

An aerial photograph of Taipei, Taiwan, featuring the Taipei 101 skyscraper. The image is overlaid with a futuristic digital network of glowing blue lines and circular nodes, suggesting a smart city or sustainable infrastructure theme. The sun is low on the horizon, creating a warm, golden glow over the city.

# 2023 Sustainability Report

## Address

13F., No. 88, Sec. 2, Nanjing E. Rd.,  
Taipei City 104

## Phone

Tel : 02-2551-1166

Fax : 02-2542-6698

[www.gfc.com.tw/](http://www.gfc.com.tw/)



\*Schematic

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## About GFC Ltd.'s Sustainable Development Report

GFC Ltd., first issued its Corporate Social Responsibility (CSR) in 2018 and its inaugural Sustainability Report (also known as the ESG Report) in 2021. These reports encompass the Company's philosophy and strategies for addressing material issues on its path toward sustainable development, highlighting key achievements to date and outlining its future strategic roadmap. This report was jointly prepared by Chairman Tang Po-Loung, General Manager Yu Pen-Li of GFC Ltd., representatives from various departments, and members of the sustainability team. IR Trust Corporation Limited performed the data integration and drafting. Stakeholder opinions were collected through surveys, and quantitative analysis was used to identify eight categories of stakeholders and their key considerations, resulting in the establishment of five material disclosure topics. This report also serves as a channel for dialogue between GFC and its stakeholders, aiming to foster mutual understanding of efforts and expectations through disclosure, communication, and feedback, as they progress together toward a better future.

### Scope and Boundary of the Report

The content structure of this report mainly follows the GRI Standards issued by the Global Reporting Initiative (GRI), adhering to the GRI Standards: Core Option, as well as the regulations for preparing and filing corporate sustainability reports for publicly listed companies.

### The reporting period and scope of the Corporate Sustainability Report

**Reporting time :** January 1, 2023 to December 31, 2023

**Scope of report:** The nationwide operations and primary production sites of GFC Ltd., align with the consolidated financial statements.

**Reporting cycle:** 1 year

### Issuance of the Sustainability Report

In the future, GFC Ltd., will annually publish a Corporate Sustainability Report, which will be available for download and viewing in the corporate sustainability section of the official GFC Ltd., website.

**First edition publication date:** December 2018, with the second edition published in September 2021, the third in September 2022, the fourth in September 2023, and the fifth in August 2024.

**Next publication date:** Expected in August 2025

For any questions or comments regarding the content of the GFC Ltd.'s Corporate Sustainability Report, please feel free to contact: Director Lai Yung-Tsung, Administration Department.  
Tel: (02) 25511166 ext. 576 Email: alexlic.lai@gfc.com.tw

## Chairman's Sustainability Commitment

Global enterprises across various industries have faced new challenges posed by the COVID-19 pandemic, international geopolitical tensions, and the European energy crisis, which have led to issues such as supply chain disruptions, inflation, and food crises. Additionally, the threat of extreme climate events has become the new norm. In response to these risks, GFC continues to adopt a proactive approach under the motto "Creating Sustainable Value, Building a Sustainable Society." The Company actively engages in environmental protection, social responsibility, and corporate governance (ESG) initiatives, striving to balance operational performance with sustainable development practices.

In 2023, we established an ESG team that consolidated the expertise and logistical resources and expertise of senior managers and responsible personnel across all facilities within the group. Together, they formulated short-, mid-, and long-term objectives, with periodic reviews of execution outcomes at each stage. In the face of a rapidly changing global landscape, the Company remains steadfast in its principles of "quality first, discipline above all." Unwaveringly dedicated, we leverage the group's robust resources to strengthen our roots in Taiwan. We continue to invest in R&D, working closely with key clients to develop advanced, energy-efficient, and environmentally friendly critical components, capturing early opportunities in product development. To bolster competitiveness and resilience, we flexibly adjust production configurations, optimize process efficiencies, rigorously control costs, and diversify our client base across industries. We aim to increase market share in Taiwan by expanding product co-development with individual clients and securing orders across varied sectors. Our commitment is to maximize shareholder value while actively contributing toward the global goal of energy conservation and carbon neutrality.

GFC spares no effort in implementing ESG and sustainable development initiatives, achieving concrete results in 2023 and setting the following targets for implementation in 2024:





GFC firmly believes that corporate growth and the ecological environment can thrive together and adheres to this conviction by implementing green initiatives. GFC has invested considerable effort in developing energy-saving elevators and intelligent data services under the brand “Genesis,” aiming to foster green change in daily elevator use. In parallel, GFC actively implements carbon reduction measures, with its Yangmei Plant adopting the ISO 14001 environmental management system in 1998 and conducting self-assessments of GHG under the ISO 14064 inventory system. Additionally, GFC commits to gradually replacing outdated, high-energy lighting with energy-efficient alternatives, advancing climate adaptation and mitigation through governance, strategy, risk management, and setting measurable goals.



While expanding its operations, GFC remains committed to corporate social responsibility(CSR), prioritizing employee health and safety, supporting vulnerable communities, and actively engaging in public welfare initiatives. In 2023, GFC’s achievements included 183,558 hours of annual employee training with a total of 2,685 participants. The training programs covered areas such as installation, adjustment, maintenance, professional training for support staff, as well as safety, health education, and certification preparation. In 2024, GFC aims to increase training hours for direct staff, add integrity, information security, and health seminars for indirect personnel, participate in local and international community activities, and enhance recreational facilities for employees. In terms of charitable contributions, GFC, in partnership with the GFC Foundation, donated NTD 8 million to the Ministry of Health and Welfare’s relief fund for the Turkish earthquake disaster. Additionally, inspired by Dr. Hsin-Lin Tsai, Head of Pediatric Surgery at Taipei Veterans General Hospital, GFC donated a set of medical equipment valued at NTD 2.25 million to the hospital. This donation included a Japanese-imported “micro-fiber nasopharyngeal endoscopy” and a new “medical diode laser,” which will aid in delivering precise diagnoses and treatments to critically ill children, spreading kindness and enabling more children to recover their health. In 2023, GFC, through the GFC Foundation, promoted various initiatives, including elevator science and safety education. This program allowed participants to explore the fundamentals of science and gain knowledge on safe elevator usage, aiming to reduce operational risks. Additionally, the foundation organized a variety of cultural and arts lectures, with the goal of fostering a sense of social responsibility among young students through arts and science education, strengthening the foundation for future leaders of the nation.

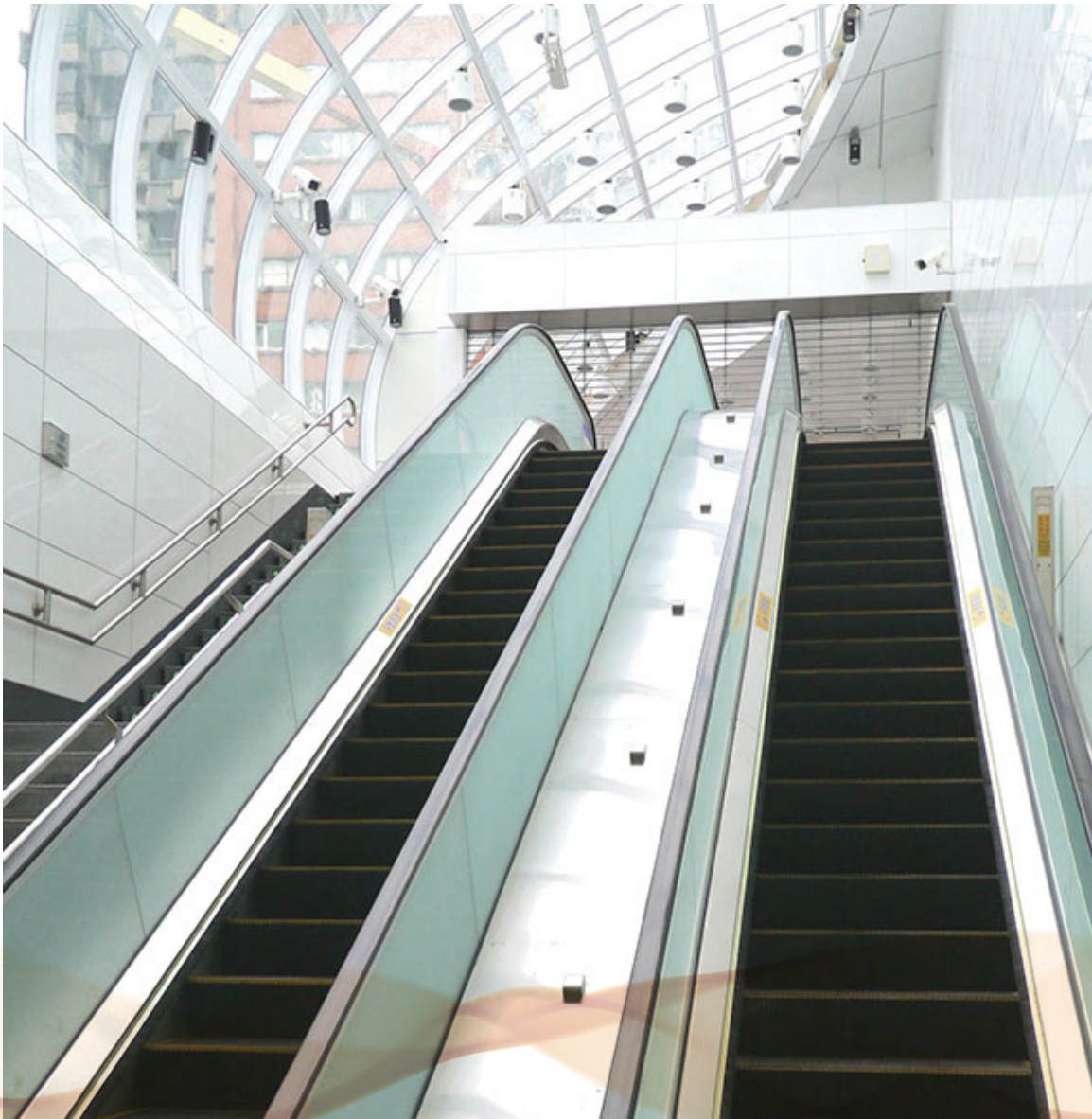


GFC ESG



GFC has consistently prioritized corporate governance and shareholder rights, dedicating efforts to enhancing the quality and effectiveness of the Board of Directors, upholding corporate commitments and business ethics, managing the value chain, ensuring organizational fairness and transparency, and fostering operational principles and accountability, achieving high standards across all these areas. In 2023, GFC organized external training for its board members on topics including “Expanding Influence to Support Sustainable Development Goals (SDGs) and Enhance Corporate Value,” “Sustainability and Dual-Axis Digital Transformation,” “Patent Strategy and Litigation Practices,” and “Initiating Succession Planning – Employee Rewards and Equity Transfer.” For 2024, the Company plans to strengthen ethical corporate management policies for managers and employees, implement senior managers’ signing of an ethical corporate management statement, and conduct anti-corruption risk assessments. Additionally, GFC will issue a sustainability checklist to suppliers, perform human rights due diligence on the supply chain, and enhance standards for human rights, environmental protection, occupational safety, and ethical corporate management in supplier practices.





From CSR and ESG to SDGs, and from localization to globalization, we recognize that responding to recent regulatory policies and rapid changes in the overall business environment is not a matter of choosing one over the other. Rather, it involves the challenge of how to integrate and adapt them concurrently within corporate management. To respond to the United Nations 2030 SDGs and international ESG trends, GFC will continue to diligently engage, participate, and execute, constantly refining strategies and actions across all aspects. The Company will integrate SDGs into its organizational culture and the daily operations of its employees, effectively addressing the issues of concern to both internal and external stakeholders. This effort aims to promote economic growth, environmental sustainability, and social co-prosperity, contributing more to mitigating the impacts of climate change and creating value for all stakeholders and society, while enhancing sustainable competitiveness.

## 01

Corporate  
Overview

GFC Ltd. is one of the leading manufacturers in the elevator industry in Taiwan. With a long-standing commitment to the specialized field of elevators and escalators, the Company has achieved top-tier standards in its comprehensive operations and development over the years, thanks to its technical collaboration with Toshiba and its role as an exclusive agent. The main sales brands include Toshiba (exclusive agent for the Taiwan region), GFC, and Genesis (self-owned brand). In addition to providing customers with a complete service that encompasses R&D, design, manufacturing, and installation of elevator products, GFC Ltd. also offers 24/7 elevator maintenance and after-sales service. The business scope covers passenger elevators, freight elevators, hospital bed elevators, escalators, generators, and maintenance services. Since its establishment in 1974, more than 45,000 elevator products have been sold in the Taiwan region. As of the end of 2023, the number of elevators under contract for regular maintenance services with customers has reached 41,934 units. Currently, the headquarters is in Taipei, Taiwan, and there are operating locations throughout Taiwan. There are production bases in Yangmei, Taiwan and Jiading District, Shanghai, China.

Name of Organization	GFC Ltd.
Date of Establishment	1974
Address of the Company's Headquarters	13F., No. 88, Sec. 2, Nanjing E. Rd., Taipei City
Consolidated Revenue in 2023	NTD 5.268 billion
Paid-in Capital	NTD 1.77 billion
Number of Employees	The total number of employees is 1,350, including 149 manager level staff and 1,201 general staff.
Main Business	Sales include passenger elevators, freight elevators, hospital bed elevators, escalators, generators, and maintenance services
Products and Services	Engaged in the R&D, design, manufacturing, and installation of elevators, and also provides 24/7 elevator maintenance and after-sales services
Operation and Service Locations	The headquarters is located in Taipei, Taiwan, with 7 branch offices, 12 service stations, and 4 liaison offices

## Operation and Service Locations

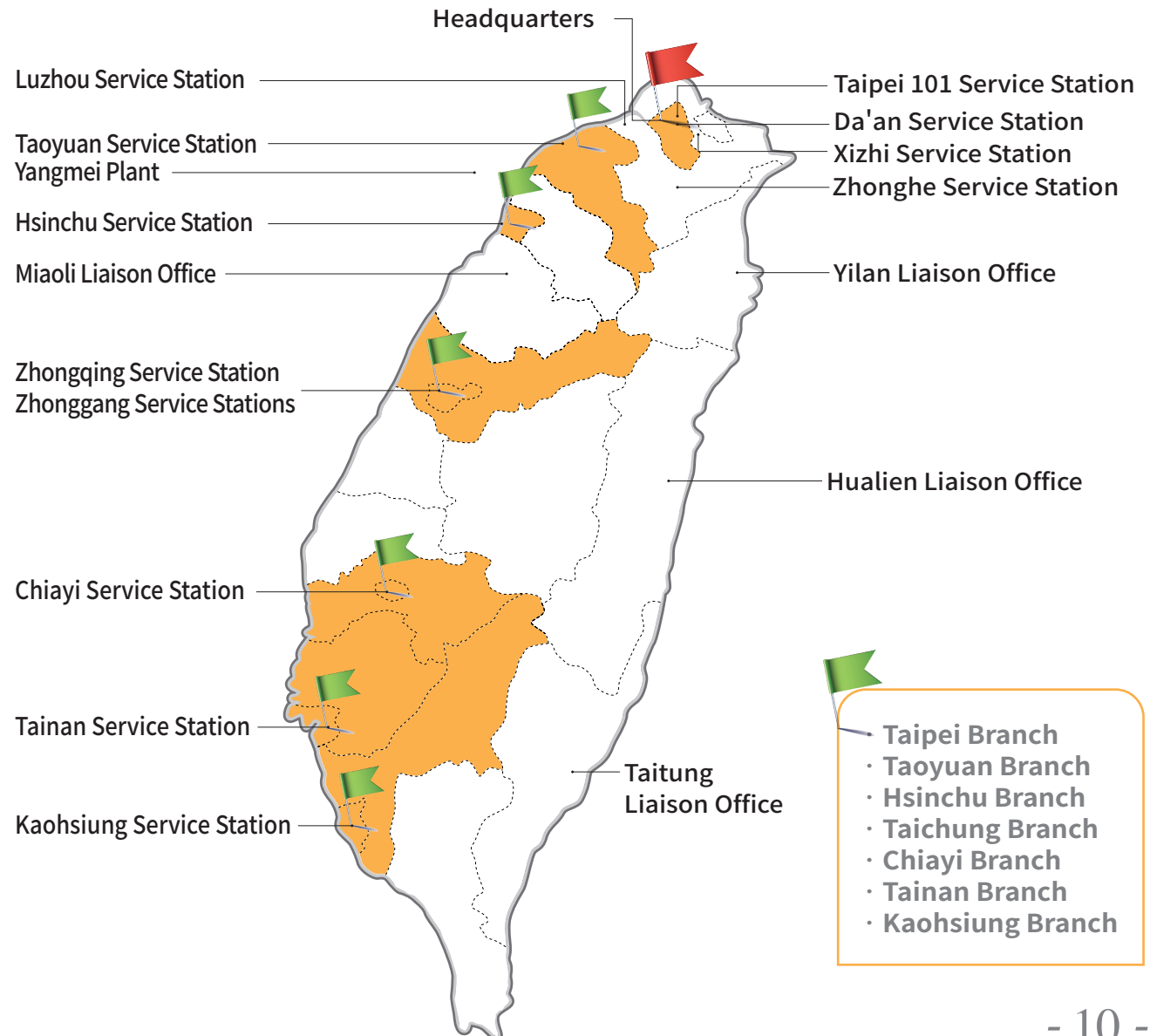
### ● Taiwan

- ▶ A service network spread throughout Taiwan with a complete training team for maintenance, available 24/7 without interruption.
- ▶ GFC provides the fastest and most comprehensive elevator maintenance and repair services with a professional, dedicated, and meticulous attitude, adhering to the highest standards.

### ● China

- ▶ **Location:** Shanghai (located in Jiading District, Shanghai).
- ▶ **Service Market:** Since 2016, due to the real estate market conditions in China and the central government's housing development policies, GFC's subsidiary, Shanghai GFC, has suspended orders in the domestic elevator market. The Company is simultaneously undergoing capacity reallocation, with GFC Shanghai responsible for manufacturing mature technology household small elevators and providing the parent company with household elevator equipment and components.

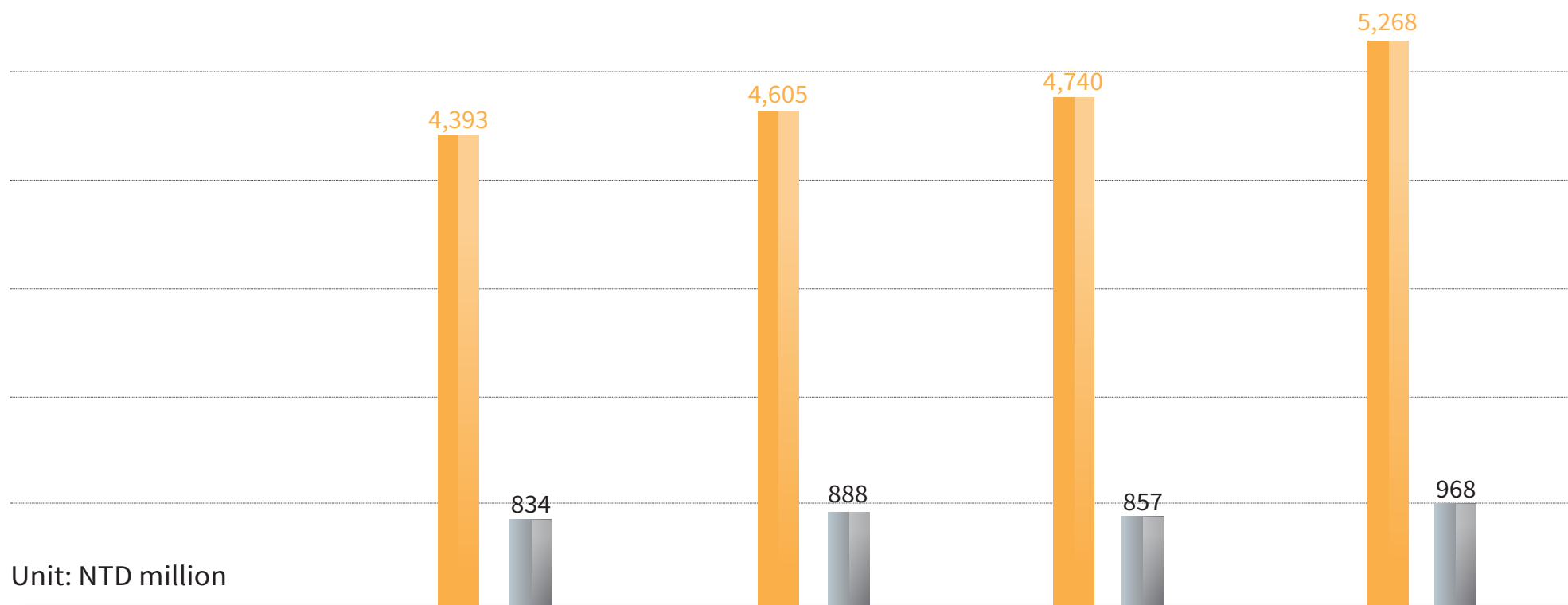
## Service Locations in Taiwan





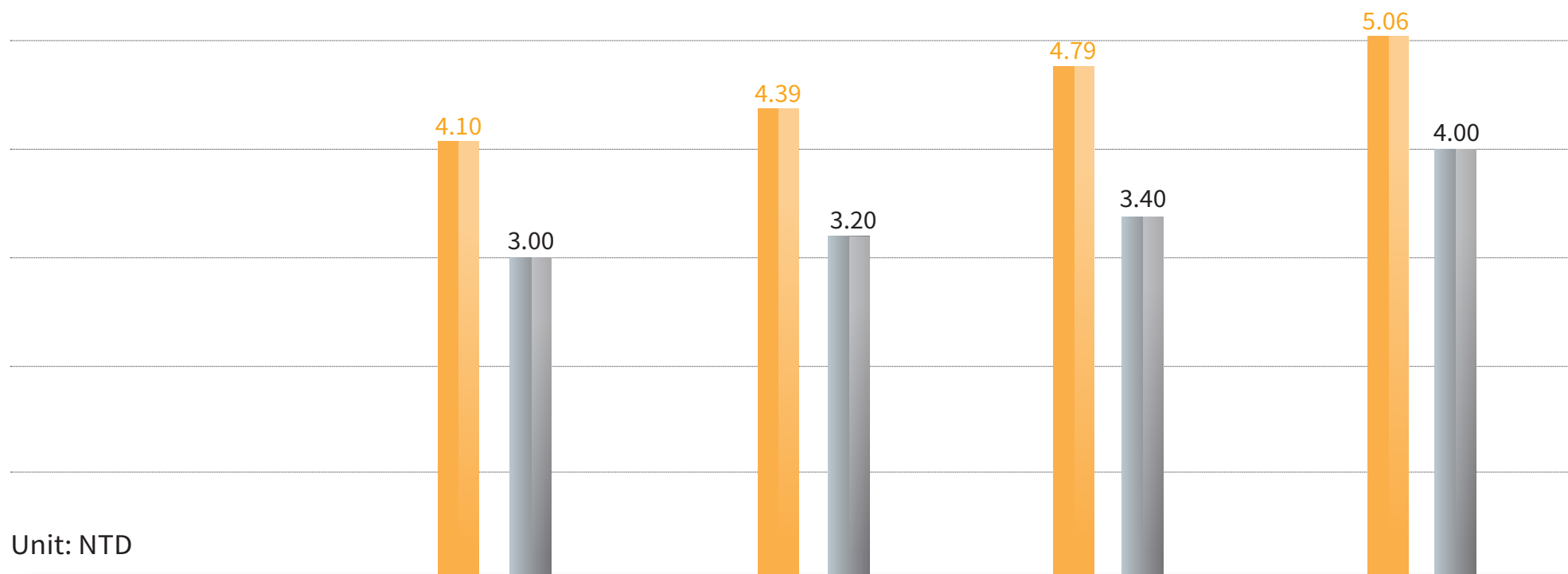
## Business Performance

### Consolidated operating revenue/profit and loss over the past four years



	2020	2021	2022	2023
Operating revenue	4,393	4,605	4,740	5,268
Net operating profit (loss)	834	888	857	968
Operating profit margin	19%	19%	18%	18%

