethical Conduct", "Responsible Business Alliance (RBA) Code of Conduct", "Business Ethics Management Procedures" and other norms to protect customer privacy and information security
- Post the code of conduct on the company's internal website and office bulletin boards as well as hold lectures and make public announcements to reiterate the importance of ethical awareness.
- Establish customer project management procedures.
- In 2021, a total of 4 information security education training programs were held.
- In 2021, a total of 21 disaster recovery drills were conducted for each system.

Evaluation Mechanism

- 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 following the "Customer Complaint Handling Procedure". Calculate the rate of resolved cases for every month and conduct a PDCA assessment.

Performances

- In 2021, no incidents of invasion of customer privacy or loss of customer information were reported.
- Scored 94.9 points for customer satisfaction in 2021, surpassing the target score.
- In 2021, the rate of customer complaints resolved was 100%.
- In 2021, no customer complaints linked to customer health and safety, and no incidents of violation against relevant laws and regulations were reported.
- In 2021, the information security audit conducted by an external audit had not identified any major or minor non-conformities.
- Achieved 13 Information Security KPI targets in 2021.
- No complaints on RoHS compliance were reported in 2021.

Research & Development and Patents

GRI Material Topics

Intellectual property management, Innovation and R&D

Material Reason

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.

Topic Boundary

Gemtek Headquarters/Suppliers/ Customers

Topic Boundary Disclosure Limitation

Gemtek Technology Headquarters is the primary disclosure entity of the topics related to Intellectual Property Management and Innovative and R&D covered in this report.

Purpose

Effectively secure innovations and intellectual properties.

Policy

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.

Goals

Innovation and R&D

Short-term Goal: Build products based on customer requested chipsets.

Medium and Long-term Goal: Enhance innovation and R&D capabilities continuously. Design own products.

IP Management

Short-term Goal: Not to infringe upon the intellectual property rights of others.

Medium and Long-term Goal: Continually encourage employees to file patent applications to help the company gain more competitive edge.

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.
Resources	<ul style="list-style-type: none"> • In 2021, the total amount invested in research and development is NTD753,460,000. • In 2021, the total amount invested in R&D equipment is NTD41,830,000. • In 2021, the total amount invested in patent application and protection is NTD2,768,000.
Course of Action	<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 Policy", "Intellectual Property Management Procedures" and other norms. • Adopt ISO 9001, ISO 14001, 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 Network 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.
Evaluation Mechanism	<ul style="list-style-type: none"> • Conduct internal audits regularly according to ISO/IEC 27001 standards and the RBA code of conduct. • Perform patent counts and check on the filing status of patent applications according to the Intellectual Property Management Procedures on a regular basis.
Performances	<ul style="list-style-type: none"> • As of the end of December 2021, Gemtek Technology has applied for 465 patents in total, in which 202 patents were for "utilities" and an aggregate total of 101 patents for "plant" and "design" were approved. • As of the end of December 2021, the total number of Gemtek Technology's registered trademarks worldwide was 32. • Products manufactured and sold in 2021 have a lower energy consumption by a total of approximately 50,678,459kWh, which can be translated into approximately 25,441 TCO_{2e} of reduced greenhouse gas emissions. (The emission factor for electricity in 2020 is 0.502 kgCO₂ per kWh based on data provided by the Taiwan Energy Administration) • In 2021, no incidents of intellectual property infringement were reported.

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 and LTE wireless broadband, IoT terminals, and high-speed WiFi 6 / 6e / 7 continue to grow exponentially. Gemtek Technology actively develops networking products and solutions to correspond 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 high profit and high growth.

The main products and solutions produced and sold 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 (WiF AP Repeater / Router / Smart Plug / Whole Home Mesh), 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. At the same time, the company also provides 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 grounds in the wired and wireless broadband telecommunications market while aspiring to acquire state-of-the-art systems integration and development capabilities to transcend to new heights. The company is widely recognized by international and domestic business partners for its superior technology and performance, which reassures the market leadership status of Gemtek in the broadband telecommunications industry.

Gemtek Products



Product	Purpose and Function	Business Ratio
WLAN CARD	Office computers and wireless transmission equipment	11.89%
WIRELESS GATEWAY	Wired and wireless network transmission equipment	79.47%
WIRELESS TELECOMMUNICATION MODULE	Wireless transmission module for IoT equipment	0.94%
OTHERS	Buying and selling of wires, packaging materials, pallets and raw materials	7.70%
TOTAL		100.00%

● Global Sales Regions and Statistics

		2019		2020		2021	
		Amount	%	Amount	%	Amount	%
Domestic	Domestic	564,771	3.13%	976,463	4.90%	997,342	4.35%
	Asia	4,311,241	23.88%	6,215,478	31.19%	6,389,047	27.89%
	Europe	4,349,470	24.09%	3,922,576	19.68%	5,506,879	24.03%
	Americas	8,823,461	48.86%	8,807,938	44.2%	10,007,502	43.68%
	Pacific	8,188	0.04%	6,917	0.03%	0	0.00%
	Africa	0	0.00%	0	0.00%	11,921	0.05%
Total		18,057,131	100.00%	19,929,372	100.00%	22,912,691	100.00%

● Product Liability

Gemtek Technology is a world-class manufacturer of wireless communication systems. We provide OEM/ODM products and services in accordance with customer demands and requirements. Product labeling also complies with relevant international and domestic laws and regulations. The company is committed to meeting customer needs, and all mass-produced products have passed the safety certification for export (per destination country), which include Brazil-ANATEL, CE, China-SRRC, FCC, IC, Korea-KCC, BSMI, GCF Member Apply, IEC 60825-1, Taiwan-NCC, TELEC, USA / Canada Safety-UL, WIFI, etc.



● Research & Development and Patents

Gemtek Technology is committed to the research, development, and design of new products. In 2021, the total investment in research and development was NT\$753,460 thousand. The company will not only continue to improve the quality of existing products but also develop products that follow the latest technical standards and meet rising demands for more innovative wireless technologies. Gemtek's most recent product development that are underway include the following:

- (1) High performance xPON integration platform development based on protoble openwrt
- (2) Fixed broadband xDSL and g.fast product development
- (3) Whole home WiFi with Easy Mesh development
- (4) Advanced WiFi 6/6e AP, Repeater and Mesh development
- (5) Enterprise WiFi platform development
- (6) WiFi 7 AP prototype development
- (7) Cost-effective and Advanced LTE client device development, including Cat 20, Cat 12, Cat6, Cat4, CBRS
- (8) 3GPP CIOT client device and LGA module development , including Cat 1, Cat-M1, NB-IOT
- (9) Cost effective 5G NR FR1 IDU and ODU CPE development
- (10) Easy installation and cost effective 5G NR FR1+ FR2 ODU CPE development
- (11) 28/39G mmwave smart antenna phase array system platform development
- (12) 5G NR smallcell and core network platform development
- (13) Cost effective 5G NR smallcell development for sharedband CBRS
- (14) Scalable Phased Array Antenna Development for LEO application ka ku band

R&D Expenses by recent years

Item	2019	2020	2021
Investments	NT\$837,667,000	NT\$874,998,000	NT\$753,460,000
As a percentage of total revenue	4.64%	4.39%	3.29%

• Patents, being the most important type of all intellectual property rights, can be traded as valuable commodities to be bought, sold, and bartered by sophisticated businesses and market players. The invention or a technical product or process are governed by national laws to protect and exclude others from making, using, importing, and selling the patented innovation, or profit from such technological advantage. Gemtek Technology uses IP knowledge management systems to manage patents, trademarks, and business secrets, and adopts the Patent Early Warning Mechanism to regulate and stay current with patent applications, ownerships, and news of various incentive rewards to avoid the risks of technology transfer. The Patent Early Warning Mechanism is conducive to preventing competitors from getting ahead of the game, which allows the company to gain control and insight into its competitors' current status in various aspects: research and development, the number of patents, patent strategy, 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 to reflect on the company's patent strategies and enhance its core competitiveness. In addition, through the Patent Early Warning Mechanism, Gemtek can monitor the technology readiness level, applied technologies, and development trends within the industry to facilitate the implementation of its patent protection plan and allocate resources effectively.

I. Analysis and Arrangement of Existing Intellectual Properties

Gemtek's intellectual property management team reviews new patent applications and maintenance on a quarterly basis, and invites senior executives from technical and market backgrounds to evaluate and analyze the strength and value of the Company's existing patents. During the assessment, senior executives must understand the Company's current financial capacity, business goals, R&D plans, expectations of investors, contracts, patent portfolios, trade secrets, etc., and discuss whether the patents are worthy of maintenance.

II. Patent Strategies

At present, Gemtek's main patent strategy relies on patent defense. After the intellectual property management team gains thorough knowledge of the Company's technology and products, they will then determine the optimal patent filing process: the type of patent protection required, the timeline, and the strategy. For urgent application filings, the Company will opt to file by a provisional patent application or Patent Cooperation Treaty (PCT) to expedite the process. However, in most cases, the filing shall follow formal application procedures.

III. Competitor Analysis

In view of patent portfolio management, competitor analysis is required to identify strengths, weaknesses, opportunities, and threats of competitor patent portfolios. 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 to reflect on the company's current patent portfolio and strategies for leveraging business competitiveness, and explore whether there is a significant risk of a particular practice being held to violate a patent.

Intellectual Property Management

★ Patent Strategy Framework and Related Policies

Gemtek's short-term R&D plans and patents touch on the aspects of improving technology, production, and product functions. For medium-term R&D plans, most of the patents generated focus on the development of new technologies, the transfer of standards, and changes in the market. For such patents, it is necessary to pay attention to their effectiveness, design, and common pitfalls, and the Company should also consider joining a patent alliance. Gemtek's Patent Strategy Framework is detailed as follows:

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★ Intellectual Management Policies

Since its establishment in 1988, Gemtek Technology has gradually pushed its boundaries in wireless technology to greater heights, working in the innovative development of new applications for the Cloud and Internet of Things, and new telecommunications solutions for data, audio, and video transmissions. Through the process, Gemtek has accumulated sufficient intellectual properties, and therefore the need for a more streamlined IP management system and set of policies are adopted to guide IP-related affairs in the long run.

- I. **Patent:** Gemtek Technology has thrived and developed over time, and has, without a doubt, created countless inventions and breakthrough technologies. For items with market potential, the company would initiate the internal and external patentability assessment process. Then the items are subjected to another assessment conducted by the technology and marketing-related committee before undergoing patent application and maintenance.
- II. **Trademark:** Gemtek Technology tabulates and reviews the validity of trademarks every year. Trademarks are renewed to ensure that all the rights related to the trademark get extended. The company plans to establish corporate guidelines to manage trademarks and related affairs, i.e. pre-proposal risk assessment, the duty of confidentiality of cooperative agencies, and trademark extensions, under consistent standards.
- III. **Copyright:** The company had formulated the "Information Security and Network Acceptable Use Agreement" to ensure the legal use of computer software and prevent employees from using illegal software that may result in copyright infringement. In addition, based on the Intellectual Property Clause in the Employment Contract, Gemtek Technology shall claim ownership of the inventions created during the employment.
- IV. **Trade Secrets:** As part of Gemtek Technology's essential business practices, employees are required to keep business secrets and sensitive information confidential. The company has also formulated the "Information Security and Network Acceptable Use Agreement" and relevant guidelines to prevent confidential information leakage by managing authorizations and access controls. During recruitment, Gemtek will ask employees to sign the "Intellectual Property and Confidentiality Agreement", which stipulates confidentiality obligations, transition of responsibilities and documents after resignation, and liability for breach of contracts. When the company conducts business collaborations or outsourcing, it will also ensure that business partners observe and perform agreements that specify confidentiality clauses, penalties, and liabilities.

To enhance the level of intellectual property protection awareness among employees in

Gemtek, besides following the aforementioned measures, the company shall provide intellectual property-related training courses for all employees alike on a regular basis, which include new hires, to ensure that Gemtek is capable of protecting and safeguarding its intellectual property rights, and not infringe upon the intellectual property rights of others during the course for research and development.

★ Implementation Status of Intellectual Property Management Plan

In 2014, Gemtek Technology laid out the comprehensive framework for intellectual property management alongside relevant management measures. Implementation status of Intellectual Property Management Plan in the past year:

- I. An enterprise patent management system (EPS) that is maintained by a designated unit is employed to oversee the filing status of patent and trademark applications.
- II. The designated unit for IP management regularly assigns employees to participate in intellectual property training courses, including "Patent Training Program for Control Engineering" and "Patent Training Program for Technical Engineering (1) Patent Assessment Benchmarks and Practices" arranged by the Chinese National Federation of Industries, and employees are required to pass the "Intellectual Property Personnel Competency Certification Exam" held by the Intellectual Property Office of Ministry of Economics Affairs.
- III. Formulated intellectual property management policies that delineate the objectives and structure of Gemtek's intellectual property management system.
- IV. Formulated intellectual property management procedures to regulate the ownership, acquisition, protection, maintenance, and relevant affairs of intellectual property rights.

★ Intellectual Property Management Performances

As of the end of December 2021, Gemtek Technology has applied for 465 patents in total, of which 202 patents were for "utilities" and an aggregate total of 101 patents for "plant" and "design" were approved. As of the end of December 2021, the total number of Gemtek Technology's registered trademarks worldwide was 32.

2.2 Green Products

With regard to regulated substances, Gemtek Technology has formulated sustainable product specifications and product control measures 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 handle regulated and banned materials in addition to establishing environmental management procedures that are overseen by respective corporate divisions. This is to ensure that the Company's suppliers and employees acknowledge the relevant requirements for sustainability, thereby reducing environmental impact by reinforcing environmental protection control.

● Hazardous Substances Free

Gemtek verifies that the content of its products and manufacturing process comply with international standards 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 passed the annual audits since. Auxiliary materials used during the manufacturing process must comply with customer demands and the above standards as well. In 2021, all products of Gemtek comply with the regulations and customer specifications that were relevant to HSF. There were no customer complaints or negative customer feedback received regarding any cases of hazardous substances.

Moreover, to effectively manage hazardous substances, the company has introduced a systematic review process to ensure that purchased materials comply with relevant laws and regulations. The company also monitors and gathers the various changes in laws and regulations to ensure that relevant requirements can be duly observed.

