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GFC

2022 ESG Report
2022 GFC Corporate
Sustainability Development
Report

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About the GFC Corporate Sustainability Development Report

GFC released the Corporate Sustainability Development Report in 2018 for the first time. It contains the concepts and response measures for various material topics while the Company moves toward sustainable development, and explains the current key outcome for development and future plan of the Company. Po-Loung Tang, the Chairman of GFC, gathered representatives from each department to plan the Report with Peng-Hung Lin, the manager of the Administration Department. Social Entity International Corporate Social Responsibility Student Union integrated information and composed the Report. The survey is used to collect opinions from all stakeholders. Eight types of stakeholders and the material aspects they care about are identified through quantitative analysis to stipulate five material disclosure issues. Therefore, the Report is considered one of the channels for engagement between GFC and stakeholders. The Company is expected to understand each other's efforts and expectations via disclosure, communication and feedback to forge ahead to a better future together.

The Corporate Sustainability Development Report Ver.2 was published in 2021.

Rules for report writing and guarantee

The structure of this report follows the GRI Standards Version of the Global Reporting Initiative's Sustainability Reporting Guidelines. In addition, this report was prepared in accordance with the GRI Standards: Core Option, and Taiwan Stock Exchange Corporation's Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies.

The reporting period and scope of the Corporate Sustainability Development Report

Reporting period: January 1, 2022 to December 31, 2022

Reporting scope: All operating bases and main production bases of GFC

Reporting cycle: One year

Publication of the report

GFC will publish the corporate sustainability development report every year and post it in the Corporate Sustainability Development Section on the GFC website for public download and browsing.

Ver.1 was published in December 2018. Ver.2 was published in September 2021. Ver.3 was published in September 2022. Ver.4 was published in September 2023.

The next version will be published in September 2024.

For any concern or opinion about the GFC Corporate Sustainability Development Report, please contact:

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By the end of 2022

<p>Top three Elevator companies in Taiwan</p>	<p>Consolidated revenue in 2022 YoY + 2.91%</p> <p>(NT\$ 4,739/4,605 million)</p>	<p>Net income in 2022 YoY + 9.01%</p> <p>(NT\$ 847 / 777 million)</p>	<p>EPS in 2022 YoY + 9.11%</p> <p>(NT\$ 4.79/4.39 for EPS)</p>
<p>Total energy consumption YoY- 3.32%</p> <p>(1,898/1,963 MWH)</p>	<p>Total number of employees 1,325</p> <p>Great job opportunities are offered in Taiwan and China.</p>	<p>Expense/total number of hours for education training in 2022</p> <p>NT\$ 45,719,547/263,358 hours</p>	<p>Total expense/total number of people served by GFC Foundation in the past decade</p> <p>Over NT\$ 25,000,000/450,000 people</p>

0. Words from the Chairman

Limited resources, soaring to new heights in Taiwan

As the first company in Taiwan to localize the production of 240 m/min elevators, GFC is dedicated to creating the "safest and highest quality vertical mobility experience." From initially representing the Japanese Toshiba elevator brand to later establishing its own brand GFC, the company has now entered its 49th year. We consistently uphold the spirit of "service to the local community," with the goal of "taking from Taiwan and giving back to the world." Continuously researching and developing innovative technologies, we leverage Taiwan's limited local resources to revolutionize the elevator industry, and we plan to further promote the localization of 360 m/min high-speed elevators in the future.

As a responsible corporate leader, I hope that GFC, in each steady ascent, not only adheres to the ethical pursuit of corporate governance and economic performance but also generates positive impacts on society. We aim to progress towards the goal of zero waste and pollution year by year, reducing the negative environmental effects of business practices and becoming a conscientious model of self-reliant enterprise in Taiwan.

In fulfilling corporate sustainable responsibility, providing high-quality and environmentally friendly products is the most direct path. Therefore, GFC has invested considerable effort in recent years to develop energy-efficient elevators and related smart big data services. The innovative brand "GENESIS" has been introduced to create green changes in people's daily elevator use behavior. Additionally, anticipating the advent of an aging society, GFC's wholly-owned subsidiary, Howtobe Technology Co., Ltd., has specifically designed age-friendly pneumatic elevators, hoping to bring convenience and stability to people's lives through good products.

In addition to emphasizing product development, talents are also a precious asset highly valued by GFC. From the first day a partner joins GFC, the company takes responsibility for the safety and well-being of its employees. Apart from providing a safe and well-equipped work environment and salaries that surpass industry averages, we have a talent training center and an education training program. We also actively hire retired employees, fostering a seamless transition from old to new to achieve sustainable operations.

Furthermore, in the realm of social welfare, GFC spares no effort. In 1996, the "GFC Culture and Education Foundation" was established, dedicated to cultivating a socially aware perspective in young students and providing arts and science education to strengthen the future pillars of the nation. The company itself has also sponsored aspiring talents in the arts and sports for many years, aiming to create a stage for young people and provide them with a passionate and bright future.

Looking ahead, we will continue to strengthen our existing corporate sustainable development initiatives, hoping to work together with all of you to create infinite value for Taiwanese society within our limited resources.

Chairman



1. Company Overview

- 1.1 GFC organization structure
- 1.2 Roles in guild and association
- 1.3 Chronology of GFC

1. Company Overview

GFC is the top three leading elevator suppliers. It is devoted to the elevator and escalator sectors. In technical collaboration with Toshiba and as the general agent of Toshiba, GFC's all-round operation and development have reached the top over the years. Toshiba (general agent in Taiwan), GFC and GENESIS (self-owned brand) are GFC's primary brands. GFC offers a one-stop service for customized development, design, manufacturing and installation of elevators. 24-hour maintenance after-sales service of the elevator is also available. GFC's service covers passenger lifts, freight lifts, hospital bed lifts, escalators, power generators, and service and maintenance. Since its founding in 1974, over 45,000 elevators have been sold in Taiwan. GFC has signed a regular elevator maintenance service for 40,347 elevators by the end of 2022. The headquarters is in Taipei, Taipei with branch offices all over Taiwan. There's a production base in Yangmei, Taiwan, and Jiading District, Shanghai, China.

Organization name	GFC, LTD.
Founding year	1974
Headquarters address	13F., No. 88, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City
Consolidated revenue in 2022	NT\$ 4,739,507,000
Paid-in capital	NT\$ 1,770,120,000
Number of employees	The total number of employees is 1,325. 149 of them are supervisors, 1,176 of them are entry-level staff.
Primary business	Passenger lift, cargo lift, hospital bed lift, escalator, power generator, service and maintenance
Product and service	R&D, design, manufacturing and installation of elevator, and 24-hour elevator maintenance after-sales service
Operation and service locations	The headquarters is in Taipei, Taiwan. GFC has seven branches, 12 service stations and six liaison offices.

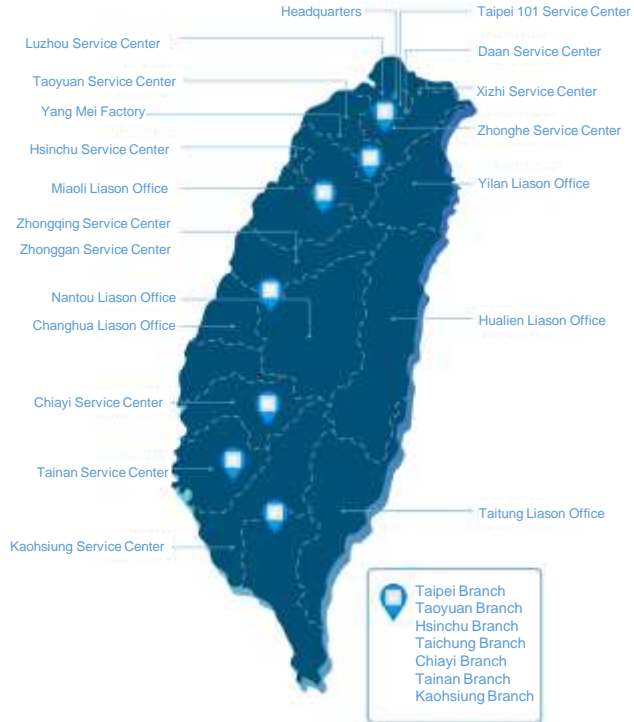
Operation and service locations

Taiwan (add picture)

Service locations in Taiwan

Our service network covers Taiwan and our maintenance team received full education training, providing 24/7 service.

GFC offers the fastest, the most complete lift repair and maintenance service based on the most professional, diligent, attentive attitude and the strictest standard.

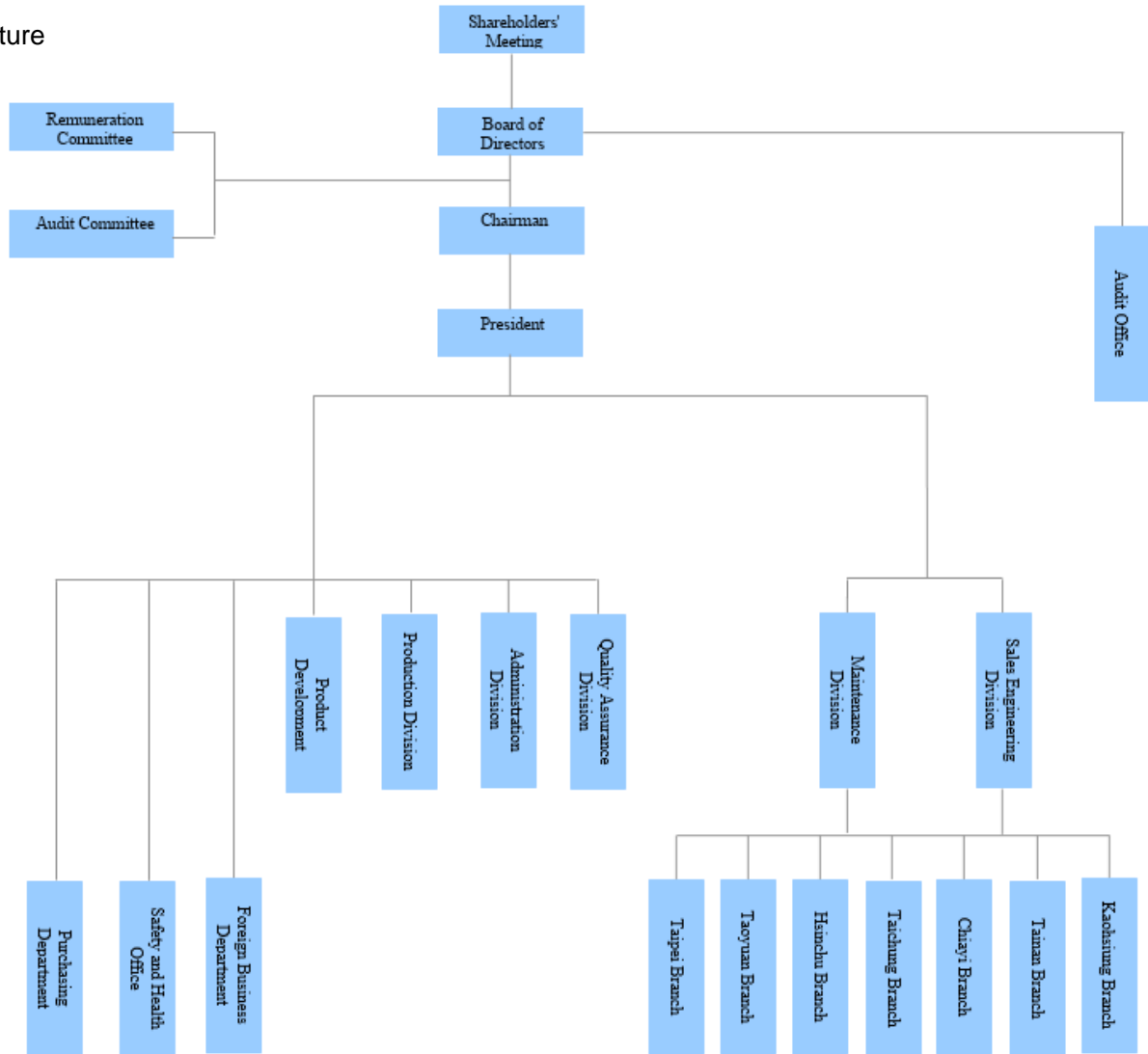


China

1. Company location: Shanghai (in Jiading District, Shanghai)

2. Service market: Due to real estate depression and housing market development policy of Chinese Central Government from 2016, GFC's subsidiary (Shanghai GFC Elevator Co., Ltd.) suspended taking orders from the elevator market in China. Meanwhile, GFC reallocates capacity. Shanghai GFC Elevator supplies the export needs of parts of the parent company. In addition, it is in charge of manufacturing of home lift with mature technology to supply the parent company for home lift.

1.1 GFC organization structure



Introduction of functions of organization

Department	Business in charge of
Auditing Office	Supervised and tracked of internal system of the Company, performance management for operations specifications of the Company , and audit on various administrative works.
Safety and Health Office	Establishment, maintenance, planning, supervision and management of safety and health systems for the entire company
Overseas Business Department	Planning, goal management, budget control, financial control and administrative management
Procurement Department	Purchase of domestic and overseas parts and components and raw material
Administrative Division	Execution and management of accounting, financial and administrative work, development, maintenance and information security system of MIS, and planning and execution of human resource policy
Quality Assurance Division	Analysis and discussion on countermeasures for engineering and quality control, tracking and management of client complaint handling, adjustment for reasonable working hours, and ISO quality certification
Product Development Division	R&D, trial production, stabilization and verification of product, integration of electromechanical system, and final testing of test power
Production Division	Design, manufacturing, and production planning and control of elevator and escalator products
Maintenance and Service Division	Management of after-sales services such as maintenance and abnormality handling, and annual security check of elevators and escalators
Sales and Engineering Division	Product sales and engineering of elevator and escalator products

1.2 Roles in guild and association

GFC proactively participates in various unions and associations, including the Elevator Association, Lifting Appliance Safety Inspection Association of R.O.C, FIACBI-Taiwan, Taiwan Electrical and Electronic Manufacturers' Association, and Labor Safety & Health Management Association. GFC supports and assists in external economic, environmental and social initiatives by participation. These are GFC's roles in different organizations:

Union/Association name	GFC's role
Elevator Association of R.O.C	Class A-5 Member
Elevator Equipment Safety Inspection Association of R.O.C.	First Level Member
FIACBI-Taiwan	Member
Taiwan Electrical and Electronic Manufacturers' Association	First Level Member
Labor Safety & Health Management Association	Member

1.3 Chronology of GFC

Stage of development	Year	Event
Engaged in in-depth development of elevator field in Taiwan	1974	Founded GFC, LTD.
	1975	Served as the general agent of Toshiba's elevators and escalators.
	1977	Signed the technical cooperation contract with Toshiba.
	1982	Set up Taoyuan No.2 Plant.
Start a new era in GFC	1993	Founded GFC Cayman Islands Limited. Completed the elevators and escalators for Shin Kong Life Tower. This is the fastest elevator in the Chinese-speaking world, 540m/min.
	1996	SGS and ISO 9001 certified. Founded GFC Foundation.
	1997	Started Yangmei Plant and activated the test power. Listed on OTC.
	1998	ISO 14001 certified. Founded Shanghai GFC Elevator Co., Ltd. Honored the Top 200 Companies by Business Weekly and CommonWealth Magazine.
	2000	Founded Howtobe Technology Co., Ltd. Capital surplus transferred to common stock for several years. Capital increased from NT\$ 60 million to NT\$ 3,107 million.
Built public works	2004	Completed the elevators and escalators for Taipei 101. Recognized by Guinness World Records as the fastest elevator.
	2005	Completed the elevators and escalators for Taoyuan HSR Station.
	2006	Completed the elevators and escalators for Chiayi HSR Station.

Stage of development	Year	Event
Built public works	2008	Completed the escalator for all the 37 stations of Kaohsiung Metro.
	2009	After buying back treasury shares 10 times, the capital was reduced to 1.9668 billion yuan.
	2010	Completed the elevators and escalators for Beijing Parkview Green.
	2014	Completed the escalator for Taipei Arena Station and Nanjing Fuxing Station on Taipei MRT Songshan–Xindian Line.
	2016	Completed ME04A on Taoyuan Metro. Recognized as Corporate Governance Evaluation Top 6-20% Excellent OTC Companies. The installation of solar panels on the roof of Yangmei Factory was completed.
	2017	Completed the elevators for Caesar Metro Taipei, Cuncyue Hot Spring Resort and The Westin Yilan Resort. Recognized as Corporate Governance Evaluation Top 6-20% Excellent OTC Companies for the second time. Trial run for the elevators and escalators of Taoyuan Metro.
	2018	Completed the elevators and escalators of Hotels for the New Banciao Station Special District. Used the new eco-friendly PMSM for passenger lift, reducing power consumption significantly. Honored the Type II Label by EPA, Executive Yuan. Recognized as Corporate Governance Evaluation Top 6–20% Excellent OTC Companies for the third time.
	2019	GFC GF Series, integrated with numerous innovative products, was honored with the 2020 Taiwan Excellence Award. Recognized as Corporate Governance Evaluation Top 5% Excellent Companies for the first time.
	2020	Completed the elevators and escalators for Kaohsiung Music Center. Completed the elevators for Ming Lun Public House.
	2021	Honored the 2021 Happy Enterprise Golden Award and Special Award, the Public Construction Golden Quality Award, the 30th Taiwan Excellence Silver Award, and the 7th Corporate Governance Evaluation Top 5% Excellent Companies.
2022	Honored the 2022 Taipei City Government Public Construction Distinguished Awards - Facilities Engineering Group, and the 8th Corporate Governance Evaluation Top 5% Excellent Companies.	

2. Corporate Sustainable Development

- 2.1 Commitment and policy for corporate sustainable development
- 2.2 Materiality principle for corporate sustainable development
- 2.3 Responsible unit for corporate sustainable development
- 2.4 Retrospect on Corporate Sustainable Development

2.1 Commitment and policy for corporate sustainable development

GFC corporate sustainable development vision

Aspect	Vision
Corporate governance	Maintain good corporate governance, strictly observe the code of business ethics and subject to laws.
Economic performance	Continue to enhance product quality, create industrial value for the company, and ensure stable profit growth.
Talent care	Provide a stable, robust working environment. Promote heritage technical and vocational education for passing down knowledge to help employees bring talents into full play. Offer reasonable reward and welfare.
Environmental protection	Develop green energy products, implement energy-saving measures, formulate relevant green policy events, plan for green procurement, and optimize green manufacturing process design.
Social care	Actively participate in social welfare and care events. Promote humanity and arts, technology education, and sports.

Evolution of corporate sustainable development policy

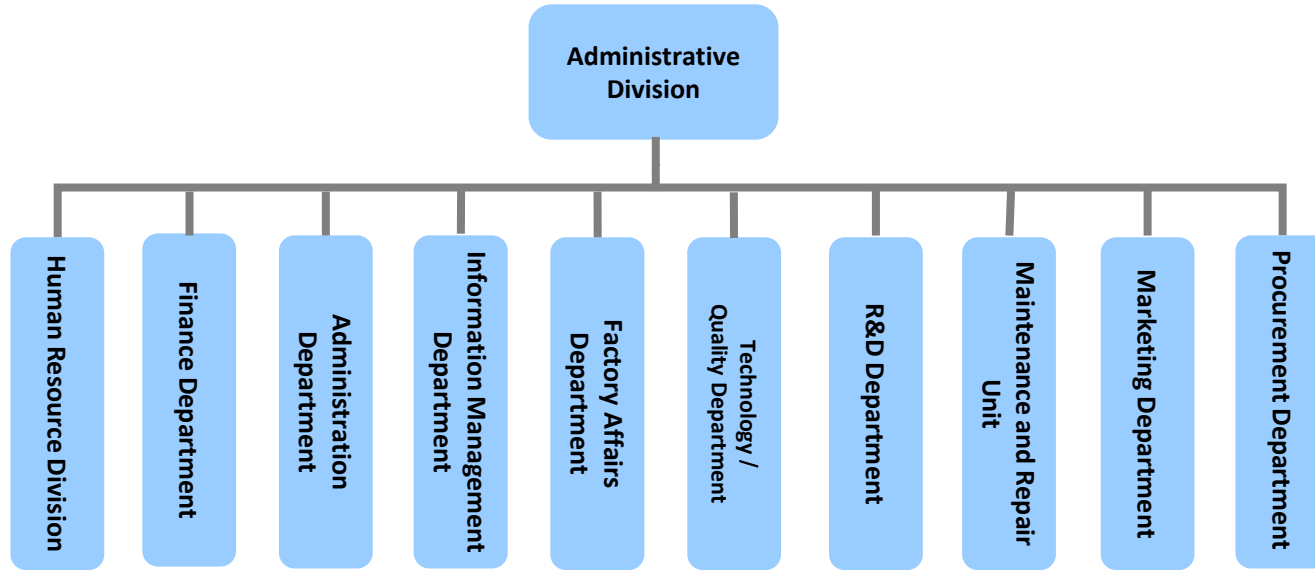
Year	Policy amendment
2008	Formulated the Employee Code of Conduct to disclose the statement for the company's consumer, social and environmental policies.
2014	Formulated the Corporate Social Responsibility Best-Practice Principles. Disclosed that GFC actively carried out corporate social responsibility while operating the company. By serving as a corporate citizen, GFC improved the life quality for employees, the community and society. In the meantime, GFC continues to fulfill corporate social responsibility by following principles such as implementing corporate governance, developing a sustainable environment, maintaining social welfare, and reinforcing information disclosure of corporate social responsibility.
2016	Amended the Corporate Social Responsibility Best-Practice Principles for the first time and the content of the Principles at the shareholders' meeting in 2017.
2020	Amended the Corporate Social Responsibility Best-Practice Principles for the second time and the content of the Principles at the shareholders' meeting in 2020.
2022	Amended the Corporate Social Responsibility Best-Practice Principles for the third time and the content of the Principles at the shareholders' meeting in 2022. The Corporate Social Responsibility Best-Practice Principles was renamed to the Sustainable Development Best-Practice Principles.

2.2 Materiality principle for corporate sustainable development

Material topic	Risk assessment item	Risk management policy or strategy
Environment	Climate change and carbon reduction	<ol style="list-style-type: none"> 1. Completed a platform gathering the power consumption of purchased power from 35 units for power consumption in 2014. The Company sets 2014 as the base year, sets a goal of power saving every year, and reduces carbon emissions of purchased power. 2. Proposed countermeasures for product manufacturing or company operation involving indirect GHG emissions. 3. Set GHG inventory team under the Board and initiated GHG inventory guidance in October 2022. Completed the GHG inventory data before the end of December 2023.
Society	1. Social welfare	Continue to collaborate with GFC Foundation to promote public welfare events regarding elevator science education, public arts and culture, and minority care.
	2. Social service	Cooperate with GFC Foundation to carry out the energy-saving plan for light replacement “Hand-in-hand Love Exchange • Lighten the Light of Happiness.” In 2022, 115 company volunteers took part in the plan. It is estimated to help seven social welfare institutions (nine venues) reduce about 35,579 kWh and carbon emissions by about 18 tonnes.
Corporate governance	Compliance	<ol style="list-style-type: none"> 1. Set the Audit Committee and Remuneration Committee under the Board. 2. Assign a corporate governance manager to guarantee shareholder’s equity, strengthen the function of the Board, ensure effective corporate governance structure, and comply with relevant regulations thoroughly.