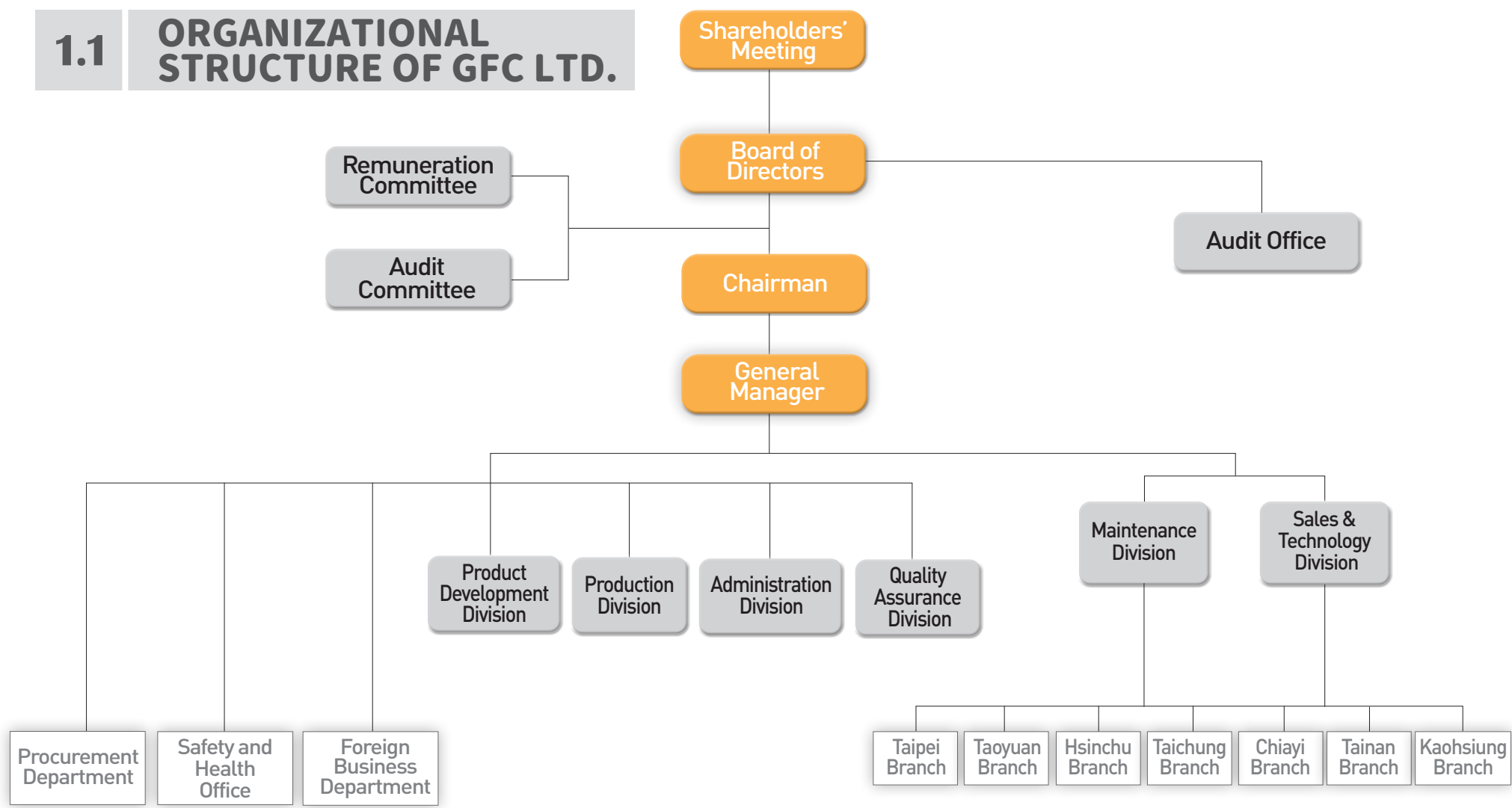
## EPS / Dividends per share



	2020	2021	2022	2023
EPS (NTD)	4.10	4.39	4.79	5.06
Dividends per share	3.00	3.20	3.40	4.00

# 1.1

## ORGANIZATIONAL STRUCTURE OF GFC LTD.





## 1.2

INTRODUCTION TO  
ORGANIZATIONAL FUNCTIONS

## 【 Business Activities 】

Maintenance  
Division

Responsible for the management of after-sales services, including regular maintenance and troubleshooting for various types of elevators (and escalators), charging, signing maintenance contracts, parts replacement, repairs, operations, annual safety inspections, customer communications, and statistical analysis of elevator failures and maintenance attrition. Formulate nationwide maintenance policies. Integrate the failure repair services and customer service response mechanisms across various service stations and maintenance areas, providing statistical analysis of related record data. Establish and maintain a coordinated communication platform for implementation and progress tracking of work plans, along with a real-time information display mechanism for effectiveness assessment. Management and analysis of the supply and allocation of maintenance spare parts for various models, including statistical data.

Sales &  
Technology  
Division

Responsible for the management of elevator (escalator) engineering, product sales, contract payment collections, customer communications, production and sales operations arrangement, and project completion activities. Construction planning, floor plan drawing, intensity calculation, and traffic flow calculation. Integration and preparation of sales technical specifications, planning of pre-sale technical specifications for major engineering contracts, project and domestic and international contract technical assistance, domestic and international technical development, overseas product market research and analysis, marketing planning, foreign sales order acquisition, implementation and management of import and export operations, and coordination with the Toshiba Elevator exclusive agent regarding contract sharing. Management of construction surveying, installation outsourcing, adjustments, completion inspections, handovers, warehouse management, and operations. Engineering technical improvements, anomaly handling, project management, technical document revisions, and coordination of related works across the entire nation, including engineering and plant affairs.

Administration  
Division

Responsible for overseeing a range of tasks including accounting operations, taxation, finance, budget planning and execution, cash management and disbursement operations, and cost accounting. Also responsible for managing assets, public relations, documentation, filing, administrative tasks, environmental management, legal affairs, and shareholder services. In charge of the development and maintenance of Management Information Systems (MIS), information security policies, human resource policy planning, system implementation, training and development, remuneration and benefits, recruitment, and health management for employees.

## 【 Business Activities 】

<b>Production Division</b>	Responsible for drafting elevator (escalator) production contracts, implementing design modifications and improvements for existing products, and managing component and part production, manufacturing, processing, assembly, production planning and control, material receipt and issuance, subcontracted processing, and inventory management tasks.
<b>Product Development Division</b>	Responsible for new product R&D, prototyping, stabilization, and validation, as well as tasks related to electromechanical system integration and full-scale testing in test towers.
<b>Quality Assurance Division</b>	Responsible for engineering and quality anomaly management analysis and strategy development, handling and tracking customer complaints, work hour optimization, and ISO quality certification. Responsible for instrument verification management, overseeing and controlling the establishment of the plant's production quality management system, conducting quality inspections of the production system, statistical analysis of outcomes, and strategy development.
<b>Functional Renewal Department</b>	Responsible for promoting and planning functional upgrade services across the entire nation (excluding new elevator installations), supporting integration operations, coordinating supply, managing cost analysis and control, and overseeing installation project timelines. Formulate nationwide update of business policies.
<b>Electromechanical System Department</b>	Responsible for sales of generator products, promotion of building fire protection and electrical services, contract payment collection, customer communication, site inspection, installation and commissioning, maintenance and repair, and technical support.
<b>Foreign Business Department</b>	Responsible for the operational planning, goal management, budget control, financial oversight, and administrative management of the subsidiary in China.

## 【 Business Activities 】

### Safety and Health Office

Responsible for establishing, maintaining, planning, supervising, and managing the company-wide safety and health system.

### Procurement Department

Responsible for the procurement of domestic and international components and raw materials.

### Audit Office

Responsible for supervising and tracking the internal control systems of the Company and its subsidiaries, managing assessments of any violations of company operational regulations, and auditing various administrative operations.







## 1.3 MEMORABILIA OF GFC

Deeply rooted in the  
elevator industry  
in Taiwan

Opening up a new era for GFC

Elevating and constructing public infrastructure



- 1974** GFC Ltd. was established.
- 1975** Exclusive agent for Toshiba (Japan) elevators and escalators.
- 1977** Signed a technology cooperation contract with Toshiba.
- 1982** Established Taoyuan Plant No. 2.
- 1993** Established GFC Cayman Holdings Corp. Completed the elevator and escalator project for Shin Kong Life Tower, becoming the fastest elevator in the Chinese-speaking world, reaching a speed of 540 meters per minute.
- 1996** Received SGS and ISO 9001 certifications. Allocated profits of NTD 50 million from the year to establish the GFC Foundation.
- 1997** The Yangmei Plant and testing tower were put into operation. The Company was listed on the Taipei Exchange.
- 1998** Achieved ISO 14001 environmental certification. Established Shanghai GFC Elevator Co., Ltd. Recognized by business magazines and CommonWealth Magazine as one of the top 200 influential companies.
- 2000** Established Howtobe Technology Co., Ltd. After several years of profit reinvestment, the capital has increased from NTD 60 million in 1978 to NTD 3.107 billion.
- 2004** Completed the elevator project for Taipei 101, which earned the certification for the fastest elevator in the world from Guinness World Records. 
- 2005** Completed the elevator/escalator project for Taoyuan Station of Taiwan High Speed Rail.
- 2006** Completed the elevator/escalator project for Chiayi Station of Taiwan High Speed Rail.
- 2008** Completed the escalator projects of all 37 stations of Kaohsiung Metro. 
- 2009** The capital was reduced to NTD 1,966.8 million after 10 repurchases of treasury stock.
- 2010** Completed the elevator/escalator project of Beijing Parkview Green FangCaoDi.
- 2014** Completed the elevator/escalator project of Taipei Metro's Taipei Arena Station and Nanjing Fuxing Station of the Songshan-Xindian Line.
- 2016** Completed the Taoyuan Airport MRT Line ME04A. Honored as one of the top 6 to 20% of companies in the corporate governance evaluation. Finished the installation of solar energy systems at the Yangmei Plant.



- 2017** Completed the elevator projects at Caesar Metro Taipei in Wanhua, Cuncyue Hot Spring Resort in Luodong, and the Westin Yilan Resort. Received recognition for the second time as one of the top 6 to 20% of companies in the corporate governance evaluation. Supported the trial operation of elevators for the Taoyuan Airport MRT Line.
- 2018** Completed the elevator projects at the Hotels for the New Banciao Station Special District. As a pioneer in the industry, GFC adopted a new environmentally friendly permanent magnet synchronous motor for its entire line of passenger elevators, significantly reducing electricity consumption and earning the Type-II environmental label issued by the Environmental Protection Administration. Received recognition for the third time as one of the top 6 to 20% of companies in the corporate governance evaluation.
- 2019** GFC's GF series smart elevators, which incorporate multiple innovative products, won the 2020 Taiwan Excellence Award. For the first time, the Company was recognized as one of the top 5% of companies in the corporate governance evaluation.
- 2020** Completed the elevator/escalator project for the Kaohsiung Music Center and the Taipei City Minglun Public Housing
- 2021** Completed the awards for the 2021 Happy Enterprise – Gold Award and Special Award in the manufacturing industry, the Gold Quality Award for public works, the Silver Award for the 30th Taiwan Excellence Awards, and recognition as a top 5% companies in the seventh corporate governance evaluation.
- 2022** Received the 2022 Taipei City Government Public Works Excellence Award in the facilities engineering category and achieved recognition as a top 5% companies in the eighth corporate governance evaluation.
- 2023** Awarded the Silver Award in SDG 4 at the 3rd Taiwan Sustainable Action Awards 2023. Recognized as the Gold Award for Happy Enterprises in the manufacturing industry in 2023. Received the Silver Award at the 32nd Taiwan Excellence Awards. Ranked among the excellent listed companies with a score of 6 to 20% in the ninth corporate governance evaluation.



台灣精品 2022  
TAIWAN EXCELLENCE



台灣精品銀質獎  
TAIWAN EXCELLENCE  
SILVER AWARD 2022

**2019** GFC Smart Elevator received the 2020 Taiwan Excellence Award.  
GFC Ltd. continued to sponsor the U12 World Cup Little League, with the Chinese Taipei winning the championship once again.



**2020** Established the “GFC Scholarship” to benefit 80 outstanding students from underprivileged backgrounds each year.

**2021** GFC received an Honorable Mention in the Public Works Golden Quality Award!  
GFC received the Silver Award at the Taiwan Excellence Awards! The Genesis 300-meter-per-minute model has created the fastest domestically produced elevator.  
GFC received the 2021 Gold Award for Happy Enterprises in the manufacturing industry, along with the Special Award for recognition.  
GFC supports the fight against COVID-19! Donated a total of NTD 5 million to the Taipei and New Taipei Epidemic Prevention Fund.  
GFC Ltd. was awarded as one of the top 5% outstanding companies in the seventh corporate governance evaluation in 2020.



**2022** GFC has sponsored the Soochow International Super Marathon for five consecutive years and organized a team to participate.  
GFC sponsored the U23 World Cup Baseball Championship.  
GFC received the Taipei City Government Public Works Excellence Award.  
GFC Ltd. has sponsored the U12 World Cup Little League Championship for four consecutive years.  
GFC Ltd. has entered the top 5% of outstanding companies in the corporate governance evaluation for the third time.  
GFC partnered with the foundation to donate NTD 5 million to support Ukraine.



**2023** Sponsored the Asian Baseball Championship, witnessing the debut at the Taipei Dome.  
In the 2023 Happy Enterprises evaluation, GFC once again received the Gold Award.  
Responding to the call of Dr. Hsin-Lin Tsai from the Taipei Veterans General Hospital, GFC donated medical equipment.  
GFC's passenger elevator has once again received recognition at the Taiwan Excellence Awards!  
Sponsored the 31st U18 World Cup Baseball Championship.  
GFC Ltd. published its first GHG inventory report.  
Sponsored the U12 Little League Championship held in Tainan for five consecutive years.  
GFC received the honor of the Silver Award in SDG 4 at the 3rd Taiwan Sustainable Action Awards 2023.  
One thousand police officers benefited from emergency rescue training, and GFC received commendation from the Director-General of the National Police Agency.  
Recognized for contributing to the improvement of old buildings into “Green Energy Smart Communities,” GFC assisted the Taipei City Government in filming a promotional demonstration video.  
To provide warmth to Turkey, GFC gathered group resources to donate NTD 8 million for disaster relief.





## 02

# Corporate Sustainable Development

Climate change and global warming are challenges that the global community must confront today. While the physical risks posed by extreme weather events such as floods and droughts threaten the continuity of business operations, actively responding to these challenges through a transition to a low-carbon economy aimed at sustainable goals will also create substantial opportunities for industries. To deepen climate governance, GFC positions the Board of Directors as the highest supervisory body for climate issues, coordinating overall climate strategy and overseeing senior management's implementation of climate-related risk management and key performance indicators. The Risk Management Team plans to conduct comprehensive assessments and analyses of various risk scenarios, including climate-related risks, starting this year. Strategies for response and adaptation will be developed, resulting in a corporate risk management report to be presented to the Board of Directors, ensuring that climate issues are incorporated into the perspectives of senior management and managed with due diligence.



## COMMITMENT AND POLICIES FOR CORPORATE SUSTAINABLE DEVELOPMENT

### 2.1.1

On December 19, 2014, the Company's Board of Directors resolved to establish the "Corporate Social Responsibility Best-Practice Principles." On March 25, 2022, the Board of Directors approved a name change to "Sustainable Development Best Practice Principles", reflecting the commitment to actively practice corporate sustainability while conducting business operations. Through corporate citizenship, the Company aims to improve the quality of life for employees, communities, and society. Additionally, the Company will continue to implement principles such as effective corporate governance, developing a sustainable environment, fulfilling social responsibilities, and enhancing the disclosure of corporate sustainability information.

## Corporate Governance

Maintain sound corporate governance, strictly adhere to business ethics, and comply with legal regulations.

## Economic Performance

Continuously improve product quality, create industry value for the Company, and ensure stable profit growth.

## Talent Care

Provide a stable and healthy working environment, promote the succession of vocational education, enabling individuals to fully utilize their talents, and ensure reasonable remuneration and benefits.

## Environmental Protection

R&D green energy products, implement energy-saving measures, establish relevant environmental policies and activities, plan for green procurement, and optimize environmentally friendly process design.

## Social Care

Actively participate in social welfare and outreach activities, promoting humanities and arts, technological education, and sports.





## 2.1.2 Corporate Sustainable Development Policy History



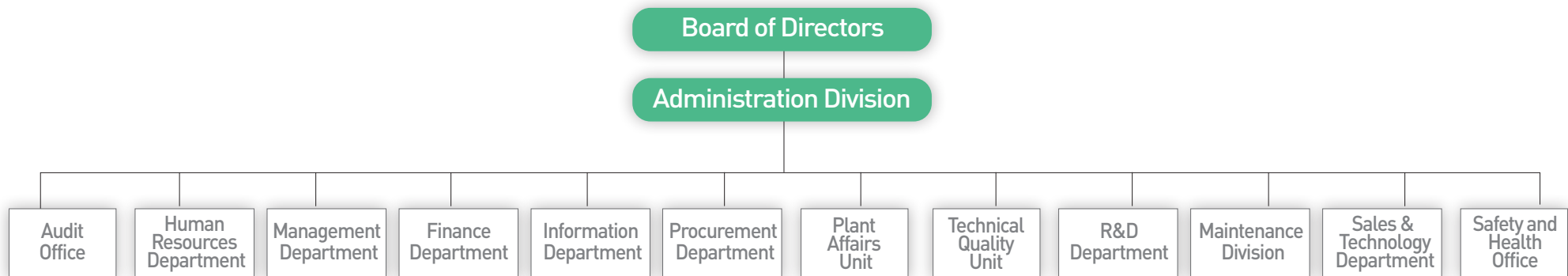
## 2.2 PRINCIPLES OF CORPORATE SUSTAINABLE DEVELOPMENT

Issues	Assessment Item	Management Policy or Strategy
Environment	Climate Change and Carbon Reduction	<ol style="list-style-type: none"> <li>1. In October 2022, the Board of Directors established a GHG inventory group and initiated guidance for GHG inventory operations.</li> <li>2. Following ISO 14064-1:2018, the GHG inventory report for 2022 was completed in June 2023. The Company will conduct its GHG inventory annually in accordance with the requirements of ISO 14064-1:2018 and will obtain external verification as scheduled.</li> <li>3. Develop strategies to address GHG emissions generated during the product manufacturing process or company operations.</li> </ol>
Society	1. Social Welfare	Continue collaborating with the GFC Foundation to promote public welfare activities such as elevator science education, arts and culture for all, and support for underprivileged communities.
	2. Social Services	<ol style="list-style-type: none"> <li>1. Collaborate with the GFC Foundation to jointly promote the “Hand in Hand · Exchange Love to Illuminate Happiness” energy-saving lighting project. In 2023, a total of 114 corporate volunteers participated, with an estimated 7 social welfare organizations (across 10 locations) expected to save 12,207 kWh of electricity and reduce carbon emissions by 6 metric tons.</li> <li>2. Collaborate with the GFC Foundation to jointly promote the “Hand in Hand · Exchange Love to Plant Trees of Hope” reforestation project in partnership with the Chilin Ecological Restoration Cultural Association. Through regular tree planting and forest protection activities, a total of 134 corporate volunteers participated in 2023, providing forest protection services on 7 occasions and planting 21 young Cinnamomum kanehirae saplings.</li> </ol>
Corporate Governance	Legal Compliance	<ol style="list-style-type: none"> <li>1. The Board of Directors has established the Audit Committee and the Remuneration Committee.</li> <li>2. Appoint a corporate governance manager to safeguard shareholder rights and strengthen the functions of the Board of Directors, ensuring an effective corporate governance structure and strict compliance with relevant laws and regulations.</li> </ol>



## 2.3 RESPONSIBLE UNIT FOR CORPORATE SUSTAINABLE DEVELOPMENT

The Company's Administrative Division serves as the primary unit for promoting corporate sustainability, responsible for proposing and implementing policies, systems, and management guidelines related to corporate sustainability. The head of the administrative department acts as the team leader, while the manager of the management department serves as the secretary-general. Additionally, reports to the Board of Directors will be provided at least once a year.