● **Green Design**

To achieve the green energy conservation concept, in 2009, Gemtek Technology replaced all of its linear regulated power supplies on all products with high conversion efficiency switch-mode power supplies. Compared with traditional coil-type transformers, the average energy conversion efficiency can be above 80%. In addition, the company has set up a spare parts management team. The team consists of designated engineers who are responsible for testing the 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 approaches the green energy-saving concept from the baseline of a product design. Primarily, production materials are examined and tested for their energy efficiency qualities to confirm whether they comply with standards. Then, intelligent software engineering is incorporated to help reduce the power consumption of the finished product. Throughout the product life cycle, the company has adhered to the principles of environmental conservation intending to reduce any unwanted environmental impacts that may be caused by the product. The company strives to accomplish the following goals:

- (1) **Sustainable Materials Selection:** Substitution of hazardous substances in current products through the selection of materials, and use materials that have reusable or recyclable qualities and advantages.
- (2) **Reusable & Recyclable:** Design products that can be easily reused, recycled, and disassembled.
- (3) **Energy Saving:** Reduce the energy consumption of products.

According to experimental studies and calculations, the Level 6 Efficiency Standard Power Supply is capable of saving 1.08W of energy compared with the Level 5 Efficiency Standard Power Supply. Based on the number of Level 6 Efficiency Standard Power Supplies used in 2021, products manufactured and sold in 2021 have a lower energy consumption by a total of approximately 50,678,459kWh (Running 24 hours a day, 365 days a year), saving a total of 182,442GJ, which can be translated into approximately 25,441 TCO₂e of reduced greenhouse gas emissions.

Note: The emission factor for electricity of year 2020 is 0.502 kgCO₂ per kWh based on data provided by the Taiwan Energy Administration.

2.3 Customer Relationship

● **Customer Privacy**

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

The company has also formulated the "Code of Ethical Conduct" to establish and cultivate a

workplace culture based on honesty and integrity among employees, emphasize the importance of personal data protection by keeping business partner information confidential (e.g. suppliers, customers, employees, and relevant stakeholders), and carry out the collection, storage, processing, and usage of personal data for legitimate purposes. In 2021, no incidents of customer privacy invasion or loss of customer information were reported.

● Information Security Management

In 2010, Gemtek instituted an Information Security Committee to implement and coordinate information security-related matters such as the establishment of information security policies and the promotion, audit, and enhancement of information security in addition to the adoption of ISO/IEC 27001 international standard for information security management. The purpose is to prevent any sort of damage, theft, leakage, tampering, abuse, infringement, and other incidents when storing or transmitting confidential information. Gemtek strictly abides by the customer contract and confidentiality commitment. Based on the ISO/IEC 27001, the company has formulated the "Information Security Policy" and "Information Security Handbook" to facilitate the management of relevant affairs and protect personally identifiable information.

Organizational Framework of Information Security Committee



In addition, the Company continues to strengthen information protection measures by adopting a comprehensive email filtering solution to prevent malicious attacks such as computer viruses, internet spamming, and phishing emails, and ensure account security by applying a two-factor authentication mechanism with the use of passwords and mobile phones.

In an effort to raise information security awareness in the workplace, the company makes public announcements from time to time on the latest information security breaches, serving as a reminder for colleagues to prevent incidents at all costs. The company also holds information security education and training programs, which includes an introduction to information security policies and network security. A total of 4 information security education training programs were held in 2021.

To assess the effectiveness of the current information security measures and to allow the Information Security Committee to acknowledge the operational status of the information security system, the company has set a total of 13 Information Security KPI targets, which include monthly, quarterly, semi-annual, and annual information security performance indicators. The company also conducts two internal audits and one external audit every year to ensure the applicability, suitability, and effectiveness of its Information Security Management System (ISMS). In 2021, all 13 Information Security KPI targets were achieved, and no major or minor nonconformities were identified by external audit.

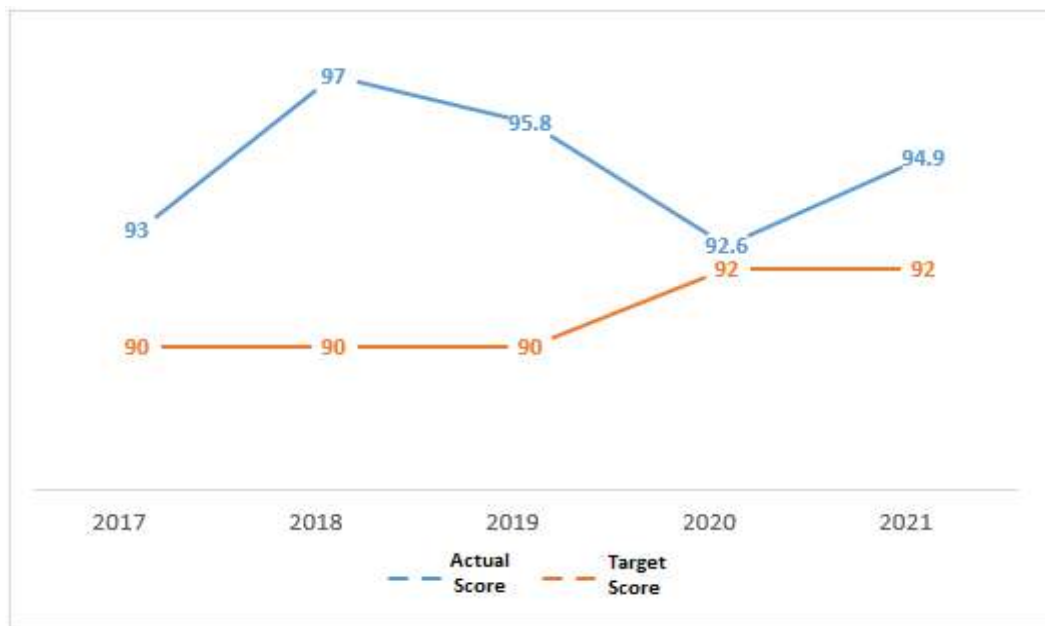
● **Customer Satisfaction**

Gemtek Technology is committed to the development of high-quality products and services based on the Company's holistic approach to delivering satisfactory quality, in addition to the establishment of customer service management procedures, customer satisfaction surveys, and customer complaint handling procedures to correctly identify problems and attribution of responsibility derived from customer complaints. To ensure that customers receive the best services provided, Gemtek conducts customer satisfaction surveys every year that are built around 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 has been an all-time winner of Intel's Supplier Achievement Award (SAA).

To successfully maintain and improve customer satisfaction, the Company has adopted ISO9001, TL9000, ISO13485, IATF16949, and other international quality management standards in association with its "Customer Complaint Handling Procedures". Based on the type of customer complaint, the Company has defined individual goals for the average time to resolution. The percentage of resolved customer complaints is reviewed monthly collectively with the effectiveness of PDCA. In 2021, the rate of customer complaints resolved was 100%. The Company will continue to work on meeting its customer satisfaction management goals for the future.

- ◆ Critical: Respond within 24 hours. Close case within 7 days.
- ◆ Major: Respond within 24 hours. Close case within 2 weeks.
- ◆ Minor: Respond within 7 days. Close case within 4 weeks.

Customer Satisfaction Scores in Recent Years



Customer Project Management

Gemtek's project management comes in five phases: initiation, planning, execution, monitoring and controlling, and closure. Project initiation takes place once the project board gives authorization. However, from a practical point of view, before many projects are officially authorized, project sponsors and product managers have already participated in the project requirement analysis, which analyzes, evaluates, and manages all of the identified requirements needed for the project. At the same time, a project proposal should be prepared in advance as the basis for authorizing project initiation. Most of the time, project management supervisors will also participate in project-related activities to conduct humanpower allocation 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 that must take place to form a systematic project management structure. Project management is applied to ensure that the goals and requirements are attained to reap benefits brought about at the end with better efficiency.



2.4 Supplier Management



Gemtek Technology continues to optimize supplier management strategies to achieve supply chain sustainability with the collaboration of business suppliers. The ultimate goal is to create a balanced dimension among business profit, environmental sustainability, and social responsibility, and to generate greater value for all stakeholders.

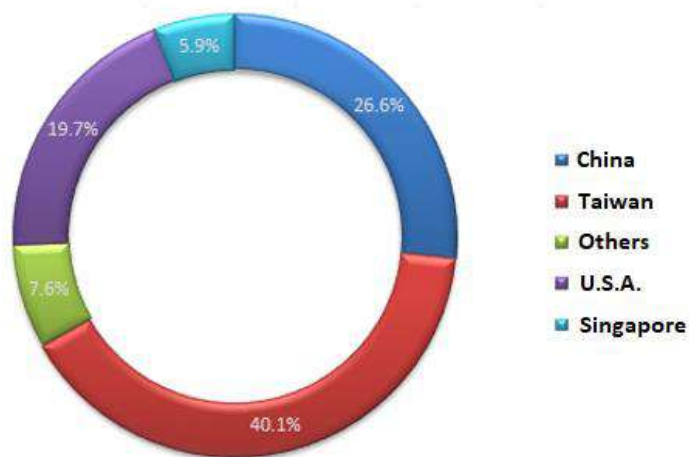
Gemtek also incorporates sustainability criteria into subcontractor evaluation to ensure that the quality of incoming materials meets environmental standards, and to monitor the total quality management and performance of subcontractors in addition to usage of industry regulation practices in the long run.

Gemtek's manufacturing plants are mainly located in Taiwan and China, and in 2019, has further expanded its manufacturing base in Vietnam to meet customer demands and the goals of global production capacity planning. The company's strategic procurement division and strategic suppliers are working hand in hand to build a more resilient global supply chain.

The main raw materials of the company's products include integrated circuits, circuit boards, wires, diodes, and capacitors, among which the raw materials that are used to assemble communication chipsets are made by designated manufacturers overseas. Due to the fact that these special components rely mainly on import, the long wait for supply delivery might affect the

overall production lead time, therefore, effective inventory control is vital to get the company better prepared for unexpected supply outages. Procurement of raw materials from certified domestic suppliers may have less of an issue in terms of supply shortage, though the supply of several passive components can be tight at times, the Company has established contingency plans to mitigate the risks caused by insufficient supplies. As of now, there are no cases where the Company's production plans were hindered or suspended by the lack of raw materials. In 2021, among the 382 suppliers of Gemtek, 172 are local suppliers in Taiwan, accounting for 40.1% of the total purchase amount.

Gemtek's 2021 Percentage of Purchase Amount



● Supplier Selection

Gemtek Technology should consider the following criteria for selecting new suppliers. Relevant company divisions shall be in charge of conducting the evaluation based on the supplier risk assessment checklist. If the supplier fails to pass a threshold score of 60, the supplier shall not be considered; if the score should fall between 61~70, an on-site suppliers audit must be performed; if the score is above 71, a supplier audit report is required.

- (1) Supplier risk assessment. The risks include whether the supplier is able to fulfill product compliance expectations and continuous delivery of products to its customers.
- (2) Total quality and delivery performance.
- (3) The evaluation of a supplier's quality management system includes the verification and inspection of quality management system certifications based on international standards.
- (4) Cross-functional team decision-making (Hosted by the strategic purchasing division, and executed in conjunction with the R&D division, the QA division, the EHS division, etc.)
- (5) When the supplier provides the company with software-embedded products, its software development capability should be evaluated.
- (6) Other factors for supplier selection to be considered.

Supplier Management Process:



Based on the supplier management process, new suppliers are required to sign a procurement contract with Gemtek in which Article 15 clearly states the integrity standard. The procurement contract should be signed and returned. For damages incurred by violation of anti-bribery and anti-corruption policies, the company shall seek indemnity and terminate all contracts with the supplier according to the “Declaration of Anti-corruption and Bribery” that was signed.

● Supplier Risk Assessment

Gemtek will conduct risk assessments for new suppliers by using a preliminary risk assessment form (The content of the form assesses basic operations, performance in the last two years, upstream and downstream relationships, customer segmentation, engineering capability, factory locations, and facilities). After a supplier contract is created, regularly monitoring the supplier's performance and financial health, and paying attention to high-risk suppliers is an ongoing task to prevent any unwarranted shutdowns that may impact the delivery of supplies.

In addition, suppliers are being closely examined for signs of major supply chain risks, such as material shortages spurred by the COVID-19 pandemic, labor disputes, and changes in the political and economic environment. Suppliers will be measured for supply chain resilience as part of the supply chain contingency plan, and the appropriate response method will be communicated to prevent damage to the business and the rights and interests of stakeholders.

(1) Supplier Due Diligence

To approve a supplier, a supplier questionnaire has to be conducted to verify the supplier company's basic information, quality, inspections, and environmental, safety & health certifications. The information will then be passed on to relevant divisions for assessment and approval.

(2) Supplier Evaluation on a Quarterly Basis

To maintain supply chain competitiveness and eliminate incompetent suppliers, critical suppliers are measured in three aspects of performance on a regular basis: finance/purchasing, engineering/R&D, and overall quality.

(3) Risk Management

To mitigate the risk of material shortage caused by supply chain disruption, the company monitors its incoming raw materials closely and cooperates with at least two suppliers for each key component to offer flexible backup.

(4) Local Procurement

Incorporating a localized supply chain into the product life cycle may deliver the following: create local employment opportunities, enhance national competitiveness, increase supply elasticity, cut unnecessary costs, ensure product quality, and reduce greenhouse gas emissions, thus strengthening the company's green procurement practices.

● **Supplier Responsibility Management**

In response to the RoHS Directive, Gemtek Technology adheres to the fundamental principles of green sourcing. All raw material suppliers must present the test results of a third-party testing laboratory and the Supplier Non-use of Hazardous Substances Declaration before starting the supplier component registration process through Gemtek's Green Supply Chain EHS Registration Platform. Since 2019, Gemtek has added a CSR section to its Green Supply Chain EHS Registration Platform, allowing suppliers to upload the signed Corporate Social Responsibility Agreement and RBA Commitment Letter. The purpose is to facilitate management and statistical analysis through information sharing and to monitor market trends and supplier performances with an aim to develop sustainable relationships and strategies with suppliers.

Based on ISO 9001 QP0602 "Supplier Control Procedure", Gemtek Technology's procurement division will follow the standard requirements for supplier quality and environmental promotion to regulate manufacturers and agencies with the following approaches:

(1) Declaration of Environmental Protection

Before entering a supplier contract, the company should request the supplier to sign environmental protection-related agreements to certify that all materials provided meet international safety and environmental standards as a means to demonstrate Gemtek's firm belief in achieving environmental sustainability. The supplier guarantees and attests on a signed contract that the raw materials provided to Gemtek at the time of the transaction meet the following requirements: the latest RoHS directive announced by the EU, REACH regulations, Gemtek's control policies for prohibited and restricted substances that are used in electronic and electrical equipment (EEE), and relevant environmental protection regulations.