2.3 Responsible unit for corporate sustainable development

Administrative Division of the Company serves as the first-level unit for promoting corporate sustainable development. It is responsible for the proposition and execution of corporate sustainable development policy and system, and relevant management approach and specific implementation plan. The director of the Administrative Division serves as the group leader. The supervisor of the Administration Department serves as the director general. The Administrative Division reports to the Board regularly.



Function:

- Organize the corporate sustainable development policy of the Company and facilitate management approach.
- Bear the responsibility for collecting the opinions from stakeholders and identifying material topics.
- Gather the financial data, and non-financial data such as the ones for quality, environment, energy-saving and client feedback.
- Report the outcome of corporate sustainable development and annual plan progress to the Board at the end of every year.
- Promote the green supply chain.
- Publish the ESG report.

2.4 Retrospect on Corporate Sustainable Development

GFC fulfills social responsibility in social welfare, social service, environmental protection, energy-saving and carbon reduction, and community engagement. The following are GFC's ESG footprints for the past three years.

Year	ESG footprint
2022	<ol style="list-style-type: none"> 1. Report of Directors— <ol style="list-style-type: none"> (1) Summary of the report of the 16th term 19th Board on 5/11/2022: A. Summary and outcome report regarding the light replacement plan for social welfare institutions in 2022. B. 2022 GFC scholarship review report: 41 applicants have been approved in the first semester of 2021. (2) Summary of the report of the 17th term 14th Board on 12/23/2022: A. Corporate sustainable development policy. B. Summary and outcome report regarding the light replacement plan for social welfare institutions in 2022 C. 2022 GFC scholarship summary report: 83 applicants have been approved in 2021, and NT\$ 4.05 million has been granted in total. D. GFC worked with the government and private sector to donate NT \$5 million to the Taiwan Foundation for Disaster Relief held by the Ministry of Foreign Affairs, ROC (Taiwan), in order to help Ukrainian refugees together and do our part for the citizens of the world. 2. Social welfare — Donate or sponsor NT\$ 10.96 million to give back to society. 3. Social service — Donate energy-saving lamps to seven social welfare institutions, 307 energy-saving lamps in total, with the participation of 115 corporate volunteers. 4. energy-saving and carbon reduction — The power consumption for the entire company in 2022 is 65,224 kWh less than in 2021, reduced by 3.32%, equivalent to 32,742 kg, the amount of carbon emission reduced. 5. Community engagement — Yangmei Plant took part in civil defense squad training in Yangmei in 2022.
2021	<ol style="list-style-type: none"> 1. Report of Directors— <ol style="list-style-type: none"> (1) Summary of the report of the 16th term 13th Board on 05/07/2021: A. The report for execution of light replacement plan for social welfare institutions in the first half year of 2021. B. 2021 GFC scholarship review report: 42 applicants have been approved in the first semester 2021. (2) Summary of the report of the 16th term 17th Board on 12/17/2021: A. Corporate sustainable development policy. B. Summary and outcome report regarding the light replacement plan for social welfare institutions in 2021 C. 2021 GFC scholarship summary report: 85 applicants have been approved in 2021, and NT\$ 4.01 million has been granted in total. D. The Company and GFC Foundation donated NT\$ 2.5 million to the pandemic prevention account of the Taipei and New Taipei City Governments, respectively to fight the pandemic together with society. 2. Social welfare—Donate or sponsor NT\$ 9.1 million to give back to society. 3. Social service—Donate energy-saving lamps to eight social welfare institutions, 773 energy-saving lamps in total, with the participation of 63 corporate volunteers. 4. energy-saving and carbon reduction—The power consumption of the entire company in 2021 is 1.04% higher than in 2020. energy-saving promotion must be reinforced. 5. Community engagement—Yangmei Plant took part in civil defense squad training in Yangmei in 2021.
2020	<ol style="list-style-type: none"> 1. Report of directors—Summary of the report of the 16th term 11th Board on 12/18/2020: A. The report for summary and outcome of energy-saving light replacement plan for social welfare institutions in 2020. B. 2020 GFC Scholarship scholarship review Summary of the report of the 16th term 7th Board on 5/8/2020: The operation report for 2019. 2. Social welfare—Donate or sponsor NT\$ 5.63 million to give back to society. 3. Social service—Donate energy-saving lamps to 13 social welfare institutions, 718 energy-saving lamps in total, with the participation of 212 corporate volunteers. The outcome is significant. 4. energy-saving and carbon reduction—The power consumption of the entire company in 2020 is 2.3% higher than in 2019, but lower than 2,028,821 kWh, the power consumption base year value in 2014 by 85,716 kWh. 5. Community engagement—Yangmei Plant took part in the civil defense squad in 2020 and it was awarded Excellence. It received a letter of merit from the Yangmei Branch, Taoyuan Police Department. 6. Environmental management policy—Set the goal for quantitative management of energy-saving and carbon reduction.

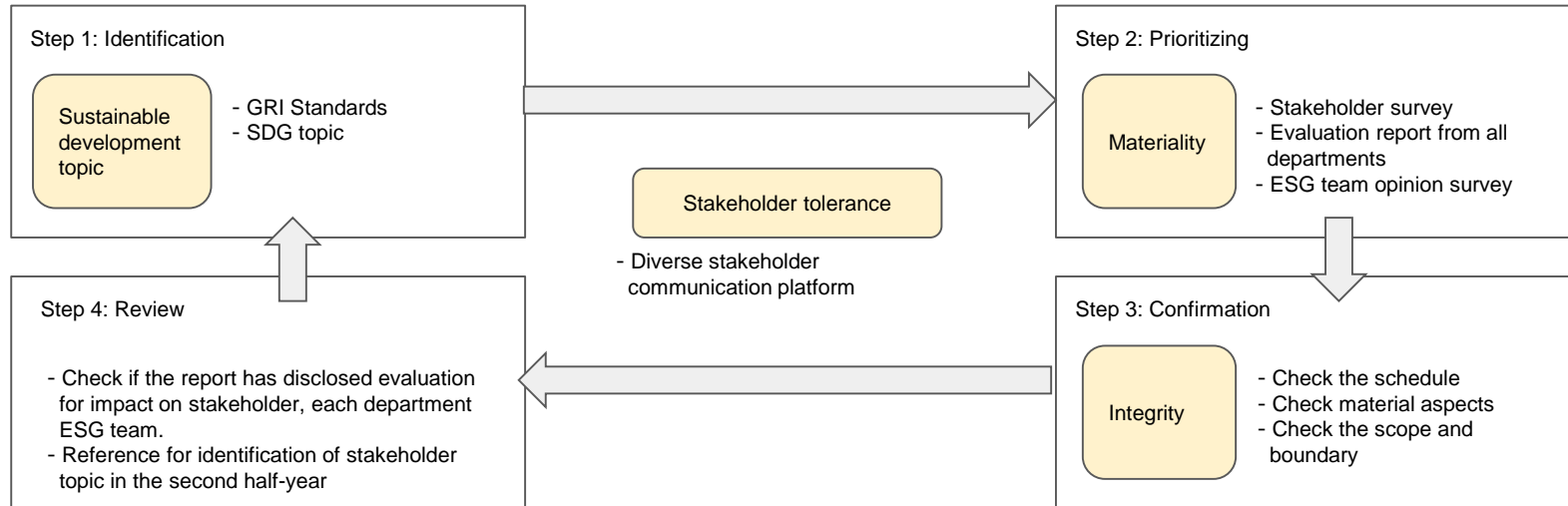
3. Stakeholder dialogue

- 3.1 Stakeholder identification and communication
- 3.2 Material topic analysis
- 3.3 Material topic management approach

3.1 Stakeholder identification and communication

Stakeholders associated with the operation of GFC include employees, suppliers, clients, community/NPOs, media, shareholders/investors, important loan recipients, and the government. Considering communication frequency and interaction with the Company, finally, GFC treated the employee, supplier, client, community/NPO, media, shareholder/investor, and important loan recipient as stakeholders with high relevancy. GFC believes that the expectations and opinions of the stakeholders are the important basis for the sustainable operation of the Company. As a result, GFC assigned the responsible unit for each stakeholder based on the nature of the stakeholder, and built a stable communication and appeal channel for stakeholders to express their opinions as they wish. Stakeholder feedback will definitely be the future development basis of corporate sustainable development.

The ESG team will review the topics related to stakeholders again based on the stakeholder identification system. To make sure that topics match the direction the stakeholder cares about, the ESG team surveys the stakeholder's opinions through electronic and hardcopy surveys. Meanwhile, managers of all departments must evaluate the impact of the topic on the Company. Considering how much the stakeholder cares about the topic and the impact of the topic evaluated by each department, the ESG team determines the priority of the topic adequately based on the opinion of the ESG team members. The list of material topics is formulated by GFC through identification, prioritizing, confirmation and review. The stakeholder's opinions from different communication platforms are put into consideration when formulating the list.



3.1.1 Communication with stakeholders in 2022

Stakeholder	Object	Communication topic	Frequency (or time)
Employee	Corporate union	<ol style="list-style-type: none"> 1. Discuss on payment of the shift fee. 2. Dragon Boat Festival and Mid-Autumn Festival bonus 3. Allowance for a company trip 4. Explain the year-end bonus of 2021 5. Discuss on on-call system of the maintenance unit. 6. Explain the raise of 2022. 7. Explain the duty hours and on-call payment increase of the on-call system of the maintenance unit. 8. Advice for raise and promotion. 9. The union agrees on the overtime work of employees. 10. The union agrees on the shift of days off and holidays. 11. The union agrees on the time starting to work and getting off work and clock punch interval. 	<p>01/12/2022, 03/25/2022, 06/24/2022, 08/19/2022, 12/26/2022</p>

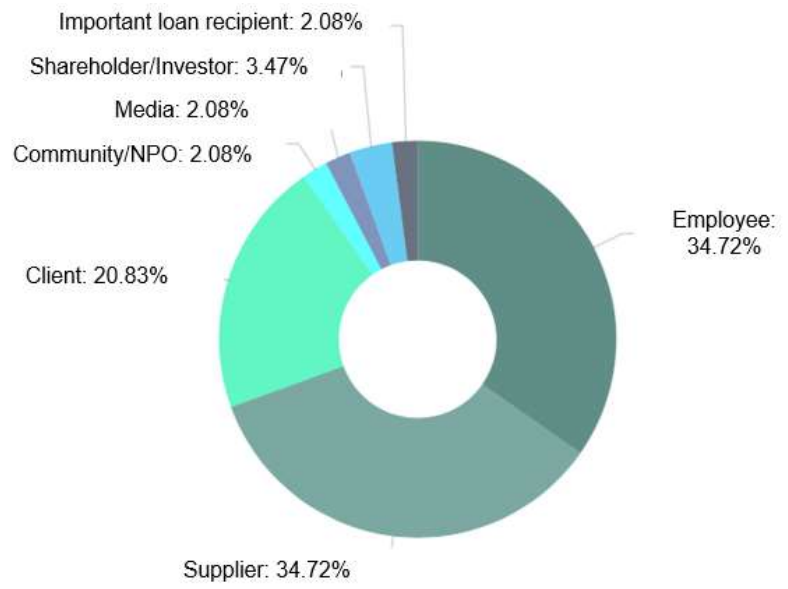
Stakeholder	Object	Communication topic	Frequency (or time)
Investor	Shareholder Investment entity/institution Investment public (investor conference)	Company operation performance Product launch	03/29/2022, 03/30/2022, 05/13/2022, 06/14/2022, 08/11/2022, 08/16/2022, 11/11/2022, 12/13/2022, 12/21/2022
Client	Client	Service quality Product quality	24-hour customer hotline
Supplier/Subcontractor	Supplier/Subcontractor	Product quality Product lead time Supplier evaluation Declaration for supplier management policy	12/16/2022

Stakeholder	Object	Communication topic	Frequency (or time)
Media	News reporter	Company operation performance Themed interview Investor conference	12/05/2022, 06/01/2022, 12/21/2022
NGO	Elevator Association Elevator Equipment Safety Inspection Association of R.O.C.	Product regulation	03/29/2022, 04/29/2022, 05/05/2022, 09/23/2022, 12/23/2022
Important loan recipient	Loan recipient	Review for credit line extension of period Business dealing communication	Occasionally

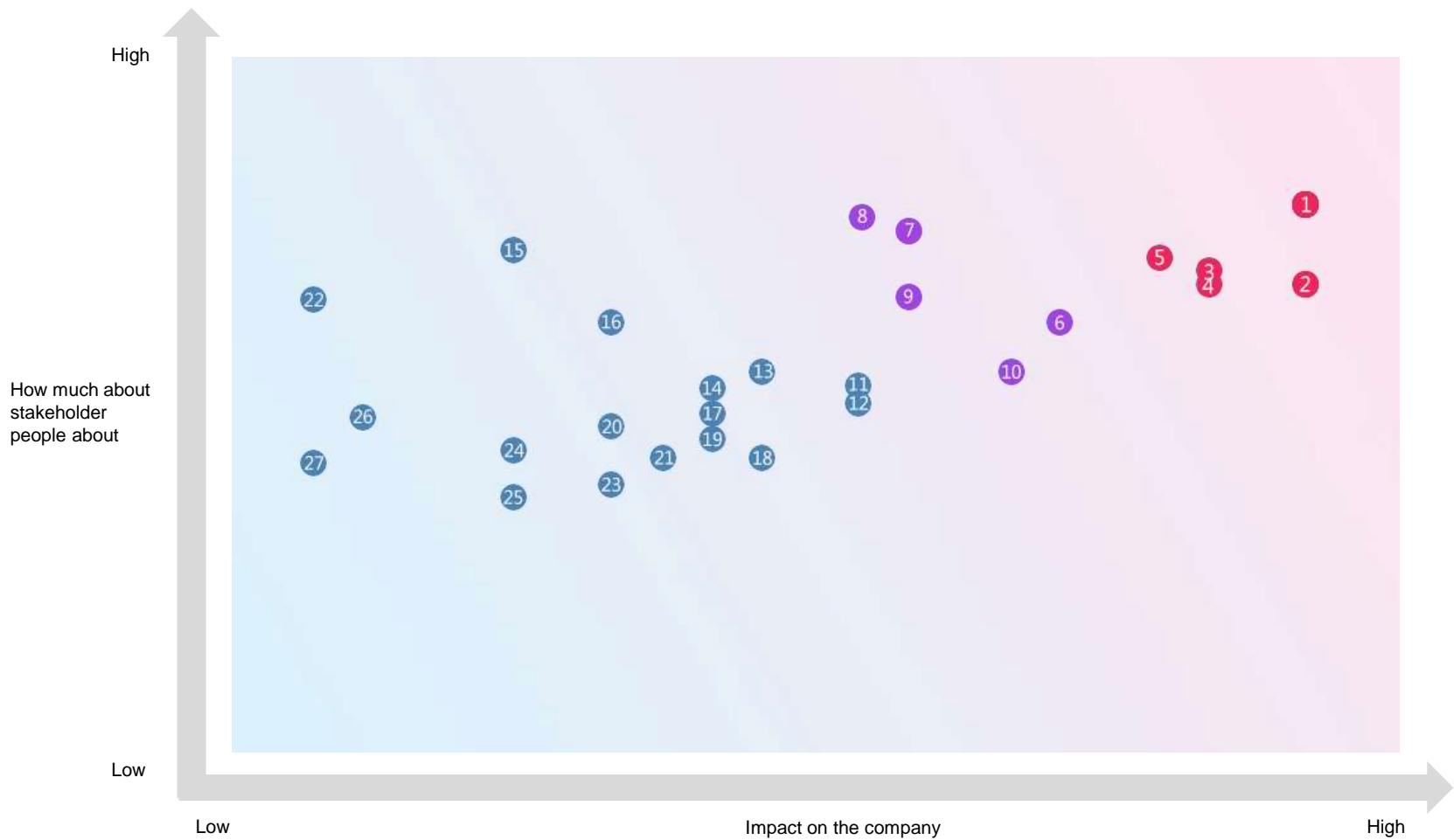
3.2 Material topic analysis

3.2.1 Stakeholder response

GFC passes the survey to find out the topics the stakeholder cares about and how much the stakeholder cares about the topics. The survey objects are GFC's main stakeholders, including employees, suppliers, clients, community/NPOs, media, investors/shareholders and important loan recipients. In 2017 GFC passed hard copy and online surveys to invite stakeholders to fill out the survey and retrieved up to 150 surveys. Over 60% of the surveys are filled out by external stakeholders.



3.2.2 Material matrix



3.2.3 The topic the stakeholder cares about

The degree the stakeholder cares about	Topic No.	Topic content	The degree the stakeholder cares about	Topic No.	Topic content	The degree the stakeholder cares about	Topic No.	Topic content
High	1	Product quality	Medium	10	Talent retention	Low	19	Hazardous substance management
	2	Talent cultivation education training	Low	11	Corporate governance		20	Social welfare engagement
	3	Corporate image		12	Remuneration and welfare system		21	Waste management
	4	Occupational safety and health		13	Employee relationship and communication		22	Supplier sustainable management
	5	Financial performance		14	Working hour and leave		23	Carbon emission management
6	Risk management	15		Compliance	24		Environment policy	
Medium	7	Customer service quality	Low	16	Innovation and R&D		25	Community relationship interaction
	8	Compliance to product regulation		17	Retiree welfare		26	Fair trade
	9	Code of conduct and anti-corruption		18	Resource management		27	Compliance to international environmental regulations

Material topic	Pages for contents
Product quality	P. 60
Talent cultivation education training	P. 69
Corporate image	P. 15
Occupational safety and health	P. 74
Financial performance	P. 40

3.3 Material topic management approach

Material topic	GRI chapter topic	Our responsibility	Commitment	Primary strategy	Assessment system
Product quality	301 Materials	<ul style="list-style-type: none"> ● Reduce the environmental impact of product. ● Reduce resource dependence and value natural resources. 	Adhere to the idea of sustainable resource. Resource won't run out and can be saved for future generations.	<ul style="list-style-type: none"> ● Buy more green materials. ● Recycle more often instead of purchasing. 	<ul style="list-style-type: none"> ● Ratio of recyclable and non-recyclable materials ● Percentage of green material usage
	302 Energy	<ul style="list-style-type: none"> ● Reduce energy consumption of product and mitigate environmental burden. ● Produce products with low energy consumption to meet client needs. ● Control machine use strictly for optimum energy use. 	Start from energy-saving and carbon reduction to increase energy efficiency of process and product, and reduce unnecessary waste.	<ul style="list-style-type: none"> ● Design devices that focus on low energy consumption and design electricity regeneration devices. ● Reduce idle time of production machine and avoid power peak in a short time. ● Install solar panels to provide extra power and reduce energy consumption of the factory. 	<ul style="list-style-type: none"> ● Monitor anytime during manufacturing to meet emission standards. ● Comply to international environmental certifications.
	416 Customer Health and Safety	<ul style="list-style-type: none"> ● Produce elevators that clients can use at ease. ● Offer comprehensive maintenance services. ● Products and services do not violate health and safety regulations. 	It's GFC's responsibility to take care of customer health and safety. It aims to build safe, excellent elevators.	<ul style="list-style-type: none"> ● Use the elevator test tower to prove superior product quality. ● Offer comprehensive maintenance services regularly to extend service life of the elevator. 	<ul style="list-style-type: none"> ● Customer satisfaction survey ● Regular investigation system of the factory

Material topic	GRI chapter topic	Our responsibility	Commitment	Primary strategy	Assessment system
Talent cultivation education training	404 Training and Education	<ul style="list-style-type: none"> Offer equal and abundant education training opportunities regardless of gender or grade. Offer adequate training to increase staff competence and job skill. 	To GFC, employee is the most important asset for corporate sustainable operation, hence it is committed to build a friendly workplace. GFC hopes to provide the most comprehensive care to each employee and optimize the value of the employee.	<ul style="list-style-type: none"> Set the year-round training session and schedule for the next year at every mid-year. Offer diverse education training. Use the factory equipment perfectly for training. 	<ul style="list-style-type: none"> Evaluate the training outcome before graduation of each training session. Staff fill out the satisfaction survey for education training.
Corporate image	Corporate image	<ul style="list-style-type: none"> Stick to public morality and conscience. Create positive values of the company. Build a public transparent information channel to show corporate image. 	Set an example for Taiwan corporation and eliminate all kinds of business actions with negative impact.	<ul style="list-style-type: none"> Offer a routine corporate sustainability development report. Receive public critic by commercial certification institution. 	<ul style="list-style-type: none"> Corporate governance evaluation Ernst & Young Global Limited
Occupational safety and health	403 Occupational Health and Safety	<ul style="list-style-type: none"> Maintain occupational safety through the health and safety committee formed by labor and management. Build a comprehensive reporting and statistics system to keep track of occupational safety completely. Build a safe working environment. 	Mental and physical health of employee are important assets to GFC. Setting up a safe, excellent working environment is a goal GFC will keep working on.	<ul style="list-style-type: none"> Set up a health and safety committee to maintain occupational safety. Build a complete occupational safety reporting system and effectively make statistics for occupational safety. Instant, effective risk handling system. 	<ul style="list-style-type: none"> Formulate safety and health work rules. Organize the reporting and handling process for occupational accident and third-party public safety incident.
Financial performance	201 Economic Performance	<ul style="list-style-type: none"> Create the biggest wealth for stakeholders by analyzing relevant performance data and economic values. 	Create the biggest wealth for stakeholders by analyzing relevant performance data and economic values.	<ul style="list-style-type: none"> Focus on enhancing the ability for taking orders of commercial elevator. Open the business opportunity for replacement. 	<ul style="list-style-type: none"> Create statistics for operating revenue in the financial statement every month, quarter and year.

Note: The management approach assessment system is formulated the first time this year. There's no result or adjustment plan for management approach assessment.

4. Corporate Governance and Economy

4.1 Duty and composition of the board of directors

4.2 Code of conduct and anti-corruption

4.3 Financial performance

Commitment: GFC strives for information transparency, ensures independence of director, and discloses financial information regularly to protect the equity of shareholder or investor.

Goal: Help the Company gain profits, ensure continuous stable growth of ROE, and improve the outcome of corporate governance evaluation.

Critical quantitative index:

(1) ROE reaches 17.52%.

(2) EPS in 2022 is NT\$ 4.79.