### Duties and Functions:

- Coordinate the implementation of the Company's corporate sustainable development policies and management guidelines.
- Responsible for collecting opinions from stakeholders and identifying key issues.
- Compilation of financial data along with non-financial data such as quality, environmental protection, energy conservation, and customer feedback.
- At the end of each year, report to the Board of Directors on the effectiveness of corporate sustainability implementation and the progress of annual plans.
- Promote a green supply chain.
- Published the ESG report

## 2.4 CORPORATE SUSTAINABILITY DEVELOPMENT FOOTPRINT

GFC Ltd., is committed to fulfilling its social responsibilities in areas such as “social welfare,” “community service,” “environmental protection,” “energy conservation and carbon reduction,” and “community engagement.” The following outlines GFC’s ESG footprints over the past three years.

### 2023

#### 1. Report of the Board of Directors –

- (1) Summary of the Report of the 6th meeting of the 17th Board of Directors on May 9, 2023: A. Implementation report on the lighting replacement plan for social welfare organizations in the first half of 2023. B. 2023 GFC scholarship review report: For the first semester of the 2022 academic year, 38 applicants passed the review.
- (2) Summary of the report of the 11th meeting of the 17th Board of Directors on December 15, 2023: A. Corporate sustainable development policies. B. Summary and effectiveness report of the 2023 lighting replacement plan for social welfare organizations. C. Summary report of the 2023 reforestation project. D. 2023 GFC scholarship summary report: A total of 79 applicants passed the review throughout the year, with scholarships amounting to NTD 3.85 million awarded. E. In partnership with the GFC Foundation, the Company donated a total of NTD 8 million to the earthquake relief fund established by the Ministry of Health and Welfare for Turkey. The funds were entrusted to the Ministry of Foreign Affairs to support Turkey’s efforts in resettling victims and expediting recovery in affected areas, offering a small contribution to address global challenges.

#### 2. Social welfare – Donated or sponsored NTD 10.5 million to give back to society.

#### 3. Social services –

- (1) Assisted 7 social welfare organizations in implementing energy-saving lighting replacements, with a total of 114 corporate volunteers involved and 323 energy-efficient lights installed.
- (2) Partnered with the Chilin Foundation Association on reforestation efforts, involving 134 corporate volunteers and planting 21 Cinnamomum kanehirae saplings.

#### 4. Energy conservation and carbon reduction –

Due to increased production activities (shipments), company-wide electricity usage in 2023 rose by 2.76% compared to 2022. Efforts to promote energy-saving measures continue.



**5. Community engagement** – The Yangmei Plant participated in the 2023 Yangmei District Civil Defense Team Training.

**6. Talent Cultivation** – Promote the following activities through the GFC Foundation:

- (1) Youth science talent development program.
- (2) GFC Innovative Research Award.
- (3) GFC Scholarship award ceremony and learning exchange meeting.
- (4) Education and promotion of elevator science and safety.
- (5) Elevator science tour.

**7. Cultural development** – Promote the following activities through the GFC Foundation:

- (1) Soochow University Alumni Humanities Lecture by Tang Sung-Chang
- (2) Xin Xin Nanguan Ensemble – Campus Lecture Tour.
- (3) Studio Tang in Kaohsiung



GFC ESG

2022

## 1. Report of the Board of Directors –

- (1) Summary of the report of the 19th meeting of the 16th Board of Directors on May 11, 2022: A. Implementation report on the lighting replacement plan for social welfare organizations in the first half of 2022. B. 2022 GFC scholarship review report: For the first semester of the 2021 academic year, 41 applicants passed the review.
- (2) Summary of the report of the 4th meeting of the 17th Board of Directors on December 23, 2022: A. Corporate sustainable development policies. B. Summary and effectiveness report of the 2022 lighting replacement plan for social welfare organizations. C. 2022 GFC scholarship summary report: A total of 83 applicants passed the review throughout the year, with scholarships amounting to NTD 4.05 million awarded. D. Responding to both government and private initiatives, donated NTD 5 million to the disaster relief fund established by the Ministry of Foreign Affairs to assist Ukrainian refugees, contributing as global citizens.

**2. Social welfare** – Donated or sponsored NTD 10.96 million to give back to society.

**3. Social services** – Assisted 7 social welfare organizations in implementing energy-saving lighting replacements, with a total of 115 corporate volunteers involved and 307 energy-efficient lights installed.

**4. Energy conservation and carbon reduction** – The Company saved 65,224 kWh of electricity in 2022 compared to 2021, representing a reduction of 3.32%, which is equivalent to a decrease in carbon emissions of 32,742kg.

**5. Community engagement** – The Yangmei Plant participated in the 2022 Yangmei District Civil Defense Team Training.

2021

## 1. Report of the Board of Directors –

- (1) Summary of the report of the 13th meeting of the 16th Board of Directors on May 7, 2021: A. Implementation report on the lighting replacement plan for social welfare organizations in the first half of 2021. B. 2021 GFC scholarship review report: For the first semester of the 2020 academic year, 42 applicants passed the review.
- (2) Summary of the report of the 17th meeting of the 16th Board of Directors on December 17, 2021: A. Corporate sustainable development policies. B. Summary and effectiveness report of the 2021 lighting replacement plan for social welfare organizations. C. 2021 GFC scholarship summary report: A total of 85 applicants passed the review throughout the year, with scholarships amounting to NTD 4.01 million awarded. D. The Company, in collaboration with the GFC Foundation, jointly donated NTD 2.5 million each to the epidemic prevention accounts of the Taipei City Government and the New Taipei City Government to work together in the fight against the COVID-19.

**2. Social welfare** – Donated or sponsored NTD 9.01 million to give back to society.

**3. Social services** – Assisted 8 social welfare organizations in implementing energy-saving lighting replacements, with a total of 63 corporate volunteers involved and 773 energy-efficient lights installed.

**4. Energy conservation and carbon reduction** – The Company's electricity usage in 2021 increased by 1.04% compared to 2020, with strengthened efforts to promote energy-saving measures.

**5. Community engagement** – The Yangmei Plant participated in the 2021 Yangmei District Civil Defense Team Training.



# 03

## Stakeholder Dialogue

### 3.1

### STAKEHOLDER IDENTIFICATION AND COMMUNICATION

Stakeholders related to GFC's operations include employees, suppliers, customers, community/non-profit organizations, media, shareholders/investors, key credit recipients, and government entities. Considering communication frequency and the level of interaction with the Company, GFC ultimately identifies employees, suppliers, customers, community/non-profit organizations, media, shareholders/investors, and key credit recipients as stakeholders with high relevance. GFC believes that the expectations and opinions of stakeholders are crucial foundations for the Company's sustainable operations. Therefore, GFC has designated responsible units for each stakeholder based on their characteristics and established stable communication and complaint channels to ensure stakeholders can fully express their opinions. GFC is committed to using stakeholder feedback as a basis for the future development of corporate sustainability.



## STEP 1

### Identification

#### Sustainable development issues

- GRI Standards
- SDGs issues

## STEP 2 | Ranking

**Materiality** - ESG Team opinion survey

#### Stakeholder Inclusiveness

- Multi-stakeholder communication platform

## STEP 3

### Confirmation

#### Completeness

- Confirm the schedule
- Confirmation of material aspects
- Confirm the scope and boundary

## STEP 4 | Review

- Verify whether the audit report comprehensively discloses the impact assessments of stakeholders, various departments, and the ESG team
- Reference for stakeholder issue identification for the upcoming year

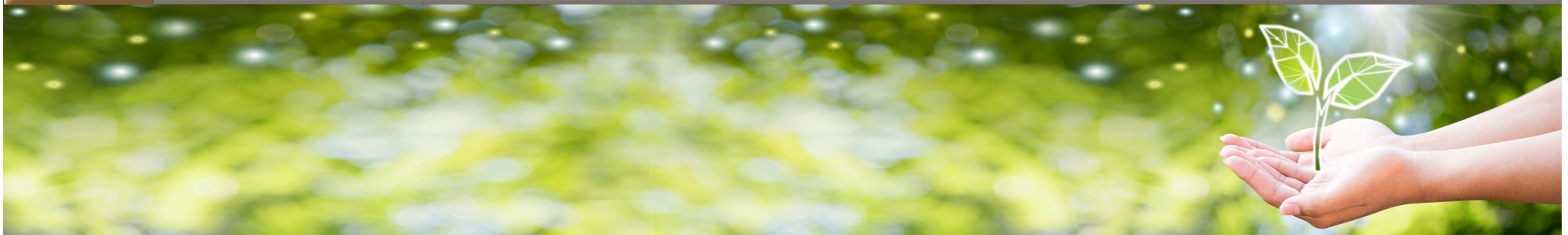


### 3.1.1 Communication Status

Stakeholders	Important Issues of Concern	Communication Channels and Response Methods	Communication Channel and Frequency
Employees	<ul style="list-style-type: none"> <li>Working hours and leave</li> <li>Remuneration and benefit system</li> <li>Retirement benefits for employees</li> <li>Customer service quality</li> <li>Occupational safety</li> </ul>	<ul style="list-style-type: none"> <li>The Company has an internal information network that allows employees to quickly access relevant announcements, procedures, and forms.</li> <li>The Company has established a "Employee Complaint Handling Procedure" and convenes labor-management meetings and employee welfare committees in accordance with the law to protect employee rights.</li> <li>Employees have formed a corporate union in accordance with the Labor Union Act. In addition to being able to communicate suggestions to the Company, the Company also designates human resources personnel or specific individuals to participate in regular union meetings, providing employees with updates on the Company's operational status and related changes, thereby maintaining open communication channels between labor and management.</li> <li>Managers occasionally check on employees' well-being or conduct interviews with them to facilitate two-way interactive communication.</li> <li>Conduct satisfaction surveys after education and training or activities to understand employees' learning status and training needs, and respond appropriately.</li> <li>An internal control system has been established with a complaint handling process. The Company's official website features a "Stakeholder Section," allowing direct feedback on concerns through phone calls or messages.</li> </ul>	<ul style="list-style-type: none"> <li>The Company's internal information platform: Open for 224 hours a day</li> <li>Managers' mailbox: Open for 224 hours a day</li> <li>Labor-management meeting: Once a year</li> <li>Employee union meetings: 4 times a year</li> </ul>
Investors	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Business ethics and anti-corruption</li> <li>Risk management</li> <li>Corporate image</li> <li>Supplier sustainability management</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Each year, the Company reports its operating performance and direction at the shareholders' meeting and to shareholders and investors.</li> <li>Publish the annual financial report and quarterly financial report as required each year.</li> <li>Committed to transparency in information disclosure, the Company has established an "Investment Section" on its official website to provide real-time access to financial and corporate governance information.</li> <li>Fulfill the Company's disclosure responsibilities and obligations.</li> <li>The Company has designated a spokesperson and an acting spokesperson to handle various investor inquiries. An "Investor Contact Section" is available on the Company's official website, allowing investors to connect with the spokesperson and acting spokesperson via phone or email for feedback and communication, providing multiple channels for contact.</li> <li>Consolidated revenue is announced on a monthly basis as required.</li> <li>Evaluate in accordance with the Supplier Evaluation Procedures and publicly commend the outstanding suppliers of the year.</li> </ul>	<ul style="list-style-type: none"> <li>Email addresses of the spokesperson and acting spokesperson: Open for 24 hours a day</li> <li>Investment section on the Company's official website: Open for 24 hours a day</li> <li>Quarterly and annual financial reports: quarterly/annually</li> <li>Annual General Shareholders' meeting: Once a year</li> </ul>

Stakeholders	Important Issues of Concern	Communication Channels and Response Methods	Communication Channel and Frequency
Customers	<ul style="list-style-type: none"> <li>Customer service quality</li> <li>Product quality</li> <li>Degree of regulatory compliance for products</li> <li>Occupational safety</li> <li>Supplier sustainability management</li> </ul>	<ul style="list-style-type: none"> <li>To achieve the goal of “satisfied customers,” the Company emphasizes superior quality, exceptional product performance, and innovative R&amp;D to earn customer trust.</li> <li>Regular customer satisfaction surveys are conducted annually to fully understand customer needs.</li> <li>In July 2020, the world’s first system was launched, allowing passengers to report elevator malfunctions by scanning a QR code with their mobile phones, enabling immediate repair notifications.</li> <li>Annual assessments of maintenance quality and surveys of repair service quality are conducted regularly for maintenance customers to ensure product quality and service standards.</li> <li>The Company has established a complaint handling process and designated a specialized unit responsible for addressing and tracking issues, aiming to achieve prompt and effective resolution policies.</li> <li>The Company’s official website features sections for “Customer Inquiries” and “Service Locations,” allowing customers to directly report issues via phone or message, thus implementing consumer and customer protection policies.</li> <li>Evaluate in accordance with the Supplier Evaluation Procedures and publicly commend the outstanding suppliers of the year. A Labor Safety and Health Office and a Labor Safety Committee have been established, with a safety management specialist responsible for formulating and supervising various safety and health measures and protective equipment across units.</li> </ul>	<ul style="list-style-type: none"> <li>Customer complaint hotline: Open for 24 hours a day</li> <li>Customer consultation section on the Company’s official website: Open for 24 hours a day</li> <li>Service Locations Section on the Company’s official website: Open for 24 hours a day</li> <li>Maintenance and repair quality survey: Once a month</li> <li>Customer satisfaction survey: Once a year</li> </ul>
Suppliers/ collaborating contractors	<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer service quality</li> <li>Corporate image</li> <li>Supplier sustainability management</li> </ul>	<ul style="list-style-type: none"> <li>The Company has established a “Supplier Code of Conduct,” which includes labor rights, environmental considerations, health and safety, ethical standards, and legal requirements. Suppliers are required to sign a “Supplier Commitment” to ensure that they understand and comply with the Company’s demands for product safety and ethical standards, thereby enhancing their responsibility toward society and the environment.</li> <li>Conduct evaluations of suppliers and collaborating contractors.</li> <li>Communicate product policies, quality objectives, and review collaboration progress through face-to-face meetings, phone calls, and emails.</li> </ul>	<ul style="list-style-type: none"> <li>Contact email of the Procurement Department: Open for 24 hours a day</li> <li>Supplier evaluation: Once a month</li> <li>Supplier meeting: Held occasionally</li> <li>Supplier Code of Conduct and Commitment: Signing upon becoming a collaborating contractor of GFC</li> </ul>

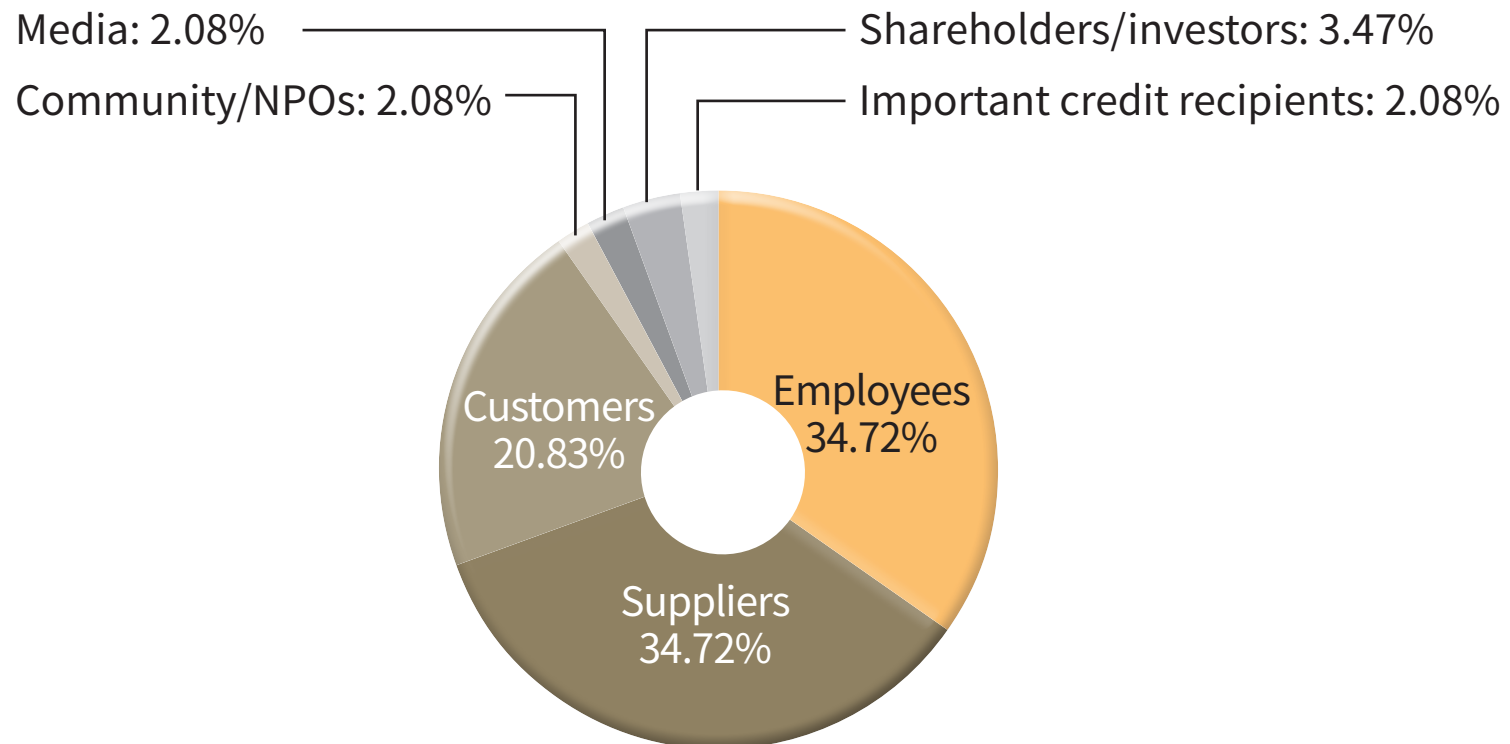
Stakeholders	Important Issues of Concern	Communication Channels and Response Methods	Communication Channel and Frequency
<b>Non-profit organization</b>	<ul style="list-style-type: none"> <li>• Legal compliance</li> <li>• Corporate image</li> <li>• Product quality</li> <li>• Talent cultivation and education and training</li> <li>• Degree of regulatory compliance for products</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly adhere to legal requirements and conduct regular audits.</li> <li>• Maintain positive interactions with competent authorities, supporting their management efforts and related activities.</li> <li>• Regularly disclose corporate governance information on the MOPS and the Company website.</li> <li>• Disclose environmental and energy-saving information in the Company's annual report.</li> <li>• The Company has joined the following associations to demonstrate support for external initiatives related to economic, environmental, and social charters, principles, or other advocacy.               <ol style="list-style-type: none"> <li>1. Elevator Association of R.O.C.</li> <li>2. Taiwan Elevator Safety Association.</li> <li>3. FIABCI – Taiwan.</li> <li>4. Taiwan Electrical and Electronic Manufacturers' Association.</li> <li>5. Labor Safety &amp; Health Management Society R.O.C.</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• MOPS and the Company's official website: Open for 24 hours a day</li> <li>• Annual report: Once a year</li> <li>• Participation in activities organized by non-profit organizations: Occasionally</li> <li>• Support for NPO initiatives: Occasionally</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>• Product quality</li> <li>• Financial performance</li> <li>• Corporate Governance</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly operational information is published, along with occasional updates on related operational achievements and development trends.</li> <li>• At least two investor conferences are held annually to explain operational performance to investors.</li> <li>• In conjunction with the launch of new products, media visits are arranged to enhance journalists' understanding of the elevator industry.</li> </ul>	<ul style="list-style-type: none"> <li>• Press release: Once a month</li> <li>• Investor conference: Twice a year</li> <li>• Subject-specific interviews: Occasionally</li> </ul>



## 3.2 ANALYSIS OF MATERIAL ISSUES

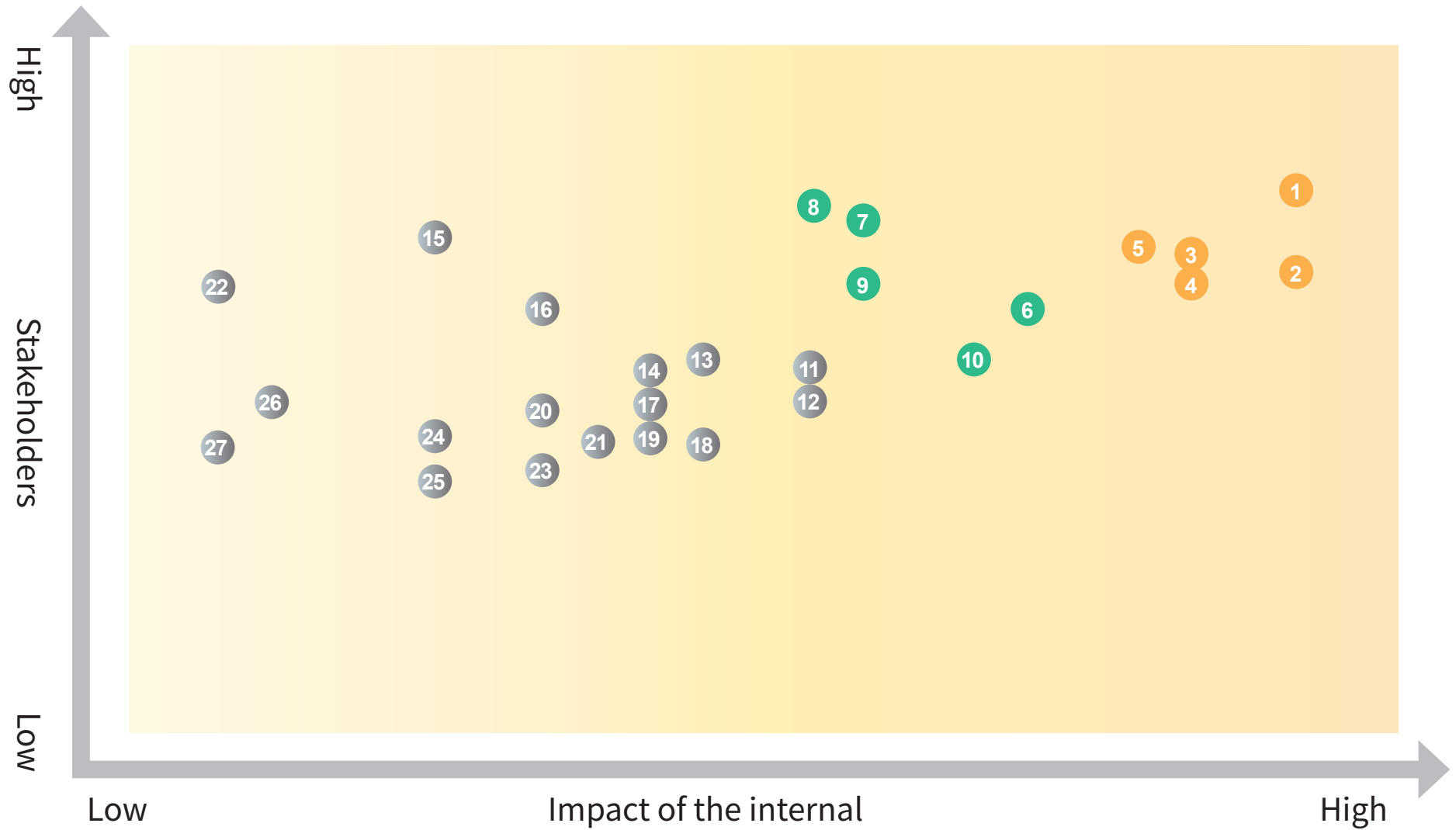
### 3.2.1 Response from Stakeholders

GFC conducts questionnaires to investigate the issues of concern to stakeholders and their levels of concern. The survey targets GFC's main stakeholders: Employees, suppliers, customers, community/non-profit organizations, media, investors/shareholders, and important investment credit recipients. In 2017, GFC distributed physical and online questionnaires to invite stakeholders to participate, successfully collecting nearly 150 valid responses. Notably, the opinions of external stakeholders accounted for over 60% of the total responses received.