環境保護宣告保證書

Declaration of Environmental Protection

本公司(包含子公司)特此保證:

Our company (including its subsidiary, associated and holding companies) herein guarantees:

於原生產商所給予之保證、聲明範圍內並依據國際公信方測試機構報告,所有提供給正立科技股份有限公司(包含但不限於子公司)(以下簡稱正立科技)之所有產品、材料、零件、聯發台變電器及當時歐盟正式公告之最新版-RoHS指令、正立科技QP2301電子電機設備(EEE)所用物質管制作業程序及相關環保法規之所有要求,「材料、零件」之定義係指本公司直接提供或本公司經由第三人間接提供予正立科技之材料、零件。

To the extent so warranted and represented by the original manufacturer and in accordance with the test report performed by international accredited agency/lab, all products, materials and parts deliverable to Gemtek Technology Co., Ltd (including Gemtek's subsidiary, associated and holding companies) (hereby referred to as "Gemtek") are totally in compliance with the EU's official announcement of the latest version of the RoHS Directive when the deal is made - the requirement of Gemtek's Restricted Substances of EEE Control procedure together with other mandatory environmental protection statute or orders. "Material and parts deliverable" herein is defined as

無鹵素宣告保證書

Declaration and Representation

本公司(包含子公司)特此保證:

Our company (including its subsidiary, associated and holding companies) herein guarantees:

於原生產商所給予之保證、聲明範圍內並依據國際公信方測試機構報告,所有提供給正立科技股份有限公司(包含但不限於子公司)(以下簡稱正立科技)之所有產品、材料、零件之均質材料中之鹵素含量,均符合國際規範無鹵素要求,專即:

總溴 Br < 900ppm, 總氯 Cl < 900ppm, Br+Cl < 1500ppm

To the extent so warranted and represented by the original manufacturer and in accordance with the test report performed by international accredited agency/lab, the concentration value of Halogen substances of all products, materials and parts deliverable to Gemtek Technology Co., Ltd (including Gemtek's subsidiary, associated and holding companies) (hereby referred to as "Gemtek") are totally in compliance with international specification set forth herein (i.e. IEC 61249-2-21).

Declaration of Environmental Protection

Halogen Free Compliance Declaration

(2) Supplier CSR Declaration

To show its dedication to corporate social responsibility, the company requires suppliers to sign a CSR declaration, implement corporate social responsibility, and complete the supplier's social responsibility self-assessment. The applied evaluation criteria for supplier selection include working hours, wages, employee benefits, education and training, forced labor, discrimination, freedom of association, occupational health and safety, environmental management, working environment, business integrity, information security, responsible minerals, and risk management. Until 2021, 85% of approved suppliers have signed and agreed to the Supplier CSR Declaration.

(3) Conflict Minerals Policy and Guidelines

● 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.
- (3) Trace the origin of the minerals used in products, i.e. gold (Au), tantalum (Ta), tin (Sn), tungsten (W), and cobalt (Co).
- (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

Use the Conflict Minerals Reporting Template (CMRT) to identify whether the origin of the sourced minerals ----- Tin, Tantalum, Tungsten, and Gold, are collected from the Democratic Republic of Congo (DRC) and adjoining countries, i.e. Republic of the Congo, Uganda, Sudan, Tanzania, Rwanda, Angola, Zambia, Burundi, and the Central Africa Republic. In 2021, 80% of suppliers agreed to and signed the Conflict Minerals Guidelines. In 2022, based on the RBA Code of Conduct, the Conflict Minerals Guidelines must follow the OECD Due Diligence Guidance, or the due diligence framework recognized by the (OECD).

(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, protecting the rights and interests of young people at work, and anti-forced labor. In 2021, 76% of the Responsible Business Alliance Code of Conduct Compliance Commitment are signed.



Responsible Business Alliance Code of Conduct Compliance Commitment

In order to maintain supply chain competitiveness and eliminate incompetent suppliers, critical suppliers are measured in three aspects of performance regularly: finance/purchasing, engineering/R&D, and overall quality. Suppliers are categorized by evaluation scorecard: Grade A (at least 90), Grade B (at least 70), Grade C (at least 60), and Grade D (below 60).

If a supplier is classified as Grade C due to quality issues, the supplier will be asked to propose a quality improvement plan within a limited period of time in addition to an on-site audit conducted by the company's Quality Assurance Department. Suppliers rated as Grade C for three consecutive quarters will be treated as Grade D suppliers. Grade D suppliers will be reviewed and discussed by relevant divisions during meetings. If the suppliers were still considered unqualified, they will be removed from the qualified suppliers' shortlist, and will not be able to apply for a new part number in the EHS management system. In 2021, Gemtek Technology evaluated suppliers that had made over five purchase deliveries. Among them, Grade A suppliers accounted for 59% of the total number of suppliers, and there were no Grade D unqualified suppliers.

Gemtek 2021 Supplier Evaluation Results

Grade	A	B	C	D	Total
Number of Suppliers	247	169	2	0	418



Sustainable Environment



3. Sustainable Environment

Environmental Protection	
GRI Material Topics	Greenhouse Gas Emission, Energy
Material Reason	Due to rising environmental concern and awareness, Gemtek Technology has not only actively participated in eco-friendly activities but has also made efforts in controlling greenhouse gas emissions and energy consumption. While assuring environmental compliance, the company is also committed to energy conservation and carbon reduction and implements environmental protection practices throughout its operations.
Topic Boundary	Gemtek Group (Headquarters/Gemtek (Changshu)/Gemtek (Kunshan)/Gemtek Vietnam)
Topic Boundary Disclosure Limitation	Gemtek Group (Headquarters/Gemtek (Changshu)/Gemtek (Kunshan)/Gemtek Vietnam) is the primary disclosure entity of the topics related to Greenhouse Gas Emission and Energy covered in this report.
Purpose	Compliance and enforcement of environmental regulations, practice energy efficiency, emissions reduction, and recycling, and develop green products. Environmental protection is taken into consideration in product design, use of raw materials, and production management.
Policy	<ul style="list-style-type: none"> Continuous research and development guided by the concept of green design, use energy resources efficiently, and monitor greenhouse gas emissions. Promote strong employee engagement in environmental health and safety management, and raise environmental health and safety awareness in the workplace.
Goals	<p>Short-term Goal: Compiled greenhouse gas inventory in accordance with ISO 14064-1:2018 and completed third-party assessment.</p> <p>Medium and Long-term Goal: Continuous research and development guided by the concept of green design, use energy resources efficiently, and monitor greenhouse gas emissions.</p>
Responsibility	Developed a Greenhouse Gas Inventory Team to overlook GHG inventory affairs. Gemtek's chief operating officer is appointed as the head of the team; the EHS manager is appointed as the team's executive secretary.
Resources	<ul style="list-style-type: none"> In 2021, the total environmental protection expenditure is about NT\$4,358,000. In 2021, a total of NT\$162,000 was invested in energy conservation measures. Created the Environmental Health and Safety Committee.
Course of Action	<ul style="list-style-type: none"> Incorporate ISO 9001, ISO 14001, ISO 45001, and other international management systems into the company's operational standards and follow CDP initiatives. In 2022, the company carried out the transition to ISO 14064-1:2018 for GHG emissions and inventories verification. A GHG verification statement was obtained after the completion of the GHG inventory report. The lighting equipment is replaced in stages. Office lights are set to be automatically switched off at night. EHS Committee must meet at least once each quarter.
Evaluation Mechanism	<ul style="list-style-type: none"> The PDCA cycle for the environmental management system (EMS) is evaluated annually following 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 is held 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.

Performances

- In 2021, the company's energy conservation measures saved a total of 114.23GJ in energy consumption, and greenhouse gas emission was reduced by 15,927KgCO₂e.
 - In 2021, all air discharges were in compliance with regulatory standards; and no incidents of major air pollution were reported.
 - In 2021, all wastewater discharges were in compliance with regulatory standards; and no incidents of impaired water quality were reported.
 - In June of 2022, completed third-party verification for ISO 14064-1:2018 GHG inventory report.
-

3.1 Energy Resources Management

● Materials Used

The materials used on the assembly line are mainly plastic enclosures, aluminum enclosures, antennas, cables, labels and packaging materials, etc. Among them, sustainable labels and packaging (cardboard cartons, pallets) are considered as renewable materials, accounting for 36.39% of the total material weight. Plastic and aluminum enclosures are categorized as non-renewable materials, accounting for 63.04% of the total material weight. Around 20% of the purchased housing plastic parts are manufactured out of recycled materials. Under the premise of ensuring product quality, materials are disassembled and recycled according to the condition of the item. Tin solder rods and solder paste will not be reused during the initial phase of the manufacturing process. However, the materials will be recycled to produce secondary products such as glass.

Gemtek's Material Consumption for the Past 3 Years

Year	2019		2020		2021	
Item	Weight(kg)	%	Weight(kg)	%	Weight(kg)	%
Recyclable	20,571	29.27%	31,133	36.71%	75,689	36.39%
Non-recyclable	49,707	70.73%	53,682	63.29%	129,071	63.04%
Total	70,278	100.00%	84,815	100.00%	204,760	100.00%

Damage-proof protective packaging is essential to cardboard cartons and single-use plastic delivery bags to protect goods during transport. At present, in terms of recycling packaging materials, the reuse and recycling of cardboard are prioritized by the company with the support of effective recycling services to protect the environment.

● Energy Consumption

Gemtek Group (Taiwan Headquarters, Gemtek (Changshu), Gemtek (Kunshan), and Gemtek Vietnam) uses purchased electricity, which accounts for more than 95% of the total energy consumption; LPG (Liquefied Petroleum Gas) fuel gas is mainly used by Gemtek Headquarter's office cafeteria for cooking; gasoline and diesel are used by company-owned vehicles and industrial generators; Gemtek (Changshu) uses natural gas for heating due to the cold weather in winter. The table below is an energy consumption analysis showing Gemtek's individual manufacturing sectors. The purpose is to reduce environmental impact by monitoring the changes and implementing energy conservation management.

Gemtek Group's Energy Consumption Chart of 2021

Unit: GJ

Item	Gemtek Headquarters	Gemtek (Kunshun)	Gemtek (Changshu)	Gemtek Vietnam	Total
Electricity	31,675.19	48,850.20	33,828.19	44,659.90	159,013.48
LPG	613.46	0.00	0.00	0.00	613.46
Gasoline	73.93	375.37	202.55	184.72	836.57
Diesel	75.14	4,449.82	0.00	0.35	4,525.31
LNG	0.00	0.00	1,350.44	0.00	1,350.44
Total Energy Consumption	32,437.72	53,675.39	35,381.18	44,844.97	166,339.26
Group Revenue (NT\$ in thousands)					22,912,691
Energy Intensity (GJ / NT\$ in thousands)					0.0073

Note:

- 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 (Gas 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 °

● Greenhouse Gas Management

Per ISO 14064-1:2006, since 2009, Gemtek Group (Taiwan Headquarters, Gemtek (Changshu), Gemtek (Kunshan), and Gemtek Vietnam) has conducted in-house GHG inspections through annual self-examination and external verification to monitor GHG emission status and strengthen GHG management. In 2021, the Group carried out the transition to ISO 14064-1:2018 standard for GHG inventories. Gemtek Vietnam was incorporated into the Group in the same year. Inventory reports were compiled following the ISO 14064-1:2018 protocol, which its scope includes the following: direct emissions (Category 1), indirect emissions from the generation of purchased energy (Category 2), and all indirect emissions (not included in Category 2) that occur in the value chain of the reporting company (Category 3-6). When assessing Categories 2~6 indirect greenhouse gas emissions, five core indicators are factored in, which include company demands, regulatory requirements or specific requests of a business function, emissions, management capabilities, and employee engagement. Indirect GHG emissions with an evaluated score above 100 shall be disclosed in the report. Quantification of GHG emissions uses the 3-year average total of GHG emissions from a base year i.e. 2021 to 2023. The quantified GHG emissions recorded in this report use 2021 as the base year to benchmark GHG emissions for the following years and set annual reduction goals. The GHG emissions inventory report of each manufacturing plant is shown in the following. To further reveal the management results of GHG inventory management and keep in line

with global initiatives, the company also participated in the 2021 CDP climate change and water security questionnaire and received a B- rating on both. The company will use CDP feedback to re-inspect and modify implementation goals and plans.

Gemtek Group's Greenhouse Gas Emission Chart of 2021

Unit: TCO_{2e}

tem		Gemtek Headquarters	Gemtek(Kunshan)	Gemtek(Changshu)	Gemtek Vietnam	Total
Scope 1	Category 1	526.6635	741.6951	586.3370	225.6447	2080.3403
Scope 2	Category 2	4,416.9294	10748.4019	7,443.1419	9975.2859	32583.7591
	Category 1+ Category2	4943.5929	11490.0970	8029.4789	10200.9306	34664.0994
Group Revenue (NT\$ in thousands)						22,912,691
Emission Intensity (TCO _{2e} / NT\$ in thousands)						0.0015
Scope3	Category3	9.5959	-	-	-	9.5959
	Category 4	3119.0292	1402.3208	926.4438	1203.1123	6650.9061

Note:

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. Greenhouse Gas Emissions Quantification Methods: Control Approach(Operational or Financial)
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. Emission factor-Taiwan=0.502kg CO_{2e}/kWh (Taiwan's electricity emissions factor in 2020); East China =0.7921 kg CO_{2e}/kWh; Vietnam=0.8041 kg CO_{2e}/kWh
8. Category 3 is indirect GHG emissions resulting from an organisations operations, e.g. business travel.
9. Category 4 is indirect GHG emissions from products an organisation uses, e.g. emissions from upstream energy procurement (electricity/gasoline/diesel/natural gas/LPG) and waste disposal.

● Energy Conservation Measures

With environmental awareness on the rise, Gemtek Technology has taken an active role in the environment to reduce carbon footprint and promote a sustainable future by ensuring manufacturing regulatory compliance, e.g. water, electricity, waste, and deepening company employees' tangible connection to the global village.