4.1 Duty and composition of the board of directors

4.1.1 Duty of the Board

The GFC Board now has seven directors (including three independent directors). Besides Ming-Sung Cheng, the Independent Director, who concurrently serves as the independent director of a public company, the rest of the Board members did not concurrently serve as independent directors or work as an employee of other public companies. All directors are voted by shareholders. The directors are selected fairly, justly and openly. The selection procedure refers to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. The Board is held at least once every quarter. The directors of the Company possess the expertise, skill and competence essential to operation execution, and work independently. They exercise their function based on regulations, corporation by-laws and shareholders' meeting resolution, to provide opinions and counseling for operation approach, financial planning and expertise development. To fulfill corporate governance and enhance the director's function, the Company clearly defines the performance goal and conducts performance evaluations for the Board and the Functional Committee every year. The Board members and Functional Committee members evaluate themselves, and the council unit evaluates the performance of the Board. The Company executes external evaluations at least every three years. GFC arranges external training for directors. The topics for director training in 2022 include 11 sessions such as Corporate Governance Lecture Hall, OTC and Emerging Stock Company Insider Equity Promotion Seminar, Independent Director and Audit Committee Exercise of Powers Guidance Release and Director and Supervisor Promotion Seminar, The Key to Sustainability of Family Business in Post-Pandemic Era, Challenges and Opportunities of Corporations in Net-Zero Era, ESG Sustainable Development Trend and Implementation of Responsible Investment. GFC aims to learn about transformation from hundred-year-old companies. Functional organizations such as the remuneration committee, audit committee and auditing office are below the Board, handling remuneration and internal audit, enhancing the responsibility for supervision of the Board, strengthening the management system of the Board, and internal audit, respectively. On August 7, 2020, the Board passed the proposal for assigning a corporate governance manager voluntarily, to guarantee shareholder's equity, and strengthen the function of the Board. Lin Heng Peng, manager of the Administration Department, Administrative Division serves as the corporate governance manager concurrently. He's in charge of the promotion unit and he must report to the Board.

Remuneration Committee

To build a robust remuneration system for directors, supervisors and managers, the Board of the Company set up the Remuneration Committee in December 2011. There are three members of the Committee. The Board selects and assigns the members. Over half of them are independent directors. One of them is a convener. The Remuneration Committee is subordinate to the Board. The function of the Committee is based on "Remuneration Committee Operation Management Rules." The Committee evaluates the remuneration policy and system of the director, supervisor and manager from a professional objective position. The Committee raises suggestions to the Board, which refers to the suggestions when making decisions later on. Based on its operation management rules, the Remuneration Committee may request the directors, managers of relevant departments, internal auditors, accountants, legal consultants, or other professionals to attend the meeting and offer relevant necessary information.

Audit Committee

The Company set up the "Audit Committee" in July 2022 to enhance the responsibility for supervision of the Board and strengthen the management system of the Board. All of the (three) independent directors hold a post in the Audit Committee, and help the Board supervise the quality and integrity of the Company when the Company executes accounting, audit, financial reporting process, and financial control.

Internal audit organization and operation

The Board assigns specialized auditors under the organizational structure of the Company. Auditing Office is subordinate to the Board. It helps the management and the Board to reach the set objective with independence and objectivity. The audit scope includes finance, marketing and engineering, production, maintenance and repair, administration, R&D and quality assurance. The internal control specifications for all units are included for supervision. There are ten cycles, classified based on regulations. An annual plan is organized for each cycle and submitted to the Board. Relevant auditing is performed after the plan is approved by the Board.

Promotion of corporate governance policy

To build a good corporate governance system for the Company, GFC builds an effective corporate governance structure based on "Corporate Governance Best-Practice Principles," formulated by TWSE and Taipei Exchange, a guarantee shareholders' equity, reinforce the Board's function, make use of the supervisor's function, respect to shareholders' equity and increase of information transparency. The Company sets the Administration Department of Administrative Division as the unit for promoting corporate governance policy. The corporate governance manager is the person in charge. He organizes corporate governance affairs and reports to the Board regularly.

4.1.2 Board members

Title	Name (or the name of the representative)	The name of the entity represented	Elected date	Educational background	Work experience
Chairman	Po-Loung Tang	DA WAY LEE CORP.	2022.06.27	<ul style="list-style-type: none"> ● Hsing Wu University 	<ul style="list-style-type: none"> ● Chairman, Director, President, Vice President of GFC ● Director, Vincera Ventures
Director	Chiu-Lin Tang	Changjiang Materials Co., Ltd.	2022.06.27	<ul style="list-style-type: none"> ● Bachelor's in Public Relations and Advertising, Shih Hsin University ● Bachelor's in Fashion Design, ESMOD ● EMBA of National Chengchi University 	<ul style="list-style-type: none"> ● Designer, Taiwan Textile Federation ● Assistant Manager, Sunrise Department Store Corp. ● Manager, CELINE ● Vice Chairman, Taiwan Spreading Center Enterprises, Co., LTD ● 12th Chairman, Elevator Association ● CEO, GFC Foundation ● Curator, Studio Tang
Director	David Tang	Hua Yao Investment Co., Ltd.	2022.06.27	<ul style="list-style-type: none"> ● B.S. Electrical Engineering Computer Science, UC Berkeley ● MBA, Graduate School of Asia-Pacific Studies, Waseda University 	<ul style="list-style-type: none"> ● Senior Engineer, QLogic Corporation ● Analyst, Vincera Ventures ● Marketing Manager, Poitek Technology, Co., Ltd. ● Senior Executive Director, VT Systems ● Assistant Vice President/Consultant, GFC ● President, Neurelli Corporation ● Chairman, VT Systems

Title	Name (or the name of the representative)	The name of the entity represented	Elected date	Educational background	Work experience
Director	Huai-Yi Zeng		2022.06.27	<ul style="list-style-type: none"> ● B.S. Civil and Environmental Engineering, UCLA ● M.S. Business Administration, National Tsing Hua University, and B.S. Business Administration, MIT Sloan School of Management 	<ul style="list-style-type: none"> ● Sales and Marketing Specialist, Chang Star Corporation ● Investment Assistant, Vincera Ventures ● Vice President, Deutsche Bank ● Director of Investor Relations, International Finance and Acquisition, Baidu ● Group CFO, Anjuke ● Vice President, Affairs Department, Trip.com Group Ltd ● Global CFO, Taiwanmania.com International Travel Service Co., Ltd.
Independent Director	Tung-Hsu Lin		2022.06.27	<ul style="list-style-type: none"> ● Bachelor's in Division of Bank, Business Administration, National Taiwan University ● M.S. Accounting, San Diego State University 	<ul style="list-style-type: none"> ● Accounting Lecturer of Ming Chuan University and National Taipei University of Business ● Controller, U.S. Region, Chongwei Hotel Group (a PC assembly and sales company) ● Controller, PC Channel, Inc. ● CFO, U.S. Region, Chinatrust Hotel Group ● CFO, Bladez Corp. (sports equipment manufacturing and sales) ● Senior Financial Analyst/Capital Project Manager, BP ● Asian Region CFO/Headquarters Controller/China and Japan Region President/Asian Region Customer Service Director, Flow International Corp (the no.1 brand of world-class water jet cutting and cleaning) ● CFO/Chairman and President, PROMISE Technology, Inc. ● CFO, SYNTEC Technology, Co., Inc.

Title	Name (or the name of the representative)	The name of the entity represented	Elected date	Educational background	Work experience
Independent Director	Hsu-Hui Wu		2022.06.27	<ul style="list-style-type: none"> ● B.A Finance, National Taipei University of Business ● MBA, National Chengchi University ● Ph.D. Business Administration, University of Leeds 	<ul style="list-style-type: none"> ● Director, Trade and Import Purchase Division, B&Q ● Director of Public Service Division, Carrefour, and CEO of Carrefour Cultural and Educational Foundation ● Brand Strategy Director and Spokesperson, Uni-President ● New Business Development President, TOPCO SCIENTIFIC Co., Ltd. ● Taipei City Government Municipal Consultant ● President, Taiyen Biotech Co., Ltd. ● Director, Taiyen Green Energy Co., Ltd. ● Director/Chairman, Taiyen (Xiamen) Import and Export Co., Ltd. ● Adjunct Assistant Professor, EMBA, School of Business, Soochow University ● Director, Selina International Co., Ltd.
Independent Director	Ming-Sung Cheng		2022.06.27	<ul style="list-style-type: none"> ● B.S. Control Engineering, National Chiao Tung University ● MBA, National Chengchi University 	<ul style="list-style-type: none"> ● Investment A.V.P./Manager/Assistant Manager of Direct Investment Department, Gains Investment Corporation (Mentor Consulting Corporation) ● President/CIO/Investment Vice President, Management Consultant Co., Ltd. (Huahung Venture Group) ● CIO, Integral Group ● Supervisor, Lotes. Co., Ltd. ● Independent Director, Kim Forest Enterprise, Co., Ltd. ● Supervisor, Neutron Inc. ● Chairman, Yu Investment Co., Ltd.

4.1.3 Policy for diversity of Board members

In Procedures for Election of Director and Corporate Governance Best-Practice Principles, GFC specified that director selection must be subject to the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. Considering the overall assignment of the Board, diversity is required for member selection, such as gender, expertise and skill diversity. Members must possess the knowledge, skill and competence required for the work. The Board must be capable of operation judgment, operations management, accounting and financial analysis, domain knowledge, crisis management, international market view, leadership and decision-making.

All directors of the Company are voted by shareholders. All members of the top management are Taiwanese citizens, with no gender discrimination or restriction. The gender ratio is 5/7 for males and 2/7 for females. Directors possess expertise in business and finance, and the expertise essential to company affairs. They have abundant knowledge and expertise to build a robust structure for the Board of the Company. Refer to the table below for the implementation of diversity of Board members.

Title	Diversity core item Director name	Basic composition						Expertise						
		Nationality	Gender	Part-time employee of the Company	Age			Term in office of independent director	Accounting and Financial analysis	Leadership and decision making	Domain knowledge	International market view	Operations management	Brand marketing
					41-50	51-60	61-70							
Legal Entity Director Representative	Po-Loung Tang	Taiwan	Male	None			✓	—	✓	✓	✓	✓	✓	✓
Legal Entity Director Representative	Chiu-Lin Tang	Taiwan	Female	None			✓	—			✓		✓	✓
Legal Entity Director Representative	David Tang	The U.S.	Male	None	✓			—	✓		✓		✓	
Director	Huai-Yi Zeng	Taiwan	Male	None	✓			—	✓			✓	✓	
Independent Director	Tung-Hsu Lin	Taiwan	Male	None			✓	Three to nine years	✓	✓		✓	✓	
Independent Director	Hsu-Hui Wu	Taiwan	Female	None		✓		Three to nine years		✓		✓	✓	✓
Independent Director	Ming-Sung Cheng	Taiwan	Male	None		✓		One to three years	✓	✓			✓	

4.2 Code of conduct and anti-corruption

4.2.1 Code of ethics and code of conduct

To achieve stable operation and growth, GFC set the Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies for corporate governance. Any behavior of the employee affects how much clients, colleagues, competitors, suppliers, and members of the social environment would recognize GFC and how these parties view GFC. In order to provide an explicit practice to staff when dealing with stakeholders, the Company stipulated the Employee Code of Conduct. GFC also stipulated the Supplier Code of Conduct for suppliers to follow. The content is as follows:

Corporate Governance Best-Practice Principles

To build a good corporate governance system for the Company, the Principles are formulated based on the Corporate Governance Best-Practice Principles, formulated by TWSE and Taipei Exchange. The Company built an effective corporate governance structure. The fifth version of the Principles has been released and disclosed on MOPS.

GFC Sustainable Development Best-Practice Principles

In order to achieve corporate sustainable development and facilitate economic, environmental and social advancement, to realize sustainable development, the Board approved the formulation of Corporate Social Responsibility Best-Practice Principles of the Company on December 19, 2014. The fourth version of the Principles has been released and renamed to the Sustainable Development Practice Principles, to reinforce implementation of corporation sustainable development and implement corporation sustainable development into company management and operation. GFC checks implementation based on the Principles and improves operation based on the inspection. The operation has not varied from the Principles so far.

Employee Code of Conduct

To make sure that employees hold fast to the core values of “honesty and innovation,” to build the four pillars of “happy employee,” “satisfied client,” “proud shareholder” and “harmonious society,” and to build a paradise of GFC through good code of conduct, the Employee Code of Conduct has been laid down.

Supplier Code of Conduct

To ensure that suppliers understand and meet our requirements for product safety and ethics, in order to make sure that suppliers will take more social and environmental responsibilities, the Company sets the Supplier Code of Conduct for suppliers to comply. This Code is formulated for pursuing corporate sustainable development with suppliers based on mutually beneficial collaboration.

4.2.2 Implementation of ethical management

In order to build a corporate culture of ethical management and a good business operations model, to facilitate the robust development of the Company, the Board approved the stipulation of Ethical Management Principles on August 12, 2014. The Principles specifies that staff must not give or accept gifts or commission to or from the trading counterpart. It requires staff not to engage in malpractice for selfish ends or accept gifts through their work. The fifth version of the Ethical Management Policy has been released. The Ethical Management Policy has been promoted during the new employee orientation and the monthly meeting of each unit. It has become a mandatory courses for all kinds of training. The Company also strictly complies with relevant regulations such as the Company Act, Securities and Exchange Act and Government Procurement Act. It built an internal control system and ensured that staff abide by the Ethical Management Policy through occasional auditing by auditors.

Ethical management policy	
Education training	Each branch guides staff to read through the Ethical Management Policy and relevant regulations and codes. Besides helping staff who take part in the training understand the Company's ethical management policy, ethical management operating standard, supplier code of conduct, and ethical terms and conditions, the Company builds the consensus of honesty and fairness among staff at the same time. The Company maintains the corporate culture of ethical management and continues to promote a good business operations model.
Compliance to the Code	The Company set the Ethical Management Operating Standard and its operation has not varied significantly from the Standard. All managers of the Company's subsidiaries signed the Ethical Management Compliance Statement to declare that they completely comply with the ethical management principles, employee code of conduct and other various internal control systems.
Whistleblowing channel	The Company set the Whistleblowing Management Regulations and discloses that the managers of the Auditing Office and division-level managers of the Administrative Division are independent specialists in handling whistleblower complaints. Both internal and external whistleblowers may contact the specialists by unethical whistleblowing hotlines (email and special line) and written form.
Regular inspection	To ensure that the design and execution of the system will stay effective, the stock affairs unit, financial accounting unit and other responsible units may examine the system occasionally and propose amendments. They adapt to auditing performed by auditors to build a good corporate governance and risk control system.

4.3 Financial performance

4.3.1 Brand strategy

Focus on the replacement market

The existing products and services of GFC include installation, repair and maintenance of passenger lifts, medium and high-speed lifts, home lifts, freight lifts, clean room lifts, and escalators. The ratio of the revenue from installation and repair and maintenance is about 6:4. Due to the housing market cooling policy in China, GFC faded from the China market and focused more on Taiwan. However, there are fewer new housing projects in Taiwan now, and the need for elevators has not increased significantly. Considering that consumers are more aware of elevator safety, and the government-promoted elevator safety repair regulations, GFC aims to reinforce the replacement and after-sales repair service by launching numerous function update programs to develop the replacement market. In our repair and maintenance business, over 11 thousand elevators have been used for more than 20 years. We also fight for opportunities to replace elevators from other brands. The elevator replacement market is estimated to grow at least 15% annually in the next three years.

In 2022 GFC replaced 469 elevators. The number of elevators replaced continues to grow stably. The elevator sales lead structure has been affected by the housing market bloom in recent years, hence the percentage of congregated residences in 2022 rises from 79.22% (2021) to 81.69%. Distributing the orders in hand, and continuously taking orders of commercial cases help further optimize overall structure. Each year about 1500 new elevators receive repair and maintenance. Over 40.3 thousand elevators have received repair and maintenance. Annual stable growth of 3% to 5% is expected for the repair and maintenance service. The elevator sales lead structure continues to be optimized, the replacement need is high, and the repair and maintenance business is stable. Thanks to these contributions to the operation, GFC expects rising operational performance.

Differentiated brand strategy

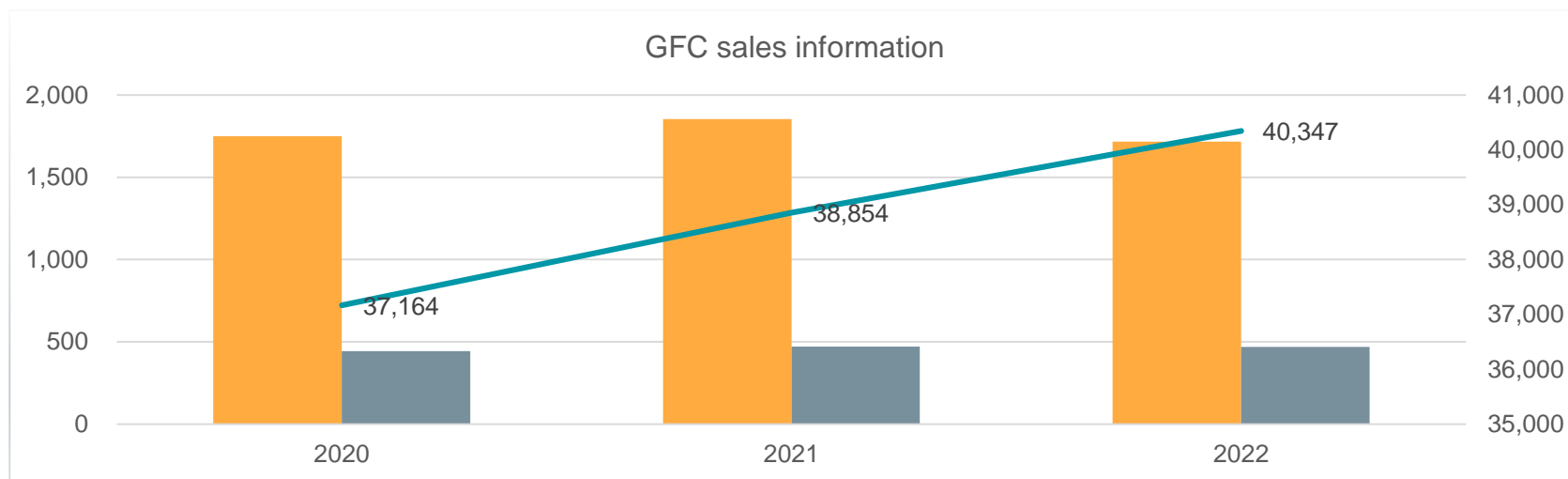
Besides being an agency of Toshiba, GFC's own brand GFC targets the mid and low-end elevator markets. Meanwhile, GFC launched GENESIS to focus on the mid and high-end elevators customization market to satisfy diverse market needs by brand differentiation. Through famous construction projects such as building the world's fastest elevator for Taipei 101, GFC quickly increases brand awareness in the high-end market, expands the market share in high-end commercial elevator, and dominates the elevator replacement market successfully. As for technical specifications, GFC launched various low-end, mid-level and high-end elevators for different brands. Throughout resource integration, GFC will increase the efficiency of its brands, and drive the overall gross margin and operating profit margin. Its operation will keep reaching new heights.

R&D and innovation for great outcomes once again

The current replacement market brings stable revenue to GFC. The differentiated brand strategy is successful. Therefore the sales volume continues to grow. The need for elevator safety, energy-saving and space design in commercial leads increase gradually. Therefore, GFC actively develops a new generation of super-speed elevators. It plans to integrate smart production into the process to increase overall production efficiency. The commercial leads structure is expected to be driven to 20%.

GFC sales information

Year		2020	2021	2022
Performance	Number of new elevators delivered and completed	1,749	1,854	1,716
	Number of elevators replaced	444	470	469
	Number of elevators receiving repair and maintenance	37,164	38,854	40,347



4.3.2 Dividend policy

As a company with stable profits, GFC distributes the dividend annually to share its business achievement with shareholders. If there's an agency budget in annual accounts, the Company pays tax out of the surplus and covers deficits first, funds 10% to statutory surplus reserve, sub-appropriation or reversal of special reserve. If there's a surplus, beginning retained earnings will be added to the surplus. After being drawn up by the Board, the earnings distribution will be reported to the shareholder's meeting for approval and it will be distributed.

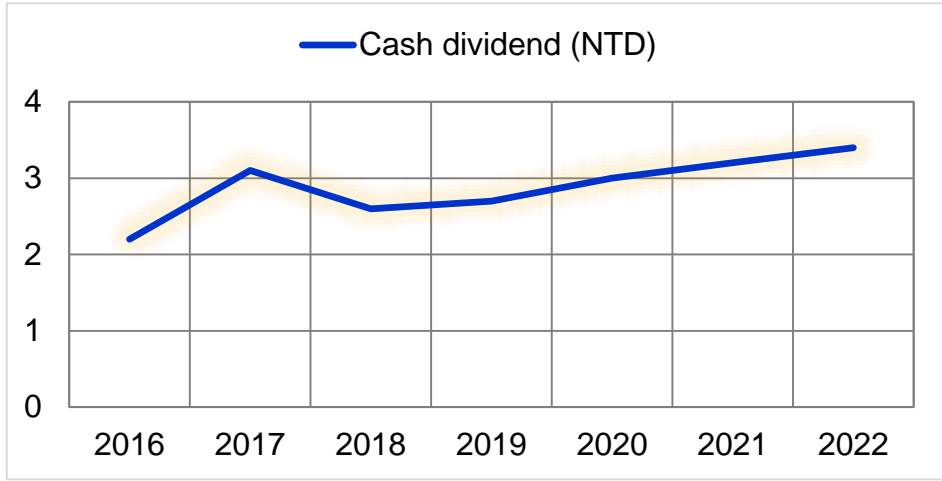
The elevator sector GFC belongs to is mature. If no significant CapEx is expected in the year the Company distributes dividends, at least 50% of distributable surplus will be allocated (amount of beginning retained earnings excluded) as the shareholder's dividend and bonus. At least 80% of the distributed dividend and bonus is cash dividend. The cash dividend payout ratio is reduced to the range between 30% and 50% if there's a sudden significant investment plan and no fund support is available.

Cash dividends always hit a new high

GFC has been issuing dividends regularly since 1993 and the cash dividend has been increased stably since 2010. The cash dividend per share has reached NT\$ 3.4 as of 2022. The cash dividend payout ratio stays over 60%.