### 3.2.2 Materiality Matrix



### 3.2.3 Issues of Concern to Stakeholders

Level of concern	Issue number	Content of Issue	Level of concern	Issue number	Content of Issue	Level of concern	Issue number	Content of Issue
High	1	Product quality	Medium	10	Talent retention	Low	19	Hazardous substance management
	2	Talent cultivation and education and training	Low	11	Corporate Governance		20	Investing in social welfare
	3	Corporate image		12	Remuneration and welfare system		21	Waste Management
	4	Occupational Safety and Health		13	Employee relations and communication		22	Supplier sustainability management
	5	Financial performance		14	Working hours and leave		23	Carbon Emission Management
Medium	6	Risk Management		15	Legal compliance		24	Environmental policy
	7	Customer service quality		16	Innovative R&D		25	Community relations and interaction
	8	Degree of regulatory compliance for products		17	Retirement benefits for employees		26	Fair trade
	9	Business ethics and anti-corruption		18	Energy management		27	Comply with international environmental regulations

### 3.3 MATERIAL ISSUES MANAGEMENT APPROACH

Material Issues	GRI Chapter title	Our responsibilities	Commitment	Key strategies	Evaluation mechanism
Product quality	301 Materials	<ul style="list-style-type: none"> <li>• Reduce the impact of production on the environment</li> <li>• Reduce reliance on resources and cherish natural resources</li> </ul>	Adhering to the concept of “sustainable resources” ensures that future generations will not have to worry about resource scarcity.	<ul style="list-style-type: none"> <li>• Increase the proportion of environmentally friendly materials purchased</li> <li>• Increase recycling rate to replace purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Ratio of renewable and non-renewable materials</li> <li>• Percentage of environmentally friendly materials used</li> </ul>
	302 Energy	<ul style="list-style-type: none"> <li>• Reduce the energy consumption of products and reduce the burden on the environment</li> <li>• Produce products with low energy consumption to meet customer needs</li> <li>• Strictly control the use of machinery to achieve the most efficient use of energy</li> </ul>	Starting from the perspective of energy conservation and carbon reduction, enhance the efficiency of energy usage in processes and products while minimizing unnecessary waste.	<ul style="list-style-type: none"> <li>• The design emphasizes low energy consumption and power regeneration devices.</li> <li>• Reduce the idle time of production machinery and avoid peak power consumption in a short period.</li> <li>• Install solar panels to provide additional power and reduce plant energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>• The manufacturing process is constantly monitored to comply with emission standards</li> <li>• Comply with international environmental certifications</li> </ul>
	416 Customer Health and safety	<ul style="list-style-type: none"> <li>• Produce elevators that provide customers with a sense of safety and reliability.</li> <li>• Provide comprehensive maintenance services.</li> <li>• Products and services do not violate health and safety regulations.</li> </ul>	GFC takes customer health and safety as its responsibility, dedicated to creating a safe and high-quality elevator environment.	<ul style="list-style-type: none"> <li>• Use the elevator testing tower to demonstrate the superior quality of the products.</li> <li>• Regularly provide comprehensive maintenance services to extend the lifespan of elevators.</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Regular plant inspection mechanism</li> </ul>
Talent cultivation and education and training	404 Training and Education	<ul style="list-style-type: none"> <li>• Provide equal and ample education and training opportunities to every employee, regardless of gender or job level.</li> <li>• Offer tailored training programs to enhance employees’ skills and job competencies.</li> </ul>	For GFC, employees are the most important asset for sustainable business operations. Therefore, GFC is committed to creating a friendly workplace environment where every employee receives the best care and is encouraged to realize their maximum potential.	<ul style="list-style-type: none"> <li>• Each year, a training schedule and timeline for the following year are established by mid-year.</li> <li>• Provide diverse education and training</li> <li>• Complete practical training on the use of plant equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Training outcome assessments are conducted before the completion of each training session.</li> <li>• Employees complete a satisfaction survey regarding the education and training received.</li> </ul>

Material Issues	GRI Chapter title	Our responsibilities	Commitment	Key strategies	Evaluation mechanism
Corporate image	202 Corporate image	<ul style="list-style-type: none"> <li>• Uphold public morality and conscience.</li> <li>• Create positive corporate value.</li> <li>• Establish transparent channels for publicly available information to enhance corporate image.</li> </ul>	Establish a model of excellence for Taiwanese enterprises, eliminating various commercial actions that cause negative impacts.	<ul style="list-style-type: none"> <li>• Provide routine corporate sustainability reports.</li> <li>• Accept evaluations from business certification agencies.</li> <li>• Provide various sponsorships for Taiwanese athletes to participate in international competitions.</li> <li>• Donate funds to assist in natural disasters occurring in the country and around the world.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance evaluation</li> <li>• Ernst &amp; Young</li> </ul>
Occupational Safety and Health	403 Occupational Safety and Health	<ul style="list-style-type: none"> <li>• Collaborate between labor and management to maintain occupational safety.</li> <li>• Establish a comprehensive reporting and statistical system to fully understand occupational safety conditions.</li> <li>• Establish a safe working environment</li> </ul>	GFC considers the physical and mental health of employees as an important asset, aiming to continuously improve by creating a safe and high-quality working environment.	<ul style="list-style-type: none"> <li>• Established a safety and health committee to maintain occupational safety.</li> <li>• Established a comprehensive occupational safety reporting system and effectively tracked safety conditions.</li> <li>• Immediate and effective crisis management mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Formulated safety and health work rules</li> <li>• Planned a reporting and handling process for occupational accidents and public safety incidents involving third parties.</li> </ul>
Financial performance	201 Economic Performance	<ul style="list-style-type: none"> <li>• Analyzed relevant performance data and economic value to create the maximum wealth for stakeholders.</li> </ul>	Analyzed relevant performance data and economic value to create the maximum wealth for stakeholders.	<ul style="list-style-type: none"> <li>• Focused on enhancing the ability to secure commercial orders for new elevators while simultaneously exploring market opportunities for replacing old elevators.</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly compile statistics on operating income and related data in financial reports on a monthly, quarterly, and annual basis.</li> </ul>

Note: As this is the first year of establishing the management policy evaluation mechanism, there are currently no results or adjustment plans for the management policy evaluation.



# 04

## Corporate Governance

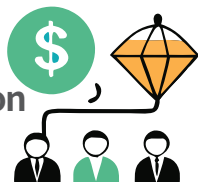
### 4.1

## RESPONSIBILITIES AND COMPOSITION OF THE BOARD OF DIRECTORS

### 4.1.1 Responsibilities

The current Board of Directors at GFC consists of seven members, including three independent directors. None of the board members hold positions as independent directors in other publicly traded companies, and none have concurrent roles as employees. All directors are elected by shareholder votes to ensure a fair, just, and open selection process. The election procedures follow the regulations outlined in the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”. The Board of Directors convenes at least once per quarter, totaling six meetings annually. Each director possesses the professional knowledge, skills, and qualities necessary for executing their duties, maintaining an impartial and independent spirit. In accordance with legal requirements, the Company’s Articles of Incorporation, and resolutions of the shareholders’ meeting, they exercise authority and provide advice and consultation on the Company’s operational strategies, financial planning, and technical development. To implement corporate governance and enhance directors’ capabilities, the Company clearly defines performance objectives and conducts an annual performance evaluation for both the Board of Directors and functional committees. Evaluation methods include self-assessment by board members, assessment by the administrative unit, and self-assessment by functional committee members. Additionally, an external evaluation is conducted at least once every three years. Additionally, GFC arranges for directors to receive external training. In 2023, topics included “Expanding Influence to Support SDGs and Enhance Corporate Value,” “Dual Transformation in Sustainability and Digitalization,” “Patent Strategy and Litigation Practices,” “Initiating Succession Planning – Employee Rewards Program and Equity Transfer,” and “Big Data Analytics and Fraud Detection,” among 11 other courses. These sessions provided valuable insights into transformative change and adaptation from century-old companies. The Board of Directors has established functional committees, including the Remuneration Committee, the Audit Committee, and the Audit Office, each responsible for handling remuneration, reinforcing the board’s supervisory duties, strengthening management mechanisms, and internal auditing matters. On August 7, 2020, the Board of Directors approved the voluntary appointment of a corporate governance officer to safeguard shareholder rights and enhance board functions.

### Remuneration Committee



To strengthen the remuneration system for company directors and managers, the Board of Directors established the “Remuneration Committee” in December 2011. The committee consists of three members appointed by the board, all of whom are independent directors, with one member serving as the convener. The Remuneration Committee, under the Board of Directors, operates according to the “Management of the Remuneration Committee’s Function.” This committee is tasked with evaluating the remuneration policies and systems for directors and managers with a professional and objective stance, providing recommendations to the board as a reference for decision-making. According to its operational management guidelines, the Remuneration Committee may invite the Company’s directors, relevant department managers, internal auditors, CPAs, legal consultants, or other professionals to attend meetings and provide necessary information.

### Audit Committee



#### Audit Committee

To strengthen the board’s supervisory responsibilities and enhance its management mechanism, the Company established an Audit Committee in July 2022, consisting of all three independent directors. This committee assists the Board of Directors in overseeing the quality and integrity of accounting, auditing, financial reporting processes, and financial controls.

### Organization and Operation of Internal Audit



According to the Company’s organizational structure, dedicated audit personnel are assigned under its oversight. The Audit Office reports directly to the Board of Directors, upholding independence and objectivity to support management and the board in achieving established goals. The scope of the internal control system audit includes oversight of all relevant regulations related to finance, sales, production, maintenance, administration, R&D, and quality assurance across all units. According to the law, it is divided into ten major cycles, each of which is outlined in the annual plan and executed after being approved by the Board of Directors for the relevant audit operations.

### Promotion of corporate governance policies



To establish a robust corporate governance system, the Company has developed an effective governance framework based on the “Corporate Governance Best-Practice Principles” jointly formulated by the TWSE and TPEX. This framework is designed to safeguard shareholder rights, enhance board functions, strengthen the role of the Audit Committee, respect stakeholder rights, and improve information transparency. The Corporate Governance Manager serves as the primary responsible person, overseeing corporate governance matters and reporting regularly to the Board of Directors.

## 4.1.2 Members of the Board of Directors

Job Title	Name (or name of representative)	Name of corporate shareholder representative	Date of election	Educational background	Experience
Chairman	Tang Po-Loung	Da Way Lee Corp.	June 27, 2022	<ul style="list-style-type: none"> <li>Hsing Wu University</li> </ul>	<ul style="list-style-type: none"> <li>The Company's Chairman, Director, General Manager, and Deputy General Managers</li> <li>Director of Hua Hong Management Consultant Co., Ltd.</li> </ul>
Director	Tang Chiu-Ling	CK Asset Holding Ltd.	June 27, 2022	<ul style="list-style-type: none"> <li>Department of Public Relations, Shih Hsin University</li> <li>Department of Fashion Design, Ecole de la Chambre Syndicale de la Couture Parisienne</li> <li>EMBA, National Chengchi University</li> </ul>	<ul style="list-style-type: none"> <li>Designer of Taiwan Textile Federation</li> <li>Junior Manager of Chung Hsing Department Store</li> <li>Manager of CELINE</li> <li>Vice Chairman of Taiwan Spreading Center Enterprises Co., Ltd.</li> <li>The 12th Chairman of the Elevator Association of R.O.C.</li> <li>CEO of the GFC Foundation</li> <li>Director of Studio Tang</li> </ul>
Director	Huang Pei-Ken	Hua Rong Investment Co., Ltd.	June 27, 2022	<ul style="list-style-type: none"> <li>Chinese Culture University</li> </ul>	<ul style="list-style-type: none"> <li>General Manager of Hua Rong Investment Co., Ltd.</li> </ul>
Director	Zeng Huai-Yi		June 27, 2022	<ul style="list-style-type: none"> <li>Bachelor of Civil and Environmental Engineering, University of California, Los Angeles</li> <li>MBA, National Tsing Hua University and MIT Sloan School of Management</li> </ul>	<ul style="list-style-type: none"> <li>Sales and Marketing Specialist, Chang Star Corporation</li> <li>Investment Assistant, Vincera Capital Corporation</li> <li>Vice President of Deutsche Bank</li> <li>Director of Investor Relations, International Finance and M&amp;A, and CFO, Baidu Inc.</li> <li>CFO of Anjuke Group Inc.</li> <li>Vice President of Affairs Department, Trip.com Group Ltd.</li> <li>Global CFO of KKDay International Travel Service</li> </ul>

Job Title	Name (or name of representative)	Name of corporate shareholder representative	Date of election	Educational background	Experience
Independent director	Lin Tung-Hsu		June 27, 2022	<ul style="list-style-type: none"> <li>• Graduated from the Banking Group of the Department of Commerce, National Taiwan University</li> <li>• Master of Accounting, San Diego State University</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting lecturer at Ming Chuan Business College and Taipei Business College</li> <li>• CAO, US Region, Grand Estate Hotel Group</li> <li>• CAO, PC Channel, Inc. "Personal computer assembly and sales company"</li> <li>• CFO, U.S. Region, LDC Hotels &amp; Resorts</li> <li>• CFO, Bladez Corp. "Manufacture and sale of sports equipment"</li> <li>• Senior Financial Analyst/Capital Project Manager, BP, "The world's second largest non-state oil company"</li> <li>• CFO of Asia region/CAO of Headquarters/General Manager of China and Japan regions/Customer Service Director of Asia, Flow Waterjet Corp., "The world's No. 1 brand in waterjet cutting and cleaning"</li> <li>• CFO/Chairman and General Manager of Promise Technology Inc.</li> <li>• CFO of Syntec Technology Co., Ltd.</li> </ul>
Independent director	Wu Hsu-Hui		June 27, 2022	<ul style="list-style-type: none"> <li>• Bachelor of Economics, National Taipei College of Business and Technology</li> <li>• Master of Business Administration, National Chengchi University</li> <li>• Ph.D. in Business Administration, University of Leeds, UK</li> </ul>	<ul style="list-style-type: none"> <li>• Director of the Trading and Import Procurement Division, Test Rite Trading Co., Ltd. (B&amp;Q)</li> <li>• Director of Public Service Division of Carrefour Company and CEO of Carrefour Foundation</li> <li>• Brand Strategy Director and Spokesperson of Uni-President</li> <li>• General Manager of New Business Development, Topco Scientific Co., Ltd.</li> <li>• Municipal consultant of Taipei City Government</li> <li>• General Manager, Taiyan Biotech Co., Ltd.</li> <li>• Director of Taiyan Green Energy Co., Ltd.</li> </ul>
Independent director	Cheng Ming-Sung		June 27, 2022	<ul style="list-style-type: none"> <li>• Graduated from the Department of Control Engineering, National Chiao Tung University</li> <li>• Master of Business Administration, National Sun Yat-sen University</li> </ul>	<ul style="list-style-type: none"> <li>• Investment Assistant Manager/Manager/Deputy Manager of the Direct Investment Department, Gains Investment Corporation (Mentor Consulting Corporation)</li> <li>• General Manager/Chief Investment Officer/Vice President of Investment, Hua Hong Management Consultant Co., Ltd. (Vincera Capital Group)</li> <li>• Chief Investment Officer, Integral Investment Group Co., Ltd.</li> <li>• Supervisor, Lotes Co., Ltd.</li> <li>• Director, U-Media Communications Inc.</li> <li>• Independent Director, Kim Forest Enterprise Co., Ltd.</li> <li>• Supervisor, Neutron Inc.</li> <li>• Chairman of Rich Bright Trading Corp. Ltd.</li> </ul>



### 4.1.3 Diversity Policy of Board of Directors

GFC has clearly stipulated in its “Director Selection Process” and “Corporate Governance Best-Practice Principles” that the selection of directors should adhere to the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.” The overall configuration of the board should consider diversity among its members, including factors such as gender, professional knowledge, and varied skill sets. Members should generally possess the necessary knowledge, skills, and qualifications required to perform their duties. The board as a whole should have the following competencies: Operational judgment ability, management skills, accounting and financial analysis capabilities, industry knowledge, crisis management ability, international market perspective, as well as leadership and decision-making skills.

Job Title	Core Diversity Items  Name of Director	Basic Composition								Professional Skills						Whether there are instances under Article 30 of the Company Act
		Nationality	Gender	Concurrently serving as an employee of the Company	Age				Length of tenure of independent directors	Accounting and financial analysis	Leadership and decision-making	Industry knowledge	International market perspective	Business management	Brand marketing	
					41 to 50	51 to 60	61 to 70	71 to 80								
Corporate director representative	Tang Po-Loung	R.O.C.	Male	None				v	-	v	v	v	v	v	None	v
Corporate director representative	Tang Chiu-Ling	R.O.C.	Female	None			v		-			v		v	None	
Corporate director representative	Huang Pei-Ken	R.O.C.	Male	None			v		-		v		v	v	None	v
Director	Zeng Huai-Yi	R.O.C.	Male	None	v				-	v			v	v	None	v
Independent director	Lin Tung-Hsu	R.O.C.	Male	None			v		3 to 9 years	v	v		v	v	None	
Independent director	Wu Hsu-Hui	R.O.C.	Female	None		v			3 to 9 years		v		v	v	None	v
Independent director	Cheng Ming-Sung	R.O.C.	Male	None		v			1 to 3 years	v	v			v	None	

The age distribution of the Company’s board members includes one director aged between 41 and 50, two independent directors aged between 51 and 60, three directors (including one independent director) aged between 61 and 70, and one director aged between 71 and 80. There are two female directors (including one independent director), accounting for 28.57% of the board members.

## Performance evaluation of the Board of Directors

To implement corporate governance and enhance the functionality of the Board of Directors, GFC established performance goals to improve the operational efficiency of the board. On November 11, 2015, the board approved the “Regulations Governing the Board Performance Evaluation.” Performance evaluations are conducted regularly according to the measures to facilitate self-supervision among board members and enhance the effectiveness of board operations. Annual internal evaluations of the Board of Directors and functional committees are conducted regularly, with an external professional independent organization or team of experts performing an evaluation every three years. The evaluation targets include the overall operation of the Board of Directors and functional committees, as well as individual self-assessments of the board and committee members. The results of the overall self-assessment for the Board of Directors and functional committees, along with the self-evaluation of board members for 2023, were reported to the Board of Directors on March 13, 2024. Please refer to the official website for more details.

## Continuing Education of Directors

Job Title	Name	Inauguration date	Date of continuing education		Organizer	Course title	Training hours	Total hours of continuing education in the current year
			Start	End				
Director	Tang Po-Loung	Corporate shareholder representative of the 17th Board of Directors June 27, 2022	August 24, 2023	August 24, 2023	Taiwan Institute of Directors	Succession family office courses	6.0	6.0
Director	Tang Chiu-Ling	Corporate shareholder representative of the 17th Board of Directors June 27, 2022	August 29, 2023	August 29, 2023	Taiwan Corporate Governance Association	How to expand influence, support SDGs, and enhance corporate value	3.0	6.0
			August 22, 2023	August 22, 2023	Taiwan Corporate Governance Association	Sustainability and digital dual transformation	3.0	
Director	Huang Pei-Ken	Corporate shareholder representative of the 17th Board of Directors July 1, 2023	August 29, 2023	August 29, 2023	Taiwan Corporate Governance Association	How to expand influence, support SDGs and enhance corporate value	3.0	6.0
			August 15, 2023	August 15, 2023	Taiwan Corporate Governance Association	Patent layout and litigation practice	3.0	

Job Title	Name	Inauguration date	Date of continuing education		Organizer	Course title	Training hours	Total hours of continuing education in the current year
			Start	End				
Director	Tseng Huai-Yi	17th June 27, 2022	September 8, 2023	September 8, 2023	Taiwan Corporate Governance Association	Initiation of the succession plan – Employee remuneration plan and equity succession	3.0	6.0
			August 18, 2023	August 18, 2023	Taiwan Corporate Governance Association	Big data analysis and fraud prevention	3.0	
Independent director	Lin Tung-Hsu	17th June 27, 2022 16th June 21, 2019	December 28, 2023	December 29, 2023	Accounting Research And Development Foundation	Continuing education courses for accounting managers of issuers, securities dealers, and stock exchanges	12.0	12.0
Independent director	Wu Hsu-Hui	17th June 27, 2022 16th June 21, 2019	May 19, 2023	May 19, 2023	Taiwan Corporate Governance Association	Trade secret protection and non-competitive behavior	3.0	6.0
			April 14, 2023	April 14, 2023	Taiwan Corporate Governance Association	Legal risks and countermeasures in corporate investment and financing – From the perspective of corporate directors' responsibilities	3.0	
Independent director	Cheng Ming-Sung	17th June 27, 2022	November 10, 2023	November 10, 2023	Taiwan Corporate Governance Association	Corporate governance in the U.S.: Historical evolution and recent developments	3.0	6.0
			June 29, 2023	June 29, 2023	The Business Development Foundation of the Chinese Straits	Course series on intellectual property legal obligations and responsibilities of directors and supervisors	3.0	

## 4.2

GFC Ltd., upholds high standards of Code of Ethical Conduct, committed to demonstrating integrity, transparency, and fairness in all business activities. We have established a detailed code of conduct as the foundation for guiding employees, management, and directors to maintain high ethical standards in daily operations.