To save energy and cut carbon, the company has installed central air conditioning systems in its offices and factories to control and regulate temperature settings at a suitable level while striving to maintain a comfortable work environment and environmental compliance at the same time. The company has also replaced its office lighting in various phases. Office lights are scheduled to automatically switch off at night, and guards will inspect the lighting during patrols. In addition, the company cafeteria serves meals to employees with eco-friendly tableware and invests in commercial dishwashers to reduce excessive use of water. In 2021, Gemtek Technology has invested NT\$70,320 in energy conservation, its implementation outcomes are as follows:

Gemtek's Energy Conservation Implementation Outcomes in 2021

Measures	Reduced Electricity Cost (NT\$/Year)	Estimated Energy Saved (kWh/Year)	Energy Units Conversion (GJ/Year)	Reduced Carbon (KgCO ₂ e /Year)
Replace fluorescent T8 tubes(40W) with LED(20W) tubes	83,232	27,744	99.88	13,927
Replace spiral light bulbs (23W) with LED(10W) light bulbs	11,955	3,985	14.35	2,000
Total	95,187	31,729	114.23	15,927

Note:

1. NT\$3/kWh is used in the calculation of reduced electricity cost.

2. Conversion value of reduced GHG emission(KgCO₂e/year)= Energy Saved (kWh/Year) *0.502kgCO₂e/kWh °

3. Electrical energy conversion factor =3,600KJ/kWh °

3.2 Water Resources

● Water Resource Management

Gemtek is located in Hsinchu Industrial Park and receives its daily water supply from the Taiwan Water Company. According to the WRI Aqueduct Water Risk Atlas, the water stress level of the location is Low-Medium Risk 1-2, which signifies that the Company's water usage and consumption have not caused a significant impact on the local water sources. Because the Company is located in the Hsinchu Industrial Park, it is necessary that the Company observes the water use rules and regulations established by the park management authority. Until now, the Hsinchu Industrial Park Service Center has no plans to cut back water supplies. The Company commenced its water management plan in 2021. In the early stage, the Company premises was divided into four areas facilitated by the installation of water meters to observe water usage. Through data monitoring, the areas that demonstrate a higher level of water consumption can be quickly identified. Then, based on the results, water-efficiency measures can be implemented under the supervision of designated personnel. A year-on-year report generated showed that a considerable amount of water had been saved. The Company has also signed a contract with the water trucking company for the supply and delivery of water if water restrictions shall persist for more than a day in the event of water supply shortages. Gemtek's water consumption in the past three years is shown in the following chart.

Gemtek's Water Consumption for the Past 3 Years

Unit: Megalitre

Category	2019	2020	2021
Total Withdrawal	48.58	55.69	46.90
Total Discharge	38.87	44.55	37.52
Total Water Consumption	9.72	11.14	9.38

Note: Water Consumption = Withdrawal – Discharge

● Wastewater Treatment

Gemtek channels its wastewater discharge through the local sewage network, where the wastewater ends up at the Hsinchu Industrial Park Sewage Treatment Plant. The wastewater is treated according to standards before it is released into the Jiadong River. The Sewage Treatment Plant samples water from Gemtek twice a month to benchmark water quality and treatment costs. If the water quality does not meet the standards of the sewage treatment plant, the company shall be obliged to make improvements within a limited time upon receiving notice. There were no major sewage pollution incidents related to the company over the past years. All chemical oxygen demand (COD) and suspended solids (SS) meet effluent discharge standards.

Gemtek's Wastewater Quality Analysis for the Past 3 Years

Effluent Discharge Parameter (Unit)	Maximum Permissible Limit	2019	2020	2021
pH	5~9	7.4	7.3	7.5
COD (mg/L)	480	251	229	278
SS (mg/L)	400	29.5	42.5	58

Note: Water quality test results = Hsinchu Industrial Park Sewage Treatment Plant annual average measured values.

3.3 Pollution Prevention

● Air Pollution Prevention

Gemtek Technology elicits high efforts to alleviate any environmental impacts caused by air pollutants through constant monitoring. The main source of the Company's gas emissions is the small amount of exhaust gas generated by soldering operations. The Company commissions an accredited environmental inspection agency to perform tests regularly, and files declarations to the Environmental Protection Agency quarterly in compliance with regulations. Over the years, the number of gas emissions has met regulatory standards, and no cases of air pollution have occurred.

The Company's air conditioning system that is currently in service uses R22 refrigerant, and its fugitive emissions contain ozone-depleting substances. The Company did not take actions to refill its air conditioning units with R22 refrigerant in 2021. In the future, eco-friendly and non-ozone-depleting qualities will be the leading factors to consider when purchasing cooling equipment. The Company shall plan to phase out old equipment that may emit harmful gases and potentially cause damage to the ozone layer.

Gemtek's Air Pollutant Emissions for the Past 3 Years

Type of Pollutant/Emissions(kg)	2019	2020	2021
VOCs	3,788.91	4,787.32	3,373.42
TSP	936.95	1,091.3	551.1

● Waste Management

Designated storage points for industrial waste are set up across the factory premises. Waste segregation is the separation of waste types according to where the material is produced, and is a relatively more effective approach for reuse and recycling. Better waste management means less waste, and therefore less pollution is created. In terms of waste management, the Company entrusts qualified waste management companies approved by the competent authority to handle the waste, and online declarations are made in accordance with regulations to guarantee that no environmental pollution issues have occurred. Every year, each waste management company will be subject to an on-site audit conducted by the Company. The handling of hazardous industrial wastes is evaluated based on transportation, storage, and disposal according to relevant guidelines and standards. The audit outcome will serve as a critical factor for selecting contractors.

The waste generated throughout the normal course of business activities is mostly everyday-waste. The total amount of waste generated in 2021 is 132.12 tons, of which 49.74 tons is recycled waste and 82.38 tons is non-recyclable waste. During the reporting period, no waste had been delivered overseas, and no significant spill incident had occurred.

Gemtek's Waste Management in 2021

Unit: Ton

Hazardous Waste				
Waste Composition	On-site		Disposal	
Item	Weight(Ton)	Method of Treatment	Weight(Ton)	Method of Treatment
Liquid waste	-	-	0.04	Incineration(Does not include recyclables)
PCB waste materials (containing metal) and dust particles	-	-	1.08	Physical methods ^{Note}
Discarded PCBs with components	-	-	0.76	Physical Methods ^{Note}
Discarded components, scraps, and defective item	-	-	1.94	Physical Methods ^{Note}
Non-Hazardous Waste				
Waste Composition	On-site		Disposal	
Item	Weight(Ton)	Method of Treatment	Weight(Ton)	Method of Treatment
Non-hazardous spent lye	-	-	0.93	Incineration(Does not include recyclables)
Kitchen waste	-	-	17.50	Recycled and reused
Everyday waste from business activities	-	-	77.63	Incineration(Does not include recyclables)
Paper waste	-	-	24.80	Recycled and reused
Plastic waste	-	-	7.44	Recycled and reused

Note: Physical methods – After dismantling, the material goes to a smelter for metal recovery.



Workplace Well-being

4. Workplace Well-being

Occupational Health and Safety	
GRI Material Topics	Occupational Health and Safety
Material Reason	Having a healthy workforce is a company's greatest asset. How to maintain a safe working environment is a crucial topic for businesses when considering the benefits of the reduced likelihood of law violations in addition to protecting the safety and well-being of employees and avoiding business losses.
Topic Boundary	Gemtek Headquarters/Suppliers/Contractors
Topic Boundary Disclosure Limitation	Gemtek Technology Headquarters is the primary disclosure entity of the topics related to Occupational Health and Safety covered in this report.
Purpose	Create a safe and positive work environment. Promote occupational health and safety programs and activities with circumspection. View maintaining labor safety and health as an integral part of corporate responsibility.
Policy	<ul style="list-style-type: none"> • Strictly abide by laws and requirements relevant to occupational health and safety and environmental protection. Fulfill environmental health and safety management responsibilities, and continue to improve management practices. • Promote workplace health and reduce occupational health and safety disasters. Manage workplace health and safety and pollution prevention.
Goals	<p>Short-term Goal: Achieve occupational health and safety goals.</p> <p>Middle and Long-term Goal: Promote workplace health and reduce occupational health and safety disasters. Manage workplace health and safety and pollution prevention.</p>
Responsibility	Established an Environmental Health and Safety Committee to overlook EHS affairs. Gemtek's chief operating officer is appointed as the head of the committee; the EHS manager is appointed as the team's executive secretary.
Resources	<ul style="list-style-type: none"> • Created an Environmental Health and Safety Committee • In 2021, the total expenditure for workplace health promotion is about NT\$104,600. • In 2021, the total expenditure for preventing COVID-19 exposure and infection in the workplace is about NT\$349,137.
Course of Action	<ul style="list-style-type: none"> • Adopt ISO 45001 and other global management systems, and follow RBA related norms and initiatives • Set annual goals for occupational health and safety: Conduct environmental health and safety promotion programs at least 6 times per year; all new employees take part in environmental health and safety training courses; conduct EHS retraining courses once every two years; EHS Committee must meet at least once each quarter; conduct contractor audit at least once each quarter; offer monthly on-site healthcare and medical counseling services; carry out factory floor environmental monitoring and weight loss programs.
Evaluation Mechanism	<ul style="list-style-type: none"> • The PDCA cycle for the environmental management system (EMS) and RBA is evaluated annually following the ISO 14001 and RBA 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 is held quarterly to discuss matters that are related to environmental, health, and safety. Labor representatives are invited to attend the meetings to review implementation outcomes of EHS affairs and communicate measures to continuously maintain and improve EHS management.

- Performances**
- In 2021, all new employees have undergone occupational health, safety, and environmental protection training.
 - In 2021, no incidents of occupational diseases were reported.
 - In 2021, the company received the Taiwan ISports Enterprise certification.
 - In 2021, all employees and contractors have undergone RBA training.
 - In 2021, all employees and catering staff have undergone health inspections.
 - In 2021, a total of 50 people participated in the weight loss program, achieving an aggregate weight loss of 127 kg.

Employee Care, Rights, and Interests

GRI Material Topics

Employer/Employee Relationship, Human Rights Assessment

Material Reason

Employees are Gemtek's most valuable asset. The Company's future development and success are contingent on what talents the Company hires and how well employment relationships are maintained in the long run. Gemtek Technology is fully committed to creating a diverse and friendly work environment and has set up human rights-based policies and measures as part of its business practices. Under a well-rounded set of Company rules and regulations, effective communication channels, and satisfactory working conditions and benefits, Gemtek employees will certainly be driven to work toward the Company's goals to achieve long-term corporate sustainability.

Topic Boundary

Gemtek Headquarters

Topic Boundary Disclosure Limitation

Gemtek Headquarters is the primary disclosure entity of the topics related to Employment Relationship and Human Rights Assessment covered in this report.

Purpose

- Ensure a fair recruitment and selection process and hire the right candidates to protect the rights and interests of employees
- Build and maintain a harmonious employment relationship on the basis of global trends and national laws.

Policy

High-quality employees are the key to business success; ensure equality, diversity, and inclusion in the workplace; respect and protect human rights; strengthen labor-management communication; safeguard employees' mental health and well-being; protect privacy.

Goals

- Short-term Goal:**
- Achieve the annual target set by the Human Resources Department
 - Implement RBA management system, conduct regular internal audits, and complete VAP validation.
- Middle and Long-term Goal:**
- Maintain a good employer-employee relationship, create a positive work environment, increase new hire retention and reinstatement rate, and reduce employee turnover.
 - Implement the RBA management system to ensure that the company does not violate domestic and international laws and regulations that are relevant to human rights, and protect the rights and interests of employees and customers.

Responsibility

- 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, organizing workplace clubs, and handle employees' welfare businesses such as subsidies.
- RBA team management is led by the company COO.
- Created a Sexual Harassment Prevention Committee. The committee affairs are joined by labor representatives. Members of the committee are selected or nominated among coworkers.

Resources

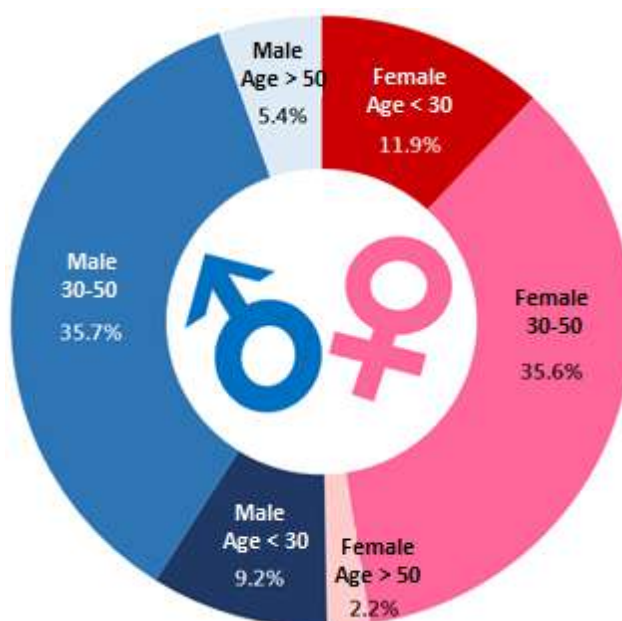
- In 2021, a total of NT\$1,236,709,000 was spent on employee compensation and benefits.
- In 2021, a total of NT\$197,000 was invested in education and training.

Course of Action	<ul style="list-style-type: none"> • Provide training sessions for members of the recruiting unit to improve their interviewing techniques. • Establish comprehensive bonus and incentive programs and leave benefits. • Install office recreational facilities. • Hold employee engagement activities regularly and encourage employees to actively participate in workplace clubs. • Offer "Restricted Shares" to high-level executives. • Labor policies and documents are published on the company's internal website or bulletin board. Human rights-related courses are held occasionally. • Human rights-related education and training for employees are arranged annually.
Evaluation Mechanism	<ul style="list-style-type: none"> • Conduct annual evaluations to improve the effectiveness of the internal control system. • Improve corporate governance through quarterly management reviews and communication.
Performances	<ul style="list-style-type: none"> • In 2021, the onboarding rate for new hires was 29.03%, and the turnover rate was 23.38%. • In 2021, the ratio of indirect compensation relative to statutory salaries is approximately 1.5:1. • In 2021, the company employed 5 indigenous and 11 disabled employees. • In 2021, no incidents of labor disputes or violations of labor laws were reported. • In 2021, all employees participated in the performance review conducted by the company. • Gemtek underwent RBA VAP validation in 2020 August, and received RBA VAP silver certification after completing the Closure Audit in 2021.

4.1 Workforce Composition

● Employee Categories

Employees are Gemtek's most valuable asset. Gemtek Technology abides by labor-related regulations and the Act of Gender Equality in Employment and regards personal skills and quality as the essential criteria for selecting candidates. The company must treat all candidates fairly and must not discriminate due to gender, age, race, nationality, religion, or political stance. In 2021, the company has a total of 1,082 employees in Taiwan (544 males and 538 females), of which 1,081 are full-time employees and 1 is a part-time employee.



The company has a total of 140 managerial employees (108 males and 32 females), accounting for 12.94% of the total number of employees; and 942 non-manual employees (436 males and 506 females), accounting for 87.06% of the total number of employees. All of Gemtek's high-level executives (vice president and above in the management hierarchy) are Taiwanese nationals.