Dividend history of GFC

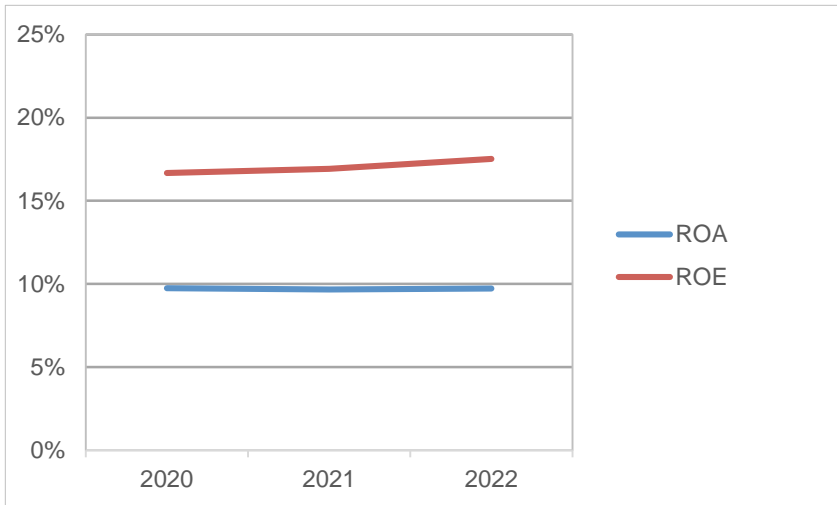
Year	2016	2017	2018	2019	2020	2021	2022
Cash Dividend (NTD)	2.2	3.1	2.6	2.7	3.0	3.2	3.4



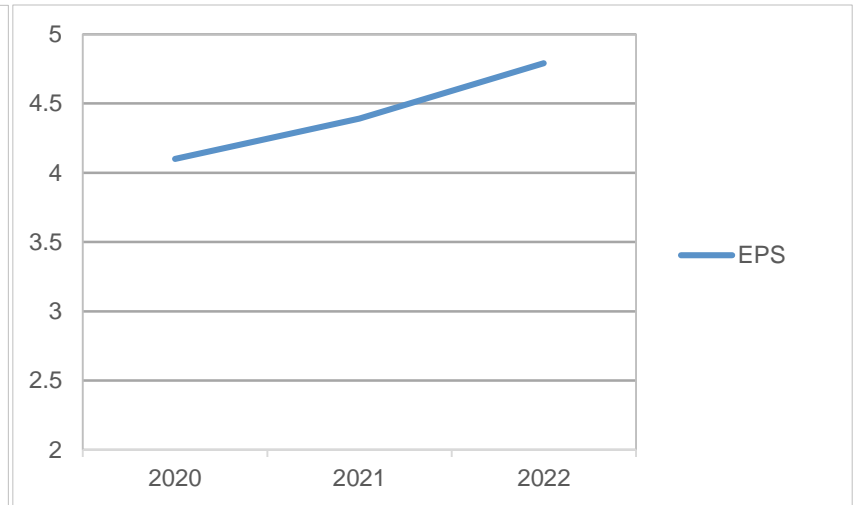
4.3.3 Financial growth

Great financial performance ensures stable growth and sustainable operation. In addition, it helps GFC generate higher economic values for GFC to give back to all stakeholders. Great financial performance includes an increase in operating ability and profitability. Especially for profitability, based on ROA, ROE and EPS, the profitability of GFC has shown steady growth since 2018. The financial structure of GFC these years is quite robust. The debt ratio is 42%, 43% and 45% of the total assets in 2020, 2021 and 2022, respectively. On top of that, operating profit margin increased to 18.09% in 2022. GFC will continue to enhance products and services to ensure steady profitability and financial performance.

ROA, and ROE



EPS



Future prospects

- Actively expand the replacement market and increase the overall operating performance of the Company.
- Continue to enhance repair and maintenance quality of the product and R&D of technology, and increase the market share of GFC in the elevator sector.
- Maintain steady profitability and financial performance.

Financial performance

	Year	2020	2021	2022
Operating ability	Total assets (NT\$ million)	7,713	8,409	9,025
	Equity (NT\$ million)	4,456	4,732	4,944
	Operating profit (NT\$ million)	834	888	857
Profitability	ROA (%)	9.75	9.66	9.73
	ROE (%)	16.67	16.93	17.52
	EPS (NTD)	4.1	4.39	4.79
Economic value	Operating revenue (NT\$ million)	4,393	4,605	4,739
	Operating cost (NT\$ million)	3,076	3,187	3,334
	Community investment (NT\$ ten thousand)	563	901	1,096
	Income tax (NT\$ ten thousand)	14,896	19,084	18,519
	Shareholder's dividend (NT\$ thousand)	531,036	566,438	601,840

5. Environmental Protection and energy-saving

- 5.1 Green concept
- 5.2 Green operation
- 5.3 Green product and service
- 5.4 Sustainable supply chain

Commitment: Develop green energy products, implement energy-saving measures, execute green procurement, and optimize green manufacturing process design.

Goal: Activate the second five-year energy-saving goal (2020–2024) in 2020. Set the total kWh of the entire company at 1,899,397 as the base year value. The energy-saving goal is 2%.

Critical quantitative index:

- (1) 1,908 tonnes of carbon dioxide emission in total has been decreased with the help of solar panels, equivalent to the plantation of 189,000 trees.
- (2) The electricity regeneration device of the elevator can save up to 45% of the energy.
- (3) Operation efficiency can reach up to 90% by using the gearless machine.
- (4) Compared to worm gear machines, PMSM can save from 16% to 35% of energy.

5.1 Green concept

5.1.1 Despite limited capability, our products can create great green values

Taking the elevator has become a part of daily life. GFC hopes that by offering quality, eco-friendly elevator products, the carbon footprint and natural resources consumed when each time taking the elevator can be reduced gradually. For the operation and R&D of products and services, GFC continues to work on the green revolution of elevators.

Green operation

GFC strives to reduce the energy consumed during operation and ensures that the power used during production and manufacturing is utilized thoroughly. No violation against environmental regulations occurred in GFC these years.

Green product and service

GFC has been paying attention to the green building sector for a long time. It has focused on R&D of energy-saving elevators these years and launched its own brand GENESIS to develop the smart elevator service. The passenger's behavior and frequency of taking the elevator are predicted via big data to arrange the elevator interval precisely and reduce the number of times the elevator moves.



5.1.2 Expand Green influence

Besides reducing environmental impact, for the entire elevator sector, GFC anticipates using its influence to achieve adequate use of resources for the entire supply chain and even the social environment. GFC looks forward to forging ahead to sustainable development with the social environment.

Promote green procurement

As for supplier management, GFC evaluates and selects qualified subcontractors based on the existing "Regulations for New Subcontractor Evaluation." GFC plans to draw up green procurement strategies in the future and include sustainable circular manufacturing and other environmental indexes into the partner criteria, in order to restrict and promote suppliers to conduct environmental transformation.

Generate green power

To facilitate transitional justice of energy in Taiwan, GFC collaborated with photonics technology companies in 2016 to set up solar panels on the roof of the Yangmei Plant to generate renewable energy. 3,118 MWh of solar power will be generated at Yangmei Plant by 2022. That means 1,908 tonnes of carbon dioxide emission has been reduced, equivalent to the plantation of 189,000 trees. In the future GFC intends to buy green power at a reasonable price to take action to support Taiwan to develop clean energy.



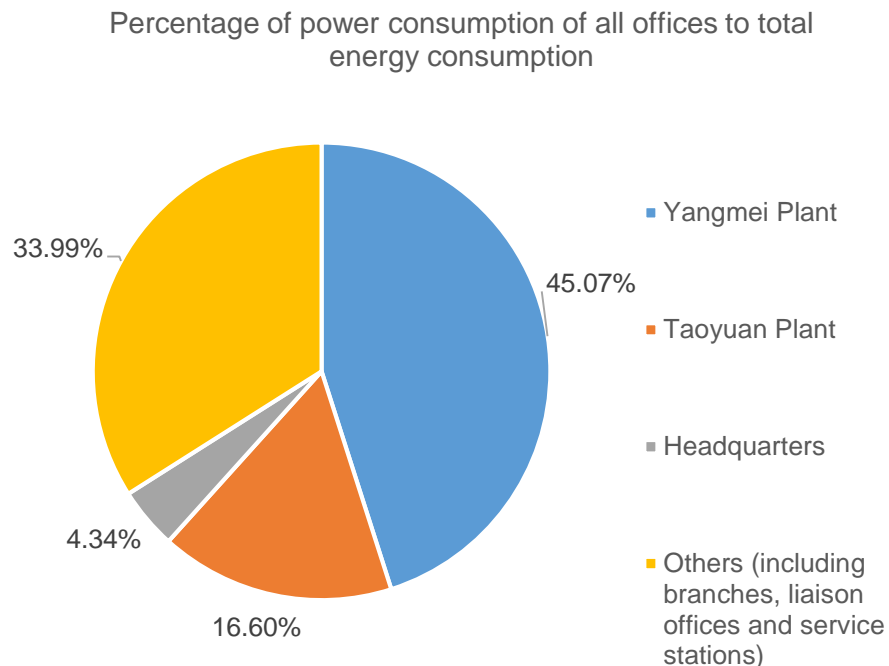
5.2 Green operation

5.2.1 Energy management policy

Energy use in GFC

Green operation at GFC focuses on increasing energy efficiency during production operations. As an elevator manufacturer, GFC knows that factory production of elevators consumes the most energy. The power consumption of current GFC factories including Yangmei and Taoyuan Plants is 62% of the total energy consumption in 2022.

GFC operating offices in Taiwan	Percentage of power consumption of all offices to total energy consumption
Yangmei Plant	45.07%
Taoyuan Plant	16.60%
Headquarters	4.34%
Others (including branches, liaison offices and service stations)	33.99%



energy-saving measures

Based on current energy use, to reduce total energy consumption as much as possible, GFC prioritizes the formulation of a ten-stage energy-saving plan for factories. It analyzes the reason for power peak and brings out countermeasures. Secondly, the energy-saving convention for office areas has been set up for employees to abide by. Practices are as follows:

Location	energy-saving measures
Office area	<ol style="list-style-type: none"> 1. Replace traditional lighting with LED: By 2022, 2,514 lights have been replaced with energy-saving lights or LED for the entire company to achieve significant energy-saving outcomes. 2. Office workers always turn off lights when necessary. The last staff leaving the office must turn off the lights. 3. All lights and computer screens in the office and operating area must be turned off during lunch break. 4. The air conditioning in the office must be set to 25°C and cannot be adjusted arbitrarily. 5. The bathroom lights must be turned off immediately when staff get off work.
Factory area	<ol style="list-style-type: none"> 1. Ten-stage energy-saving plan: The energy-saving plan is divided into ten stages. Old machines are replaced with energy-saving devices gradually. 2. Install solar devices in Yangmei Plant: The solar panel can absorb sunlight and reduce the amount of sunlight the factory is exposed to. This effectively reduces the room temperature of the factory in summer (reduced by about 3 to 5°C), hence saving energy consumption caused by air conditioning in the factory.
Entire company	<p>energy-saving appraisal: The entire company is divided into 25 units for power consumption. The assessment is done by comparing the power consumption in the previous year. The unit which saves the most power will be awarded by the Company to encourage staff to save energy and implement energy-saving in daily work.</p>

Ten-stage energy-saving plan in Yangmei Plant

Since 2013, GFC has set up a ten-stage energy-saving plan to save factory energy. The plan includes the replacement of lighting in the factory office and air conditioning. The outcome is very significant. To produce products with great eco-friendliness, GFC aims to pursue more energy plans, such as the replacement of old factory machines with high energy consumption. GFC will continue to evaluate the cost and efficiency of energy-saving equipment in the future and replace old equipment when necessary to achieve greater energy-saving performance.

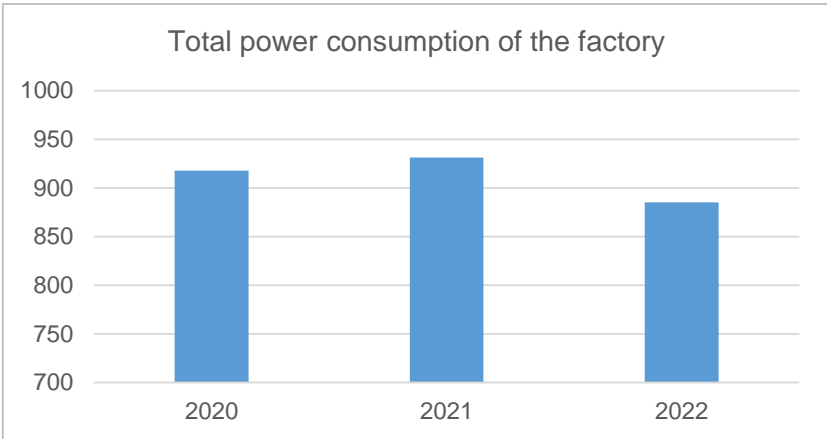
Table with 2 columns: The plan for every stage, Specific action. Rows 1-10 detailing energy-saving stages from lighting changes to capacity reductions.

Energy consumption information in Yangmei Plant

Yangmei Plant monitors power consumption and reduces abnormal usage. This can effectively keep track of the energy-saving outcome.

The power consumption of Yangmei Plant in 2022 is 885,000 kWh, 46,200 kWh less than in 2021, reduced by 4.96%.

Table with 3 columns: Year, Factory power consumption (MWh), Percentage reduced comparing to the previous year. Rows for 2020, 2021, and 2022.



Energy consumption evaluation

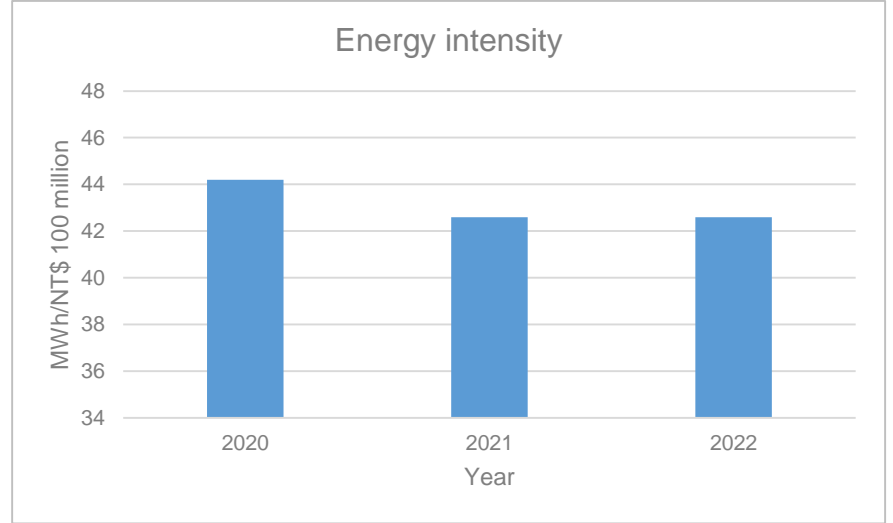
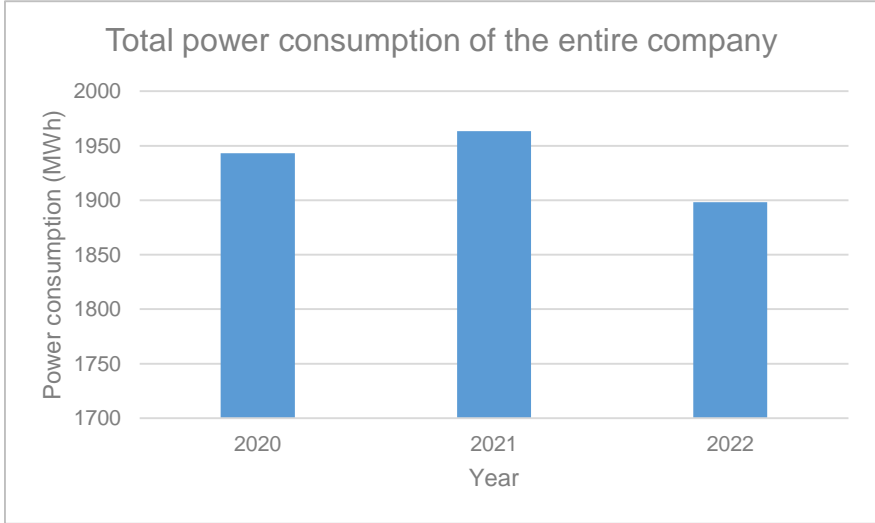
To manage the energy consumption of main GFC production sites effectively, the Company sets 2015 as the base year. The management indices are total power consumption (kWh = 3.6 million joules) and energy intensity.

The total power consumption of GFC in 2022 (including the power consumption in factories and the departments around Taiwan) is 1,898 MWh. Energy intensity is 40.1 MWh/NT\$ 100 million. In 2022, the production activity increased, hence total power consumption is 3.32% lower than in 2021. To continue to promote the energy-saving and carbon reduction policy, the Company activated Stage 2 five-year energy-saving plan (2020 to 2024) in 2020. The total power consumption of 1,899,397 kWh for the entire company in 2019 is the base year value. The overall goal of energy-saving is 2% reduction.

In future, the Company will continue to use the energy-saving policy to reduce unnecessary power consumption in the Company. It is expected to increase energy efficiency, and fulfill and optimize green operations thoroughly.

Year	Total power consumption (MWh)	Energy intensity (MWh/NT\$ 100 million)
2022	1,898.2	40.1
2021	1,963.3	42.6
2020	1,943.1	44.2

Note: Energy intensity = Total power consumption (MWh)/revenue of the year (NT\$ 100 million)



5.2.2 Carbon emission information

While facing climate change challenges, all countries actively take corresponding measures. In 2015, we passed the “Greenhouse Gas Reduction and Management Act,” which was amended to “Climate Change Response Act” on February 15, 2023, explicitly stating the long-term carbon emission goal and the goal of control in each stage for 2050. We promote the action taken by the Taiwanese government to adapt to climate change based on three themes, mitigation, adaptation and green growth. We pay attention to global climate change, utilize resources and care about corporate sustainable development. In 2022, consultants Kao Kai Hsiang and Kuo Chien Hung from the Electric-Electronic & Environmental Technology Development Association of R.O.C. guided us to conform to requirements in ISO 14064-1:2018. Within the company, we voluntarily promote systematic GHG inventory, create a list and execute the verification procedure to stipulate improvement measures, further implement carbon reduction goals, and contribute to global carbon reduction. The Company will conduct GHG inventory according to the requirements in ISO 14064-1:2018 and obtain the external verification based on the schedule.

Statement of greenhouse gas policy:

GFC is fully aware that the impact of greenhouse gases has gradually deteriorated the climate and environment of the Earth. As a responsible corporation, we firmly advocate the international specifications of UNFCCC and Kyoto Protocol, and actively initiate GHG emission inventory. Through inventory, we will be able to keep track of the current GHG emissions of the Company, execute more carbon reduction measures, and promote GHG verification and voluntary reduction plans. We promise to make an all-out effort to fulfill corporate social responsibility and strive to build a sustainable environment and future.

Definition of GHG emission source and carbon emission amount in 2022

Type	Definition	Carbon emissions in 2022	Percentage of carbon emissions to total emissions
Type 1	Direct GHG emission and removal	372.5664 Ton-CO2	22.94%
Type 2	Indirect GHG emissions of purchased energy	1,020.1423 Ton-CO2	62.81%
Type 3	Indirect GHG emission during transportation Business travel	1.9098 Ton-CO2	0.12%
Type 4	Indirect GHG emission when the organization uses the product Purchase product service	229.4304 Ton-CO2	14.13%
Total		1,624.049 Ton-CO2	100%

Types of GHG in operation scope

Operation scope	Type	Types of equipment/measures corresponding to GFC
Direct GHG emission and removal (Type 1)	<ul style="list-style-type: none"> ■ The GHG emission generated by electricity use, heat, steam and other energy derived from fossil fuel 	<ol style="list-style-type: none"> 1. Emergency generator 2. LPG
	<ul style="list-style-type: none"> ■ Mobile GHG emission source 	Official car (gasoline, diesel)
	<ul style="list-style-type: none"> ■ Fugitive GHG emission source 	<ol style="list-style-type: none"> 1. The coolant of air conditioner, refrigerator, drinking fountain and water chiller 2. CO2, dry powder fire extinguisher 3. Septic tank 4. Acetylene 5. CO2 cylinder
Indirect GHG emission of imported energy (Type 2)	<ul style="list-style-type: none"> ■ The GHG emission generated by purchased power, heat, steam and other energy derived from fossil fuel 	Power purchased from Taipower (power)
GHG emission and removal generated from transportation (Type 3)	<ul style="list-style-type: none"> ■ Emissions from business travel 	Calculate the transportation and commute distance of business travel, and classify these results by company name
Indirect GHG emissions generated when an organization uses products (Type 4)	<ul style="list-style-type: none"> ■ Purchased product and service (including energy and resource) 	<ol style="list-style-type: none"> 1. Power purchased from Taipower (power) 2. Gas station invoice for gasoline and diesel 3. LPG

5.2.3 Waste information

GFC implements waste sorting. The waste generated in the factory is outsourced to certain contractors. GFC requires the contractor to follow the environmental regulations and promise to continue to improve pollution control.

Waste item	Disposal method	Disposal method after recycling	Recycling amount in 2022 (kg)
Domestic waste	Outsourced to external units	Incineration and landfilling/ Physical treatment	15,560
Waste wood		recycling (used for fuel)	56,970
Plastic waste mixture		Incineration and landfilling/ Physical treatment	5,570
Waste fiber or other mixtures such as cotton and cloth		Incineration and landfilling/ Physical treatment	40
Waste paper		Announced for recycling	1,276
Metal scrap		Announced for recycling	175,310

5.2.4 Raw material information

GFC sorts recyclable and non-recyclable materials based on the definition of recyclable material announced by the EPA. The calculation method for each raw material is based on the data provided by raw material suppliers for now. To record and track all the data later on, the procurement department of the Company will amend the calculation method gradually. The unit for a single item is the kilogram. Refer to the table below for details.