To ensure the effective implementation of the code of conduct, GFC Ltd., has established the “Ethical Corporate Management Best-Practice Principles,” “Management Procedures for Handling Material Internal Information and Preventing Insider Trading,” “Whistleblower Management Procedures,” and “Employee Grievance Procedures” in accordance with the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and relevant laws in the operational locations of the Company and its group enterprises and organizations. Additionally, several initiatives have been implemented, including employee training, regular audits, and internal supervision, to ensure that all employees understand and comply with the Company’s ethical standards. Furthermore, we encourage employees to report any potential violations through the anonymous reporting channel: [ann.hsiao@gfc.com.tw](mailto:ann.hsiao@gfc.com.tw) to promote transparency and accountability.

In 2023, GFC Ltd. achieved significant results in various aspects of its code of conduct. Firstly, we did not experience any significant incidents related to ethical or misconduct issues, indicating that our code effectively mitigated potential risks. Secondly, through ongoing employee education and supervision, we have enhanced the ethical awareness of all employees, fostering a more trustworthy and fair corporate culture.

The code of conduct at GFC Ltd. not only aids in internal management but also enhances our reputation in society and the market. Our partners and customers have highly praised our integrity and transparency, further solidifying our position in the industry.





The statistics for violations of the code of conduct at GFC Ltd. for 2023 are as follows:

Number of reports filed regarding the Code of Conduct / Number of cases handled		2023	
		Number of reports	Number of cases handled
Business Ethics and Operations	Corruption and Bribery	0	0
	Conflicts of Interest	0	0
	Fair Competition	0	0
	Insider Trading	0	0
	Trade Secrets	0	0
	Privacy/Personal Data Protection	0	0
	Others (political donations, charitable donations, and social engagement)	0	0
Total number of cases related to business ethics and operations		0	0
Human Rights Protection	Discrimination	0	0
	Harassment	0	0
	Occupational Safety and Health	0	0
Total number of cases related to human rights protection		0	0
Environmental Protection	Total number of cases related to environmental protection	0	0

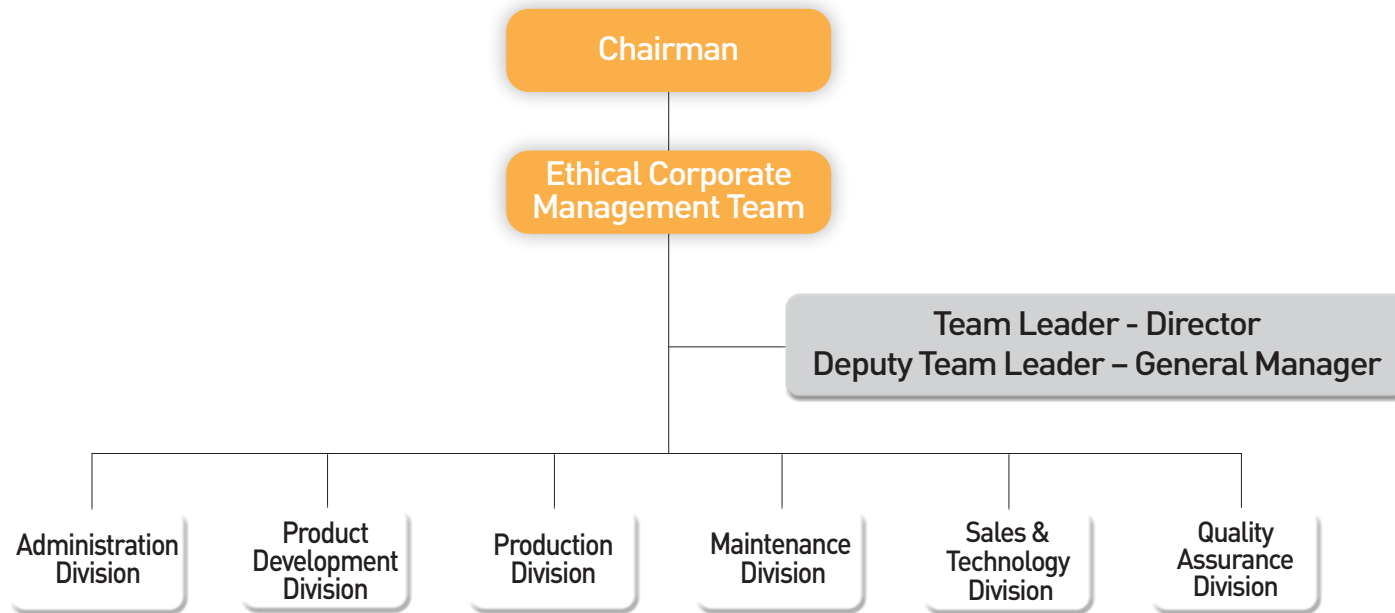
Looking ahead, GFC Ltd. will continue to enhance its code of conduct and take all necessary measures to ensure its effectiveness. We will continually refine our supervision and audit mechanisms to ensure that every employee operates within a framework of integrity, promoting the Company's sustainable development.

GFC Ltd. will remain dedicated to upholding high standards of Code of Ethical Conduct to ensure our business activities consistently reflect integrity, transparency, and fairness.

## 4.2.1 Ethical Corporate Management

GFC Ltd. values ethical corporate management. To establish a culture of ethical corporate management and a sound business model that supports sustainable growth, the Board of Directors approved the “Ethical Corporate Management Best-Practice Principles” on August 12, 2014. These guidelines prohibit offering or accepting gifts or commissions from business partners and require employees to avoid any misuse of their positions for personal gain or accepting gifts from others. The “Ethical Corporate Management Policy” has been integrated into new employee training and reinforced in monthly departmental meetings, and it is included as a mandatory part of all company training programs. Additionally, the Company strictly adheres to the Company Act, Securities and Exchange Act, Government Procurement Act, and other relevant regulations, establishing an internal control system and conducting regular audits to ensure compliance by all employees.

### Organizational Structure



## Supporting Standards and Practices

### Compliance with Standards



Each regional branch conducts educational sessions on the “Ethical Corporate Management Policy” and related guidelines, providing training participants with an understanding of the Company’s ethical corporate management standards, supplier code of conduct, integrity clauses, and more. These sessions also foster a shared commitment among colleagues to uphold the values of “honesty” and “fairness,” thereby maintaining a culture of ethical corporate management and advancing sound business practices.

### Education and Training

The Company has established an “Ethical Corporate Management Operating Standard,” requiring all managers, both within the Company and its subsidiaries, to sign a “Statement of Compliance with Ethical Corporate Management.” This statement affirms their commitment to strictly adhere to the Ethical Corporate Management Best-Practice Principles, Employee Code of Conduct, and various internal control systems.



### Whistleblowing Channel



The Company has established a “Whistleblowing Management Procedures,” designating the heads of the Audit Office and Human Resources Department as independent managers responsible for handling reports. Both internal and external whistleblowers may contact these managers via the “Unethical Reporting Hotline” (email, dedicated phone line) or in writing.

### Regular Inspection

To ensure the ongoing effectiveness of the system’s design and implementation, the Shareholder Affairs, Accounting, and other responsible departments occasionally review and propose revisions to the system. These efforts are complemented by audits to establish a robust corporate governance and risk control mechanism.



## 4.2.2 Privacy protection

To implement personal data protection and management, GFC Ltd. has established a Privacy & Data Protection Policy, referencing local regulations and the EU General Data Protection Regulation (GDPR) requirements. This policy serves as the highest guiding principle for privacy protection, covering all personnel of influential partner companies, suppliers, contractors, external consultants, and other collaborating contractors associated with GFC Ltd. The policy clearly specifies regulations and requirements regarding the use and protection of personal data. We also require all members and collaborating contractors to strictly adhere to these guidelines to effectively protect personal data and related rights.

At GFC, the Audit Department proactively conducts internal control system (ICS) audits annually in accordance with company policy. This audit activity encompasses the collection, processing, and transfer of personal data to ensure that related operations comply with local laws and internal behavior regulations.

GFC has established channels for privacy rights reflection and complaints. In the event of potential privacy rights violations or breaches of privacy policy, individuals can submit complaints or reports through the privacy protection hotline at (02) 2551-1166 ext. 577 or via email at ann.hsiao@gfc.com.tw. To implement the protection of privacy rights, we also conduct regular training on privacy protection for all personnel and evaluate the effectiveness of this training. GFC adopts a zero-tolerance policy for the protection of privacy rights. Any personnel found to be in violation will be subject to disciplinary action in accordance with the Company's code of conduct.

"Strictly protect customer confidentiality and uphold the principle of integrity." This is GFC's commitment to customer privacy rights. GFC strictly adheres to privacy policy regulations regarding customer data and will not use customer data for secondary purposes, resulting in a secondary data usage ratio of 0%. From 2020 to 2023, there have been no complaints or penalties related to privacy rights from external sources or regulatory bodies.

### Privacy Complaint

GFC Ltd. places great importance on and respects customer privacy, and we are committed to protecting customer personal data. The following is our privacy statement, designed to inform you about our privacy policy and your choices and rights regarding personal data. We aim to provide you with a clearer understanding of how we collect, process, and use your personal data. In 2023, no internal or external complaints regarding privacy rights were received by GFC.

## 4.2.3 Legal Compliance

GFC has been operating in Taiwan for 50 years since its establishment, consistently adhering to principles of integrity and legality. The Company remains vigilant regarding government regulations and social issues, ensuring compliance with relevant requirements. The Company employs professional legal personnel and maintains long-term collaboration with external law firms to ensure that all internal and external business and management activities comply with regulatory principles. This approach has not only garnered recognition and trust from customers, suppliers, and the public but also helped avoid financial impacts such as penalties due to non-compliance.

### Missing Important Information

Since its establishment, GFC has strictly adhered to all regulations and laws set forth by the FSC and the Taipei Exchange. As of 2023, we have never violated the relevant regulations of the “Procedures for Verification and Disclosure of Material Information of TWSE/TPEX Listed Companies” and the “Regulations for Information Reporting,” and we have not been punished by any liquidated damages.

### Internal Control Sanction

GFC upholds high standards of corporate governance and internal control systems to ensure compliance, transparency, and operational efficiency. We value communication with regulatory authorities and strictly adhere to all relevant laws, regulations, and market standards. In 2023, the Company’s internal control system and related operational processes have never been subject to sanctions from regulatory authorities, nor has the TPEX indicated any deficiencies or issued improvement notices.

GFC will continue to strengthen its internal control systems and operational processes through regular self-assessments and external audits. This commitment aims to continually improve and enhance internal management processes, prevent potential risks, protect shareholder rights, and increase overall corporate value.

### Political Contributions

GFC maintains a position of political neutrality, having never participated in any form of political election-related public relations activities. The Company does not engage in political donations, including any form of contributions to local, regional, or national political activities, parties, or candidates.



## Antitrust/anti-competitive behavior

GFC Ltd. is committed to conducting business operations based on the principles of integrity and fairness. We strictly adhere to all relevant antitrust and anti-competitive behavior laws to ensure fair competition in the market and to promote the healthy development of the industry.

We firmly oppose any form of monopoly, price manipulation, collusion, restrictions on competition, or other unfair business practices. To ensure our business aligns with these principles, we have established strict internal policies and procedures to prevent potential violations and require all employees to adhere to these regulations.

GFC Ltd. continuously provides training and education on antitrust and competition issues to ensure that every employee understands the relevant laws and the Company's policies. We encourage employees to report any potential violations and are committed to rigorous investigation and handling.

We believe that integrity and fair competition are the cornerstones of sustainable corporate development. GFC Ltd. will continue to commit to this goal and collaborate with regulatory authorities and other stakeholders to ensure market fairness and transparency. In the event of any violations, we will actively cooperate with investigations and assume corresponding responsibilities, including the payment of any potential fines.

GFC Ltd. will continue to uphold the principles of antitrust and fair competition, contributing to the promotion of a just and equitable market environment.



GFC encourages all internal and external colleagues to report to the Company through the whistleblowing channels and accepts anonymous reports.

The company has established a reporting and complaint email address at [chen-chen.kuang@gfc.com.tw](mailto:chen-chen.kuang@gfc.com.tw) to ensure that there are no violations of any improper conduct.

## 4.3 OPERATING CAPABILITY

### Financial Performance

Since its establishment in Taiwan 50 years ago, GFC has adhered to a code of conduct based on integrity and legality, paying close attention to government regulations and social issues. The Company has established a specialized legal department and has long-term agreements with external law firms. All internal and external operations are conducted in compliance with legal principles, earning recognition and trust from customers, suppliers, and the public, while avoiding any financial penalties.

In 2023, GFC's consolidated revenue reached NTD 5.268 billion, with an operating profit of NTD 968 million and a net profit after tax of NTD 895 million. Both revenue and profitability showed growth compared to 2022, with net profit after tax hitting a ten-year high. To respond to the intense competition in the industry, we continuously enhance operational efficiency, strengthen materials cost management, and increase manufacturing productivity. We also actively invest in product innovation and industry transformation.

#### Financial Performance Indicators Over the Past Four Years

Unit: NTD thousand

Year/item	2020	2021	2022	2023
Operating revenue	4,393,396	4,605,023	4,739,507	5,268,255
Net operating profit	834,225	888,134	857,455	968,357
Consolidated net income after tax	725,709	777,883	847,811	895,062

## Tax Policy

As a global citizen, GFC Ltd. upholds the continuous creation of sustainable business value and corporate innovation. We are committed to transparency and sustainable development, while supporting social responsibility in the countries where we operate, and bearing our fair share of taxes.

- 1 All significant operational decisions comply with relevant laws and regulations, and are evaluated for their impact on tax risk.
- 2 The related party transfer pricing policy is based on the principles outlined in the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, defining related party transactions and ensuring compliance with customary practices.
- 3 In adherence to the OECD's Base Erosion and Profit Shifting (BEPS) Action Plan, profit generation is based on companies with economic substance, securing tax residency status to comply with the tax regulations of the respective local jurisdictions.
- 4 Transactions in low-tax jurisdictions are structured and conducted without the intent of tax avoidance.
- 5 The content of the financial report fully complies with relevant regulations, and tax information is disclosed in accordance with applicable laws.
- 6 Based on integrity, we establish mutually respectful and communicative relationships with tax authorities in jurisdictions where we operate.



Note: For further details, please refer to the GFC's Tax Policy and Management Procedures.

### Tax Information over the Past Two Years

Unit: NTD thousand

Year/item	2022	2023	Average
Net profit before tax	1,033,007	1,111,375	1,072,191
Income tax expense	185,196	216,313	200,755
Income tax rate (%)	17.93%	19.46%	18.70%
Income tax paid	215,480	202,976	209,228
Cash tax rate (%)	20.86%	18.26%	19.56%

Note: For detailed information, please refer to the 2023 consolidated financial report of GFC Ltd.

### Income Tax Paid by Region for 2022 to 2023

Unit: NTD thousand

Year	2022		2023	
Region	Amount	Percentage (%)	Amount	Percentage (%)
Asia	215,480	100.00%	202,976	100.00%
Total number of payments	215,480	100.00%	202,976	100.00%

## 4.4 RISK MANAGEMENT

GFC upholds a sustainable management philosophy, establishing, implementing, and maintaining a proactive risk management mechanism. This approach allows continuous monitoring of internal and external issues and environmental changes, conducting operational impact analyses, and enhancing the ability to respond effectively and flexibly to related challenges. Regular self-assessments and continuous improvements strengthen the Company's resilience, fulfilling a commitment to uninterrupted operations and protecting the best interests of customers and stakeholders. Additionally, the Company continually enhances mechanisms for training, performance management, risk assessment, early warning notifications, and public disclosures. These efforts enable effective oversight of operational risks and foster a strong risk management culture.

To strengthen its risk management framework, on August 8, 2023, at the 17th meeting of the 9th Board of Directors, the Company approved revisions to the "Risk Management Policy and Procedures." The risk management organizational structure was updated to include the Audit Committee, which assists the board in executing its risk management responsibilities by supervising the effectiveness of risk management practices.

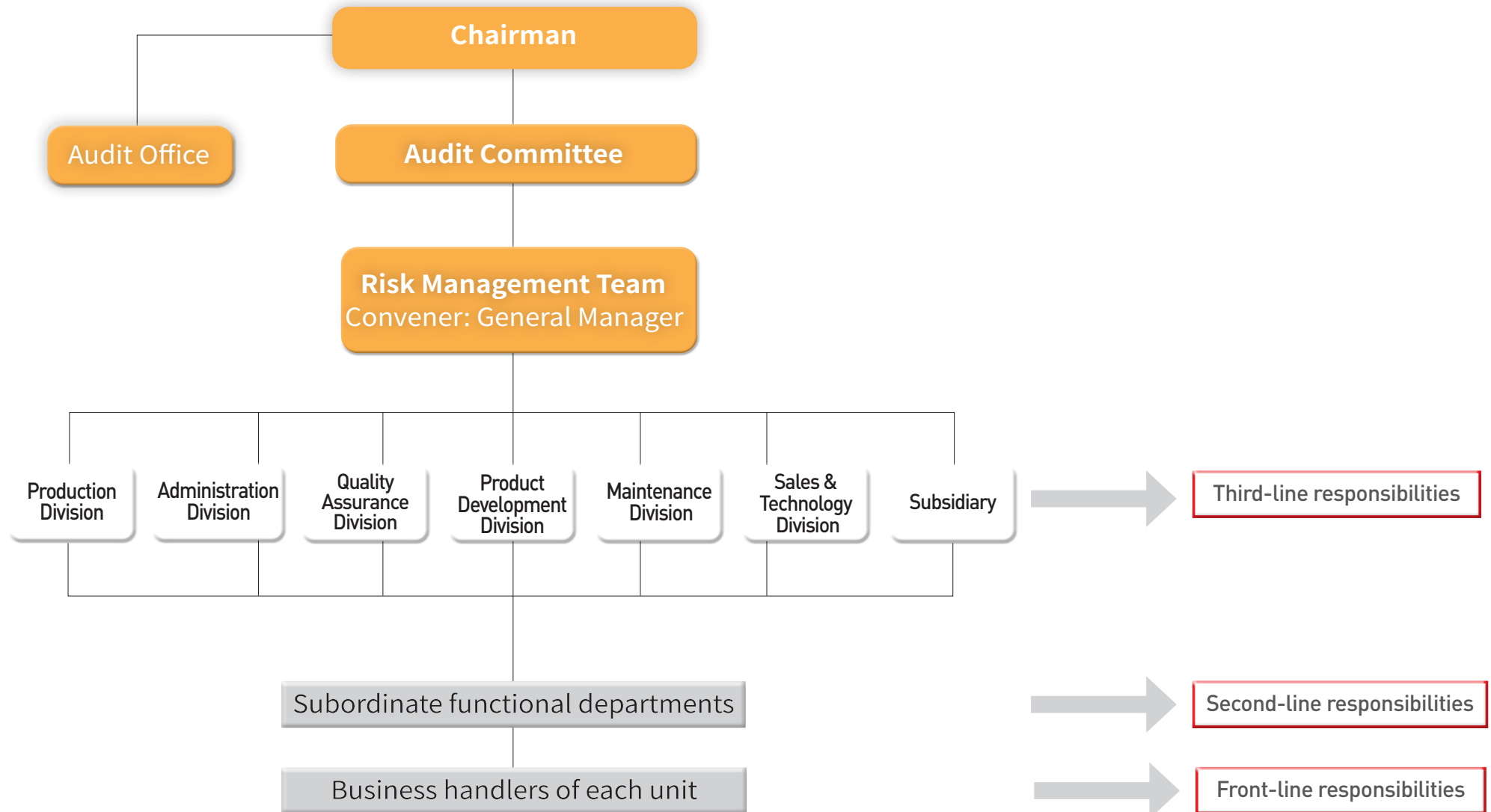


The Risk Management Team integrates various risk management units and is led by the General Manager, who oversees the team's operations. This team is responsible for identifying risk factors and implementing risk control measures, ensuring more efficient coordination and execution of the risk management organization.

The Company's Audit Committee assists the Board of Directors in executing its risk management responsibilities. A "Risk Management Team" is established under the committee, directly reporting to the General Manager, who serves as the convener. The team members are appointed by the General Manager. The team operates according to a three-level risk management framework to carry out risk identification and oversight. The Risk Management Team is responsible for revising and implementing risk management policies, as well as monitoring and supervising risk management activities. The team provides a project report on the risk management operations to the Audit Committee and the Board of Directors at least once a year.



#### 4.4.1 Risk Management Organizational Structure



## Risk Management Operations

Integrating the Company's risk management items, the goal is to actively and cost-effectively manage all risks that could impact operations and profitability. This includes identifying and supervising the Company's risks and formulating response strategies for significant company-wide risk issues. These strategies cover, but are not limited to, hazard risks, operational risks, financial risks, strategic risks, and compliance/contractual risks.

### Continuous Improvement

- Management methods, processes, technologies, and tools are continually updated to ensure the effectiveness and efficiency of risk management.
- By drawing on international and industry benchmark practices and considering the internal environmental needs of GFC, relevant measures are continuously optimized.

#### Risk Identification and Assessment

- Identifying and assessing the probability and impact of risks (including financial, operational, personnel, and corporate reputation aspects).
- Establish a risk priority ranking

#### Formulation and Implementation of Risk Response Strategies

- Effectively manage and continuously implement overall risk control to develop response measures for potential risks.
- Implement response mechanisms for potential risks and integrate them into internal control activities and management processes.
- Coordinate and integrate the response strategies of each risk group.

#### Risk Monitoring and Reporting

- Assess and review risk changes every six months
- Report the progress of risk management and submit it for review by the Audit Committee and the Board of Directors.