Gemtek's Workforce Composition for 2021

Region	Gender/Age Type of Contract	Female			Male			Total
		<Age 30	Age 30-50	>Age 50	<Age 30	Age 30-50	>Age 50	
Taiwan	Full-time	129	385	24	99	386	58	1,081
	Part-time	0	0	0	1	0	0	1
	Total	129	385	24	100	386	58	1,082

Note:

1. The above chart was compiled according to the presented number of employees as per December 31, 2021.
2. Definition of part-time employees based on Attendance Policy: 2 days per week, 16 hours per week.
3. In 2021, a total of 92 employees who specialize in administrative tasks, kitchen operations, and manufacturing are dispatched labors.
4. All persons hired are direct employees. Gemtek has not hired any contractors so far.

Gemtek's Manager Demographics for the Past 3 Years

Category/Gender		Age	2019	2020	2021
Managerial Staff	Male	< 30	0	0	0
		30-50	76	74	78
		> 50	22	24	30
	Female	< 30	0	0	0
		30-50	23	26	27
		> 50	3	4	5
Non-managerial Staff	Male	< 30	96	98	100
		30-50	269	305	308
		> 50	22	20	28
	Female	< 30	97	137	129
		30-50	269	315	358
		> 50	10	15	19
Total			887	1,018	1,082

Note: Definition of Managerial Staff – (1)Employees who are part of the management bonus scheme. (2)Assistant managers or above in the management hierarchy. (Does not include expatriate employees.)

In support of equal employment opportunities for people who are physically disabled or part of an indigenous group, Gemtek's employment policies abide by relevant guidelines regulated by the "People with Disabilities Rights Protection Act" and "Indigenous Peoples Employment Rights Protection Act". In 2021, the company employed 5 indigenous and 11 disabled employees, and no incidents of discrimination or violation of indigenous people's rights in the company were reported. The company's employment number of persons with disabilities met regulatory requirements. However, the employment number of indigenous persons was below regulatory standards and the company had to complete relevant payments in cash according to law.

Gemtek's Workplace Diversity Chart for 2021

Gender	Male			Female			
	Age	<30	30-50	>50	<30	30-50	>50
Indigenous People		2	2	0	0	1	0
Disabled		2	5	3	0	1	0

● Employee Turnover Rate

Gemtek Technology's annual number of new employees and resignees for the past three years is shown in the tables below. In 2021, the percentage of new hires was 29.30%, and the turnover rate was 23.38%. In 2021, despite the increase in business revenue and demand for more humanpower, the number of resignations was still relatively higher than the previous year, offsetting the total number of positive growth at the end.

To successfully acquire the right talents based on fair procedures while allowing candidates to feel at ease during interviews, members of the recruiting unit are to undergo all-inclusive training courses to enhance their interviewing skills and learn the proper use of assessment tools. The recruitment process is conducted with transparency and fairness to hire the best talent available for the job.

Gemtek's Annual Employee Turnover Rate for the Past 3 Years

Year Gender Age	2019				2020				2021			
	Male		Female		Male		Female		Male		Female	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
<30	29	30.21%	24	24.74%	25	25.51%	28	20.44%	30	30.00%	51	39.53%
30-50	66	19.13%	40	13.70%	39	10.29%	54	15.84%	96	24.87%	65	16.88%
>50	7	15.91%	1	7.69%	10	22.73%	0	0.00%	6	10.34%	5	20.83%
Total number of resignees	167				156				253			
Total number of company employees	887				1,018				1,082			
%	18.83%				15.32%				23.38%			

Gemtek's Annual New Hire Percentage for the Past 3 Years

Year Gender Age	2019				2020				2021			
	Male		Female		Male		Female		Male		Female	
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
<30	27	28.13%	32	32.99%	49	50.00%	84	61.31%	49	49.00%	66	51.16%
30-50	46	13.33%	32	10.96%	57	15.04%	93	27.27%	102	26.42%	94	24.42%
>50	5	11.36%	1	7.69%	4	9.09%	0	0.00%	5	8.62%	1	4.17%
Total number of new hires	143				287				317			
Total number of company employees	887				1,018				1,082			
%	16.12%				28.19%				29.30%			

Note:

1. The above chart was compiled according to the presented number of employees as per December 31, 2021.
2. The number of resigned employees have not been deducted while the number of new hires were being tallied; the number of resigned employees include those who leave the company on their own volition, were dismissed, or were qualified for retirement.
3. New Hire Percentage(%)=Number of new hires within the year whose job descriptions are grouped under the same category./ Total number of company new hires within the year.
4. Turnover Rate(%)=Number of resignees within the year whose job descriptions are grouped under the same category./ Total number of resignees in the company within the year.

● Minimum Notice Period for Resignation

In the event of major operational changes resulting in the termination of employment, Gemtek Technology shall proceed to notify employees in accordance with the Labor Standards Act.

- (1) 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.
- (2) 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.
- (3) Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

4.2 Employee Benefits and Training & Development

● Salaries

Gemtek is committed to the implementation and enforcement of equal pay. Gemtek benchmarks the national monthly minimum wage, which in 2021 is NT\$24,000, and sets the starting salary of a direct employee at 1.1 times the minimum salary, and an indirect employee at 1.5 times the minimum salary, regardless of gender. Both starting salaries are higher than the national minimum wage. Gemtek also conducts salary surveys annually to measure the competitiveness of the company in the payment market and makes necessary adjustments to employee salaries and compensation according to business conditions and requirements. The table below shows Gemtek's gender pay gap for different job levels.

Gemtek 2021 Gender Pay Gap by Job Level

Job Level \ Gender	Female	Male
Top managers	1	1.18
Mid-level managers	1	1.17
Non-managerial employees	1	1.36

Note:

1. Top managers refer to directors and above; mid-level managers refer to department managers and team managers.
2. 21.4% of non-managerial female employees are migrant factory workers, resulting in the relatively wider difference in the gender pay gap.

Per the Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, salary disclosure of full-time employees is shown in the following table. On March 17, 2022, the board of directors approved the Employee Compensation for 2021. As reported, the salary paid to non-managerial full-time employees in 2021 is less than the amount paid in 2020. The cause of this was the increase in the number of production lines and workforce driven by the company's Global Capacity Expansion Strategies.

Gemtek's Salary Disclosure

Year	2020	2021
Number of non-managerial full-time employees	869	953
Aggregate amount of salary paid to non-managerial full-time employees (NT\$ in thousands / per year)	885,897	906,984
"Average" salary of non-managerial full-time employees (NT\$ in thousands / per year)	1,019	952
"Median" salary of non-managerial full-time employees (NT\$ in thousands / per year)	876	812

● Employee Benefits Programs

Gemtek Technology makes considerable efforts to meet employee requirements by establishing a positive work environment besides providing sufficient employee benefits and protection. Employee benefits include comprehensive bonus programs, leave benefits, a general benefits package, and access to recreational facilities. The company has also put together an Employee Benefits Committee responsible for organizing and promoting all sorts of corporate activities. On top of that, the committee oversees the distribution of Special Gifts during holidays and birthdays.



In July 2020, Gemtek Technology commenced the issuance of "New Restricted Employee Shares" as part of the Company's long-term incentive and reward program. The goal is to not only attract and retain professionals and enhance employees' sense of camaraderie but to attach a sense of responsibility among senior executives and talents, driving them to create long-term shareholder value and achieve ESG excellence. The "New Restricted Employee Shares" is designed to effectively motivate employees who have demonstrated strong, commendable performances. To determine employee eligibility to receive bonuses, employees will be assessed by their seniority, job grade, position, work performance, overall contribution, special merits, and other measurable indicators. Individuals must meet the performance goals set by the Company to receive the "New Restricted Employee Shares" under the circumstances that business outcomes are desirable. This approach is to strengthen the bilateral employment relationship between Gemtek and employees.

In compliance with regulatory requirements, Gemtek employees are provided with labor insurance coverage (e.g. injury or sickness benefits, disability benefits, maternity benefits, and survivor benefits) and national health insurance coverage immediately on the day of onboarding. According to Labor Standards Act regarding Article 55 Pension Payment Standard and Article 56 Labor Retirement Reserve, the Company will deposit 6% (per new system) or 2% (per old system) of the employee's monthly salary, depending on whichever is applicable, to the employee's labor pension reserve account in 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, both regular employees and contract employees are entitled to group insurance plans (life insurance, accident insurance, health insurance, and cancer insurance) from the first day of their employment, giving colleagues and their families extra protection. The Company has established a reasonable leave policy following the Labor Standards Law, allowing colleagues to arrange work schedules flexibly whenever necessary, e.g. parental leave, family care leave, menstrual leave, paternity leave, and disease prevention leave.

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 grants for marriage, bereavement, and other occasions, Special gifts during holidays and birthdays, Special store deals.
Workplace Club Activities	Badminton Club, Baking Club, Heqigong Club, Fishing Club, Wilderness Club, Dance Club, Basketball Club, Photography Club
Recreational Facilities	Basketball Court, Gym, Badminton Court, Table Tennis Room, Aerobics Classroom, etc.
Employee Group Insurance	Employees are eligible for group insurance coverage from the first day of hire. Insurance agents stationed on-site offer consulting services if employees have questions or plans to purchase supplemental insurance for themselves or their family members at their own expense.
Prenatal Care	Parking spaces are reserved for pregnant co-workers in the main office building's underground parking lot where an elevator that leads directly to the office floors is easily accessible. A private, safe, and comfortable lactation room with all the basic amenities is available for breastfeeding mothers at all times.
Expat Benefits Package	The Company's International Assignment Policy offers significant support for expatriate employees, allowing them to work overseas without transition concerns. The expatriate compensation package includes home travel holiday entitlements and flight expenses, expat allowances, travel, accommodation, meal allowances, family healthcare, living, and children's education allowances, and airport pick-up service.
Other Benefits	Rent allowance, staff dormitory, indoor parking lot, quarterly office lunch party allowances, Chinese and Western-style workplace cafeteria, office café, etc.



● Covid-19 Prevention

A "COVID-19 Emergency Response Team" has been set up since the beginning of the coronavirus outbreak as a means to ensure business continuity. The team oversees the implementation of epidemic prevention measures against infectious diseases following the latest coronavirus developments and local government policies at the Company's global business sites. In addition, a disease control reporting channel is available to help employees stay proactive about disease prevention to uphold a safe and healthy workplace.

The team monitors the pandemic closely. If the CDC should notify the Company of a reported case, the team will initiate advanced disease prevention control by observing isolation precautions.

Co-workers with exposure history will be asked to take the COVID-19 rapid test. Those who tested preliminary positive shall be reported to the CDC for follow-up confirmatory tests and isolation immediately. Preliminary screening helps identify people suspected of COVID, allowing appropriate medical attention and safety measures to take place before the disease can cause further harm to the workplace. In 2021, no confirmed COVID cases were reported.

● Parental Leave

Employees are entitled to statutory parental leave for up to 2 years before the youngest child in the household turns three years of age. Employees are also entitled to come back to the job they had before going on leave. Nevertheless, the company shall conduct follow-up calls to confirm the employees' intention to resume work in order to arrange for their reinstatement in advance.

Gemtek's Number of Parental Leaves for the Past 3 Years

Year Gender / Total	2019			2020			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total number of employees eligible for parental leave A	69	48	117	50	33	83	36	26	62
Actual number of parental leave applications submitted for the current year B	1	6	7	2	3	5	1	9	10
Total number of employees to be reinstated after parental leave for the current year C	1	4	5	0	4	4	2	3	5
Actual number of employees reinstated after parental leave for the current year D	1	3	4	0	4	4	2	3	5
Actual number of employees reinstated after parental leave for the previous year E	1	11	12	1	3	4	0	4	4
Number of employees who stayed on the job for more than a year after reinstatement for the previous year F	0	8	8	0	2	2	0	2	2
% Reinstatement for the current year (D/C)	100%	75%	80%	0%	100%	100%	100%	100%	100%
% Stay on job for the current year (F/E)	0%	73%	67%	0%-	67%	50%	0%	50%	50%

Note: Eligibility for parental leave in 2021 is defined as those who have taken maternity or paternity leave within the three-year period from January 1, 2019 to December 31, 2021.

● **Human Rights Protection**

Prohibition of Child Labour

In 2021, Gemtek Technology had no record of hiring illegal child labor. Furthermore, all suppliers are required to sign the "Declaration to Responsible Business Alliance Code of Conduct", to uphold human rights principles by prohibiting child labor, in other words, protecting the rights of young workers and not imposing forced labor. When a minor under 15 years of age is accidentally employed, the Company shall initiate full and final settlement procedures and take the following remedial measures:

1. Talk to the young worker about the situation. Notify police authorities. The company shall be responsible for making travel arrangements and paying related expenses for the young worker to journey home safely to his/her parents or guardians.
2. The company shall be responsible for providing the young worker with medical care and covering all medical bills and living expenses that have been incurred during the period he/she is waiting to be sent home.
3. It is strictly forbidden to recklessly dispatch workers. Departments or individuals who are liable for the injury, disability, or death of child labor shall be punished by the company, and be placed under investigation by the judicial system for a criminal offense.
4. If the young worker has not yet completed his/her compulsory education, the company may, with the written consent of a parent/guardian, offer to pay for the education until the worker reaches the age of 18. If the applicant is above the age of 15 and intends to apply for a position in the company, their job application shall be received and handled 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 shall be investigated immediately, followed by a review of the recruitment process and subsequent remedial measures.

As one of the world's largest wireless communication companies, Gemtek Technology has the primary responsibility to protect the rights of its employees and people working in global supply chains. Gemtek Technology is committed to implementing the "Responsible Business Alliance (RBA) Code of Conduct", promising to provide employees with a safe work environment, promote environmental protection, and observe business ethics. When selecting the right candidate for a job, personal quality, skills, and compatibility are the key determinants to consider, regardless of race, social status, nationality, religion, biological status, gender, sexual orientation, marital status,

political opinion, age, or other causes of discrimination. We understand the importance of raising awareness and understanding of the company's human rights policies across departments, therefore, new hires are required to complete the RBA training as a part of their staff orientation (including labor rights, ethics and anti-corruption, environment, health and safety, and management system) to ensure that each employee fully understands their rights and responsibilities from the beginning. Gemtek makes efforts to ensure effective implementation of human rights to prohibit all forms of forced labor, including practices such as withholding identification documents, deposits, or wages to force employees to stay on the job. If an employee is subjected to discrimination, intimidation, abuse, exploitation, or other inappropriate treatments in the workplace, an employee grievance mechanism is set up in place for them to address their problems proactively through a communication channel of their choice, e.g. suggestion box, email, or hotline, where the complaints will be handled directly by a dedicated team to protect the rights of employees. In 2021, no incidents of discrimination based on gender or race in the company were reported. In 2021, Gemtek Technology underwent an RBA VAP Closure audit for human rights 1 time (excluding customer audit). The assessment does not have any impact on the total number and proportion of operating activities. Gemtek Group (Taiwan Headquarters, Gemtek (Changshu), Gemtek (Kunshan), and Gemtek Vietnam) has RBA Implementation Teams set up across all manufacturing sites. The RBA Implementation Team must complete the RBA internal auditor training, hold management review meetings, assess RBA management system risks, set key performance indicators, and conduct internal audits on a regular basis. Conduct biannual RBA audits or customer audits from time to time to examine the implementation of RBA through five principle aspects ----- human rights, ethics and anti-corruption, environment, health and safety, and management systems. In 2021, the individual manufacturing plants of Gemtek Group (Taiwan Headquarters, Gemtek (Changshu), Gemtek (Kunshan), and Gemtek Vietnam) all underwent RBA VAP, Closure Audit, or customer audit at least once. Since then, improvement plans based on the audit results have been carried out.