Raw material usage information of GFC

Name of Non-recyclable material (unit)	2020	2021	2022
Wood strips for delivery	17,882	13,900	24,600
Wood strips for main rail	3,900	5,100	5,400
Large flat pallet	1,953	2,279	2,841
Small flat pallet	210	355	357
Carton	976	1,244	812
Polyester cotton yarn (PC)	15	11	9
Paper (kg)	30,560	2,523	2,432
Tap water (tonnes)	3,210	3,989	3,197

Name of recyclable material (unit)	2020	2021	2022
50Mm*70mm*0.04mm Ziplock bag (No.1 bag) (kg)	0	1	1
70mm*100mm*0.04mm Ziplock bag (No.3 bag) (kg)	3.2	1.6	1.6
85mm*120mm*0.04mm Ziplock bag (No.4 bag) (kg)	1	1	2
140mm*200mm*0.04mm Ziplock bag (No.7 bag) (kg)	3	3	0
150mm*200mm*0.04mm plastic bag (kg)	20	40	40
250mm*350mm*0.06mm plastic bag (kg)	70	100	140
0.12*2400m/m plastic sheeting (double-sided) (kg)	6,600	8,400	8,250
160mm*200mm*0.025t H/W plastic bag (kg)	150	115	100
200mm*280mm*0.04mm plastic bag (kg)	190	180	150
65cm*50cm*100cm C/P plastic bag (kg)	166	146	198

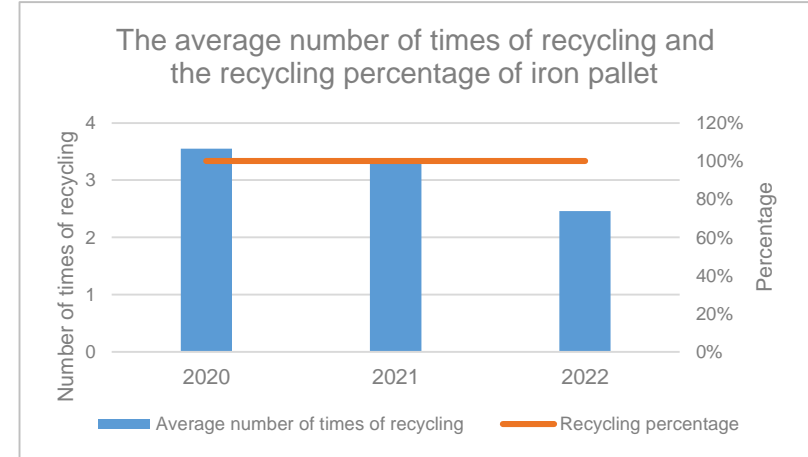
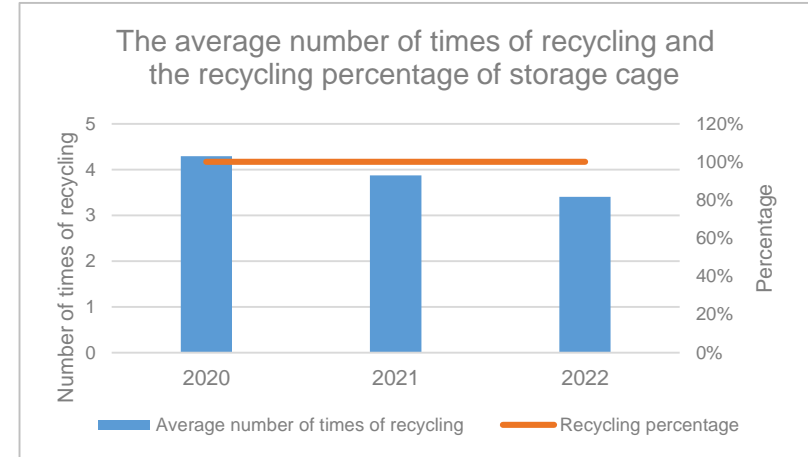
Name of recyclable material (unit)	2020	2021	2022
250mm protective film (kg)	4,240	4,640	4,000
Storage cage	75	200	125
Iron pallet	25	25	75
Stainless steel plate (kg)	498,011	669,038	636,239
Decoration steel plate (kg)	634,179	661,641	640,035
Zinc iron plate (kg)	529,190	524,526	568,782
Common iron plate (kg)	8,346	7,590	8,909
hot-dip galvanizing (kg)	15,253	16,608	5,414
Polished iron plate (kg)	187,861	263,466	235,553
Mirror slab (kg)	17,222	15,361	32,945

5.2.5 Information on recycling of the material used for production

For elevator production and manufacturing, part production is primarily outsourced to external suppliers. After individual parts have been produced by external suppliers, they are sent to our factory for elevator part assembly. When the elevator part is damaged, our technician will replace the damaged or failed parts depending on the damage and repair the parts instead of recycling them, in order to extend the service life of the elevator. During elevator assembly, the storage cage and iron pallet can be recyclable. The table below shows the number of times the storage cage and iron pallet have been recycled at GFC in the past three years.

Information on recycling of the material used for production at GFC

Item	Year	Total	Total number of times of recycling	Average number of times of recycling	Recycling percentage
Storage cage	2022	1,252	4,262	3.4	100%
	2021	1,134	4,391	3.87	100%
	2020	947	4,065	4.29	100%
Iron plate	2022	613	1,510	2.46	100%
	2021	547	1,839	3.36	100%
	2020	529	1,880	3.55	100%



5.3 Green product and service

While implementing green operations, GFC also cares about reducing the impact of its product on the natural environment. In 2017, it invested NT\$ 36,468,000 worth of smart R&D capital and applied its core development capability to two aspects, the design and development of energy-saving elevators, and product safety and quality control, to reduce the environmental impact and burden of the elevator sector.

5.3.1 Green design and development

Optimization of energy-saving elevator

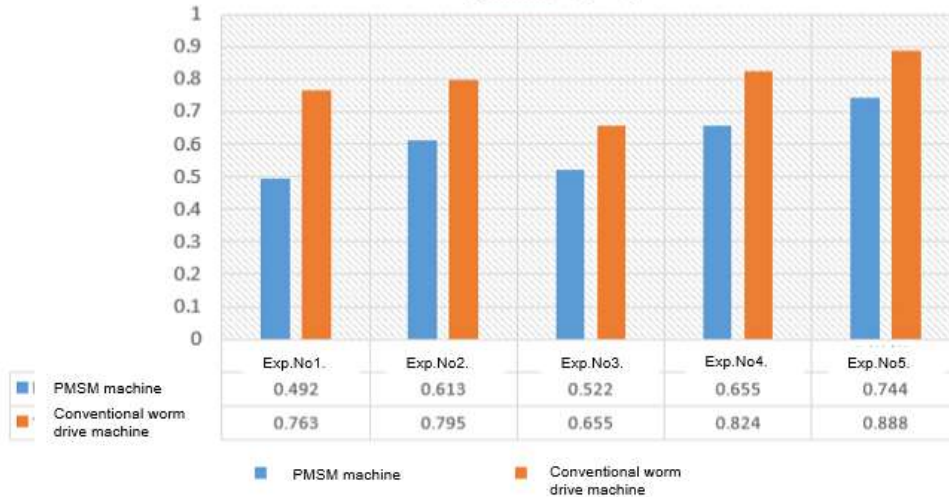
The new generation of passenger lifts developed by GFC integrates numerous optional smart and eco-friendly designs to satisfy diverse needs. By modifying accessories, GFC's elevator products can achieve the most economical performance and least energy waste during manufacturing and actual operation. The specific optimization programs of energy-saving elevator products are shown below:

Modified part	Specific optimization program	Comparison with conventional elevator
Gearless drive machine design	Eco-friendly PMSM machine and PM motor. Its excitation material is high-performance a permanent-magnet NdFeB magnet.	Without the activation current of a conventional motor, the average energy consumption per unit stroke kg is reduced between 16% to 35%.
	Direct drive	Gear lubricant is not needed. Efficiency is almost 100%.
	Use variable frequency control technology	Highly efficient operation is possible.
PM elevator door device technology	PM motor drive is adopted for central horizontal side-by-side elevator	Great efficiency, more energy-saving and environmental
	Small size, low rotational speed, high torque, with specialized door inverter	Precise positioning
	All-time electrical control for real-time monitoring of door-closing force	Enhance passenger safety
Control system	Uses a multi-core CPU structure and modular design	The system processing efficiency has been increased. The elevator can run more smoothly and comfortably.
energy-saving lighting	Use T5 or LED	The performance of the lighting system and material recycling have been improved. The cost of maintenance and operation has been reduced.
Electricity regeneration device	The energy feedback GF568L system converts the regeneration energy of motor deceleration is converted into renewable power.	The renewable power is guided to other public facilities in the building. Up to 45% of power has been saved.
	No waste heat has been generated.	The air conditioning for the machine room is not needed.

Chart for comparing the energy efficiency of PMSM machine with worm drive machine

Treatment group A				Treatment group B				Comparison of the energy efficiency of PMSM machine with worm drive motor (1 – Specific operational requirements A/B) *100%
PMSM machine				Conventional worm drive machine				
Group	Rated speed (m/min)	Rated load (kg)	Specific operational requirements (average energy consumption per unit stroke kg) mWh/(kg.m)	Group	Rated speed (m/min)	Rated load (kg)	Specific operational requirements (average energy consumption per unit stroke kg) mWh/(kg.m)	
1-1	150	1,150	0.492	1-2	150	1,150	0.763	35.52%
2-1	120	1,150	0.613	2-2	120	1,150	0.795	22.89%
3-1	105	1,000	0.522	3-2	105	1,000	0.655	20.31%
4-1	90	900	0.655	4-2	90	900	0.824	20.51%
5-1	60	1,000	0.744	5-2	60	1,000	0.888	16.22%

Average energy consumption per unit stroke kg for each elevator (mWh/kg*m)



	Energy efficiency
Treatment group 1	35.52%
Treatment group 2	22.89%
Treatment group 3	20.31%
Treatment group 4	20.51%
Treatment group 5	16.22%

Note: Energy efficiency = (1 - average energy consumption of PM motor/average energy consumption of conventional motor) *100%

Operational performance of electricity regeneration device

Elevat or cab load	Differen ce from the counter weight	Set stroke (m)	3.5	7	31.5	56.65
		Operating speed (m/min)	60	105	105	105
0%	45%	Electricity consumed (Wh)	13.1	23.9	80.9	139.6
		Electricity regenerated (Wh)	1.9	5.9	20.7	35.8
		Regeneration efficiency	14.50%	24.69%	25.59%	25.64%
25%	20%	Electricity consumed (Wh)	10.2	21.7	58.3	92.1
		Electricity regenerated (Wh)	0.5	2.1	5.4	8.1
		Regeneration efficiency	4.85%	9.68%	9.26%	8.79%
50%	5%	Electricity consumed (Wh)	10.1	19.4	53.1	86.3
		Electricity regenerated (Wh)	0.4	1.5	3.8	5.8
		Regeneration efficiency	3.96%	7.73%	7.16%	6.72%
75%	30%	Electricity consumed (Wh)	10.7	21.8	61.6	103.9
		Electricity regenerated (Wh)	0.6	2.3	6.3	10.4
		Regeneration efficiency	5.61%	10.55%	10.23%	10.01%
100%	55%	Electricity consumed (Wh)	13	24.8	85.6	149.8
		Electricity regenerated (Wh)	2.2	6.6	24.8	44.7
		Regeneration efficiency	16.92%	26.61%	28.97%	29.84%

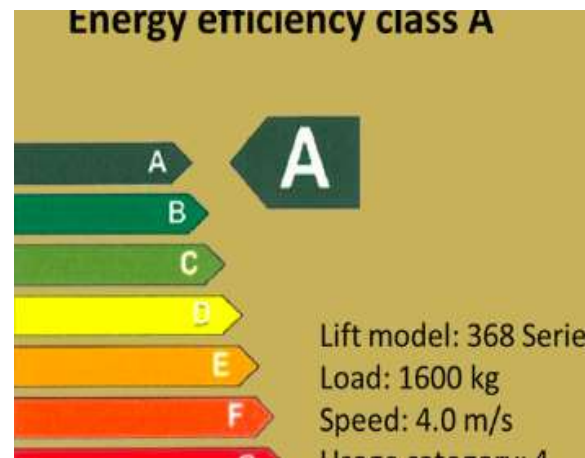
Green building will affect the future

GFC continues to work on green development to cope with climate change. Its own brand GENESIS originated from Genesis in the Bible. It symbolizes the origin and beginning of everything on earth. GENESIS adopted numerous energy-saving functions and designs. It is TÜV-certified and has acquired VDI4707 Grade A elevator energy efficiency. It's the best brand for helping GFC achieve a wonderful green future.

Its medium and high-speed lift series are customized high-end elevators. GFC expects that green building will be popular, hence it makes an all-out effort to develop the series with exquisite industrial foundation and cutting-edge technology development technology. GFC persists in offering high-quality services. Based on client needs, GFC designed the energy-saving elevator that meets the building environment and offers a comprehensive service.

GENESIS product design

Product feature	Specific function
Eco-friendly PMSM machine	The conventional geared machine can be replaced with an eco-friendly PMSM machine. Energy efficiency is almost 100%.
	The machine is smaller. Passengers feel more stable when taking the elevator.
Smart detection system	It detects the number of passengers waiting and adjusts the interval accordingly to reduce waiting time.
Customized elevator	It meets the style of the exterior of the building because it adapts to the location where the elevator is installed.
Ambiance LED	The intensity or color of the ambient light is changed along with acceleration and deceleration of the elevator to spice up the elevator ride.
Electricity regeneration device	Feedback electricity is generated during the operation of the elevator, in order to be provided to devices in other buildings.
Elevator cab design	It reduces the noise generated from wind pressure during the ride and shock during the operation of the elevator.



5.3.2 Product safety and quality

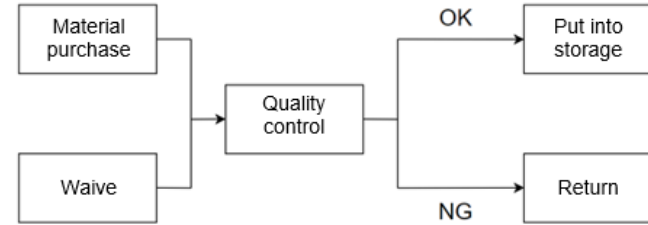
I. Internal quality control of the product

Elevators and escalators are precision machinery devices created by using numerous technologies in the field of electronics, electricity and machinery. Each part must coordinate precisely to offer the safest, most comfortable ride. After the basic parts have been purchased, GFC conducts quality control for the purchased material and makes sure there's no error in any detail before using these parts for the production line. The core parts of the elevator are the electrical control system and machine. As for these two parts, a simulation test will be performed for each object produced to ensure usage safety and prevent failure. After assembly at the construction site, installation quality control and test run quality control are conducted to ensure the quality of overall specifications and safety for the elevator, respectively. In the end, the final inspection is proposed to the competent authority. If the elevator passes the inspection, a building lift permit will be issued (one year). Under strict quality control measures, GFC was not fined or warned due to a violation of elevator safety regulations in 2017. It didn't stipulate any voluntary agreement due to such a violation, either.

GFC internal quality control flowchart

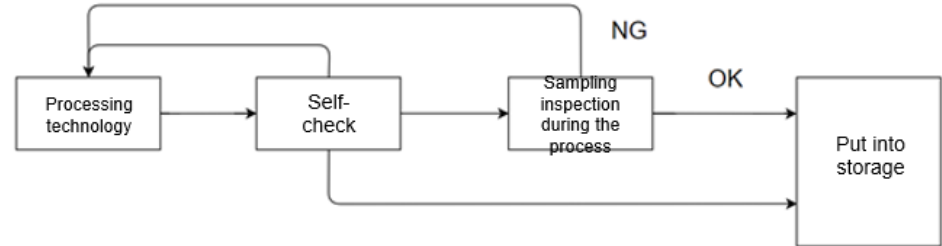
1. Quality control for the purchased material

GFC purchased materials. The quality control staff conducts sampling. Conforming articles will be put into storage. Nonconforming articles can be either waived or returned to the supplier.



2. Process quality control

The Department of Quality Control executes full inspection for important self-made parts and components such as machines and control panels. The production unit checks the common self-made parts and components themselves. The quality control unit conducts sampling inspection during the process to ensure stable quality.



3. Installation quality control/Test run quality control/final safety inspection

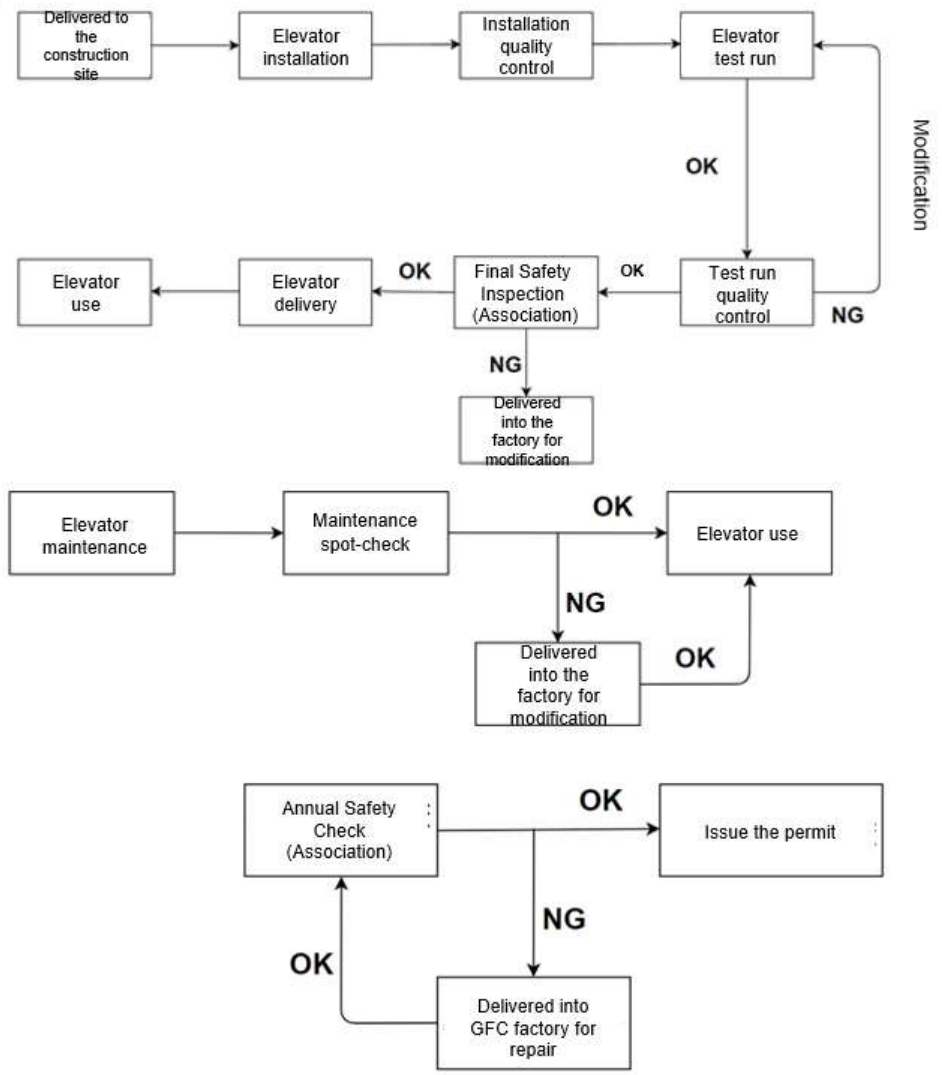
- 1) Safety quality control: Inspect the size and appearance of all parts based on installation inspection operating standards.
- 2) Test run quality control: Inspect various functions, performance and appearance based on the adjustment inspection operating standard.
- 3) Final safety inspection: Before completion of the lift in the building, it is required to submit for final inspection to the competent authority, prepare the data document required for completion and submit for final inspection. If the elevator passes the inspection, a building lift permit will be issued (one year).

4. Maintenance sampling inspection (PDA sampling inspection)

- 1) The maintenance director of each service station visits the contract construction site with at least one elevator that his subordinate is in charge of based on the PDA items every month.
- 2) After inspection, the director uploads the result to the website, prints the checklist and hands it to the maintenance staff for improvement or endorsement.
- 3) For failure items on the checklist, the director checks the result after improvement is complete and submits the result to the maintenance manager for review.

5. Annual safety check

Apply for an annual safety check before the building lift permit expires. The inspection authority makes sure that the elevator is qualified and issues the annual building lift permit.



2022 GFC internal safety check information

Item	Total number of elevators inspected	The numbers of elevator passed the quality control	Percentage of elevators passed the quality control out of the total number of elevators inspected
Number of parts accepted by quality control	6,090,692	6,084,749	99.90%
Number of general items received sampling inspection	506,812	559,965	99.85%
The number of control panels and machines received full inspection during the simulation test	2,857	2,855	99.93%
Number of elevators under installation quality control	2,217	2,207	99.55%
Number of elevators under test run quality control	2,283	2,283	100%
Number of elevators under final safety inspection	1,612	1,612	100%



II. Product maintenance and repair service

The elevator is used every day. Only regular maintenance can make sure that the quality of the overall device stays the best. To ensure public safety, GFC holds fast to the idea of smart repair, real-time service, professional technology, quality certification and factory warranty when providing repair and maintenance service of the product:

1. Smart repair

The computer network is so powerful because it's infinite and can transfer data immediately. GFC builds a central control room for gathering the repair report for elevators around Taiwan, offers a complete single contact window, and an all-around elevator malfunction database and statistics record. In the future, IoT and remote monitoring will be used to offer the most up-to-date information on elevator operating conditions to achieve active preventive maintenance. Therefore, customers can enjoy the safest, fastest ride.

2. Real-time service

The 24-hour emergency service system offers real-time rescue and rush repair. GFC has more expert workers than small factories and its service locations are more dense than small factories. Staff can rush to the site for troubleshooting quickly and flexibly. Therefore, we can recover the elevator device for clients as soon as possible after natural disasters such as typhoons and earthquakes.

3. Professional technology

Since 1977, GFC signed the Taiwan-Japan elevator technology collaboration contract with Toshiba. In addition to regular education training and appraisal of technicians, and complete training courses of new models, GFC strictly requires all maintenance staff to acquire the technician license for lift installation and repair.

4. Quality certification

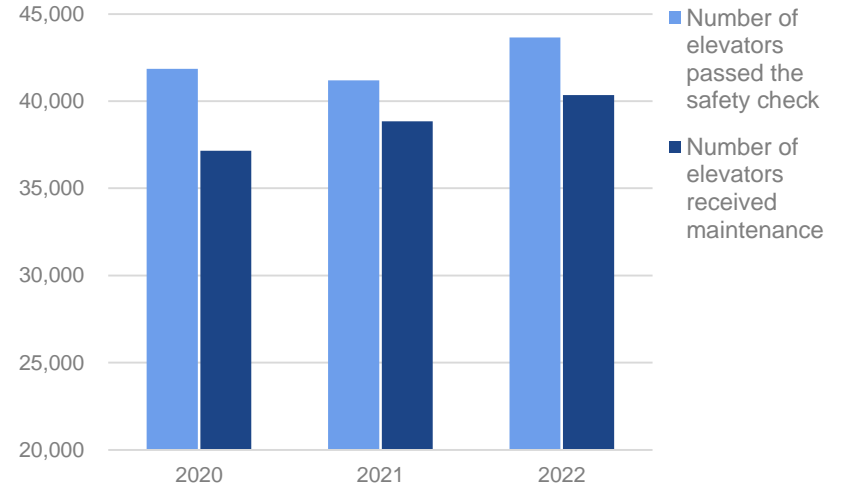
Since 1996, GFC has become an ISO 9001 and 14001-certified excellent supplier. It always strictly abides by relevant national standards and it offers regular maintenance and repair service to ensure a safe, comfortable ride. While mobile devices become popular, GFC further formulates the maintenance quality control standard operation based on ISO. Maintenance and repair staff check themselves regularly. QC staff and site manager conduct spot checks depending on the proportion and enter the result into the mobile device to create the archive. It will be easier to process the data quickly and follow up on the condition. This helps keep track of maintenance and client opinion effectively.

5. Factory warranty

The Company offers parts and components that are worth about NT\$ 200 million in total around Taiwan, sufficient for all kinds of elevators and escalators produced over the years. The elevator/escalator structure is precise and complex. The design of each brand varies. The performance and usage safety of the overall equipment can only be ensured by using factory parts for maintenance and replacing all parts regularly based on the product life cycle. Using degraded products for maintenance from other brands or parts without factory certification will cause unexpected errors, damage to the original device and danger to the passenger.