## Exchange Rate Risk

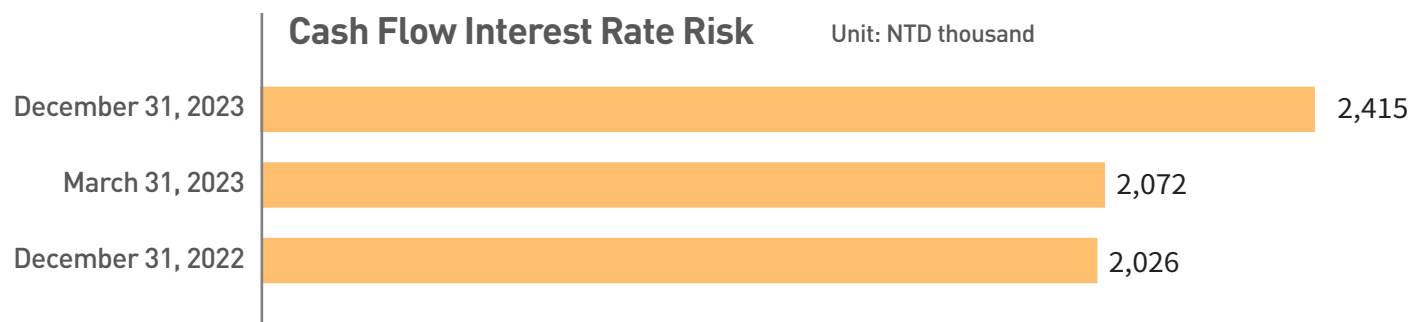
Sensitivity analysis of the consolidated company when the functional currency of a consolidated entity changes by a 1% increase or decrease in the exchange rate for each relevant foreign currency.

Unit: NTD thousand

	Effect on USD		Effect on RMB		Effect on JPY	
Year	2023	2022	2023	2022	2023	2022
Profit / Loss	2,318	1,386	1,327	1,057	10	12

## Interest Rate Risk

Due to bank deposits, debt instrument investments, structured deposits, bank borrowings, lease liabilities, and bonds payable, including both fixed and floating interest rates, interest rate fluctuation risks arise within the consolidated company.



## 4.4.2 Risk Management Operation in 2023

Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism	Operations in 2023
Hazard risk	Labor safety and health risks	Statutory infectious diseases	Human resource/safety and health	Business interruption	<ol style="list-style-type: none"> <li>1. Evaluate the potential impact based on the epidemic situation, and develop emergency response measures and operational management plans in advance, including personnel, equipment, information systems, raw materials, necessary resources, and prioritization of processing.</li> <li>2. As the epidemic continues to expand, activate epidemic monitoring risk assessments based on the epidemic level, strengthen quarantine measures, manage epidemic prevention materials, and adjust relevant response actions in a timely manner according to the situation. This will effectively prevent the invasion and spread of the epidemic, ensure the safety and health of employees, and maintain normal business operations.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company adjusts various epidemic prevention measures on a rolling basis in accordance with the policies announced by the Central Epidemic Command Center, implementing them to prevent the invasion and spread of the epidemic, ensuring the safety and health of employees, and maintaining normal business operations.</li> <li>2. Since August 15, 2023, the government has canceled the supportive leave policy. The Company prioritizes the safety of employees. If an employee is diagnosed and needs to take leave due to illness, they may apply for treatment and isolation leave (half salary) for up to 5 days, without affecting their performance evaluation.</li> </ol>
Operational risk	Direct labor for engineering/maintenance	Absence of work	Engineering/Maintenance/ Human resource	<ol style="list-style-type: none"> <li>1. Unable to meet construction progress</li> <li>2. Risk of breach of contract and fines</li> </ol>	<ol style="list-style-type: none"> <li>1. Supplement or maintain a certain number of direct engineering/maintenance personnel.</li> <li>2. By leveraging industry-academia collaborations, online recruitment platforms, and employee referrals, the Company aims to address staffing shortages.</li> <li>3. Regular workforce assessments are conducted to track the hiring and turnover status.</li> <li>4. Design competitive remuneration and benefits measures to attract and retain talent, thereby stabilizing the workforce.</li> <li>5. Evaluate the introduction of foreign employees within the framework of legal allowances.</li> </ol>	<ol style="list-style-type: none"> <li>1. As of September 2023, a total of 105 new direct personnel were recruited (44 for installation, 27 for adjustments, and 34 for maintenance). The sources of recruitment include 29 from job banks (28%), 60 through employee referrals (57%), 5 from industry-academia collaborations (5%), and 11 from re-employment of retired staff (10%). As of September 2023, a total of 72 new direct personnel has remained employed.</li> <li>2. Regularly review and calculate the latest manpower recruitment and turnover status, utilize multiple recruitment channels, and handle the employment procedures for foreign workers this year to ensure adequate manpower for business operations.</li> <li>3. Review whether employee remuneration is in line with market trends and competitive, and design and conduct annual salary adjustments or promotion procedures based on demand.</li> </ol>

Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism	Operations in 2023
Operational risk	Market risk	Supply chain outages, shortage of raw materials	Procurement/production	1. Factory unable to produce 2. Delivery time 3. The elevator is unable to operate normally or needs to be shut down waiting for parts.	1. Supplier selection planning will consider the capability to bear risks. 2. Supplier contract status will be managed and controlled through supplier management.	1. The procurement unit implements the supplier management mechanism in accordance with the "B1-00029 Collaborating Contractor Control Procedures" and "B1-00032 Procurement Operation Procedures." 2. Material preparation planning will be based on actual contract shipment requirements, considering fluctuations in raw material prices and exchange rates: (1) For bulk material procurement, adjust the demand monthly starting 3 months prior to the procurement period. (2) Orders placed can utilize inventory, unaffected by price fluctuations. (3) The available inventory in transit averages about 3 months. (4) The available months of inventory for key components (main machines, steel cables, etc.) is approximately 3 months. 3. Due to inflation and geopolitical factors, the demand has slowed down this year, causing the prices of bulk materials to stabilize and trend downward, resulting in stable procurement costs. 4. Due to the impact of the JPY exchange rate, the supply prices of steel cables have increased and lead times have lengthened. Therefore, the material procurement cycle remains consistent with last year's strategy, locking in costs in advance while maintaining some flexibility for orders. 5. Monitor fluctuations in the bulk material price index and adjust the in-transit demand quantity on a monthly basis. 6. Review safety stock levels monthly to align with production, sales, and market changes.
Operational risk	Quality	Malfunction	Factory/Technology/Engineering/Maintenance/R&D	Loss of goodwill Loss of customers	1. Improve and enhance the reliability of components to reduce failure rates.	1. Incorporate quality improvement feedback from the field to enhance reliability verification in product development, including environmental testing and electromagnetic compatibility for main boards and components, thereby improving overall device reliability.



Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism	Operations in 2023
					<ol style="list-style-type: none"> <li>2. The professional capabilities of engineering and maintenance field technicians should be regularly assessed and undergo retraining.</li> <li>3. Collect case studies and provide immediate solutions.</li> </ol>	<ol style="list-style-type: none"> <li>2. In response to component shortages and discontinued production associated with the long service life of elevators, which impact the reliability of electronic main boards, a new approach for the next-generation elevator was introduced in Q3 of this year.</li> <li>3. A monthly reliability meeting is held with maintenance, technical support, design, and R&amp;D personnel to address fault analysis data, implement temporary and preventive measures, and track outcomes.</li> <li>4. Regular on-the-job training is conducted for technical personnel to enhance professional skills. Technical evaluations are also performed for installation, adjustment, and maintenance staff with less than one year of service. Those who pass the evaluation and hold an elevator technician certification may be considered for rank promotion.</li> <li>5. In 2023, defective call buttons were collected, and quality issues were reviewed with the manufacturer, with improvements implemented.</li> <li>6. Ensure that component suppliers have a stable and effective quality assurance system and sufficient production capacity. Assess suppliers' records for both pre-sales and post-sales services, as well as their reliability.</li> </ol>
Strategic risk	Selling price	Industry competition/ Rising raw material prices	Business/ factory	<ol style="list-style-type: none"> <li>1. Increased competition</li> <li>2. Profit control</li> </ol>	<ol style="list-style-type: none"> <li>1. Regular visits and discussions with key customers to ensure excellent customer service.</li> <li>2. Adjust sales strategies and categorize clients to diversify market risk.</li> <li>3. Through market research and regular performance reviews, appropriate responses are made based on the competitive landscape in the industry.</li> </ol>	<ol style="list-style-type: none"> <li>1. Classify clients into different types to better understand their needs and concerns, providing tailored sales solutions and building long-term relationships for each category. Continuously update sales strategies in response to market conditions.</li> <li>2. Review cost response plans for project indicator-type cases.</li> <li>3. In response to the rise in raw material prices and labor costs, a comprehensive review and adjustment of operations and costs were conducted. This year, the pricing standards were adjusted twice, and the value of the products was explained to customers. The focus was placed on the quality and functionality of the products to ensure that the products and services align with the pricing, and to gain customers' understanding.</li> <li>4. Continuously implement the VACD program to effectively reduce costs, maximize production capacity, control expenses, and continuously lower production costs, which helps to respond to the flexibility in sales orders.</li> </ol>

Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism	Operations in 2023
					<p>4. Actively develop new products and expand into new markets to increase the number of new customers.</p> <p>5. Respond to increases in raw material and labor costs by promptly adjusting pricing standards.</p>	
Strategic risk	Market risk	New product competition	R&D	Decreased business performance	<p>Develop new elevator functions through the commercialization of various new technologies and industry trends, analyze market feedback, and gain insights from international activities to adjust the overall product development strategy and direction.</p> <p>By integrating resources, shorten product development timelines and improve product market launch strategies.</p>	<p>1. In accordance with the “B1-00070 New Product Development and Design Procedures,” the new product development strategy has integrated carbon reduction measures, using environmentally friendly materials as the foundation for development to meet global ESG standards.</p> <p>2. Leveraging the wave of AI technology and feedback from the sales market regarding high-end smart building projects, this year, the Company has integrated AI capabilities into the existing 568 system. A unified explanatory document has been created to proactively respond to the sales team’s needs when addressing market demands.</p>
Financial risk	Credit risk	Accounts receivable management	Sales/Maintenance	Loss on bad debts	<p>1. Continually conduct thorough credit checks on sales customers. For high-risk customers, refrain from selling or implement strict sales and payment terms to prevent financial losses to the Company due to contract defaults by the counterparty.</p>	<p>1. The sales department, in accordance with the internal control “S05-Sales and Receivables Cycle – Credit Management” regulations, conducts a business registration and credit check for new customers before signing a contract, ensuring no concerns before proceeding.</p> <p>2. The sales/maintenance unit managers regularly reconcile accounts with the collections staff before the 10th of each month, maintaining oversight of receivables and payables to ensure the accuracy of account records.</p> <p>3. For customers with abnormal delays, strengthen communication and take necessary actions such as issuing collection notices or formal letters, in accordance with internal control procedures.</p>

Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism	Operations in 2023
					<p>2. Sales/maintenance collection personnel are responsible for the recovery of receivables in accordance with the provisions of "IB-0109-3 Accounts Receivable and Bad Debt Loss Handling Procedures." Direct supervisors are required to monitor daily and regularly reconcile accounts, overseeing the recovery status of receivables for each period. For overdue payments, immediate necessary measures should be taken.</p>	<p>4. As of September 2023, the total accounts receivable amounted to NTD 860,986 thousand, with actual bad debts of NTD 43 thousand (0.00%). The bad debt ratios for the years 2021 to 2023 were 0.12%, 0.06%, and 0.00%, respectively, with continued control in place.</p> <p>Subsidiary</p> <p>Howtobe Technology: As of September 2023, the total accounts receivable amounted to NTD 5,658 thousand, with actual bad debts of NTD 130 thousand (2.30%). The bad debt ratios for the years 2021 to 2023 were 0.93%, 0.00%, and 2.30%, respectively.</p> <p>Shanghai GFC: As of September 2023, the total accounts receivable amounted to RMB 1,535 thousand, with actual bad debts of RMB 932 thousand (154.56%). The bad debt ratios for the years 2021 to 2023 were 54.64%, 0.00%, and 60.72%, respectively.</p>



### 4.4.3 Risk Management Items in 2024

Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism
Climate risk	Damage from natural disasters	Product loss due to flooding, product damage due to earthquakes	Engineering / maintenance /	<ol style="list-style-type: none"> <li>1. Loss of goods, semi-finished products, and inventory</li> <li>2. Customer's elevator damage, with maintenance personnel overwhelmed by handling emergency repair requests.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regarding the management of operational sites, products, work-in-progress, or inventory, factors such as potential flooding and earthquakes due to climate change are incorporated into the consideration.</li> <li>2. Publicly promote not using elevators during earthquakes and aftershocks. Before a heavy rainstorm, park the elevators on higher floors and deactivate them.</li> </ol>
Climate risk	GHG emissions	Costs of carbon reduction policies and regulations	Technical quality	The imposition of carbon fees and carbon taxes is expected to increase operational costs, leading to a decline in profit.	Continuously monitor domestic and international trends in carbon fees, carbon taxes, and related regulations. Develop net-zero emission targets and promote GHG reduction plans to minimize potential financial impacts.
Operational risk	Direct labor for engineering / maintenance	Absence of work	Engineering / Maintenance / Human resource	<ol style="list-style-type: none"> <li>1. Unable to meet construction progress</li> <li>2. Risk of breach of contract and fines</li> </ol>	<ol style="list-style-type: none"> <li>1. Supplement or maintain a certain number of direct engineering/maintenance personnel.</li> <li>2. By leveraging industry-academia collaborations, online recruitment platforms, and employee referrals, the Company aims to address staffing shortages.</li> <li>3. Regular workforce assessments are conducted to track the hiring and turnover status.</li> <li>4. Design competitive remuneration and benefits measures to attract and retain talent, thereby stabilizing the workforce.</li> <li>5. Introduce foreign employees within the legal framework.</li> </ol>
Operational risk	Market risk	Supply chain outages, shortage of raw materials	Procurement / production	<ol style="list-style-type: none"> <li>1. Factory unable to produce</li> <li>2. Delivery time</li> <li>3. The elevator is unable to operate normally or needs to be shut down waiting for parts.</li> </ol>	<ol style="list-style-type: none"> <li>1. Supplier selection planning will consider the capability to bear risks.</li> <li>2. Supplier contract status will be managed and controlled through supplier management.</li> <li>3. Continue to develop spare parts supply sources.</li> </ol>
Operational risk	Quality	Malfunction	Factory / Technology / Engineering / Maintenance / R&D	<p>Loss of goodwill Loss of customers</p>	<ol style="list-style-type: none"> <li>1. Improve and enhance the reliability of components to reduce failure rates.</li> <li>2. The professional capabilities of engineering and maintenance field technicians should be regularly assessed and undergo retraining.</li> <li>3. Collect case studies and provide immediate solutions.</li> </ol>

Risk type	Risk assessment items	Risk factors	Responsible unit	Impact	Response mechanism
Strategic risk	Selling price	Industry competition / Rising raw material prices	Business/factory	1. Increased competition 2. Profit control	<ol style="list-style-type: none"> <li>1. Regular visits and discussions with key customers to ensure excellent customer service.</li> <li>2. Adjust sales strategies and categorize clients to diversify market risk.</li> <li>3. Through market research and regular performance reviews, appropriate responses are made based on the competitive landscape in the industry.</li> <li>4. Actively develop new products and expand into new markets to increase the number of new customers.</li> <li>5. Respond to increases in raw material and labor costs by promptly adjusting pricing standards.</li> </ol>
Strategic risk	Market risk	New product competition	R&D	Decreased business performance	<ol style="list-style-type: none"> <li>1. Develop new elevator functions through the commercialization of various new technologies and industry trends, analyze market feedback, and gain insights from international activities to adjust the overall product development strategy and direction.</li> <li>2. By integrating resources, shorten product development timelines and improve product market launch strategies.</li> </ol>
Financial risk	Credit risk	Accounts receivable management	Sales / Maintenance	Loss on bad debts	<ol style="list-style-type: none"> <li>1. Continually conduct thorough credit checks on sales customers. For high-risk customers, refrain from selling or implement strict sales and payment terms to prevent financial losses to the Company due to contract defaults by the counterparty.</li> <li>2. Sales/maintenance collection personnel are responsible for the recovery of receivables in accordance with the provisions of "IB-0109-3 Accounts Receivable and Bad Debt Loss Handling Procedures." Direct supervisors are required to monitor daily and regularly reconcile accounts, overseeing the recovery status of receivables for each period. For overdue payments, immediate necessary measures should be taken.</li> </ol>



#### 4.4.4 Risk Management Response and Countermeasures

The Company identifies key risks and formulates countermeasures for four major areas, including strategy, operations, finance, and disasters. This also includes the assessment of significant risks related to environmental, social, or corporate governance issues in the Company's operations. In recent years, the impact of the COVID-19 pandemic has caused global supply chain instability and severe inflation, leading to increased operating costs. Climate change has made green energy and carbon reduction more urgent, both of which may have adverse effects on operations.

Through risk management, the Company monitors changes in various risks and conducts regular reviews. Under the operation of risk management, appropriate response mechanisms are developed. The risk factors, threats, and corresponding strategies are as follows:

##### Hazard risk

Risk description	Occurrence of statutory infectious diseases
Impact	Risk of impact on employee attendance, causing company losses and operational disruptions.
Countermeasures	<ul style="list-style-type: none"> <li>Evaluate the potential impact based on the epidemic situation, and develop emergency response measures and operational management plans in advance, including personnel, equipment, information systems, raw materials, necessary resources, and prioritization of processing.</li> <li>As the epidemic continues to expand, activate epidemic monitoring risk assessments based on the epidemic level, strengthen quarantine measures, manage epidemic prevention materials, and adjust relevant response actions in a timely manner according to the situation. This will effectively prevent the invasion and spread of the epidemic, ensure the safety and health of employees, and maintain normal business operations.</li> </ul>

##### Operational risk

Risk description	Manpower shortage
Impact	<ul style="list-style-type: none"> <li>Unable to meet construction progress.</li> <li>Risk of breach of contract and fines.</li> </ul>
Countermeasures	<ul style="list-style-type: none"> <li>Evaluate the potential impact based on the epidemic situation, and develop emergency response measures and operational management plans in advance, including personnel, equipment, information systems, raw materials, necessary resources, and prioritization of processing.</li> <li>As the epidemic continues to expand, activate epidemic monitoring risk assessments based on the epidemic level, strengthen quarantine measures, manage epidemic prevention materials, and adjust relevant response actions in a timely manner according to the situation. This will effectively prevent the invasion and spread of the epidemic, ensure the safety and health of employees, and maintain normal business operations.</li> <li>Introduce foreign employees in the new year.</li> </ul>

## Operational risk

Risk description	Supply chain outages, shortage of raw materials
Impact	<ul style="list-style-type: none"> <li>• Factory unable to produce, affecting delivery schedule.</li> <li>• The elevator is unable to operate normally or needs to be shut down waiting for parts.</li> </ul>
Countermeasures	<ul style="list-style-type: none"> <li>• Supplier selection planning will consider the capability to bear risks.</li> <li>• Supplier contract status will be managed and controlled through supplier management.</li> <li>• Review safety stock levels monthly to align with production, sales, and market changes.</li> </ul>

## Strategic risk

Risk description	Industry competition/Rising raw material prices
Impact	<ul style="list-style-type: none"> <li>• Profit control</li> <li>• Increased competition</li> </ul>
Countermeasures	<ul style="list-style-type: none"> <li>• Regular visits and discussions with key customers to ensure excellent customer service.</li> <li>• Adjust sales strategies and categorize clients to diversify market risk.</li> <li>• Through market research and regular performance reviews, appropriate responses are made based on the competitive landscape in the industry.</li> <li>• Actively develop new products and expand into new markets to increase the number of new customers. Respond to increases in raw material and labor costs by promptly adjusting pricing standards.</li> </ul>

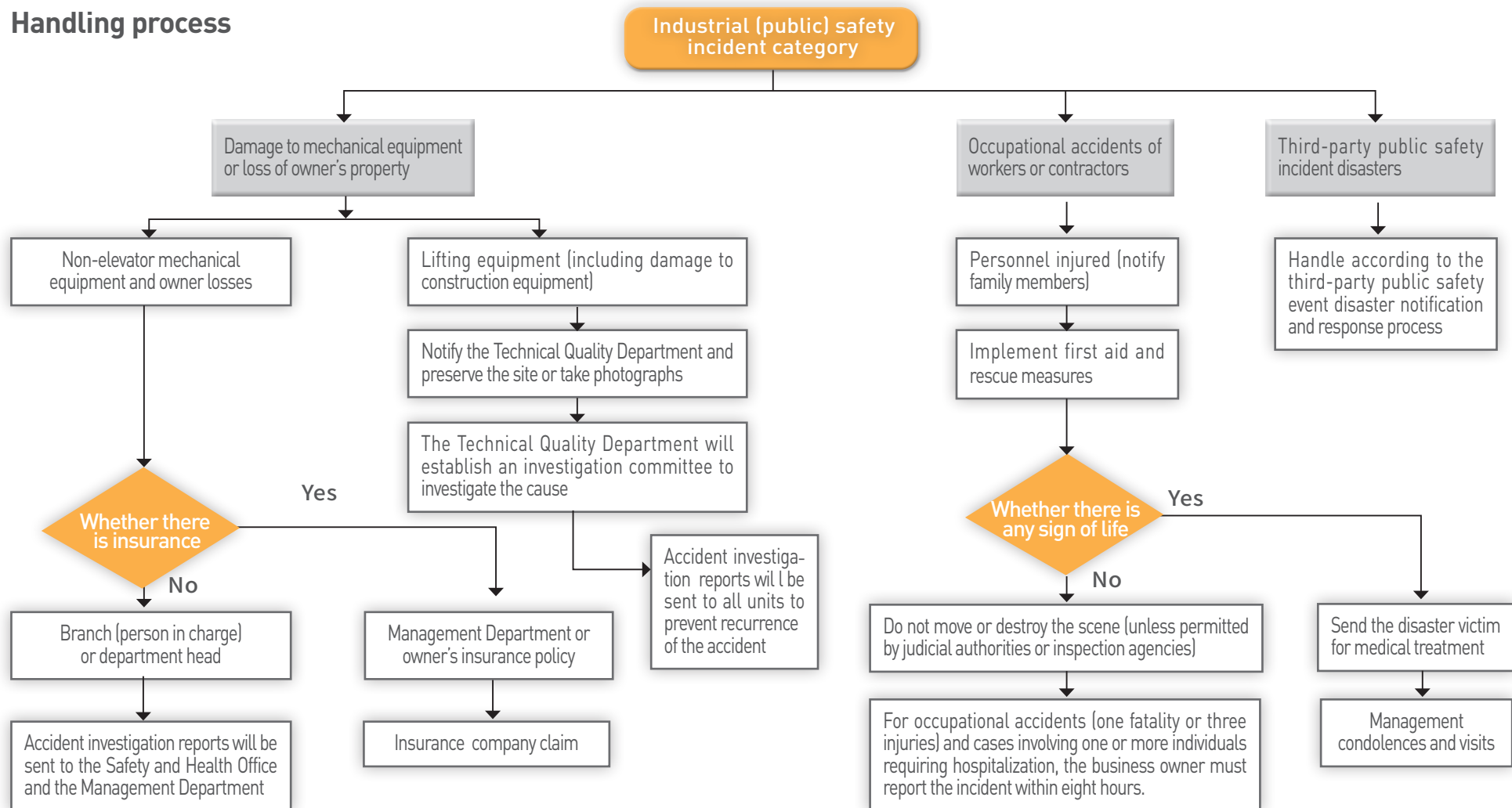
## Financial risk

Risk description	Accounts receivable management, credit risk
Impact	Loss on bad debts
Countermeasures	Continuously conduct thorough credit checks on sales customers. For high-risk customers, refrain from sales or apply strict sales and payment terms to avoid financial losses for the Company due to overdue contract obligations.