Gemtek Technology has not yet formed a trade union and has not entered into any contract with employee organizations. Under the "Employee's Freedom of Assembly and Association Management Procedures", Gemtek employees have the freedom to associate with others, engage in collective bargaining and peace agreements, and the right to refuse to join such activities. Nonetheless, in May 2021, due to the rapidly rising number of COVID-19 infection cases in Taiwan, government authorities had to raise the national Covid-19 alert to level 3. Consequently, the company responded to the new government measures by promoting better personal hygiene around the workplace and announcing the suspension of group gatherings until the COVID alert is de-escalated to level 2. No incidents of forced or compulsory labor in any operating activities were

found within the company. All operating activities and investment agreements follow the applicable laws and regulations of each country. In 2021, no incidents concerning violation of free association and relevant complaints were reported.

To protect the safety and rights of employees, the company has established a Sexual Harassment Prevention Committee. Members of the committee are elected through a transparent process to provide employees with a free, fair, and just grievance channel. In addition, contracts and agreements between the company and its suppliers, contractors, and other business partners follow the human rights laws and regulations in the countries where the entities operate, and no additional human rights clauses are appended. By the end of 2021, the company had not received any complaints concerning the violation of human rights. During the reporting period, no child labor was employed or used, no penalties were imposed by the Labor Bureau, no violation of the rights of indigenous peoples were reported, no audits on human rights impact assessment were conducted by external experts, and no complaints of gender/racial discrimination were found across the company.

The company not only publishes its labor policies and code of conduct on the company's internal website and office bulletin boards, but also conducts RBA training courses from time to time to allow employees to fully understand their rights as well as enforce business integrity, anti-corruption, and human rights principles in the workplace. All Gemtek employees have undergone RBA training accordingly.

Gemtek RBA Training Courses in 2021

Course Name	Participants	Total Hours	Number of employees
♦ RBA Code of Conduct Training	All Employees & New Hires (Regular/Dispatched)	674	1,348
	Security, Cleaning Staff	8	16
♦ RBA Code of Conduct Training for Internal Auditors	RBA Implementation Team	34	28
♦ RBA Code of Conduct Training on Human Trafficking and Forced Labor	HR	5	10
Total		721	1,402

Note: Employees include top executives and managers.

● Performance Management and Employee Development

Gemtek's performance management and employee development systems have interconnected functions that are critical to determining an employee's eligibility for career opportunities and rewards based on acceptable employee performance. The company evaluates employee job performance twice a year. Employees may be offered rewards and promotion opportunities based on the results of personal performance, skill development, and business growth. Except for the chairman of the board, new employees who have been employed for less than 24 weeks, and reinstate employees who have resumed their jobs for less than 16 weeks are not eligible for assessment. However, employees must work with their supervisors to formulate work and career development plans for the next six months. In 2021, all men and women employees underwent assessment.

Dual Career Development System

Gemtek has a comprehensive career development framework to proactively retain talents, boost employee motivation, and improve work abilities and performance. The company applies a "Dual Career Development System" based on employees' work performance and management aptitude. The innovative approach helps employees achieve career goals and fine-tune management practices in reference to personal qualities, professional skills, and training development. At the same time, internal job postings are also part of Gemtek's workplace transparency practices. We respect employees' willingness to change jobs and hope that a job change in the course of an employee's career path may be the key to uncovering potential and reducing job burnout. The company has set up internal policies to encourage employees to take an active role in external professional development programs, where employees may gain new perspectives and expand professional 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:** Judging by work performance and organizational requirements, the employee may be promoted to a production line manager (e.g. team leader or foreman), an assistant engineer, or an engineer. In 2021, all men and women employees accepted career development plans, and all colleagues will have equal career opportunities.



● Employee Training and Education

Gemtek Technology understands the importance of employee training and development. To improve employee productivity and the quality of work, Gemtek creates annual training plans that meet employee needs and the organization's requirements and goals. Training courses may include new hire orientation, professional training, leadership training, environmental health, and safety audit, computer office tools, etc. In 2021, full-time regular employees received an aggregate number of 9,951 hours for education and training, which was 9.2 hours of training per person.



Curriculum implementation had been carried out successfully. Due to the COVID-19 outbreak, social distancing was applied to prevent the spread of the infectious disease. Therefore, a majority of in-person training courses had been canceled or postponed, which resulted in less amount of training costs and training hours.

Gemtek's Employee Training and Education Statistics for the Past 3 Years

Year		2019			2020			2021		
Category/Gender		Total Number of Employees	Aggregate Number of Training Hours	Average Training Hours per Person	Total Number of Employees	Aggregate Number of Training Hours	Average Training Hours per Person	Total Number of Employees	Aggregate Number of Training Hours	Average Training Hours per Person
Managerial Employee	Male	117	1,458.5	12.5	131	1,538.0	11.7	120	1,136.5	9.5
	Female	46	511.5	11.1	52	631.3	12.1	55	479.5	8.7
Non-managerial Employee	Male	368	4,331.0	11.8	389	4,782.4	12.3	424	3,243.5	7.6
	Female	356	5,362.0	15.1	445	7,413.8	16.7	483	5,091.5	10.5

Note: 1. Definition of Managerial Staff – Assistant managers or above in the management hierarchy.

2. The aggregate number of training hours is the sum of individual training hours received by all employees in 2021.

In addition to regular courses, in August 2016, the company rolled out a new online training system to provide employees with a wider selection of professional development courses and learning resources. Employees are able to provide meaningful feedback about their learning experiences via the platform, allowing the company to track and improve the effectiveness of the training courses.



In addition, a designated area stocked with books and magazines is made available for employees to relax and appreciate some reading time.

● **Contractor Training Programs**

To protect the labor rights and ensure ethical compliance of individuals who undertake security and cleaning roles (employed via a labor outsourcing company) in Gemtek, the company expects the labor outsourcing company to operate by the Responsible Business Alliance Code of Conduct. From 2021, all security and cleaning staff are required to partake in the "Responsible Business Alliance Code of Conduct" training. The training completion rate is 100%.

On top of that, labor outsourcing companies are required to follow all applicable labor outsourcing regulations and sign the "Supplier's Declaration of Anti-corruption and Bribery", "Responsible Business Alliance Code of Conduct Compliance Commitment ", and pass the "Human Resources Company Audit".

4.3 Employee Health and Safety

● Occupational Health and Safety

Gemtek Technology has established an occupational health and safety management system based on ISO45001 and is committed to creating a good working environment for employees, and safeguarding employee well-being. Besides setting and enforcing occupational health and safety guidelines, the company assesses the system regularly to mitigate arising health and safety risks at work. To understand and prevent the occurrence of near misses, injuries, and major accidents, Gemtek conducts accident investigation and analysis as specified by the "Incident Investigation and Management Procedures". Corrective and preventive measures are later formulated and announced to colleagues via email, office bulletin boards, and in person during Occupational Health and Safety Committee meetings. The ISO 45001 standard applies to all entities included under the Gemtek Group (Taiwan Headquarters, Gemtek (Changshu), Gemtek (Kunshan), and Gemtek Vietnam), which its goal is to provide a practical solution to improve the safety and health of both employees and other personnel (e.g. contractors, residential engineers, cleaning staff, kitchen staff, and security guards).

The company has set up an Occupational Health and Safety Committee to strengthen employer/ employee communication to provide a safe and comfortable work environment. The Occupational Health and Safety Committee consists of all levels of management, health and safety officers, medical staff, and labor representatives. Employees are invited to take part in the meeting discussions as well. Occupational health and safety-related matters are discussed and planned during OHSC quarterly meetings. Meeting results are recorded in the form of meeting minutes, displayed on posters, or announced via email newsletters to promote health and safety in the workplace.

Gemtek encourages two-way communication and offers various types of employee feedback channels. Open elections for labor representatives are held regularly. Employee feedback and suggestions are reviewed and discussed during quarterly labor-management meetings to resolve issues, improve management, or adjust to the latest laws and regulations. Employees may try to communicate through the company suggestion box or find other forms of communication channels and contact information posted on the office bulletin boards, e.g. Emails and Hotlines. Employees may provide feedback or make anonymous reports on unethical or illegal actions whatever the circumstances. The company hands out surveys concerning food quality at work, employee welfare activities, and job satisfaction and announces the results on the company website.

● Identify Hazards in the Workplace

Gemtek pays close and thoughtful attention to environmental health and safety and continues to uphold the standards of ISO 45001 Occupational Health and Safety Management System and ISO 14001 Environmental Management System. Hazard identification and risk assessment are undertaken regularly or occasionally by a designated team of trained members chosen from each department every year. The EHS department will be responsible for reviewing and determining the risk acceptance criteria, which can be used as the basis for improving relevant controls and measures.

The scope of hazard identification and risk assessment includes the following where health and safety hazards are present or likely to be present in the workplace: onsite and offsite business operations, routine and non-routine activities, all personnel who are permitted to enter the production area (including contractors and visitors), and onsite subcontractors. Under the inspection and supervision of management representatives, individual departments will then carry out designated tasks for hazard identification and risk assessment based on approved procedures. Management review meetings are held periodically to discuss, revise, and confirm newly identified risks. Examine and revise risks that have already been identified. Risk acceptance criteria and control measures are updated annually according to business needs. By undertaking risk assessments, workplace hazards and risks can be effectively identified and controlled in order to reach the goal of zero accidents in the workplace.

➤ Preventive Measures

Gemtek has established several risk control measures such as "Contractor Management Procedures" and "Environmental Safety and Health Management of Change Process" to protect the health and safety of our employees, visitors, and contractors who enter the Company's premises. Gemtek also makes efforts to familiarize contractors with the Company's "Contractor Environmental, Health, and Safety Manual" to ensure that work arrangements are in line with the rules created by the consultative organization and hazardous alerts are properly set up in the workplace. The goal is to make contractors conform to relevant safety requirements and therefore strengthen the overall level of workplace safety. Any modifications (including temporary or permanent) in applicable safety procedures, protective measures, and other risk controls must undergo a risk pre-assessment process before implementing the changes to avoid unacceptable risks caused by deviation of operating conditions or the environment from its original safety control measures.

➤ **Incident Investigation and Analysis**

The purpose of conducting accident investigations is to understand the cause of the accident and prevent the disasters from reoccurring. Gemtek conducts accident investigation and analysis according to its "Incident Investigation and Management Procedures". In the event of near misses or disasters befalling employees or contractors, the company shall conduct systematic investigations and install effective control measures to prevent the incidents from repeating. The environmental health and safety department will be responsible for keeping track of the incidents and overseeing the implementation of the control measures to ensure that similar disasters do not happen again.

Gemtek has adopted relevant safety standards for the safe handling of chemical substances, procurement, machinery and equipment, contractors, and emergency response drills to enforce health and safety management in the workplace.

➤ **Hazard Communication**

Safe handling of chemical substances in the factory is managed under the labeling requirements and general rules for hazardous chemicals, reassuring that all employees understand the characteristics of hazard chemical substances and effective hazard communication is in place. Field operators use safety data sheets aside from receiving regular training and assessment. Protective facilities and personal protective equipment are also provided to protect the health and safety of employees.

➤ **Safety Management for Machinery, Equipment and Tools**

Initial hazard identification process and inspections on safety protections (emergency stop button, safety interlock switch, etc.) are conducted during the primary stage of introduction, installation, and acceptance testing of all types of equipment. Equipment manufacturers are also required to comply with health and safety management standards during the installation process, repair, and maintenance by posting warning signs on the equipment and taking appropriate preventive measures. Machinery and equipment should have an automated inspection system in addition to regular key inspections and work inspections that are conducted in compliance with the law to ensure its overall safety.

➤ **Contractor Management**

Field operators and contractors are required to sign the "Contractor Hazard Notification" before performing work activities. The contract project organizer and Occupational Health and Safety Department will conduct inspections to prevent accidents from happening.

➤ Procurement Management

"Health and Safety Standards" ought to be incorporated as the standard guideline and basis during the process of contract signing, execution, and inspection for engineering and labor services outsourcing and procurement.

➤ Emergency Response Drills

Gemtek conducts at least one disaster simulation exercise annually to strengthen safety awareness and emergency response capability. Simulation of an emergency may help increase employees' level of preparedness and response in the event of an immediate crisis, e.g. fire, earthquake, typhoon, or chemical accident. Moreover, the company has set up an Emergency Response Team that consists of groups of members who are trained in appropriate emergency response activities such as fire rescue, emergency evacuation procedures, and emergency medical care.

● Occupational Accident Statistics

Gemtek had five workplace accidents throughout 2021, including two caught-in or - between injuries, one fall injury, one contact burn/ice burn, and one cut & lacerations injury. All injured employees have gained full recovery. In comparison to the previous year, Gemtek's 2021 occupational injury rate has slightly risen due to new hires' lack of experience and unfamiliarity with the environment and procedures. Based on its investigations, efforts are made to eliminate the causes of accidents by applying several different measures such as engineering control, improvement of operating procedures, promotion, training, and providing a complete set of personal protective equipment.