Number of GFC elevators received safety check and maintenance

Year	Number of elevators passed the safety check	Number of elevators received maintenance
2022	43,661	40,347
2021	41,203	38,854
2020	41,864	37,164



Future prospects

- Promote green procurement and set a robust environmental procurement process standard.
- Purchase green power to support green power and develop clean energy.
- Continue to replace old machines in the factory with high power consumption. Reduce unnecessary energy consumption and ensure that the process becomes more eco-friendly.
- Improve the verification system of internal environmental information (including carbon emission and raw material information).
- Achieve low-carbon transportation. Offer electrical company car to doorstep repair staff. Reduce waste emission.
- Require partners to comply with environmental regulations and continue to improve pollution control.
- Enhance green product design. Strive to maximize performance with the least energy.
- Enter the smart era. Use IoT and remote monitoring to analyze real-time elevator information to achieve active preventive maintenance effectively.

5.4 Sustainable supply chain

5.4.1 Supplier management policy

Policy	<ul style="list-style-type: none"> Pursue the goal of corporate sustainable development with suppliers based on mutually beneficial collaboration.
	Build a sustainable supply chain that cares about the environment, labor rights, occupational safety and ethical management.
	Help subcontractors increase green competitiveness.
Execution	Stipulate the Supplier Management Rules.
	Hold the annual supplier meeting to promote to set up the green supply chain management policy.
	The supplier signs the fulfilling corporate social responsibility letter of undertaking to promise to actively strive for good corporate governance and caring about environmental sustainability issues.
	Amend the “Internal Control System – Regulations Governing Subcontractors” and guide suppliers to care about environmental protection. Encourage suppliers to acquire ISO 14001 certification.
	Conduct regular supplier appraisals. Examine how much suppliers contribute to topics including labor rights protection for practitioners, occupational safety and environmental protection. ISO 14001-certified suppliers will get bonus points for annual appraisal and will be honored with special awards at the supplier meeting.
	Perform an irregular internal audit. Conduct on-site checks for product quality and lead time, and check the outcome of management policy at the same time. Implement educational training if there are some parts not conforming to the green supply chain management policy.
	The new suppliers that are ISO 14001-certified will be prioritized.

5.4.2 Supplier management regulations and requirements

To make sure that all suppliers understand and meet our product safety goal, and make sure that they are willing to pursue the corporate sustainable development goal together with us, we require the suppliers to comply with the guidelines below and provide the letter of undertaking.

- ✓ Care about labor rights—
Respect labor rights of employees and public law rights of association, handle labor disputes adequately, and fairly, forbid child labor, prohibit discrimination based on gender, age, religion, race, disability and marriage. Comply with labor regulations.
- ✓ Environment, health and safety—
Shall provide a safe, healthy working environment, adequate education training, and relevant safety equipment or instruments to protect workers.
- ✓ Ethical and legal requirements—
Avoid conflict of interests, forbid bribery, comply with fair trade regulations, report misconduct, and comply with our corporate social responsibility regulations.
- ✓ Comply with the Supplier Management Rules—
If the supplier violated any rule and has not improved after we provided guidance, besides terminating the contract, the Company may request damage compensation.

5.4.3 Execution

- ✓ Annual supplier meeting—
Besides conveying our goal of sustainable development and stipulation of the green supply chain management policy, we praise suppliers who enhanced quality significantly, delivered on time, and performed well in energy-saving and carbon reduction. We will also ask them to share their experience in the meeting for other suppliers to learn.
- ✓ Regular appraisal—
Examine how suppliers perform in labor rights protection for practitioners, occupational safety, energy-saving and carbon reduction, product quality and lead time and grade them from 1 to 5. For those graded below 2, the Company helps them with education training and improvement instantly.
- ✓ Encourage to acquire quality control and environmental management certifications
Guide suppliers to care about environmental protection and quality safety management. Suppliers who acquire third-party management certification will get bonus points for annual appraisal and will be honored special award at the annual meeting. Therefore, we can obtain mutual benefits with society. The management certifications acquired by the suppliers by 2022 are shown below:

Name of the certificate	Number of suppliers
ISO 9001:2015	18
ISO 14001:2015	10
OHSAS 18001:2007	3
CNS 15506:2011 (TOSHMS)	1
IECQ (QC 08000)	1
IATF 16849:2016	1

5.4.4 Green purchase

- energy-saving green purchase
For replacement and purchase of the Company's production machine, office supplies and construction (company) vehicle, we prioritize devices or vehicles with energy-saving and power-saving labels or the ones that meet the latest emission standard of EPA. In 2022, we invested NT\$ 23,270,873 into the green purchase of devices and instruments. We purchased one air conditioner, four water fountains, one water heater, five production equipment and five company cars.
- Green bond investment—
In 2022, we invested in the "EnTrust Securities Taiwan Environmental Sustainable Bond Fund," NT \$5 million in total.
- Green consumption
We encourage employees to take public transit instead of driving on business trips. In 2021, we spent NT\$ 1,649,168 in green consumption from public transit. The amount for green consumption in 2022 is NT\$ 1,883,927.

6. Friendly workplace

- 6.1 Employee composition
- 6.2 Talent cultivation and development
- 6.3 Occupational safety and health
- 6.4 Employee benefit and welfare
- 6.5 Human rights and resource policy
- 6.6 Collective bargaining agreements

Commitment: Provide a stable, robust working environment. Promote heritage technical and vocational education for passing down knowledge to help employees bring talents into full play. Offer reasonable reward and welfare.

Goal:

Critical quantitative index:

- (1) Implementation of Employee education training in 2022 is over 81%. 286 staff took part in the training. The amount of investment in total is up to NT\$ 1.21 million. The total hours of training is over 7,000 hours.
- (2) The occupational injury rate in 2022 is below 2.5%.

6.1 Employee composition

We have operating offices in Taiwan and China, and in both, our staff make an all-out effort to develop the elevator sector. There are 1,325 staff in Taiwan, 149 of them are supervisors and 1,176 of them are entry-level staff.

Type	Age	Headquarters		Northern Taiwan branches (Taipei/Taoyuan/Hsinchu)		Central Taiwan branches (Taichung)		Southern Taiwan branches (Chiayi/Tainan/Kaohsiung)		Total
		Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)	Male (%)	Female (%)	
Top manager (Vice President and above)	>50	2 (100)	0	2 (100)	0	0	0	0	0	4
	Re-employed retiree	2 (100)	0	0	0	0	0	0	0	2
Entry and mid-level manager	31-50	2 (67)	1 (33)	21 (100)	0	4 (100)	0	2 (100)	0	30
	>50	17 (77)	5 (23)	56 (92)	5 (8)	11 (100)	0	18 (100)	0	112
	Re-employed retiree	1 (100)	0	0	0	0	0	0	0	1
Entry-level staff	<30	9 (82)	2 (18)	77 (91)	8 (9)	14 (100)	0	76 (92)	7 (8)	193
	31-50	32 (60)	21 (40)	297 (83)	59 (17)	69 (91)	7 (9)	124 (91)	12 (9)	621
	>50	33 (70)	14 (30)	168 (77)	49 (23)	50 (94)	3 (6)	38 (95)	2 (5)	357
	Re-employed retiree	0	0	2 (67)	1 (33)	2 (100)	0	0	0	5
Total		141		745		160		279		1,325

6.2 Talent cultivation and development

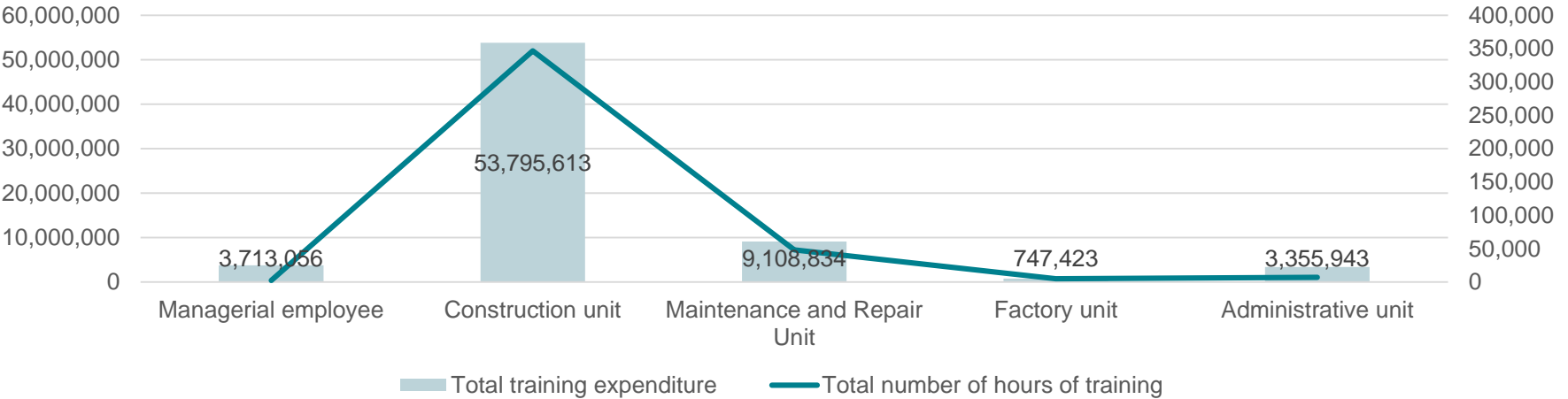
GFC's one of the core values is to help staff learn skills and knowledge through educational training. Taoyuan Education Training Center is the primary venue for GFC to enhance employees quality and competence. Staff training tasks include clarification of industrial safety awareness, inheritance of core technology, on-the-job training, management strategy enhancement, and basic knowledge learning for new employees. We provide the most adequate training course to employees based on profession and experience. Employees are the most valuable capital to GFC; hence, we spare no effort to talent cultivation. In addition to providing diverse training items, we pursue the learning quality of employees. The class size of all training courses is small to maximize the training outcome. Specialized subjects such as engineering technology are taught on the construction site for staff to get hands-on experience.

Furthermore, GFC persists in formulating the annual employee education training plan every year. In addition to checking the training outcome last year, GFC keeps setting a higher training goal, aims to reach the goal every year, and even goes beyond expectations. GFC expects employee competitiveness to rise continuously. Abundant, high-quality education training is the best channel for enhancing career development.



Every year GFC holds the training course required for each unit. At mid-year, GFC cautiously plans for the training and goal next year. The training outcome these years is outstanding. The statistics result of education training for the past three years shows that over a thousand staff received education training. In 2022, some hands-on training courses were suspended due to COVID-19. Essential basic courses and the training required by law are held online, fully showing that GFC is willing and takes action to help staff enhance all-around competence.

Training unit	Total number of participants of the training	Total number of hours of training	Average number of hours of training per person	Training expense	Personnel expense of training	Total training expenditure	The year the training was held
Managerial employee	339	2,199	6	348,625	3,364,431	3,713,056	2021 - 2022
Construction unit	1,245	346,532	278	2,152,140	51,643,473	53,795,613	2021 - 2022
Maintenance and Repair Unit	2,053	48,209	23	2,406,617	6,702,217	9,108,834	2021 - 2022
Factory unit	714	4,494	6	98,459	648,964	747,423	2021 - 2022
Administrative unit	262	6,636	25	198,721	3,157,222	3,355,943	2021 - 2022
Total	4,613	408,069	88	5,204,562	65,516,307	70,720,869	2021 - 2022



Training statistics of 2022:

Level		2022						
		Gender	Total number of participants of the training	Total number of hours of training	Average number of hours of training per person	Training expense	Personnel expense of training	Total training expenditure
Managerial employee		Male	194	1,115	6	213,130	1,692,458	1,905,588
		Female	9	38	4	21,597	8,973	30,570
Non-manual employee	Construction	Male	708	229,840	325	941,409	35,980,904	36,922,313
		Female	5	28	6	4,473	4,085	8,558
	Maintenance and repair	Male	829	25,408	31	1,134,513	3,469,650	4,604,163
		Female	14	50	4	6,098	7,141	13,239
	Factory	Male	317	953	3	59,076	144,258	203,334
		Female	75	153	2	14,520	24,894	39,414
	Administration	Male	83	5,573	67	97,759	1,845,553	1,943,312
		Female	58	200	3	19,185	29,871	49,056
Total		Male	2,131	262,889	123	2,445,887	43,132,823	45,578,710
		Female	161	469	3	65,873	74,964	140,837

Training statistics of 2021:

Level		2021						
		Gender	Total number of participants of the training	Total number of hours of training	Average number of hours of training per person	Training expense	Personnel expense of training	Total training expenditure
Managerial employee		Male	128	990	8	103,365	1,649,212	1,752,577
		Female	8	56	7	10,533	13,788	24,321
Non-manual employee	Construction	Male	526	116,600	222	1,192,243	15,649,463	16,841,706
		Female	6	64	11	14,015	9,021	23,036
	Maintenance and repair	Male	1,203	22,710	19	1,259,478	3,219,193	4,478,671
		Female	7	41	6	6,528	6,233	12,761
	Factory	Male	227	2,819	12	20,863	388,591	409,454
		Female	95	569	6	4,000	91,221	95,221
	Administration	Male	66	496	8	46,247	1,036,952	1,083,199
		Female	55	367	7	35,530	244,846	280,376
Total		Male	2,150	143,615	67	2,622,196	21,943,411	24,565,607
		Female	171	1,097	6	70,606	365,109	435,715

6.2.1 The plan for successor of the management

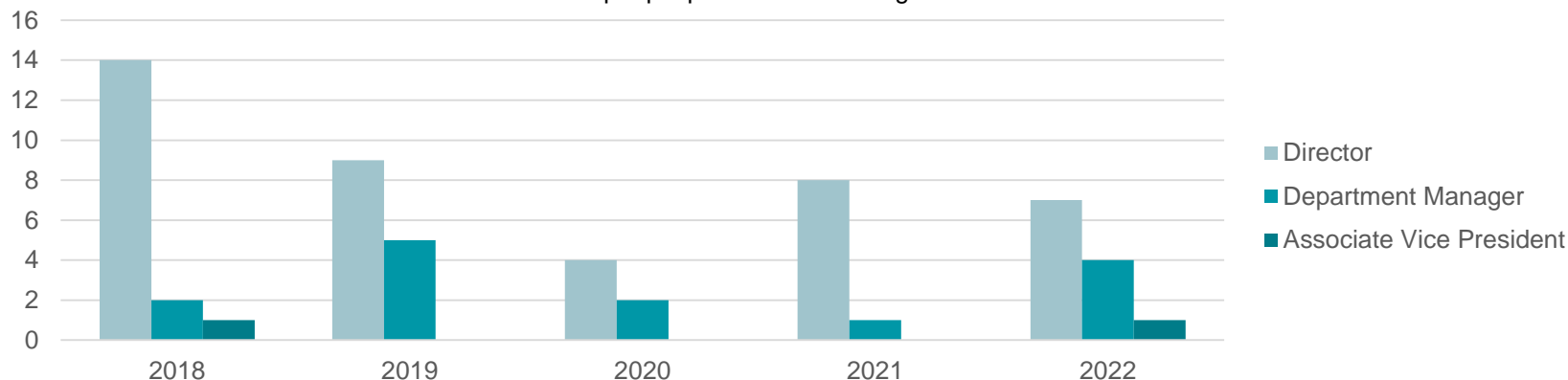
The plan for the successor of GFC's management focuses on discovering employees with high potential and helping them continue to improve themselves via internal and external education training opportunities. Complete promotion specifications and channels are available for employee development to cope with the succession of the management.

Our managerial employees are in charge of relevant businesses in the company organization. They deepen the perception and ability of management concepts via rotation and expatriation.

The Company set up a performance appraisal system for managerial employees and executes it every quarter. By continuous observation and evaluation results, the Company finds out the performance of employees in work, behavior, and attitude, and selects the employee that can be a successor of an important team member.

Number of people promoted to management	2018	2019	2020	2021	2022	Total
Associate Vice President	1				1	2
Department Manager	2	5	2	1	4	14
Director	14	9	4	8	7	42
Total	17	14	6	9	12	58

Number of people promoted to management from 2018 to 2022



6.3 Occupational safety and health

6.3.1 Occupational Health and Safety Committee

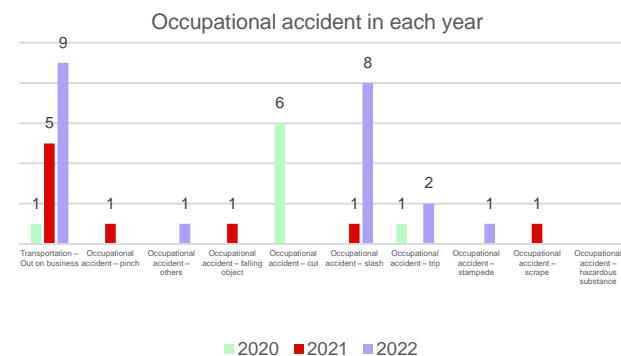
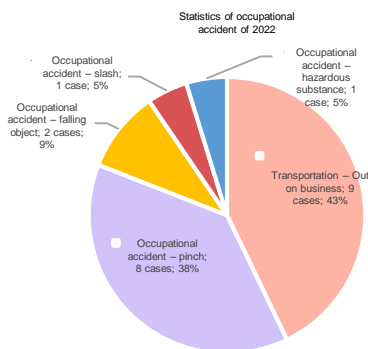
GFC set up the Occupational Health and Safety Committee specialized in the supervision of safety and health work. It sees its role as the one that must ensure workplace safety. When the person in charge of the company is on leave or out on business, the Committee works as the substitute of the company to bear the responsibility for the management of the safety and health affairs of the unit. Furthermore, the Committee is fully responsible for the execution and tracking of internal safety and health work of the Company and formulates safety and health management tasks. The primary goal of the Occupational Health and Safety Committee is to prevent workplace accidents. Besides regular various safety and health seminars and training, the Committee draws the Occupational Safety and Health Management Plan and fulfills it, to create the friendliest workplace for GFC staff.

6.3.2 Safe workplace

While holding education training and promoting occupational the safety, to ensure safety and health of employees, GFC adopts the most strict and effective supervision management model for high-risk operations. It hopes to prevent all kinds of occupational accidents to fulfill of guaranteeing the occupational safety of employees. For operating regulations, GFC formulates the working at height safety guidelines, and explicit, all-around rules for the use of lift, to supervise staff to follow the priority rule, safety first.

6.3.3 Statistics of occupational injury

The table below shows the number of occupational accidents in GFC from 2020 to 2022:



Year	Number of people injured from occupational accident	Number of people died in occupational accident	Total number of working days lost
2022	27	0	875
2021	19	0	1,411
2020	15	0	135

Occupational injury statistics table of 2021

Statistical indicator	Gender	Duty		Traffic accident		Total		Calculation indicator		
		Total	Unit	Total	Unit	Total	Unit			
Total number of work injuries	Male	20	cases	6	cases	26	cases	Injury rate (IR)	Male	2.31
	Female	1	cases	0	cases	1	cases		Female	0.51
Total number of occupational disease patients	Male	0	cases	0	cases	0	cases	Occupational Diseases Rate (ODR)	Male	0
	Female	0	cases	0	cases	0	cases		Female	0
Number of lost days	Male	782	days	22	days	804	days	Lost Day Rate (LDR)	Male	71.50
	Female	71	days	0	days	71	days		Female	36.37
Total number of absent days	Male	782	days	22	days	804	days	Absentee Rate (AR)	Male	71.50
	Female	71	days	0	days	71	days		Female	36.37
Total number of work hours	Male	1,992	hours	1,992	hours	1,992	hours	<ul style="list-style-type: none"> Note 1: Injury Rate (IR) = (Total number of work injuries/Total number of work hours) × 200,000 Note 2: Occupational Diseases Rate (ODR) = (Number of cases of occupational disease cases/Total number of work hours) × 200,000 Note 3: Lost Day Rate (LDR) = (Total number of lost days due to disabling injury/Total number of work hours) × 200,000 Note 4: Absentee Rate (AR) = (Total number of absent days per person/Total number of work days per person) × 100% 		
	Female	1,992	hours	1,992	hours	1,992	hours			
Total number of work days per person	Male	281,121	day/person	281,121	day/person	281,121	day/person			
	Female	48,804	day/person	48,804	day/person	48,804	day/person			
Deaths	Male	0	people	0	people	0	people			
	Female	0	people	0	people	0	people			

6.3.4 Safety and health activity —5S Rules

Health and safety are what GFC always aim for. To maintain a good hygienic environment and keep improving, GFC sets 5S Rules, each rule with its own definition, purpose and object. Therefore, the rules are simplified and show GFC’s persistence in good sanitation.

5S	Definition	Purpose	Object
Seiri	Differentiate unneeded things. Do not put unneeded things in the workplace.	Use space effectively	Object, space
Seiton	Objects needed are placed -anywhere everyone can reach immediately.	Region organizing, indication (to follow), and putting back in place (each object has its specific location) can save useless searching and make sure that the object can be obtained right now.	Object, space
Seiso	Seiso means to clean the workplace. Always make sure there’s no trash or dirt and the workplace is not dirty.	<ol style="list-style-type: none"> 1. Remove mess and pollution sources. 2. Reduce the failure rate of machinery and perform check (or spot check). 3. Implement operator self-maintenance system. 	Environment, machinery
Seiketsu	Seiketsu means to make sure that the environment stays neat, organized and clean.	Enhance product and company image, increase work efficiency, and conduct improvement activities onsite.	Environment
Shitsuke	Shitsuke means to build a good habit of following existing rules.	Shitsuke focuses on people’s hearts. Through rational management of sorting out, organizing, sweeping and cleaning, we build a common management language among staff and management, which work as one. Therefore, we help all staff build the habit of following the standards and rules.	Staff

6.3.5 Safety and health activity — Foresee dangerous activities “4R”

As the leader of the elevator industry, safety is what GFC always cares about. Both of reflection on operational safety issues and crisis management are key issues of employee cultivation at GFC. Therefore, GFC holds the event for danger prediction regularly. In the event, the staff tries to practice how to deal with all kinds of danger to gain experience in problem-solving. GFC sets up a simple, effective problem-solving procedure. GFC divides problem solving into four stages and calls them 4R. They represent “Keep track of the current condition,” “Find out the truth,” “Draw up countermeasures” and “Set a goal.” They are easy to recite and in order, and they urge staff to keep 4R in mind.

Four steps of problem solving		Content
1R	Keep track of the current condition	Find out the potential danger
2R	Find out the truth	This is the key to the danger
3R	Draw up countermeasures	What would you do?
4R	Set a goal	That’s what we will do

6.3.6 Occupational safety countermeasures

GFC offers a one-stop service from product development, design, manufacturing, and installation to regular maintenance. The risk of installation is relatively higher than other tasks in the construction environment. To cope with the risk of installation, GFC offers protective gear such as helmets, safety belts, safety shoes and onsite safety facility tools (insulation canvas and railing) to onsite workers. These are replaced and supplemented regularly. The onsite foreman promotes safety and checks protective gear before construction. Safety and health staff conduct spot checks occasionally to reduce occupational accidents.