## 4.4.5 Emergency Response Plan

Actions taken by the head office and its branches to respond to risks and opportunities in the event of various natural disasters, occupational injuries, or third-party public safety incidents. We have planned and evaluated risks and opportunities to take effective control measures in a short period of time to eliminate hazards and losses and reduce occupational safety and health risks.

### Handling process



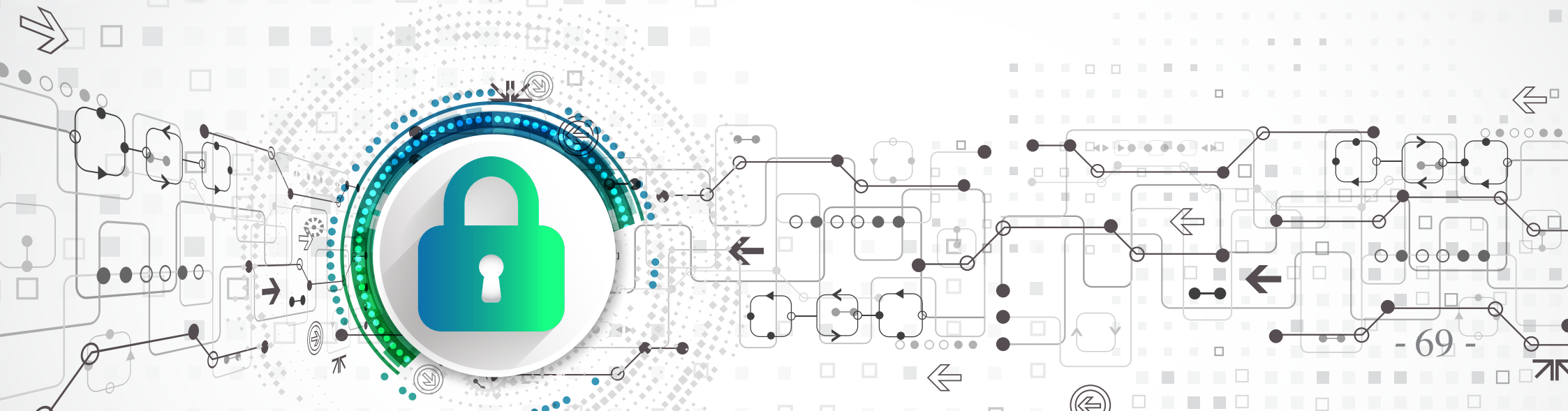
## 4.5

**INFORMATION SECURITY MEASURES  
AND IMPLEMENTATION RESULTS**

GFC Ltd.'s information security policy focuses on the following six major management programs and objectives. With the goals of preventing viruses, hacking, and data leaks, the policy aims to establish firewalls, intrusion detection systems, antivirus systems, and various internal control systems to enhance the Company's ability to defend against external attacks and ensure the protection of internal confidential information.

The six major management programs are as follows:

- 1 **Cybersecurity management** – Prevent hackers from invading illegally.
- 2 **System access control** – Forcing users to regularly update passwords to maintain the validity of access permissions.
- 3 **Virus protection management** – Install antivirus software and implement real-time data backup to prevent ransomware incidents.
- 4 **Information security training** – Promote the importance of not clicking on suspicious emails or links.
- 5 **Ensure system availability** – Manage data backups at off-site locations.
- 6 **Computer security management** – Maintain continuous operation of computer hardware.



## Organization of the Information Security Committee



GFC Ltd.'s information security policy focuses on the following six major management programs and objectives. With the goals of preventing viruses, hacking, and data leaks, the policy aims to establish firewalls, intrusion detection systems, antivirus systems, and various internal control systems to enhance the Company's ability to defend against external attacks and ensure the protection of internal confidential information.

The six major management programs are as follows:

- 1 General Manager:** The person in charge of the Company's information security
- 2 Information security management unit:** Information Department
  - (1) Responsible Manager: Head of Information Department
  - (2) Appoint an information security manager responsible for the Company's information security planning, development, supervision, inspection, and implementation.
  - (3) Submission of the Company's information security monthly report.
- 3 Top managers of each branch, service station, and each department:** Responsible for overseeing the information security implementation within the responsible unit.

## Information Security Management and Audit Mechanism



To protect the Company's intellectual property (including confidential data) and customers' confidential information, GFC has conducted multiple internal self-assessments and external audits by an independent third party every year since 1987. The self-assessment operations use the NIST CSF and ISO/IEC 27001:2013 standards, while the external third-party audits are conducted based on the ISO/IEC 27001:2013 standard and the customer's information security regulations. The above information security audit operations are all conducted to ensure the Company implements the information security regulations effectively.

In 2012, the internal control mechanism was further strengthened, including self-inspections by the operations units, audits by the Information Security Governance Office and the Audit Office, establishing a three-line defense mechanism for information security to ensure the effective implementation and continuous improvement of information security measures across all plants.

## Network and System Vulnerability Detection



To protect company and personal information, as well as internal and external communication systems from losses caused by leakage, theft, destruction, or natural disasters, third-party professional organizations are occasionally commissioned to conduct network and system penetration testing. This helps reduce the impact of both human and natural factors on the Company's operations. The purpose is to understand and evaluate the organization's network environment and system security status, verify the current level and effectiveness of information security protections, and provide a basis for strengthening vulnerabilities, improvement methods, and enhancing system security.

## Business Continuity Management and Disaster Recovery Drill



To ensure the continuous operation of business and critical operations, and to mitigate the risk of service disruption due to major disaster events affecting important information systems, GFC Ltd. conducts at least one test or written drill each year for its business continuity plan or information security emergency response plan. This ensures the Company can leverage its disaster recovery capabilities during critical moments and quickly restore operations to normal or acceptable levels, ensuring the continuous operation of key application systems and preventing business interruptions.



To ensure the security and reliability of our information systems, GFC has implemented multiple layers of protection, including advanced firewalls, encryption technologies, access controls, and regular security audits. In addition, the backup management personnel at the computer center select a portion of backup storage media or backup equipment at least once a year to conduct restore tests on backup data. This ensures the readability of the backup data, the usability of storage media, and the feasibility of the recovery process for critical assets, confirming that the backup operations can be completed within the designated recovery time frame. At the same time, we regularly update security software and conduct information security awareness training for employees, ensuring that everyone understands the importance of safeguarding data security.

We also place great importance on emergency plans and incident response, ensuring that we can quickly react to potential threats and minimize their impact. Through these measures, GFC ensures that the data of all employees and customers is protected at every stage.

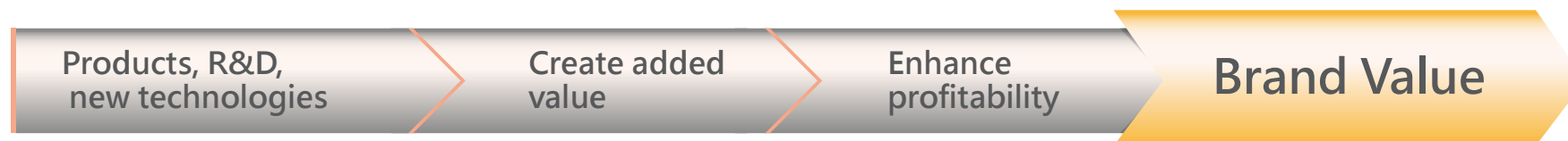
GFC Ltd. will continue to strengthen information security and will consistently update and improve relevant measures to address the ever-changing information security risks. We will continue to work with experts and relevant institutions to ensure that our information security measures meet the strictest standards. We pledge to continue protecting your data security as we always have, and we thank you for your trust in GFC Ltd. GFC Ltd. will continue to dedicate itself to effectively managing information security risks and adhering to the highest information security standards in all business activities.

### Status of information security incidents over the past four years

Number of information security violations and fines/year	2020	2021	2022	2023
Information security or cybersecurity violations (number of cases)	0	0	0	0
Data breaches incidents (number of cases)	0	0	0	0
Number of information security violations involving customers' personal data	0	0	0	0
Number of customers and employees affected by data breaches	0	0	0	0
Amount of fines imposed due to information security or cybersecurity-related incidents (NTD)	0	0	0	0

## Intellectual Property

To continuously expand and deepen the elevator market brand management, and enhance profitability through products, R&D, new technologies, and creating added value, the cornerstone of brand management and innovation lies in intellectual property. Therefore, through intellectual property management, the Company strengthens governance to ensure sustainable management.



## Management Plan



### Patent management

1. During the product development process in the R&D unit or when launching improved or new products, registration and application procedures are carried out to protect the Company's inventions or new design patents.
2. When collaborating with others on development, the ownership of intellectual property shall be determined according to the terms of the contract between both parties. If joint ownership is necessary, the rights and obligations of the joint ownership should be clearly specified.



### Trademark management

The General Affairs unit of the Management Department is responsible for entrusting an external trademark agency to handle trademark registration applications and manage the registration and maintenance process.



### Management of trade secrets



1. All employees sign a "Confidentiality Agreement" to ensure that they remain bound by confidentiality obligations during their employment and even after leaving the Company. Violators will be subject to legal action for damages.
2. Continue to establish confidentiality classification and reasonable protection measures for the Company's trade secrets.






### Copyright management

The intellectual property rights of works created in cooperation with others should be stipulated in the cooperation agreement to belong to the Company. Works created by employees in the course of their duties, according to the employee code of conduct, shall be owned by the Company.

## Implementation Status

Patent registration				
Year of application	Region	Patent type	Number of applications	Progress
2021 to 2023	 Taiwan	New type	6	Approval – 6 cases
		Invention	3	Approval – 2 cases
				Under application – 1 case
	 China	New type	5	Approval – 5 cases
		New type	2	Under review – 2 cases

Trademark registration			
Year of application	Region	Number of applications	Progress
2021 to 2023	 Malaysia	5	Approval – 2 cases
			Under applications – 2 cases
			Under application – 1 case
	 Singapore	3	Under application – 3 cases
	 Philippines	3	Under application – 3 cases
	 Vietnam	3	Under application – 3 cases

Item	2020	2021	2022	2023
Number of patents owned by the Company in the year	48	54	56	31
Number of patents obtained in the year	1	5	1	2

# 05

## Environmental Protection and Energy Conservation

GFC is committed to strictly adhering to environmental and energy regulations related to its activities, products, and services, as well as meeting customer requirements. The Company aims to achieve or exceed the established standards, actively supporting government environmental policies, and continuously improving and preventing pollution. (For the complete environmental policy, please refer to the Company website.)

### Environmental Management Approach

- Regularly perform regulatory audits to ensure that existing practices comply with new regulations.
- Conduct annual internal audits to ensure the effective operation of the management system.
- In addition to actively monitoring international environmental issues and trends, GFC has implemented the ISO 14001 Environmental Management System at Yangmei Plant, ensuring compliance with government environmental regulations while pursuing operational performance. We aim to effectively reduce the environmental impact of business activities, enhance environmental management performance, and achieve the ultimate goal of sustainable development.

### Compliance with Environmental Laws and Regulations

Over the past four years (2020 to 2023), GFC has maintained a record of zero environmental violations, fines, or settlement payments related to environmental or ecological issues each year. This achievement reflects GFC's dedication to environmental protection, commitment to compliance with all relevant environmental regulations and standards, and ongoing efforts to optimize and strengthen environmental management.



## 5.1 GREEN PHILOSOPHY

### 5.1.1 Brand Strategy

GFC is committed to integrating operational strategies with sustainable development, starting from its core business in elevators to design a sustainability strategy blueprint. This approach ensures steady business growth while demonstrating a positive impact across all ESG dimensions, reducing any potential negative effects on society and the environment. By fostering a supportive workplace, developing products with sustainable benefits, adhering to ethical marketing, and collaborating with stakeholders, GFC aims to help build a better society.

#### Committed to technological applications, GFC focuses on developing high-speed, intelligent, and environmentally friendly products.



GFC's main operations include the sales, installation, replacement, and maintenance services of elevators and escalators. The revenue ratio between new elevator sales and maintenance services is approximately 55 to 45. In 2023, the structure of new elevator sales was influenced by a robust real estate market, driving the share of residential complex projects from 81.69% in 2022 to 85.96% in 2023. With the distribution of existing orders and ongoing expansion in commercial office project orders, the overall structure is further optimized. Each year, approximately 1,500 newly sold elevators are added to the Company's maintenance service system, with a cumulative total now exceeding 41,000 units under maintenance. This is expected to provide a stable annual growth of 3% to 5% for the Company's maintenance service operations. With continuous optimization of new elevator sales structure, robust demand for replacement projects, and steady growth in maintenance services, the Company anticipates a consistent increase in future operational performance.

Benefiting from developments in technology, environmental protection, and AI intelligence, GFC aligns with the UN SDG 7 – "Ensure access to affordable, reliable, sustainable, and modern energy for all." The Company has taken the lead in the industry by adopting environmentally friendly and energy-efficient PM permanent magnet synchronous motors, which save more than 30% energy compared to traditional motors. Additionally, the use of AI-driven dispatching algorithms reduces passenger waiting and travel time, while IoT-based intelligent management in the maintenance system enhances efficiency and enables timely dispatch of personnel for maintenance operations. Other applications include face recognition, voice-hailing rides, crowd density detection, and car dispatch at destination buildings. In addition, in response to the rising land costs in metropolitan areas and the trend of developing super-high-rise buildings, the Company's products will continue to evolve toward safety, exquisiteness, user-friendliness, and ultra-high-speed elevators.

## Target the Replacement Market

9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



Elevators have now become an essential part of daily life for the public, facilitating vertical movement within buildings. In response to the rising consumer awareness of elevator safety, increased government inspections and management standards, and heightened societal focus on environmental and social well-being, GFC aligns with the UN SDG 9 – “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.” By reinforcing efforts in elevator renewal and after-sales service, GFC has introduced various “functionality upgrades for old elevators” and is proactively expanding the elevator replacement market. GFC integrates eco-friendly technology by utilizing PM permanent magnet synchronous motors and regenerative power systems to significantly reduce energy consumption. Additionally, in alignment with customer design requirements, accessible features are incorporated within elevators to enhance usability for a diverse range of users. Currently, the Company’s maintenance services include over 11,000 elevators with more than 20 years of use. Actively pursuing replacement opportunities for elevators from other brands, GFC completed 561 units for replacement and upgrades in 2023. The elevator replacement market is expected to sustain an annual growth rate of over 10% in the coming three years.

## Differentiated Brand Strategy

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



In addition to representing the “Toshiba” brand of elevators, GFC also focuses on the mid- to low-end elevator market under its own “GFC” brand. The Company has introduced the “Genesis Series” brand to target the mid- to high-end custom elevator market, leveraging brand differentiation to meet diverse market demands. The “Genesis” brand quickly established high brand recognition in the premium market by leveraging its experience from notable projects, such as creating the world’s fastest elevator for Taipei 101. This success has expanded its market share in the high-end commercial elevator sector and enabled a strong foothold in the elevator replacement market. In terms of technical specifications, GFC offers a variety of low, mid, and high-end elevators tailored to different brands. Through resource integration, this strategy will enhance brand value, drive overall gross and operating profit margins, and continue to set new operational benchmarks.

## R&D and Innovation for Better Performance

In light of the rising demand for operational safety, eco-efficiency, and spatial design in commercial projects, which aligns with the UN SDG 12 – “Ensure sustainable consumption and production patterns”- GFC is actively developing a new generation of ultra-high-speed elevators and energy-efficient, intelligent applications. Additionally, the Company plans to integrate smart production to enhance overall efficiency, aiming to increase the share of commercial new elevator projects to a target of 20%.



## Provide Quality Education and Scholarships



GFC firmly believes that education is essential to societal progress and personal growth. As a result, we are committed to supporting quality education, aligning with the UN SDG 1 – “End poverty in all its forms everywhere” – and SDG 4 - “Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.” Through its foundation, GFC established the “GFC Ltd. Scholarship” in 2019 to nurture outstanding talent, awarding a total of 282 students and distributing NTD 13.54 million in scholarships by 2023. The scholarship is dedicated to recognizing exceptional first- and second-year students in domestic university programs such as electrical engineering, mechanical engineering, architecture, and civil engineering. This scholarship aims to encourage these students to pursue excellence by providing them with the resources and opportunities necessary to realize their aspirations. In addition to offering a generous scholarship (NTD 50,000 per student per semester), the program also organizes an annual two-day meeting event. The event focuses on design thinking, guiding students to break out of conventional frameworks and apply human-centered thinking. This helps deepen their understanding of their professions while fostering interaction and communication among students. We will continue to uphold the GFC spirit of “limited space, unlimited extension,” consistently rewarding young students and working together with the awardees to break through barriers and drive continuous innovation. We look forward to guiding more students to continue their learning and giving back to society through this event, so that the love and wisdom can circulate indefinitely.

## Water Resource Management and Protection



GFC deeply recognizes the importance of water resources to society and the environment. To this end, we actively engage in water resource management and protection to achieve the UN SDG 6, which is to “Ensure availability and sustainable management of water and sanitation for all.” We are committed not only to reducing water waste but also to enhancing the efficiency of water resource utilization through technological innovation and effective management. In addition, we actively support various water resource conservation initiatives, including raising awareness, promoting recycling technologies, and ensuring the sustainable use of water resources.

To uphold our commitment to environmental protection and sustainable development, we have specially designed low-water usage technologies in our manufacturing processes and ensured that no wastewater is discharged, thereby reducing our reliance on water resources and minimizing environmental impact. We have implemented effective water-saving measures for domestic water use to ensure the sustainability and efficient utilization of water resources. In addition, regarding the assessment of water risks, the annual water usage at the Yangmei Plant is less than one-third of the applied amount, and there has never been a water shortage issue. GFC will continue to strive to reduce its environmental footprint and looks forward to collaborating with stakeholders to create a cleaner and healthier planet.

## Good Career Development Opportunities

8 DECENT WORK AND ECONOMIC GROWTH



As a responsible company, GFC Ltd. is committed to providing employees with quality career development opportunities and a comfortable working environment, in line with the UN SDG 8 – “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.” We value the professional abilities and personal development of our employees, offering comprehensive training programs and career development support to help them continuously improve. In addition, we focus on employee welfare by offering a comprehensive benefits system, flexible work arrangements, and health promotion programs to improve the quality of life and job satisfaction of our employees.

## Ecological Conservation Actions on Land

15 LIFE ON LAND



GFC firmly believes in the importance of protecting and maintaining terrestrial ecosystems, in line with the UN SDG 15 – “Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.” We actively participate in various actions to conserve terrestrial ecosystems and are committed to biodiversity preservation and deforestation prevention. This includes auditing the current use of wood in our operations and, since 2010, replacing wooden crates with recyclable and reusable steel cages for shipments to construction sites. In our commitment to forest conservation, we collaborate with government and private conservation organizations, such as the “Chilin Ecological Restoration Foundation.” Together with volunteers from GFC Ltd.’s service stations, we engage in forest protection, reforestation, and other activities at Yangmingshan National Park. These actions demonstrate our dedication and work toward achieving the 2030 goal of no deforestation and a positive net impact on biodiversity.

## Collaborative Development with Diverse Partners

17 PARTNERSHIPS FOR THE GOALS



In the process of achieving sustainable development goals, GFC believes that establishing diverse partnerships is crucial, aligning with the UN SDG 17 – “Strengthen the means of implementation and revitalize the global partnership for sustainable development.” We actively build and strengthen partnerships with various stakeholders, including government agencies, NGOs, industry associations, and academic institutions, to jointly promote the goals and actions for sustainable development. Starting from 2024, GFC has begun to introduce foreign employees. This initiative aims to address the imbalance between labor market demand and supply, and is also part of the Company’s efforts to achieve its sustainable development goals. In the process of introducing foreign employees, GFC will comply with local laws and regulations, safeguard the rights and welfare of foreign employees, and strive to create a diverse and inclusive working environment. Through collaboration with diverse partners, we share resources, tackle challenges together, and promote innovation and cooperation to achieve the goals of sustainable development.

## 5.2 GREEN OPERATIONS



### Commitment to Biodiversity and Forest Conservation

GFC Ltd. recognizes the importance of biodiversity and forest conservation for ecological and climate stability. Therefore, we are committed not only to managing our own operations but also leading our value chain (including first-tier suppliers and non-suppliers) and partners to collectively maintain and promote biodiversity, avoid deforestation, and further advance forest protection and restoration. This aligns with the UN SDGs 6, 12, 13, 14, and 15, as well as the UN Global Biodiversity Framework post-2020, aiming to achieve the milestone of reversing biodiversity loss and halting deforestation by 2030, and realizing the vision of “living in harmony with nature” by 2050.

## 5.3 ENERGY MANAGEMENT POLICY

### 5.3.1 Electricity

To effectively reduce the environmental impact of the greenhouse effect and lower energy consumption, GFC has established energy-saving and carbon reduction development goals and plans. We integrate energy-saving and carbon reduction strategies and initiatives across various departments, regularly convening committee meetings to review and track the effectiveness of implementation. We continue to introduce various energy-saving technologies and implement energy improvement plans for related facilities. In addition to implementing energy-saving measures, improving energy efficiency, and setting up renewable energy systems, we also promote energy management plans for offices and public areas. This is supported by relevant awareness campaigns and training sessions to enhance employees' understanding of energy conservation and carbon reduction.

As a company in the elevator manufacturing industry, GFC's factory operations consume energy in the production of elevators. GFC's green operations focus on improving energy efficiency in the Company's manufacturing processes.