Gemtek's Occupational Health and Safety Performance for the Past 3 Years

Item		2019	2020	2021
Total Employee Work Hours	Total Hours Worked by Male Employees	941,094.0	957,505.5	1,035,849.0
	Total Hours Worked by Female Employees	776,851.0	912,623.5	1,065,714.5
	Total Hours Worked by All Employees	1,717,945.0	1,870,129.0	2,101,563.5
Incidence Rate of Fatal Accidents at Work	Incidence Rate of Fatal Accidents at Work by Male	0	0	0
	Incidence Rate of Fatal Accidents at Work by Female	0	0	0
	Workplace Fatality Rate	0	0	0
Incidence rate of non-fatal accidents at work (excluding number of deaths)	Incidence rate of non-fatal accidents at work by Male	0	0	0
	Incidence rate of non-fatal accidents at work by Female	0	0	0
	Incidence rate of non-fatal accidents at work	0	0	0

Total Recordable Incident Rate	Incidence rate by Male	1.06	1.04	0
(including the number of deaths plus common and serious injuries at work)	Incidence rate by Female	0	1.09	4.69
	Total Recordable Incident Rate	0.58	1.06	2.37

Note:

1. The occupational accident statistics does not include commuting accidents.
2. Workplace Fatality Rate = Number of Workplace Deaths/Work Hours*1,000,000
3. Incidence rate of non-fatal accidents at work = Number of Non-Fatal Accidents at Work (excluding number of deaths)/Work Hours *1,000,000. Severe occupational injury means a work-related injury which results in continuous disability for more than six months.
4. Total Recordable Incident Rate = Number of Recordable Incident (including the number of deaths and injuries at work) / Work Hours*1,000,000
5. Actual hours worked means the total working hours in which male and female employees actually performed work.
6. The working hours data for 2019 and 2020 occupational health and safety performance were revised due to input errors.
7. From 2019 to 2021, no occupational accidents for non-standard workers had been reported. In addition, due to difficulties in calculating the total working hours of non-standard workers, the data will not be disclosed.

● Occupational Health and Safety Education and Training

Gemtek follows relevant rules and guidelines for occupational health and safety education and training. Occupational health and safety education and training courses are offered as part of the new employee's onboarding process. On-the-job health and safety training sessions, e.g. guide to hazardous chemical management and emergency medical care are also conducted regularly. In terms of fire prevention, the company organizes workplace fire drills regularly to enhance fire safety awareness among employees.

Employees are entitled to participate in education and training courses during work time, and their salaries and leave benefits shall not be deducted or reduced as a means of punishment. New hires are required to complete occupational safety and environmental protection training during onboarding. The completion rate for training courses is 100%.



● Healthcare

Gemtek deploys occupational health experts to provide on-site medical and health services in addition to periodic health examinations and special checkups. Nurses are tasked with overseeing the operations of healthcare risk management, which includes monitoring high-risk conditions and treatments among employees, taking the initiative to care for employees, arranging physician consultations when necessary, and measuring employees' overall health recovery progress. In 2021, none of the employees in Gemtek required tertiary or quaternary care according to the healthcare risk assessment results.

Maternity Protection: Healthcare specialists and the Occupational Health and Safety Team work together to offer necessary care and support for pregnant employees and working mothers of newborn children, reassuring that the workplace accommodates their needs, and that healthcare services and information are sufficiently provided.

Prevention of Occupational Diseases: Health lectures on vision care and prevention of musculoskeletal disorders in the workplace are held from time to time. Healthcare specialists and the Occupational Health and Safety Team work together to arrange courses on occupational healthcare and disease prevention regularly. Workplace safety and work procedures are regularly inspected and reviewed by the Occupational Health and Safety Team, healthcare specialists, and department managers collectively to improve the work environment.

Healthcare Management:

- Arrange workplace health promotion activities and programs and make sure that employees enjoy the benefits of high-quality healthcare.
- Implement an on-site medical clinic to provide healthcare services and physician consultation.
- Gemtek organizes regular health checkups for employees. In addition to the elements in the routine examination required by law, the company has included 12 additional items such as abdominal ultrasound, liver function tests, etc. to offer more comprehensive health care. In addition, employees may also consider out-of-pocket preventive screening to identify and avoid the development of future health problems.
- For employees exposed to noise, ionizing radiation, and other workplace hazards that jeopardize their health, special health examinations are offered according to the corporate health checkup policy. The company nurse is responsible for providing initial diagnosis of 10 common chronic conditions and maintaining employee health records. They also help organize annual health promotion programs, e.g. weight management,

walking programs, medical lectures from famous doctors, and bone density testing, to increase employee health awareness and encourage healthy living.

- A designated team for disease prevention collects the latest information on epidemic prevention and strengthens disease prevention and control measures in the workplace. Epidemic prevention measures and strategies are carried out based on the announcements made by the Executive Yuan Department of Health Centers for Disease Control. Employees traveling for business are given a set of "Epidemic Prevention Kit" for personal protection.

- 90-Days Weight Loss Challenge – Healthy Weight Loss Program

Obesity is a significant risk factor for many chronic diseases. Gemtek has organized a series of courses on "Healthy Diet Plan", "Fitness Program" and "Healthy Living" to help guide and support employees who want to lose weight. The company cafeteria serves meals that have been evaluated and approved by nutrition specialists. Calories are clearly labeled for each dish on the menu, allowing employees to control their amount of food intake with little effort while carrying out their diet plan. A total of 50 people participated in the 90-Day Weight Loss Challenge. In 90 days, the group lost a total of 127 kilograms altogether. The company held four health lectures, in which a total number of 196 people participated.



2021 Employee Health Promotion Program and Participation

Item	Content	Number of Employees
General Health Examination	Annual Health Examination	881
Special Health Checkup	Workers who are exposed to ionizing radiation Workers who are exposed to high noise levels Cafeteria workers	15
Healthcare Consultation	Employee healthcare services On-site medical consulting	32
Health Promotions	Health and Safety Lectures Lecture on Communicable Disease and Public Health	500

2021 Taiwan iSports Enterprise Certification Award

Employees are Gemtek's most valuable asset and the cornerstone of success. Gemtek makes proactive efforts to ensure that each and every one of our colleagues feels appreciated for their time and contributions. To enhance and perpetuate this well-balanced organizational atmosphere and culture, Gemtek is fully committed to providing employees with the best workplace environment, while helping our employees achieve higher expectations and standards in life. Gemtek received a Taiwan i Sports enterprise certification award in 2021 for its efforts in providing employees with adequate recreational spaces and equipment, promoting diverse workplace activities, and encouraging health fitness. The Company regularly holds competitive sports events such as badminton, basketball, and table tennis, and hires professional trainers for group exercises like aerobics workouts and yoga to allow employees to embrace a better work-life quality. Through various welfare measures and leisure activities, we hope to provide employees with the opportunities to maintain mental and physical well-being between work and life, as well as strengthen team spirits and group cohesiveness to achieve long-term corporate sustainability.



4.4 Pay It Forward as a Business

Gemtek actively participates in social welfare, fulfills its corporate social responsibility, and furthers the common good through collective actions, the main goal is to pay it forward and contribute to society. Common good events carried out over the years include beach cleanup, charity sales, material donations, blood donations, supporting rural communities, etc.

In addition, Gemtek engages with schools with an aim to inspire and cultivate talents by helping to install wireless network systems on campus, set up scholarship programs, organize sponsorship events, and host visits for students. Events held in 2021 are shown in the table below:

Name of Common Good Event	Description
Donate to National Ching Hwa University –Applied Science Academic Research Building	Gemtek has been making NTD1 million donations annually to National Ching Hwa University since 2012 to fund the construction of the university's Applied Science Academic Research Building. Over the years, the company has held numerous lectures and scholarship sponsorship programs to support students with the opportunity to learn, grow and develop.
i (Love) Charity Ambassador Event	In 2021, the company combined health and common good activities to launch a brand new "i (Love) Charity Virtual Passport" stamp collection campaign to promote employee participation in charitable causes, create a healthy and dynamic workplace environment, foster camaraderie, and build a strong corporate image. A total number of 868 people responded to the event.
Blood Donation	Encourage employees to make voluntary contributions to blood banks, which essentially bears the well-meaning of giving the gift of life to someone in need in your community and extending the spirit of caring to the broader society. In 2021, the Company hosted two blood drives on the Company's premises. A total number of 97 people volunteered in the event, in which a total number of 113 bags (28,250 mL) of blood were donated.
Promoting the Common Good	Employees who attend health and personal development courses are encouraged to contribute five purchase receipts or NT\$10 to the common good fund. In 2021, the Company held 13 online and physical lectures throughout the year. A total number of 466 colleagues participated in the events, where 297 purchase receipts were collected for Blue Sky Home.
Ocean Guardian	With the support of the 2nd River Management Office, Gemtek employees had the honor to participate in a beach cleanup event along with youths from Mingxin University of Science and Technology and the Zhubei Youth Volunteer Association. Despite the cold weather, a total of 43 high-spirited volunteers from Gemtek, including children, worked hand-in-hand, filling up bags with garbage picked up from the beach to help protect the ocean.
Moon Festival Charity	Mid-Autumn Moon Festival annual gift boxes from Amazing Grace Deaf Bakery were included as one of the many choices for employees to bring home, send as a gift to friends and family, or donate to charity. Purchasing from Amazing Grace Deaf Bakery is also a way to show support for the hearing-impaired who are working at the bakery. Gemtek had donated 100 boxes of moon cakes to the Hsinchu County Government in support of the charity work carried out by volunteers and social workers. The moon cakes were delivered to vulnerable households to celebrate the seasonal holiday.
Help Old Things Find a New Home	Gemtek's "Helping Old Things Find a New Home" activity started in 2019. Employees may show their love and support for vulnerable households by sharing existing goods and objects found in their homes. Finding a new purpose for objects and materials is also an effective way to save natural resources and protect the environment. In 2021, a total of 94 pairs of shoes, 34 bags, and 16 boxes of clothes were collected and allocated to the Step30 International Ministries(shoes/clothing/ bags), the Garden of Hope Foundation(clothing/ bags), Hualien Xiulin Little Sun School(clothing), and Taiwan Animal Shelter(unwearable clothing).

Support "The Second Life for Computers - Empowering People in Need" Program

Gemtek has been an avid supporter of the "The Second Life for Computers - Empowering People in Need Program" organized by the ASUS Foundation for many years. The company regularly donates phased-out computers, which will be delivered to people in vulnerable groups who require access to digital learning. Renewing and reusing computers is also a friendlier approach for the sake of the environment. From 2020 to 2021, a total number of 50 computers had been donated.

Caring for Aboriginal Communities- Movie Day ; Listen Before You Sing

"Listen Before You Sing", directed by Mr. Shine Yang (Yang, Zhilin), is based on the inspirational true story of Mr. Peter Ma, a principal from an aboriginal school located in the rural mountains who had been assigned to lead the school's new choir. The touching film fully manifested Principal Peter Ma's sensational manner and positive approach as he tried to help the children build self-confidence while navigating the assignment with limited resources and no music background. It's worth noting that the original songs in the film were performed by the school choir in real life. Gemtek hopes to invite more colleagues and their family and friends to learn more about the urban-rural gap in Taiwan by selling and giving away tickets to celebrate the success of the movie. For each ticket purchased, colleagues will receive a second ticket for free, paid for by the Company. The Company sold a total number of 330 tickets.

Christmas Charity

Gemtek's Christmas charity event invited employees to join the fun by delivering Christmas gifts and hand-written cards to children living in rural communities. The company had also asked employees to consider preparing more practical gifts that may be helpful to the children. A total number of 93 Christmas gifts were collected and donated to the children of Taoyuan Guanghua Elementary School and Yisheng Elementary School.

Material Donations

Our colleagues visited Taoyuan Guanghua Elementary School and Yisheng Elementary School to learn about the schools' supply shortages. Gemtek colleagues later donated analog watches, stationery, daily supplies, second-hand winter clothing, toys, and sports equipment to help support the children in school.





Health and Common Good – i (Love) Charity Ambassador

In 2021, Gemtek combined Health and Common Good activities to launch a brand new "i (Love) Charity Virtual Passport" stamp collection campaign. The purpose is to promote employee participation in charitable causes, create a healthy and dynamic workplace environment, foster camaraderie, and build a stronger corporate image.

The company had held various corporate events in conjunction with the "i (Love) Charity Virtual Passport", such as the 90-Days Weight Loss Challenge, lectures in fulfilling common good, blood drives, donating Mid-Autumn Festival moon cake to charity, Ocean Guardian, and other activities. Colleagues who participate in the activities shall receive stamps on their "i (Love) Charity Virtual Passport". The top three employees who have received the most stamps throughout the year will be awarded the "i (Love) Charity Ambassador of the Year" at Gemtek's Year-End Party by Mr. Howard Chen. A total number of 868 people responded to the event in 2021.

i (Love) Charity Ambassador Sandy's response:

I am extremely grateful to the colleagues who helped organize the long list of charitable events so that people in need can receive the support they deserve, especially during the pandemic. And most importantly, the events brought together individuals to embrace the idea

that “When you have more, it is more blessed to give than to receive”. I wish everyone good luck in the future.

i (Love) Charity Ambassador Jade’s response:

I am greatly honored to receive the i(Love) Charity Ambassador Award. I hope my minimal efforts can help bring warmth to people’s lives. I also hope that over time, fewer people need to be helped, and the world will become a better place.

i (Love) Charity Ambassador Stella’s response:

I feel honored to be able to help others for as long as I remember. As a mother, I believe teaching by example is more important than preaching plain words. My advice to all is "Sin starts with the little things. Great things are done by a series of small things brought together."