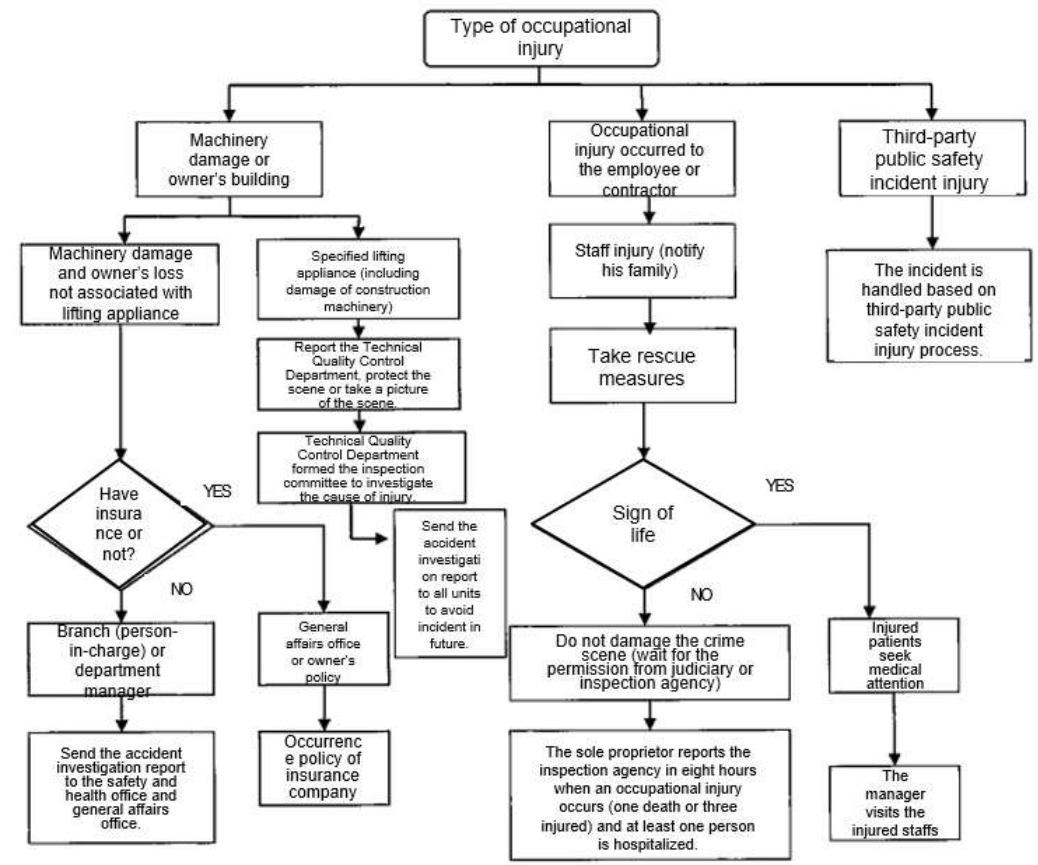
To respond to occupational accidents, besides offering safety and health education training to staff, GFC also formulates emergency rescue steps for employees to follow when an emergency occurs. First, when an accident occurs, relevant onsite staff shall immediately report the onsite condition to the Company based on 5W1H. Therefore, the Company can announce the accident as soon as possible and form an emergency response team to isolate the disaster area and send a warning. Later on, the team drew up countermeasures to avoid the expansion of the accident.

GFC sees its role as the one that must ensure workplace safety for all employees. In addition to arranging regular safety seminars, GFC also offers a great, robust venue and equipment to strive to keep employees away from dangerous environments. Furthermore, NFC formulates protective gear guidelines for body parts that are injured easily, including the head, eyes, and ears, to minimize possible injury to the staff.

6.3.7 Accident notification and report

To reinforce control of occupational accidents and minimize injury when the accident occurs, GFC formulates a comprehensive accident notification process:

- I. When the manager or foreman receives the accident notification, he handles it in a necessary way based on the condition and rules, fills out an accident report in 24 hours and hands it to occupational safety and health staff.
- II. Besides necessary rescue, nothing on the site can be moved and the site must not be damaged unless permitted by the judiciary or inspection agency. The owner must report the accident to the labor inspection agency within eight hours. (Labor inspection agency means the Northern Occupational Safety and Health Center, OSHA, Ministry of Labor.)
- III. Report the accident based on the internal rule “reporting and handling process for occupational accident and third-party public safety incident.” Meanwhile, assign specialists to fill out the occupational accident statistics online reporting system online before the 10th of every month, and report to the local labor inspection agency.



6.4 Employee benefit and welfare

GFC actively creates a harmonious working environment. To ensure that labor and management communicate smoothly for management policy, working conditions, and welfare measures of the Company, GFC set up the Employees' Welfare Committee as required by law (hereinafter referred to as the Welfare Committee). GFC aims to create consensus among labor and management. GFC regards employees as an important foundation of organizational development. It and the Welfare Committee formulate the standard for employee welfare measures. To help employees balance work, family, and life happily, GFC offers great welfare while following the Labor Standards Act, to accomplish the goal of all-around care of employees. The following welfare items and contents apply to operating offices in Taiwan.

Type of welfare	Item/Content
Performance bonus	R&D performance bonus, production performance bonus, sales performance bonus, installation/adjustment performance bonus, maintenance/repair performance bonus
Subsidy measures	Wedding and funeral subsidies, year-end bonuses, meal allowance, birthday bonuses, condolences subsidy regulations, employee club subsidy, maternity pension, employee's and his children's scholarship, emergency interest-free loan
Insurance	Life insurance, accident insurance, occupational accident insurance
Gift sponsorship	Gifts for dragon boat festival, mid-autumn festival, and Chinese New Year, birthday gifts, uniforms, travel/awards based on seniority, year-end-party and the prizes for year-end party
Special leaves	Menstrual leave, maternity leave, miscarriage leave, tocolysis leave, paternity leave, prenatal checkup leave, unpaid parental leave, family care leave, vaccination leave and disease prevention isolation leave

Retirement system.

GFC stipulated the Regulations for Retirement based on the Labor Standards Act. Pension is appropriated to the pension account. The labor and management set up the Pension Supervisory Committee as required by law to supervise pension appropriation and disbursement together to guarantee a good retirement for all employees. As for the pension of new employees who started to work after July 1, 2005, and the employees changed from old rules to new rules (Labor Pension Act) before June 30, 2010, 6% of salary is appropriated to the individual labor pension account managed by the Bureau of Labor Insurance every month according to the table of monthly contribution wages stipulated by the government.

Article 56 of the Labor Standards Act specifies that before the end of the year, the Company evaluates and estimates, in the next year, the pension of the employee that meets the prerequisites of voluntary retirement based on employee income, and the balance of workers' retirement reserve fund account. The variance amount is appropriated to the workers' retirement reserve fund account before the end of March of the next year.

6.5 Human rights and resource policy

To fulfill corporate social responsibility and maintain the rights of all employees, the Company complies with the principles declared in international bill of human rights such as the “International Bill of Human Rights” and “International Labour Organisation,” to formulate corresponding human rights policies in relevant internal control systems:

1. Human resource policy

The Company plans for the human resource policy based on company goal, business plan and overall development, and considers and complies with the government’s labor policy when organizing human resources. It endeavors to make sure that the human resource policy of the corporation is more comprehensive and legal.

2. Labor rights

- Convene the labor-management meeting as required by law: Ensure smooth communication of labor and management.
- Respect for freedom of association: Set up the corporate union according to the Labor Union Act. The Company assigns the human resource unit to attend regular union meetings and explain all remuneration policies to employees.
- Child labor prohibition: Employees under 18 must not engage in dangerous operations.
- Working hours and salary: The “Wage Calculation Standard” and “Regulations for Performance Reward.” The “employee remuneration” appropriation standard has been explicitly specified in the company charter. The salary standard and working hour distribution comply with local labor regulations.
- Discrimination prohibition: We comply with the Gender Equality Act, and draw up the regulations governing sexual harassment prevention. For recruitment, we comply with the employment equality laws and agree that candidates must not be treated unfairly or discriminated against due to gender, age, religion, race, physical and/or mental disabilities, or marital status.

3. Concerns raised and practice regarding human rights

Item	Specific practice	Object affected	Number of employees under high risk
Human rights protection at workplace	We do not discriminate employees and applicants based on race, class, language, thinking, religion, political belief, native place, birthplace, gender, sexual orientation, age, marital status, looks, facial features, physical and/or mental disabilities, zodiac sign or blood type, in labor rights such as employment, remuneration, welfare, training, promotion and retirement. In addition, the Company offers diverse, safe grievance channels to guarantee legal rights of employees.	Candidates and all employees	0 people
Compulsory labor prohibition	Abide by labor regulations of local government, international regulations and work rules. Do not force or coerce labor conduct.	None	0 people
Healthy, safe workplace	With regard to workplace safety and health promotion, the Company abides by all labor regulations and strives for building a healthy, safe, comfortable workplace: 1. Offer a safe, healthy workplace, and necessary health and first-aid facilities, eliminate hazard factors that might affect employee health and safety in workplace, and reduce the risk of occupational disaster. 2. Implement occupational safety education training and free health check-up regularly, and take care of physical and mental health of employees thoroughly. Track and manage specific groups by level based on the analysis of health check-up result, and prevent potential health risk. 3. Promote strict hardware facility standards, and safety and health operating procedure. 4. Physicians and nurses offer onsite health services regularly and offer medical counseling.	All employees	0 people
Respect for freedom of association and right of collective bargaining	The Company supports employees to form and join the union according to the laws. The Company maintains a smooth communication channel with the union and employees, striving for building a workplace with harmonious labor relations.	All employees	0 people
Personal data protection	The Company requires all units to fulfill personal data inventory and management. Besides specific legal purposes, employees must not collect, handle or use personal data. Personal data protection is promoted during each orientation to urge employees to abide by.	All employees	0 people
Help employees maintain physical and mental health and work-life balance	Encourage club activities and organize company trips, and invite employee’s dependents to join them. Enhance cross-departmental interaction and exchange via diverse activities, increase cohesion, and further help employees relieve physical and mental stress.	All employees	0 people
Promotion of human rights policies	Besides actively fulfilling corporate social responsibility and human rights protection policies, the Company expects and requires all business partners including suppliers based on the same standard that we abide by. The Company and partners work hand-in-hand to raise awareness of human rights issues, and improve identification and management of possible risks, to offer a fair, safe workplace, and raise awareness of human rights protection.	GFC suppliers	0 people

6.6 Collective bargaining agreements

Through industrial union organizations, the Company ensures that the management receives employee’s opinions and coordinates labor-management relations. No Collective bargaining agreement has been signed yet, but the labor relations are in harmony. The management representatives attend the union director and supervisor meetings at least four times a year to ensure smooth labor-management communication. In each union director and supervisor meeting, management representatives of the Company listen to the opinions of the union representatives attentively, respond specifically, or offer specific solutions. They bring up rational reasons and arguments for the appeal they cannot agree on, and reach labor-management consensus. Now the labor and management have agreed on the working hours, overtime, year-end bonus and company trip. The Company continues to communicate other statements or opinions to increase the labor welfare of employees, and harmony of labor relations.

The Company sponsors the corporation union the following to promote the operation of the corporation union business, hold cultural and recreational activities for employees, and increase cohesion.

Item	2020	2021	2022
Corporation union member meeting (NTD)	50,000	50,000	50,000
Sponsorship for cultural and recreational activities from corporation union (NTD)	2,510,000	2,510,000	Suspended due to pandemic

Future prospects (employee training)

Training prospects

GFC holds fast to the idea that the “employee is the most important asset,” HGC invests lots of labor, cost, and time into staff training every year. With a complete management system, GFC facilitates close integration of selection, cultivation, staffing and retention, endeavors to cultivate professional technical manpower and guides employees to acquire licenses. By enhancing the quality and job skills of labor in the Company, GFC further increases market competitiveness.

Orientation training

New employee orientation: When the new employee is on board, the Human Resource Division holds common training to help new employees become familiar with the workplace and integrate into the organization, to further understand the company culture and vision.

On-the-job training

Off-the-job professional knowledge course: Plan for the off-the-job courses based on the position. Offer opportunities to learn in the external training institute. Introduce new knowledge and concepts. Help employees gain knowledge broadly, and in depth.

Professional safety and health course: The safety and Health Office arranges appropriate safety and health, fire, rescue and emergency response courses based on the regulations and operational requirements. Build a secure workplace for staff.

In-class education: The education training center is responsible for the in-class education. It holds expertise training such as elevator installation, adjustment and maintenance based on the annual training plan for direct personnel to sign up for the training, and provide the knowledge and skill required for the work.

Onsite education: Focus on learning-by-doing. Senior staff serve as the instructors to lead new staff to learn about the construction site, solve problems at work, teach expertise and share abundant experiences.

What the education training center expects of employee training in the future:

1. Strive to acquire and adjust the education resources to cope with the increase in recruitment rate to meet the labor needs of the Company!
2. Enhance the learning competency of the new staff's own job. Teach the skill in class and through hands-on training at the same time. Help new staff learn more about products and improve technical skills!
3. Offer re-education to staff on active duty to help them enhance their competence, so that they can continue to improve learning competence for their own job. As a result, they can meet client needs and guarantee client rights and interests!

Future prospects (occupational safety)

1. Promote occupational safety based on the HLS off occupational safety health management in ISO 45001:2018
2. Guarantee safety and health of the worker

7. Social Relationship

7.1 Social/Community Contribution event—GFC Foundation

7.2 Response to aging society—good neighbor

Commitment: Being actively devoted to public welfare education and social service. Embrace the gradually aging society with the friendliest approach.

Goal:

Critical quantitative index:

(1) Up to 60 NuVa pneumatic vacuum elevators were sold in 2022. At least 60 elders are benefited from the elevators.

7.1 Social/Community contribution event——GFC Foundation

7.1.1 Wrap up of GFC Foundation

“Every child looks up to someone.”

Parents were everything when you were little.

Your dream flies when you grow up.

So, what’s your dream?

GFC began to build elevators for skyscrapers in Taiwan forty years ago.

These elevators endeavor to reach the dream.

From Shin Kong Life Tower, Taipei 101, the world’s tallest building, to Taipei Financial Center,

GFC pushes itself to the limit by building elevators with a speed of 1,000 m/min.

Now GFC Foundation

accompanies young people to climb to the top of life.

The resource is limited, but care is infinite.

Please follow GFC to reach the sky.

You will find out that our life

can be beautiful, too.

GFC Foundation keeps contributing itself to society. It fully integrates social resources and was honored with the Wenxin Award by the Ministry of Culture in 1999, and the Social Education Contribution Award by the Ministry of Education. GFC Foundation took part in the Excellent Foundation Appraisal by the Ministry of Education and it was honored for Excellent Foundation in 2011.

GFC Foundation believes that youth is the founding stone of a country. Since its founding in 1996, GFC Foundation always primarily serves middle and elementary school students, and sticks to the spirit of “limited resource, infinite care.” It is actively devoted to domains associated with talent fostering and youth guidance. Based on four cores, science education, aesthetic education, service learning and social care, GFC Foundation offers diverse learning opportunities to youths and raises their awareness about community care. GFC Foundation has been founded for over 20 years and it always accompanies children. It will continue to offer the most powerful support while children chase their dreams.

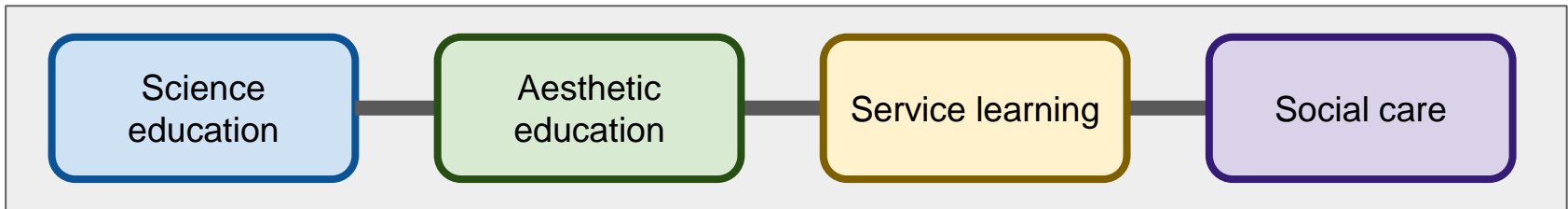


7.1.2 Introduction of GFC Foundation

Since its founding in 1974, GFC has been in business for over 40 years and it grows stably because of trust and support from everyone. GFC is clearly aware of its corporate social responsibility, hence founded GFC Foundation in 1996. GFC Foundation believes that children and youths are important pillars of the country in the future, hence decided that they will mostly help children and youths. It holds fast to establish four core volunteering services, science education, aesthetic education, service learning and social care, based on the spirit of "limited resource, infinite care." To carry the spirit forward effectively, GFC Foundation cares about everyone and integrates elevator business into numerous exclusive social services, which have been well received.

The mission of GFC Foundation is to facilitate the physical and mental development of children and youth, foster scientific talent and enhance aesthetic education. GFC Foundation expects to build a respectful, friendly, inclusive, diverse, public welfare-focused society with youths in Taiwan. Meanwhile, GFC Foundation strives to promote sustainable learning. Youths are encouraged to start with "Practice what you preach, keep your feet on the ground" when they give back to society. GFC Foundation hopes that they can be inspired by service learning, and encourages youths to pass down their experience and achievement. Therefore, the core spirit of serving others can be passed down, and GFC Foundation can create a foundation that feels like home.

GFC Foundation consists of one Chairman, ten directors, one CEO, one executive secretary, two planning group leaders, two executive planners, and two administrative specialists.



▲ Four service cores of GFC Foundation

7.1.3 Records of action the GFC Foundation takes

Science education

Youth scientific talent fostering plan

Since 1997 GFC Foundation has been sponsoring the “Youth Scientific Talent Fostering Plan” organized by the National Taiwan Science Education Center. GFC Foundation shows full support to student research and actively leads youth talents to international scientific research.

206 research plans have been submitted to the Youth scientific talent fostering plan in 2021. Professors in professional domains were hired to instruct students one-on-one to cultivate tech talents for the future. They instructed 75 students to complete 44 pieces of work in total, 15 of them were honored Taiwan International Science Fair Program. Six of them join international competitions on behalf of the nation. It is evident that the achievement is quite abundant.



GFC Innovative Study Award

GFC Foundation sponsored NT\$ 100 thousand to the 62nd National Elementary School and Middle School Science Fair in Taiwan and set up the GFC Innovative Study Award. GFC Foundation aims to motivate excellent teams from elementary school, middle school, high school (applied life sciences section), and vocational school (electronic and electrical engineering section). Furthermore, GFC Foundation invited teachers and students who won the award at the science fair to visit the factory and employee education training center of GFC, hoping that students can learn about life science knowledge related to elevators besides taking part in innovative research.



Elevator science research education

In the era of ever-changing information, GFC Foundation realized that scientific thinking and the ability to simplify are essential skills for talents in the new generation. The goal GFC Foundation always kept in mind since its founding is helping youths discover their talents in the science field and integrate their talents into daily life.

Since 2007, GFC Foundation has been working with a professional team in GFC to come up with training associated with elevator science. It includes safety knowledge promotion, visit to an elevator factory and education center, and a summer science camp, to motivate Taiwanese to learn about lift and relevant scientific field since youth.

By 2022 GFC Foundation has held 349 campus events, 62 elevator factory visits, 51 community fairs, 18 high-speed elevator tours at Taipei 101, and four elevator science workshops and summer camps. Over 400 thousand people have been served. GFC Foundation was honored with the SDG04 Silver Award of “2023 3rd Taiwan Sustainability Action Awards.”



GFC Scholarship

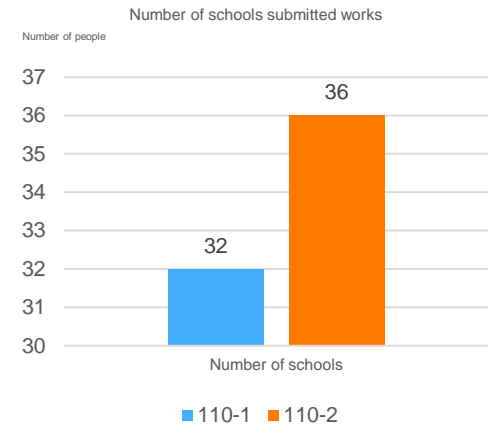
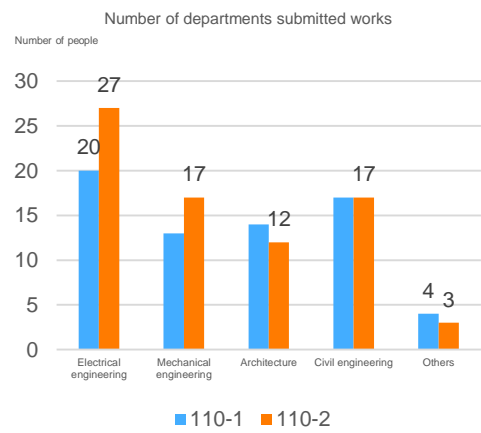
How the plan was initiated

As one of the top three elevator brands in Taiwan, GFC persists in the spirit of continuous innovation. It built high-speed elevators for Taipei 101 and the elevators for High-Speed Rail and metro. GFC cares about talent fostering and works hand-in-hand with GFC Foundation to set up GFC Scholarship in 2020 to encourage outstanding freshmen and sophomores in electrical engineering, mechanical engineering, architecture and civil engineering.



2022 GFC Scholarship

Semester	Number of works	Number of schools submitted works	The department submitted works					Number of winners	Acceptance rate	Total prize
			Electrical engineering	Mechanical engineering	Architecture	Civil engineering	Others			
110-1	68	32	20	13	14	17	4	41	60.3%	\$2,010,000
110-2	76	36	27	17	12	17	3	42	55.7%	\$2,040,000
Total	144	68	47	30	26	34	7	83	57.6%	\$4,050,000



Scholarship award ceremony

In the two-scholarship award ceremony in 2021, the Foundation arranged arranges cross-field exchange course, organized a two-day session of design, thinking, exchange and learning based on the themes, design thinking and the UN Sustainable Development Goals (SDGs), and a visit to the high-speed elevator in Taipei 101. These help students to exchange knowledge with each other and expand their vision during this diverse, colorful trip.

Human need is the starting point of innovation

Besides technique, engineers need creativity and innovation to solve complicated cross-domain problems. Innovation is not plucked out of thin air. It creates more possibilities based on human needs. Ming-Hsu Wang, Dean of TMU i-College, Chia-Hui Chiu, Dean of TMU General Education Center, and Chia-Yu Chiang, Department of Business Administration NCUE, guided students to think, do and say, and gradually experience the process of design thinking.

A storytelling method in the new generation that meets the SDGs

Chia-Hui Chiu, Dean of TMU General Education Center, and Ming-Hsu Wang, Dean of TMU i-College, were invited to act as the academic advisers. They are famous teachers in cross-domain education, leading students with scholarships to learn teamwork communication skills through courses, and opening more aspects, and inspiring more innovative ideas for the engineering field in a more humanized way.



Aesthetic education

The Harvard Krokodiloes

The Harvard Krokodiloes perform in various places. Members all have diverse life experiences and broad global perspectives. GFC Foundation invited The Harvard Krokodiloes to Taiwan and actively created an opportunity for students from East and West to exchange information. Therefore, Taiwanese students have a chance to expand their vision. GFC Foundation introduced exclusive humanity and landscape in Taiwan to The Harvard Krokodiloes for more people around the world to learn about the rich culture in Taiwan.