Appendix



5. Appendix

Appendix 1 : GRI Sustainability Reporting Standards (GRI Standards) Comparison Table

◆ General Disclosure

GRI 102 General Disclosure : 2016

Category/ Topic		GRI Standards Disclosure Item	Corresponding Chapter	Page Number	Omission/ Memo
1. Organization profile					
Core	102-1	Legal name	About the ESG Report 1.1 About Gemtek	1 20	
Core	102-2	Activities, brand, products, and services	1.1 About Gemtek 2.1 Products and Services	20 43	
Core	102-3	Location of its headquarters	1.1 About Gemtek	20	
Core	102-4	Location of operations	1.1 About Gemtek	20	
Core	102-5	Nature of ownership and legal form	1.1 About Gemtek	20	
Core	102-6	Markets served	2.1 Products and Services	43	
Core	102-7	Scale of the organization	1.1 About Gemtek 2.1 Products and Services	20 43	
Core	102-8	Information on employees and other workers	4.1 Workforce Composition	73	
Core	102-9	Supply chain	2.4 Supplier Management	53	
Core	102-10	Significant changes to the organization and its supply chain	-		No significant changes
Core	102-11	Precautionary Principle or approach	1.3 Risk Management	33	
Core	102-12	External initiatives	1.1 About Gemtek	20	
Core	102-13	Membership of associations	1.1 About Gemtek	20	
2. Strategy					
Core	102-14	Statement from senior decision-maker	Letter from the Chairman	3	
General	102-15	Key impacts, risks, and opportunities	Letter from the Chairman 1.3 Risk Management	3 33	
3. Ethics and integrity					
Core	102-16	Values, principles, standards, and norms of behavior	1.1 About Gemtek	20	
General	102-17	Mechanisms for advice and concerns about ethics	1.4 Legal Compliance	37	
4. Governance					
Core	102-18	Governance structure	1.2 Corporate Governance	28	
General	102-22	Composition of the highest governance body and its committees	1.2 Corporate Governance	28	

Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
General	102-23	Chair of the highest governance body	1.2 Corporate Governance	28	
General	102-24	Nominating and selecting the highest governance body	1.2 Corporate Governance	28	
General	102-25	Conflicts of interest	1.2 Corporate Governance	28	
General	102-27	Collective knowledge of highest governance body	1.2 Corporate Governance	28	
General	102-28	Evaluating the highest governance body's performance	1.2 Corporate Governance	28	
General	102-32	Highest governance body's role in sustainability reporting	About the ESG Report	1	
General	102-35	Remuneration policies	1.2 Corporate Governance	28	
General	102-36	Process for determining remuneration	1.2 Corporate Governance	28	
5. Stakeholder engagement					
Core	102-40	List of stakeholder groups	Communication with Stakeholders	8	
Core	102-41	Collective bargaining agreements	4.2 Employee Benefits and Training & Development	73	
Core	102-42	Identifying and selecting stakeholders	Communication with Stakeholders	8	
Core	102-43	Approach to stakeholder engagement	Communication with Stakeholders 2.3 Customer Relationship	8 50	
Core	102-44	Key topics and concerns raised	Communication with Stakeholders 2.3 Customer Relationship	8 50	
6. Reporting practice					
Core	102-45	Entities included in the consolidated financial statements	1.1 About Gemtek	20	
Core	102-46	Defining report content and topic Boundaries	Communication with Stakeholders	8	
Core	102-47	List of material topics	Communication with Stakeholders	8	
Core	102-48	Restatements of information	About the ESG Report	1	
Core	102-49	Changes in reporting	About the ESG Report	1	No significant changes
Core	102-50	Reporting period	About the ESG Report	1	
Core	102-51	Date of most recent report	About the ESG Report	1	
Core	102-52	Reporting cycle	About the ESG Report	1	
Core	102-53	Contact point for questions regarding the report	About the ESG Report	1	
Core	102-54	Claims of reporting in accordance with the GRI Standards	About the ESG Report	1	
Core	102-55	GRI content index	About the ESG Report Appendix 1 : GRI Sustainability Reporting Standards (GRI Standards) Comparison Table	1 104	

Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
Core	102-56	External assurance	About the ESG Report	1	

◆ Topic-specific 「 * 」 are material topics

Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
00 Economic topics					
* GRI 201: Economic Performance 2016	103-1	Explanation of the material topic and its Boundary	1.Business Operations and Governance	16	
	103-2	The management approach and its components	1.Business Operations and Governance	16	
	103-3	Evaluation of the management approach	1.Business Operations and Governance	16	
	201-1	Direct economic value generated and distributed	1.1 About Gemtek	20	
	201-4	Financial assistance received from government	1.1 About Gemtek	20	
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.2 Employee Benefits and Training & Development	77	
	202-2	Proportion of senior management hired from the local community	4.1Workforce Composition	73	
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	4.4 Pay It Forward as a Business	98	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.4 Supplier Management	53	
* GRI 205: Anti-corruption 2016	103-1	Explanation of the material topic and its Boundary	1.Business Operations and Governance	16	
	103-2	The management approach and its components	1.Business Operations and Governance	16	
	103-3	Evaluation of the management approach	1.Business Operations and Governance	16	
	205-2	Communication and training about anti-corruption policies and procedures	1.4 Legal Compliance 4.2 Employee Benefits and Training & Development	37 77	
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.4 Legal Compliance	37	
300 Environmental topics					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	3.1 Energy Resources Management	61	
	301-2	Recycled input materials used	3.1 Energy Resources Management	61	
	301-3	Reclaimed products and their packaging materials	3.1 Energy Resources Management	61	
* GRI 302: Energy 2016	103-1	Explanation of the material topic and its Boundary	3.Sustainable Environment	60	
	103-2	The management approach and its components	3.Sustainable Environment	60	
	103-3	Evaluation of the management approach	3.Sustainable Environment	60	
	302-1	Energy consumption within the organization	3.1 Energy Resources Management	61	
	302-3	Energy intensity	3.1 Energy Resources Management	61	
	302-4	Reduction of energy consumption	3.1 Energy Resources Management	61	


Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
	302-5	Reductions in energy requirements of products and services	2.2 Green Products	48	
GRI 303: Water and Effluent 2018	303-1	Interactions with water as a shared resource	3.2 Water Resources	65	
	303-2	Management of water discharge-related impacts	3.2 Water Resources	65	
	303-3	Water withdrawal	3.2 Water Resources	65	
	303-4	Water discharge	3.2 Water Resources	65	
	303-5	Water consumption	3.2 Water Resources	65	
* GRI 305: Emissions 2016	103-1	Explanation of the material topic and its Boundary	3.Sustainable Environment	60	
	103-2	The management approach and its components	3.Sustainable Environment	60	
	103-3	Evaluation of the management approach	3.Sustainable Environment	60	
	305-1	Direct (Scope 1) GHG emissions	3.1 Energy Resources Management	61	
	305-2	Energy indirect (Scope 2) GHG emissions	3.1 Energy Resources Management	61	
	305-4	GHG emissions intensity	3.1 Energy Resources Management	61	
	305-5	Reduction of GHG emissions	3.1 Energy Resources Management	61	
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	3.3 Pollution Prevention	66	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3.3 Pollution Prevention	66	
	306-2	Management of significant waste-related impacts	3.3 Pollution Prevention	66	
	306-3	Waste generated	3.3 Pollution Prevention	66	
	306-4	Waste diverted from disposal	3.3 Pollution Prevention	66	
	306-5	Waste directed to disposal	3.3 Pollution Prevention	66	
* GRI 307: Environmental Compliance 2016	103-1	Explanation of the material topic and its Boundary	1.Business Operations and Governance	16	
	103-2	The management approach and its components	1.Business Operations and Governance	16	
	103-3	Evaluation of the management approach	1.Business Operations and Governance	16	
	307-1	Non-compliance with environmental laws and regulations	1.4 Legal Compliance	37	
GRI308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.4 Supplier Management	53	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.4 Supplier Management	53	
400 Social topics					
* GRI 401: Employment 2016	103-1	Explanation of the material topic and its Boundary	4. Workplace Well-being	70	
	103-2	The management approach and its components	4. Workplace Well-being	70	
	103-3	Evaluation of the management approach	4. Workplace Well-being	70	
	401-1	New employee hires and employee turnover	4.1Workforce Composition	73	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2 Employee Benefits and Training & Development	77	
	401-3	Parental leave	4.2 Employee Benefits and Training & Development	77	

Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.1 Workforce Composition	73	
* GRI 403: Occupational Health and Safety 2018	103-1	Explanation of the material topic and its Boundary	4. Workplace Well-being	70	
	103-2	The management approach and its components	4. Workplace Well-being	70	
	103-3	Evaluation of the management approach	4. Workplace Well-being	70	
	403-1	Occupational health and safety management system	4.3 Employee Health and Safety	89	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Employee Health and Safety	89	
	403-3	Occupational health services	4.3 Employee Health and Safety	89	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Employee Health and Safety	89	
	403-5	Worker training on occupational health and safety	4.3 Employee Health and Safety	89	
	403-6	Promotion of worker health	4.3 Employee Health and Safety	89	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Employee Health and Safety	89	
	403-8	Workers covered by an occupational health and safety management system	4.3 Employee Health and Safety	89	
	403-9	Work-related injuries	4.3 Employee Health and Safety	89	
	403-10	Work-related ill health	4.3 Employee Health and Safety	89	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2 Employee Benefits and Training & Development	77	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2 Employee Benefits and Training & Development	77	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2 Employee Benefits and Training & Development	77	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.1 Workforce Composition	73	
	405-2	Ratio of basic salary and remuneration of women to men	4.2 Employee Benefits and Training & Development	77	
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	1.4 Legal Compliance	37	
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	4.2 Employee Benefits and Training & Development	77	
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.4 Supplier Management 4.2 Employee Benefits and Training & Development	53 77	
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4 Supplier Management 4.2 Employee Benefits and Training & Development	53 77	
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	4.2 Employee Benefits and Training & Development	77	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	1.4 Legal Compliance 4.1 Workforce Composition	37 73	
* GRI 412:	103-1	Explanation of the material topic and its Boundary	4. Workplace Well-being	70	

Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
Human Rights Assessment 2016	103-2	The management approach and its components	4. Workplace Well-being	70	
	103-3	Evaluation of the management approach	4. Workplace Well-being	70	
	412-1	Operations that have been subject to human rights reviews or impact assessments	4.2 Employee Benefits and Training & Development	77	
	412-2	Employee training on human rights policies or procedures	4.2 Employee Benefits and Training & Development	77	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	2.4 Supplier Management	53	
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.4 Pay It Forward as a Business	98	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.4 Supplier Management	53	
GRI 415: Public Policy 2016	415-1	Political contributions	1.4 Legal Compliance	37	
* GRI 416: Customer Health and Safety 2016	103-1	Explanation of the material topic and its Boundary	2. Products and Services	40	
	103-2	The management approach and its components	2. Products and Services	40	
	103-3	Evaluation of the management approach	2. Products and Services	40	
	416-1	Assessment of the health and safety impacts of product and service categories	2.1 Products and Services 2.2 Green Products	43 48	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	1.4 Legal Compliance	37	
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.1 Products and Services	43	
	417-2	Incidents of non-compliance concerning product and service information and labeling	1.4 Legal Compliance 2.1 Products and Services	37 43	
	417-3	Incidents of non-compliance concerning marketing communications	1.4 Legal Compliance 2.1 Products and Services	37 43	
* GRI 418: Customer Privacy 2016	103-1	Explanation of the material topic and its Boundary	2. Products and Services	40	
	103-2	The management approach and its components	2. Products and Services	40	
	103-3	Evaluation of the management approach	2. Products and Services	40	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.3 Customer Relationship	50	
* GRI 419: Socioeconomic Compliance 2016	103-1	Explanation of the material topic and its Boundary	1. Business Operations and Governance	16	
	103-2	The management approach and its components	1. Business Operations and Governance	16	
	103-3	Evaluation of the management approach	1. Business Operations and Governance	16	
	419-1	Non-compliance with laws and regulations in the social and economic are	1.4 Legal Compliance	37	
Custom Topics					
* Corporate Governance	103-1	Explanation of the material topic and its Boundary	1. Business Operations and Governance	16	
	103-2	The management approach and its components	1. Business Operations and Governance	16	
	103-3	Evaluation of the management approach	1. Business Operations and Governance	16	
* Business Integrity	103-1	Explanation of the material topic and its Boundary	1. Business Operations and Governance	16	
	103-2	The management approach and its components	1. Business Operations and Governance	16	

Category/ Topic	GRI Standards Disclosure Item		Corresponding Chapter	Page Number	Omission/ Memo
	103-3	Evaluation of the management approach	1.Business Operations and Governance	16	
* Risk Management	103-1	Explanation of the material topic and its Boundary	1.Business Operations and Governance	16	
	103-2	The management approach and its components	1.Business Operations and Governance	16	
	103-3	Evaluation of the management approach	1.Business Operations and Governance	16	
* Product Information Security	103-1	Explanation of the material topic and its Boundary	2. Products and Services	40	
	103-2	The management approach and its components	2. Products and Services	40	
	103-3	Evaluation of the management approach	2. Products and Services	40	
* Customer Satisfaction	103-1	Explanation of the material topic and its Boundary	2. Products and Services	40	
	103-2	The management approach and its components	2. Products and Services	40	
	103-3	Evaluation of the management approach	2. Products and Services	40	
* Intellectual Property Management	103-1	Explanation of the material topic and its Boundary	2. Products and Services	40	
	103-2	The management approach and its components	2.Products and Services	40	
	103-3	Evaluation of the management approach	2. Products and Services	40	
* Innovative R&D	103-1	Explanation of the material topic and its Boundary	2. Products and Services	40	
	103-2	The management approach and its components	2. Products and Services	40	
	103-3	Evaluation of the management approach	2. Products and Services	40	
Article 4 of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies					
The number of its full-time employees who are not in a managerial position, the average and medium of the salaries of the full-time employees who are not in a managerial position, and the difference of the three figures from the previous year			4.2 Employee Benefits and Training & Development	77	
The company's governance around climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and metrics and targets used to assess and manage relevant climate-related issues.			1.3 Risk Management	33	

Appendix 2 : Third Party Warranty Statement



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE Gemtek Technology Co., Ltd.'s ESG REPORT FOR 2021

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION
 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 2021 (hereinafter referred to as the Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the sampled text, and data in accompanying tables, contained in the report presented during verification (2022/04/20~2022/05/23). 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 the 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 verification 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, including the Principles contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) 101: Foundation 2016 for report quality, and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

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

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

TWLPP 5008 Issue 2201

SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of quality, accuracy and reliability of specified performance information as detailed below and evaluation of adherence to the following reporting criteria:

Reporting Criteria Options

- | | |
|----|---|
| 1. | GRI Standards (Core) |
| 2. | 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) at a moderate level of scrutiny; and
- evaluation of the report against the requirements of Global Reporting Initiative Sustainability Reporting Standards (100, 200, 300 and 400 series) claimed in the GRI content index as material and in accordance with.

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. In response to COVID-19 pandemic situation the assurance process was partially conducted via Zoom.

LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts and Task Force on Climate-related Financial Disclosures (TCFD) 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 verification, 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 organisation, 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 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

FINDINGS AND CONCLUSIONS**VERIFICATION/ ASSURANCE OPINION**

On the basis of the methodology described and the verification work performed, we are satisfied that the specified performance information included in the scope of assurance is accurate, reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Gemtek has demonstrated a commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, 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 represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions 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 2021, is adequately in line with the GRI Standards in accordance with Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material topics and boundaries, and stakeholder engagement, GRI 102-40 to GRI 102-47, are correctly located in content index and report. For future reporting, it is recommended to take integrated information disclosure into consideration, as more and more frameworks or standards, such as TCFD, have been adopted. Establishment of ESG/Sustainability Working group or department will also be expected.

Signed:

For and on behalf of SGS Taiwan Ltd.



David Huang
Senior Director
Taipei, Taiwan
23 June, 2022

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