Children's Public Welfare Seminar

Since 2006, GFC Foundation has held the children's public welfare seminar every month. It invites famous art workers to organize diverse seminars, including music, arts, drama, body development, gardening, agriculture education, story theater and nature creation, based on parent-child-learning. Each seminar is packed and popular.

Chang Sung Lien Calligraphy Workshop

GFC Foundation introduced Sung-Lien Chang, the Chairman of the Taiwan Female Calligraphy Association. It organized a series of small-class calligraphy workshops. The master teaches students in the community attentively so they to learn calligraphy at ease and learn about the essence of classical Chinese literature in depth.



Beautification of the elevators in National Taiwan University Children's Hospital

To fulfill the vision of "art is life," since 2009 GFC Foundation has conducted the Beautification project of the elevators in National Taiwan University Children's Hospital, to introduce aesthetics into elevators, and embody the colorful, abundant atmosphere in life brought by arts.

This project is called Wild Formosa Wild Song. It uses natural ecology in Taiwan as the material for the project. Excellent wildlife photographs taken by I-Feng Huang, the wildlife artist, Chin-Jung Hsu, the bird wildlife photographer, Wei-Sheng Yang, beetle wildlife photographer, and Hsin-Feng Shih, the butterfly wildlife photographer, have been gathered for beautification of the elevators in National Taiwan University Children's Hospital. People can enjoy the wildlife when waiting for the elevator. The elevator can be used to convey local information about Taiwan thoroughly. These photographs introduce a prospering atmosphere to the dull, ordinary elevator.



Service learning

Youth public welfare trip

Howard Gardner, a professor at the Graduate Institute of Education, Harvard University, stated that, in the 21st century, the most important, essential capability of youth is to solve important problems, ask good questions, create interesting work, and collaborate with peers. Cultivating these essential capabilities in the future for youth is the core goal of GFC Foundation for promoting youth public welfare trip plan. GFC Foundation motivates youths to find and solve problems through public engagement and learn about themselves when solving problems.

GFC Foundation has promoted youth service learning for more than ten years. It's delighted to see youths grow and learn more while engaging in the service. Since 2010 GFC Foundation has promoted the Youth Public Welfare Trip. The project is different from typical travel camps. The guidance team trained by GFC Foundation accompanies and guides youths, and helps them learn about public engagement correctly. Youths are encouraged to step out from the campus and enter the community, and understand and satisfy social needs and satisfy social needs with their own effort. Youth Public Welfare Trip integrates the four courses of service learning "travel preparation, service, reflection and achievement presentation," and encourages youths to take action to advocate public engagement.



Youth Public Participation Club

To make sure that youths can learn about and respect social issues, GFC Foundation invites experts or group workers in different fields to deliver speeches. The topics of the speech vary, including marine education, animal protection, leftovers cherish and culture promotion. The speaker shares how they use their own power to change society during the speech.

Several speeches are delivered in the form of a human library. People with different identities in society talk about their lives to teach youths to respect diverse values, break stereotypes, rip the labels off, and truly realize the meaning of social engagement.



Service learning

Care for the disadvantaged by Firefly Service Team — Elders in the home for the elderly and elders living alone

GFC Foundation visits Taiwan Catholic Home for the Elderly to offer volunteer service learning. Volunteers work in groups to design the main activity for each month. The home for the elderly was filled with vitality throughout their demonstration. Elders have the courage to speak up, participate in the activity, have fun with volunteers, and enjoy several happy afternoons.

Besides service learning in the home for the elderly, GFC Foundation collaborates with Huashan Social Welfare Foundation to visit elders living alone in Zhongzheng District, Taipei. Youth volunteers listen to the elders, show care to them and accompany them attentively. The elders can feel the warmth from the youth volunteers.



Youth public welfare car-washing service

Throughout the “public welfare car-washing service,” students hear voices from people in society whose voices are barely heard and come in contact with them closely. GFC Foundation collaborates with the Andrew Charity Association this year. The charity food pack fundraising plan is the main proposal of the year. GFC Foundation introduces the operation of food banks and the people the food bank tries to help to students. By sharing stories, GFC Foundation tells students how different people fight for their lives.

Preparation and reflection of the one-day service aim to help create new values. If there's no time for reflection, a short, wonderful memory would be the only thing left. Through pre-departure briefing and reflection discussion, students can build a connection with the real world and learn about the situation of disadvantaged people through communication with volunteers before departure and understanding of service needs. They make efforts to engage in car-washing fundraising and support the disadvantaged group. They reflect on the activity, look into their experience, and share their thoughts with partners after the activity is over. Students will show more care and feel more responsible for social issues. They feel happy when learning from each other and giving what they can offer when serving others.



Social care

Empowerment learning plan

Chengjheng High School Baking Laboratory was founded after the meeting of Po-Loung Tang, the CEO of GFC Foundation, and Ching-Hui Yao, the former principal of Chengjheng High School, back in 15 years ago. The school buildings were gradually completed back then. When touring around the school buildings, Yao Ching Hui pointed at an empty classroom, "This will be a printing classroom." However, most of the printing equipment that will be put in this classroom will die out soon. Po-Loung Tang asked, "Will the printing skills students of this school learn to useful at work?" Therefore, Po-Loung Tang suggested to using this classroom as a baking laboratory instead.

Baking helps students stay focused, and learn to listen and work with others. Baked goods such as bread, cake, and cookies smell good, which is a good thing about baking because they make people happy. Meanwhile, the bakery combines creativity with aesthetic learning and can comfort students in this reform school. Po-Loung Tang took action right after he came up with this idea. He made an all-out effort to run about and find flour suppliers willing to sponsor the empowerment learning plan of Chengjheng High School in the long run. He pursued China Grain Products Research & Development Institute to build the baking laboratory. With sponsorship from GFC Foundation and other parties, NT\$ 3 million was raised in the end. A baking laboratory in Chengjheng High School was built, and it can be used to take the Level C Test.

For 15 years, this bakery laboratory is still in operation. It holds the bakery contest every year and invites bakers in the industry to serve as judges. GFC Foundation believes that students can show creativity during baking and gain a sense of achievement from baked goods. To students of Chengjheng High School, this is the best reformatory education.



Sponsor the support plan——care about people in need

1999	GFC Foundation works with the Secure Service Team to record the album "Beautiful New Home" to comfort traumatized people in the disaster area of the 921 Earthquake.
	With expertise in fashion design, Po-Loung Tang guided the Private Catholic Hua-kuang Intelligent Development Center to establish Shelter Factory, which designed several fashionable cloth bags to fund its social welfare revenue.
2000	Through the Seed Construction Plan, one thousand books have been donated to juvenile prisons, juvenile detention houses and reform schools in Taiwan to benefit more marginal men.
	Care about youths who lost their way. Donate two thousand books to Chengjheng High School. Donate bakery equipment qualified for the Level C Test to help students build job skills.
2009	GFC Foundation led 50 volunteers to the disaster area of Typhoon Morakot in Linbian Township, Pingtung Country, to help victims clean their homes. Volunteers reflect on environmental issues during this event.

Join hands with love ● Light up happiness

energy-saving light replacement plan

GFC has been caring about green energy issues such as energy-saving and carbon reduction. It works with GFC Foundation and numerous elevator maintenance and service staff with expertise in electromechanics to promote public welfare activities and establish the GFC Elevator Volunteer Team. The primary mission of the Team is to organize the energy-saving light replacement plan "Join hands with love ● Light up happiness" in 2020, considering small and medium-sized social welfare institutions lack resources in general and lighting in these institutions is old. GFC Elevator Volunteer Team replaces old lights with energy-saving lamps for free. It cares about the local community and disadvantaged groups in Taiwan, fulfills its responsibility as a corporate citizen, and creates co-prosperity of a sustainable society.



History of the light replacement events

03/19/2022

- Service team: GFC Zhonggang Service Station
- Collaboration unit: Boyo Social Welfare Foundation – Xinyi Chen Yu Lan Center
- Achievement: 18 lamps in Xinyi Office and 21 lamps in Tungfu Tutoring Classroom have been replaced with 39 energy-saving LED lamps, saving 2,016 W in total.

04/16/2022

- Service team: GFC Zhongqing Service Station
- Collaboration unit: Boyo Social Welfare Foundation – Guoxing Center
- Achievement: Old lights have been replaced with 30 energy-saving LED lamps, saving 372 W in total.

05/2022

- Service team: GFC Foundation
- Collaboration unit: Kaohsiung Little Sun Association
- Achievement: 26 energy-saving LED lamps have been donated to Small Workshop of Little Sun, saving 492 W in total.

09/03/2022

- Service team: GFC Chiayi Branch
- Collaboration unit: VGM Erlun Youche Christian Church
- Achievement: Fluorescent tubes are only installed in the middle of the ceiling of the classroom. Illuminance for students who sit against the wall when doing homework is 40% of the regular value. To improve lighting for afterschool tutoring classes at the church, we donated 41 energy-saving LED lamps to the church.

10/29/2022

- Service team: GFC Tainan Branch
- Collaboration unit: Faith to Blessings Association - Madou Church Of Christ
- Achievement:
 - Donated 52 energy-saving LED lamps to the afterschool tutoring class, saving 848W in total.
 - We arranged courses on elevators for students in the afterschool tutoring class to understand the knowledge of elevator safety.

11/12/2022

- Service team: GFC Xizhi Service Station
- Collaboration unit: New Taipei City Xizhi Youth Welfare Service Center
- Achievement:
 - We replaced the old lamps at the elevator entrance, restroom, and outer orbital corridor with 32 energy-saving LED lamps, and donated NT \$53,099 for lamp expenses.
 - On the day of the event, a volunteer noticed a leakage of a water pipe under the sink in the women's restroom and repaired it immediately.

12/2022

- Service team: GFC Foundation
- Collaboration unit: Taipei Parents' Association for the Visually Impaired
- Achievement: Donated dimmable multi-color ceiling lamps to an early intervention classroom in Taipei, saving 15 W in total.

12/17/2022

- Service team: GFC Zhonggang Service Station
- Collaboration unit: Corporation Changhua County Joyce-Polio Care Association.
- Achievement: Offered 36 energy-saving LED lamps, saving 2,460 W in total.

Accomplishment summary

Social welfare institution



7 institutions

Company volunteer



115 people

Number of old lamps replaced



307

Number of fluorescent tubes replaced



691

Energy saved



About 8,123 kWh

Carbon reduction reduced



About 18,110 kg

Join hands with love • Plant the tree of hope

Tree planting plan

GFC has been paying attention to global climate change for a long time. GFC Foundation organized the tree planting plan. In 2023, the “Tzu Lin Foundation for Ecological Recovery” invited our volunteers for forest restoration in the mountains. We want to mitigate the greenhouse effect and purify air via photosynthesis, and carbon dioxide absorption and oxygen release of trees, continuing to contribute to global carbon reduction together.



Tree planting footprint

On July 1 and 16, 2023, Po-Loung Tang, the Chairman of GFC, led 30 volunteers from four GFC Taipei service stations to plant trees in the land of several hectares in Yangmingshan National Park adopted by Tzu Lin Foundation for Ecological Recovery. The volunteers cut man-height grass, totaling one hectare, at the slope on the left of Yangmingshan Chungshan Hall, the former site of Qianshan Park and Yang Ming Hospital, and the forest northeast of Taipei Municipal GE-ZHI Junior High School.

The Volunteers gathered again on July 29, with a total of 46 people including family members. 15 Cinnamomum kanehirae Hayata seedlings were planted near GE-ZHI Junior High School. During the process, many families worked together to dig soil, plant trees, water and protect seedlings, which was full of fun. Then everyone went to Qianshan Park for a picnic, and the July tree planting event ended in a joyful atmosphere.



8.1.4 Overall achievement of GFC Foundation

To fully advocate the original intention of founding, GFC Foundation encourages youths to learn from practice, discover their interest and strengths through different experiences, and expand the vision. encourage self-growth, and further get a hold of their future development. To help youths learn effectively to show the best service quality and spirit of contribution, GFC Foundation offers abundant empowerment courses. Furthermore, it develops numerous exclusive service programs to adapt to GFC's original business. It is expected to promote GFC's expertise to more people and encourage the public to join us in giving back to society. These years GFC Foundation spares no effort in guiding the public to learn more about elevators. We hope that GFC Foundation can become a warm, bright torch in Taiwan's elevator industry and always shed light on others.

Science education	Year 1997 till now	
	Total resources invested About NT\$ 11 million	Total number of people served About 200,000 people

Service learning	Year 2003 till now	
	Total resources invested About NT\$ 15 million	Total number of people served About 200,000 people

Aesthetic education	Year 1996 till now	
	Total resources invested About NT\$ 45 million	Total number of people served About 100,000 people

Social care	Year 1996 till now	
	Total resources invested About NT\$ 40 million	Total number of people served About 400,000 people

7.2 Response to aging society — Howtobe

7.2.1 How the idea Started

The elevator business of GFC in its early days primarily focused on community, hence GFC built a good, close relationship with the community. At the beginning of the internet era, GFC noticed that networks were not available in communities. Therefore, it founded Howtobe Technology Co., Ltd. (Hereinafter referred to as Howtobe) to reinforce network connection with the community while providing elevator services. Howtobe was founded 18 years ago. In the early days, it started with the installation of network modems in communities. Howtobe interacts with the community management committee closely and maintains a stable relationship with a mutual exchange for a long. This way GFC can start business diversification and form an inseparable bond with the community. Throughout fast technological growth, the barrier to Internet access is reduced. Home network usage rate advances by leaps and bounds. Network modem is replaced by wireless network quickly. Change in the network environment affects the business of Howtobe directly. Howtobe starts to organize transformation.

7.2.2 Business transformation

These years the business of the network has been reduced. Despite that, Howtobe still wants to provide the community with diverse services that move with the times and enhance life quality. Howtobe realized how deeply aging society affects community residents. Statistics survey shows that many apartments and old residences are still not equipped with an elevator, that is, it's very inconvenient for some elders. Howtobe started to join the elevator business of GFC, and developed the lightweight NuVa pneumatic vacuum elevator, which adapts to all kinds of buildings well and exceeds the constraint incurred by the conventional elevator.

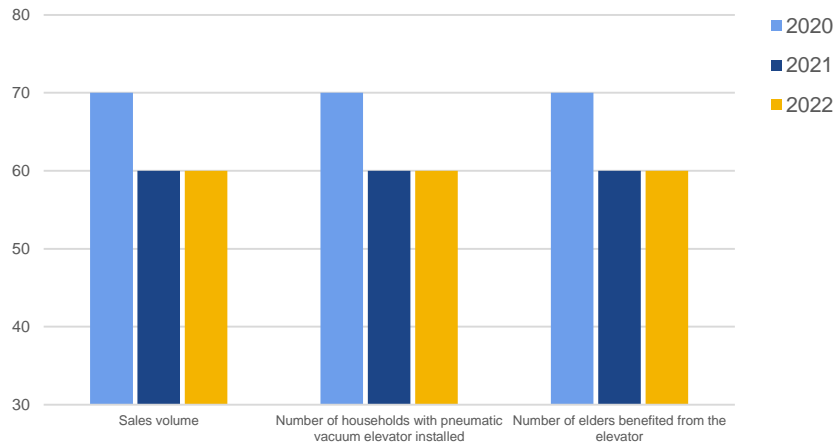
NuVa pneumatic vacuum elevators was invented by PVE. It has won numerous patents around the world. GFC introduced and modified it. Now this has become a trendy elevator that best suits residences in Asia. It's compact and convenient to install, very suitable for common residences in Taiwan such as houses and duplex houses. Furthermore, the elevator is equipped with smart automatic lift technology. The door will never open before the elevator reaches the floor passengers wish to go. The elevator returns to the bottom automatically when there's a blackout, focusing on stability and safety in detail. The special design of the internal space of the pneumatic vacuum elevator is accessible for wheelchair, convenient and comfortable for elders.



NuVa pneumatic vacuum elevator has won numerous awards. It became a sensation immediately when it was put on display in the 2017 Taipei Building Show. Furthermore, the promotion video of the pneumatic vacuum elevator on YouTube posted by Howtobe aroused public interest. It got 770 thousand views. This shows that the pneumatic vacuum elevator has become a new elevator model that sets the trend and becomes a new product of elevator transportation that the community and aging society look forward to.

Year	Number of pneumatic vacuum elevators sold	Number of households with pneumatic vacuum elevator installed	Number of elders benefited from the elevator
2022	60	60	60
2021	60	60	60
2020	70	70	70

▲ 2020-2022 Howtobe pneumatic vacuum elevator sales data



7.2.3 Retiree re-employment plan

Tang Sung Chang is the founder of GFC. His original intention is that "I hope that employees can work here for a lifetime at ease." GFC believes that the value of employees does not decrease when they age. Their ability keeps getting better instead. Old employees master the essence of the elevator machine, and the essence is the core of knowledge and experience in GFC. In recent years GFC initiated the retiree re-employment plan for retirees to join Howtobe and resume work. GFC is the pioneer of the workplace for elders. This plan sufficiently echoes with how much the Company cares about the aging society. Meanwhile, retirees are offered a chance to start their second life.

GFC highly values the workability of senior staff. Retiree re-employment helps pass down the experience to the new generation. The more important thing is, that senior staff are familiar with the corporate culture in GFC and have a tacit understanding of GFC. They are proficient in doing tasks they are physically capable of. Since the retiree re-employment plan has been put into practice, over 40 senior staff work at Howtobe as new employees. Their stamina is not as good as young workers. However, they are experienced and highly stable, and have a good tacit understanding with GFC. No doubt senior staff help GFC reach a new high.

Year	2018	2019	2020
Number of retired staff in this year	0	0	0
Number of re-employed staff	2	0	1
Average age of re-employed staff	57.5		

7.2.4 Howto be financial performanc

	Year	2018	2019	2020	2021	2022
Operating ability	Total assets (NT\$ million)	97	88	96	136	158
	Equity (NT\$ million)	53	53	54	67	72
	Operating profit (NT\$ million)	9	10	16	22	25
Profitability	ROA (%)	8.5%	8.6%	8.8%	16.3%	14.1%
	ROE (%)	14.9%	15.1%	14.9%	31.0%	29.9%
	EPS (NTD)	3.03	3.07	3.09	7.23	7.99
Economic value	Operating revenue (NT\$ million)	115	105	121	109	102
	Operating cost (NT\$ million)	75	73	88	71	62
	Community investment (NT\$ ten thousand)	0	0	0	0	0
	Income tax (NT\$ ten thousand)	183	199	228	478	528
	Shareholder's dividend (NT\$ thousand)	7,800	6,500	6,500	15,600	18,200
Dividend	Cash dividend (NTD)	3	2.5	2.5	6	7

Appendix—GRI comparison table

Disclosure of material topics					
Material topic	Topic disclosure			Corresponding chapter	Corresponding page
Financial performance	GRI 201 Economic performance	201-1	Direct economic value generated and distributed by the organization	4.3.3	p.41–42
Product quality	GRI 301 Materials	301-1	Materials used by weight or volume	5.2.4	p.52-54
		301-3	Reclaimed products and their packaging materials	5.2.5	p.55
Product quality	GRI 302 Energy	302-1	Energy consumption within the organization	5.2.1	P.45, p.47–48
		302-3	Energy intensity	5.2.1	p.48
		302-4	Reduction of energy consumption	5.2.1	p.46-48
		302-5	Reductions in energy requirements of products and services	5.3.1	p.56-58
Occupational safety and health	GRI 403 Occupational Health and Safety	403-2	Hazard identification, hazard, occupational disease, workdays lost, absence rate, and death on duty	6.3.3	p.74-75
		403-3	Workers with high incidence or high risk of diseases related to their occupation	6.3.6	p.77
Talent cultivation education training	GRI 404 Training and Education	404-1	Average hours of training per year per employee	6.2	p.69-72
Product quality	GRI 416 Customer Health and Safety	416-2	Incidents of non-compliance concerning violation against health and safety of product and service	5.3.2	p.60

General disclosures (core disclosure options)				
Disclosure item	Disclosure sub-item	Standard name	Corresponding chapter	Corresponding page
Organization overview	102-1	Organization name	1	p.7
	102-2	Activities, brands, products, and services	1	p.7
	102-3	Headquarters location	1	p.7
	102-4	Where the organization operates	1	p.7-8
	102-5	Nature of ownership and legal form	1	p.7
	102-6	Markets served	1	p.7-8
	102-7	Scale of the organization	1	p.7
	102-8	Total number of employees by type	1., 6.1	p.7, p.68
	102-9	Supply chain		
	102-10	Significant changes to the organization and its supply chain		
	102-11	Precautionary principle or approach		
	102-12	External initiatives		
	102-13	Membership of unions and associations	1.2	p.11
Strategy	102-14	Statement from decision-maker	0	p.5
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	4.1.1	p.31
Governance	102-18	Governance structure	1.1	p.9-10

General disclosures (core disclosure options)				
Disclosure item	Disclosure sub-item	Standard name	Corresponding chapter	Corresponding page
Stakeholder engagement	102-40	Stakeholder groups	3.1	p.20
	102-41	Collective bargaining agreements		
	102-42	Identifying and selecting stakeholder	3.1	p.20
	102-43	Approach to stakeholder engagement	3.1.1	p.21-23
	102-44	Key topics and concerns raised	3.1, 3.2.3	p.20–23, p.25–26
Reporting practice	102-45	Entities included in the consolidated financial statements	Refer to 2017 annual report.	
	102-46	Defining report content and topic Boundaries		
	102-47	List of material topics	3.3	p.28-29
	102-48	Restatements of information		
	102-49	Changes in reporting		
	102-50	Reporting period	About the GFC Corporate Sustainability Development Report	p.3
	102-51	Publication date of previous report	About the GFC Corporate Sustainability Development Report	p.3
	102-52	Reporting cycle	About the GFC Corporate Sustainability Development Report	p.3
	102-53	Contact point for questions regarding the report	About the GFC Corporate Sustainability Development Report	p.3
	102-54	Claims of reporting in accordance with the GRI Standards	About the GFC Corporate Sustainability Development Report	p.3
	102-55	GRI content index	This page	
102-56	External assurance			

Management approach disclosure		
GRI 103 Management Approach		Corresponding chapter
103-1	Explanation of the material topic and its Boundaries	
103-2	The management approach and its components	3.1, 3.3 and the first page of each chapter
103-3	Evaluation of the management approach	

Voluntary disclosure item				
Disclosure item			Corresponding chapter	Corresponding page
GRI 202 Market Presence	202-2	Proportion of senior management hired from the local community	4.1.2	p.32-34
GRI 203 Indirect Economic Impacts	203-2	Significant indirect economic impacts	4.3.1	p.38
GRI 305 Emissions	305-2	Energy indirect (Scope 2) GHG emissions	5.2.2	p.49
	305-4	GHG emission intensity	5.2.2	p.49
	305-5	Reduction of GHG emissions	5.2.2	p.49
GRI 306 Effluents and Waste	306-2	Waste by type and disposal method	5.2.3	p.51
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