The electricity consumption statistics of the Yangmei Plant in 2023 are as follows:

Unit: MWh

		2020	2021	2022	2023
Non-renewable energy	Purchased electricity	917.6	931.2	885.1	940.2
	Natural gas	0	0	0	0
	Diesel	0	0	0	0
	Steam, heating, cooling, and other purchased energy	0	0	0	0
	Non-renewable energy sold externally	0	0	0	0
Total non-renewable energy (a)		917.6	931.2	885.1	940.2
Renewable energy	Total renewable energy (b)	0	0	0	0
	Renewable energy sold externally (c)	0	0	0	0
Total energy consumption (a+b-c)		917.6	931.2	885.1	940.2

## 5.3.2 Water Resource Management

### Wastewater

GFC upholds its commitment to environmental protection and sustainable development by placing special emphasis on the effective use of water resources in the manufacturing process. At the same time, the Company ensures that no wastewater is discharged, reducing reliance on water resources and minimizing environmental impact. In daily operations, the factory's water usage is restricted to essential daily needs. All wastewater generated complies with local regulations and is discharged through the sewage system, ensuring that factory operations do not negatively impact water bodies or surrounding ecosystems.

GFC will continue to reduce its environmental footprint and actively develop more innovative environmental protection solutions. We look forward to collaborating with all stakeholders to create a cleaner and healthier planet for future generations.



The statistics for wastewater discharge over the past four years are as follows:

Wastewater discharge over the years	2020	2021	2022	2023
Taipei Headquarters	0	0	0	0
Yangmei Plant	0	0	0	0

Note: GFC's Taipei Headquarters is an office building with minimal water requirements, primarily for domestic use, and thus does not generate wastewater discharge.

## Water Consumption

GFC Ltd. recognizes the value of water resources and emphasizes their management and usage by selecting low-water-demand production processes to effectively reduce water consumption. The current water usage in the factory primarily serves general domestic needs, producing no industrial wastewater. Discharged water consists mainly of domestic wastewater and rainwater.

The following table provides a summary of GFC's total water intake, total discharge, and water consumption of 2023:

Unit: m<sup>3</sup>

		Yangmei Plant
Total water intake		12,929
Classified by water sources for intake	Tap water	3,225
	Reclaimed water	0
	Rainwater and condensed water	0
	Others (such as groundwater, surface water, etc.)	9,704

## Ultrapure water

GFC Ltd. recognizes the preciousness of water resources and prioritizes water management. The primary principle in water usage is designing water-saving processes, with proactive water-saving targets set for each stage to ensure the implementation and effectiveness of management policies.

The following table presents the ultrapure water intake statistics for GFC over the past four years:

Unit: Tons

	2020	2021	2022	2023
Yangmei Plant	0	0	0	0

## Water Risk Assessment

In assessing water risk, GFC Ltd. takes into account the characteristics of its industry. Currently, the annual water usage at its Yangmei Plant is less than one-third of the approved underground water extraction limit. In addition, due to the Company's focus on efficient water resource utilization in the production process, it has never encountered water shortages. Regarding domestic water usage, GFC also takes a cautious approach and implements effective water-saving measures to ensure the sustainability and efficient use of water resources during operations.



### 5.3.3 Carbon Emissions Management

In response to the global challenge of climate change, countries around the world have begun to take proactive measures. Taiwan passed the “Greenhouse Gas Reduction and Management Act” in 2015 and amended and announced the “Climate Change Response Act” on February 15, 2023. Both laws set long-term carbon reduction goals for 2050, along with phase control targets. Moving forward, Taiwan will focus on three main pillars of mitigation, adaptation, and green growth, to guide concrete actions in addressing climate change. Driven by concerns over global climate change, resource utilization, and the importance of corporate sustainability, the Company, in 2022, engaged consultants Kao Kai-Hsiang and Kuo Chien-Hung from the Electric-Electronics & Environmental Technology Development Association. Following the requirements of ISO 14064-1:2018, we initiated an internal, systematic GHG inventory, created a registry, and implemented verification procedures. These steps are aimed at formulating improvement measures to further enforce our carbon reduction goals, contributing to global efforts in reducing carbon emissions. In the future, the Company will continue to conduct annual GHG inventory in accordance with ISO 14064-1:2018 requirements and obtain external verification according to the established schedule.

#### GHG Policy Statement

GFC Ltd. understands that the impact of GHG has gradually worsened the Earth’s climate and environment. As a responsible enterprise, we firmly respond to the international standards set by the United Nations Framework Convention on Climate Change and the Kyoto Protocol, actively conducting GHG emissions inventory work. Through inventorying, we will comprehensively understand the current status of the Company’s GHG emissions, and subsequently implement more emission reduction measures, promoting greenhouse gas verification and voluntary reduction plans. We are committed to doing our utmost to fulfill our corporate social responsibility and contribute to building an environmentally friendly and sustainable future.

Category	Definition	Carbon emissions in 2023	Percentage of total emissions %
Category 1	Direct GHG emissions and removals	373.8575 metric tons/ <sup>CO</sup> <sub>2</sub>	21.7%
Category 2	Indirect GHG emissions from purchased energy	1090.1394 metric tons/ <sup>CO</sup> <sub>2</sub>	63.29%
Category 3	GHG emissions from transportation	Not significant	—
Category 4	Indirect GHG emissions from the use of products by the organization	258.5385 metric tons/ <sup>CO</sup> <sub>2</sub>	15.01%
Category 5	Indirect GHG emissions from the use of the organization’s products	Not significant	—
Category 6	Indirect GHG emissions from other sources	Not significant	—
Total		1722.535 metric tons/ <sup>CO</sup> <sub>2</sub>	100%

Note: The significance threshold for the Company’s GHG inventory operation is set at 5.0%. When changes in operational boundaries, ownership, control, or quantification methods result in a variation of total emissions greater than 5.0%, the baseline inventory established for the reference year will be revised according to the new circumstances.

### 5.3.4 Air Pollutant Management

GFC's Yangmei Plant complies with local environmental regulations and adopts the best available treatment technologies in its processes to minimize the environmental impact. Over the past four years, the overall production plant has not generated any direct nitrogen oxides (NOx), perfluorocarbons (PFCs), or hazardous volatile organic compounds (VOCs).

Air pollutant emissions statistics over the most recent four years are shown in the table below:

	2020	2021	2022	2023
Sulfur oxide (SOx)	0	0	0	0
Nitrogen oxide (NOx)	0	0	0	0
Perfluorocarbons (PFCs)	0	0	0	0
Volatile organic compounds (VOCs)	0	0	0	0



### 5.3.5 Waste Management

GFC Ltd. successfully developed more environmentally friendly production technologies after phasing out old coating equipment from years ago. In the new production process, we have eliminated the generation of hazardous waste. At the same time, GFC adheres to the principle of waste classification and ensures that all waste generated at the Yangmei Plant is transported and treated by a professional and qualified environmental company. In addition, we submit waste disposal plans annually in accordance with local environmental regulations, ensuring that all waste is handled in compliance with the relevant standards.

In terms of key performance indicators, the waste intensity for 2022 was 0.1089. As the baseline year, our goal is to reduce the intensity by 2%. The waste intensity in 2023 was 0.0947, 13% less than that in 2022. It is worth mentioning that from 2022 to 2023, GFC did not generate any hazardous waste, and the recycling and reuse rate of non-hazardous waste reached 91%.

Waste item	Treatment method	Post-recycling treatment method	Recycled amount in 2023 (kg)
Sulfur oxide (SOx)	Entrusted to an external unit	Incineration and burial/physical disposal	14,680
Nitrogen oxide (NOx)		Incineration and burial/physical disposal	7,230
Perfluorocarbons (PFCs)		Recycled (raw material use)	1,930
Volatile organic compounds (VOCs)		Incineration and burial/physical disposal	50
Sulfur oxide (SOx)		Recycled (fuel use)	65,080
Nitrogen oxide (NOx)		Announced and reused	2,912
Perfluorocarbons (PFCs)		Announced and reused	154,610

To further reduce the environmental impact of waste, the Company is continuously advancing waste classification and reduction measures, while fully implementing resource classification and recycling programs. A dedicated recycling area has been established within the Yangmei Plant to collect recyclable waste materials. Clear labels and containers are provided for various types of waste, making it easier for employees to sort and classify waste. In addition, potential recyclable waste materials such as metal, packaging materials, plastic, paper, and batteries are collected and sent to professional recycling facilities for further processing and reuse. GFC is committed to continuously achieving higher environmental standards and looks forward to collaborating with all stakeholders to protect the environment.

Unit: metric tons/unit

	2022	2023
<b>Hazardous waste</b>	0	0
<b>Non-hazardous waste</b>	254.726	246.492
<b>Intensity (Note 1)</b>	0.1089	0.0947

Unit: metric tons/unit

	2022	2023
<b>Not recyclable</b>		
Incineration and burial	21.17	21.96
Intensity (Note 2)	0.009	0.0084
<b>Recyclable</b>		
Reuse	176.586	157.522
Converted into alternative raw materials	0	1.93
Incineration (with energy recovery)	56.97	65.08
Waste recycling	233.556	224.532
Waste recycling rate (%)	91.69%	91.09%

Note 1: The waste intensity is calculated based on the number of units shipped, with 2,340 units in 2022 and 2,602 units in 2023, respectively.

Note 2: The waste intensity is calculated based on the number of units shipped, with 2,340 units in 2022 and 2,602 units in 2023, respectively.

## Future Goals

Waste item	Treatment method	Post-recycling treatment method	Recycled amount in 2022 (kg)	Recycled amount in 2022 (kg)/unit	Recycled amount in 2023 (kg)	Recycled amount in 2023 (kg)/unit	Recycled amount in 2024 (kg)/unit
Domestic waste	Entrusted to an external unit	Incineration and burial/physical disposal	15,560	6.6	14,682	5.6	<=5.6
Waste plastic mixture		Incineration and burial/physical disposal	5,570	2.4	7,230	2.8	<=2.8
Waste fiber or other mixtures such as cotton and cloth		Incineration and burial/physical disposal	40	0.0171	50	0.0192	<=0.03
Waste wood		Recycled (fuel use)	56,970	24.3	65,080	25.0	>=25
Waste paper		Announced and reused	1,276	0.5	2,912	1.1	>=1.1
Scrap iron		Announced and reused	175,310	74.9	154,610	59.4	>=60

Note: In 2022, 2,340 units were produced and shipped, 2,602 units in 2023, and an estimated 2,750 units are expected to be produced and shipped in 2024.



### 5.3.6 Raw Material Management

GFC upholds environmental protection and human health as top priorities, committed to developing and producing safe and environmentally friendly elevator products. Therefore, in the product design and manufacturing process, we are committed to eliminating the use of any harmful substances to ensure that consumers can enjoy truly safe and reliable elevator products. GFC will continue to focus on and develop the latest energy-saving and environmentally friendly technologies and materials, continuously reducing environmental impact while protecting consumer health.

GFC classifies materials into renewable and non-renewable categories according to the definitions provided by the Ministry of Environment. The calculation method for each raw material is currently based on the data provided by the raw material suppliers. To facilitate unified recording and tracking in the future, the Company's Procurement Department will gradually revise the system, using weight in kilograms as the standard unit for each item. Please refer to the table below for details.

The statistics of renewable/non-renewable materials used in shipments over the past four years are as follows:

Name of renewable material	Unit	2020	2021	2022	2023
Zip bags 50mm*70mm*0.04mm (No. 1 bag)	PC (Kg)	—	1	1	—
Zip bags 70mm*100mm*0.04mm (No. 3 bag)	PC (Kg)	3	2	2	—
Zip bags 85mm*120mm*0.04mm (No. 4 bag)	PC (Kg)	1	1	2	3
Zip bags 140mm*200mm*0.04mm (No. 7 bag)	PC (Kg)	3	3	—	—
Zip bags 150mm*200mm*0.04mm	kg	20	40	40	40
Zip bags 250mm*350mm*0.06mm	kg	70	100	140	100
Plastic film (double-sided) 0.12*2400m/m	kg	6,600	8,400	8,250	8,850
H/W plastic bag 160mm*200mm*0.025t	kg	150	115	100	125



Name of renewable material	Unit	2020	2021	2022	2023
Plastic bag 200mm*280mm*0.04mm	kg	190	180	150	220
C/P plastic bag 65cm*50cm*100cm	PC (Kg)	166	146	198	810
Protective film 250mm	Rolls (kg)	4,240	4,640	4,000	4,435
Iron storage cage	Units	75	200	125	150
Iron pallets	Units	25	25	75	100
Stainless steel plates	kg	498,011	669,038	636,239	495,671
Cosmetic steel sheets	kg	634,179	661,641	640,035	803,730
Sub-lead iron sheets	kg	529,190	524,526	568,782	518,524
Ordinary iron plates	kg	8,346	7,590	8,909	12,543
Hot-dip galvanized	kg	15,253	16,608	5,414	19,519
Polished iron plates	kg	187,861	263,466	235,553	251,597
Mirror slabs	kg	17,222	15,361	32,945	28,642

Name of non-renewable materials	Unit	2020	2021	2022	2023
Wooden slats for shipping	Units	17,882	13,900	24,600	35,400
Wood slats for main rail	Units	3,900	5,100	5,400	6,000
Large flat pallets	Units	1,953	2,279	2,841	2,927
Small flat pallets	Units	210	355	357	295
Wooden box	Units	976	1,244	812	1,656
Polyester cotton yarn (filter)	PC	15	11	9	6
Paper	kg	3,056	2,523	2,432	2,912
Tap water	Metric tons	3,210	3,989	3,197	3,225

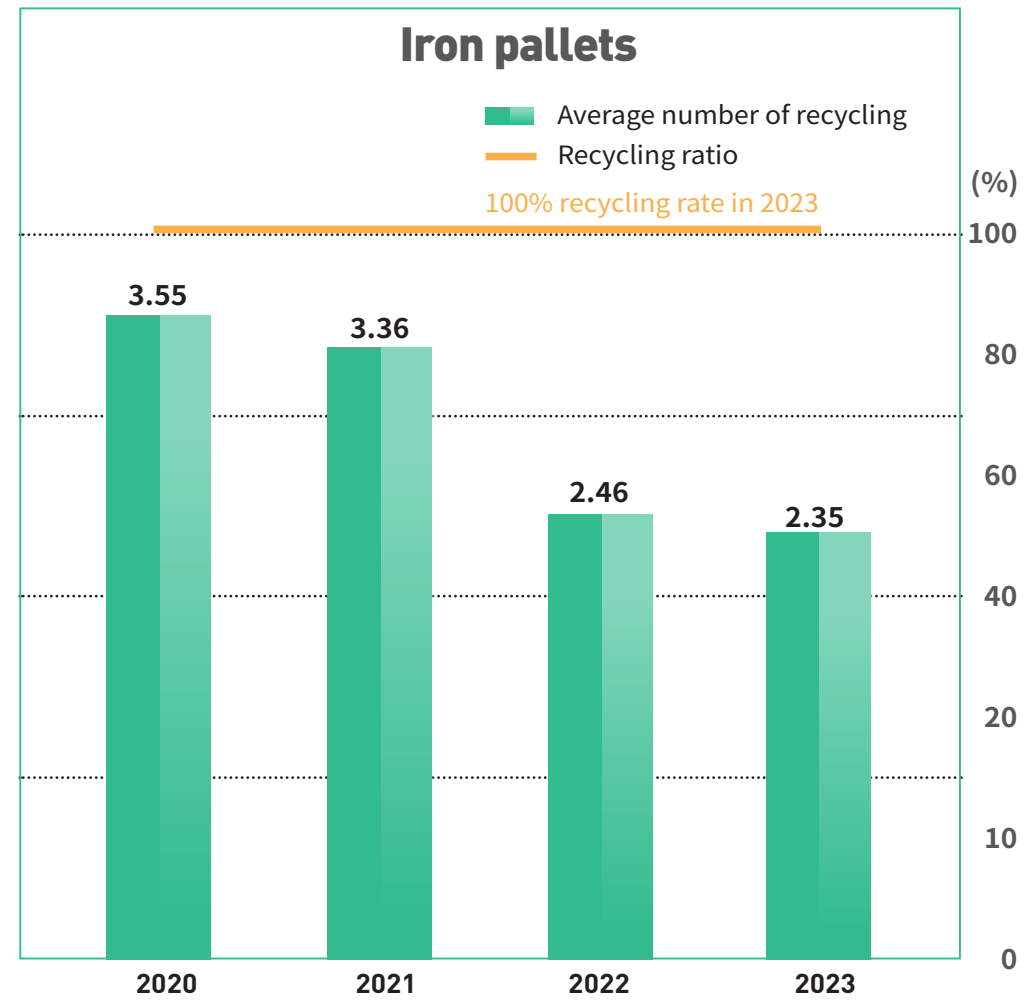
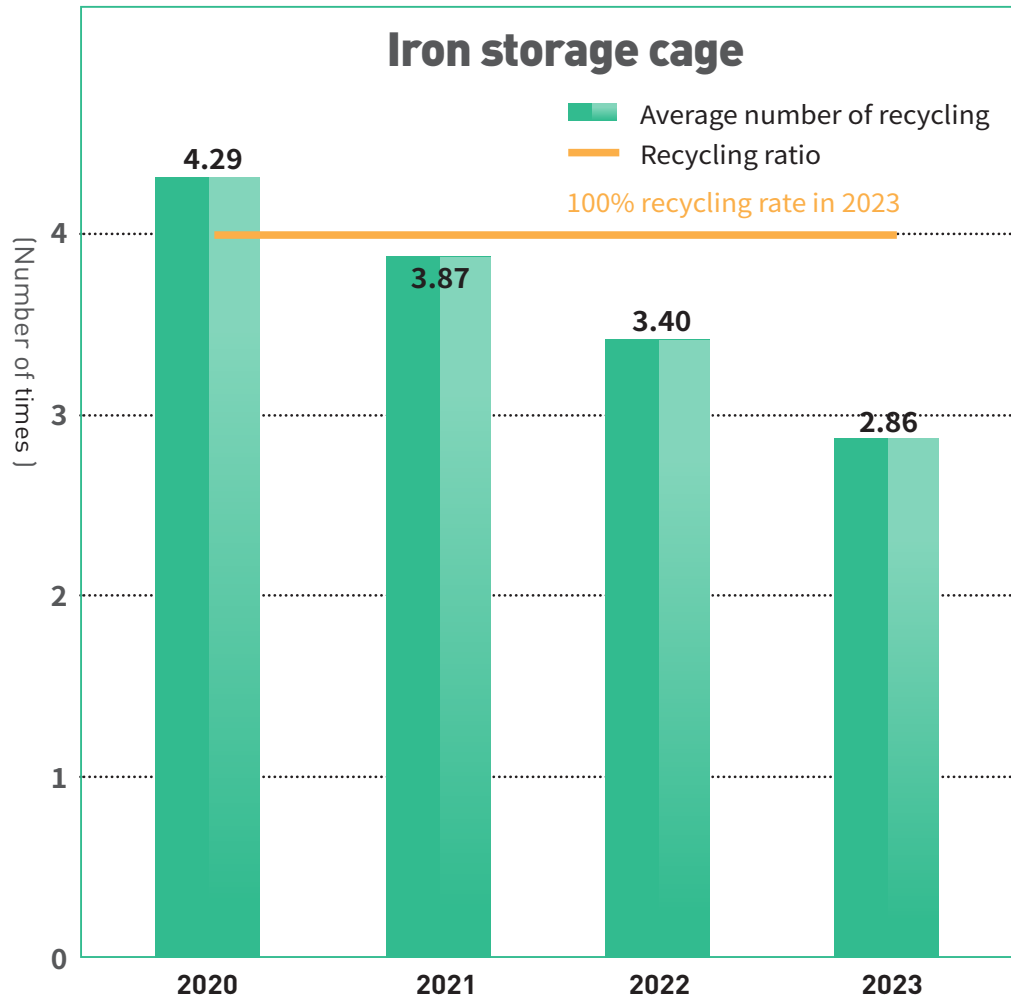
### 5.3.7 Information on the Recycling of Materials used in Production

GFC outsources the materials and semi-finished production of elevator parts to external contractors. Once these individual parts are completed by the contractors, they are sent to the Company's factory for further processing and assembly of the elevator components. When elevator parts are damaged, the Company's technicians will assess the situation and replace the damaged or faulty components, opting for repair rather than recycling to extend the elevator's lifespan. During the elevator assembly process, the storage cages and iron pallets used for part packaging are recyclable and reusable items.

**Statistics on material recycling used in production over the past three years, as shown in the table below:**

Name	Year	Total number (units)	Total number of recycling and reuse	Average number of recycling	Recycling ratio
Iron storage cage	2023	1402	4,012	2.86	100%
	2022	1252	4,262	3.40	100%
	2021	1134	4,391	3.87	100%
	2020	947	4,065	4.29	100%
Iron pallets	2023	713	1,675	2.35	100%
	2022	613	1,510	2.46	100%
	2021	547	1,839	3.36	100%
	2020	529	1,880	3.55	100%

Note: Iron cages and iron pallets were recycled more than once after shipment, so the recycling rate was calculated as 100%.



### 5.3.8 Food Strategy

To effectively implement strategies for reducing food loss and waste, GFC has posted a “Food Conservation Notice” in the employee cafeteria at its Yangmei Plant to continuously remind employees to cherish food. In addition, for the disposal of food waste, we have entrusted a third-party professional organization to handle it, ensuring effective resource recovery and treatment. GFC will continue to monitor the total amount of food waste in order to better manage and reduce food waste, contributing to the Company’s sustainable development.



## 5.4 GREEN PRODUCTS AND SERVICES

Since its establishment, GFC has been dedicated to providing high-quality and reliable elevator products and services. Over the past four years (2020 to 2023), there have been no elevator product recalls. However, in 2007, during the handling of an elevator cabin operation anomaly, it was found after inspection that the issue was caused by an abnormality in the material of the elevator motor's main shaft. Fortunately, no personnel were injured. Upon investigation, it was found that the motor in question was a model developed in 2002 through a collaboration between the Company and a professional research institution. During the production process, there had been some material and shaft diameter changes in a small batch, leading to metal fatigue. To ensure the elevator's stability and meet the high safety and comfort standards required by customers, the maintenance team conducted metal property and flaw detection tests on all 1,925 units of elevators shipped nationwide. Only three motors with the same issue were found and promptly replaced, with no abnormalities detected in the remaining motors. In addition to regular engineering maintenance and system upgrades, GFC also follows the principle of preventive maintenance by promptly updating parts to avoid potential issues. This ensures that the elevator maintains optimal performance throughout its entire lifespan, minimizing the impact on customers' daily lives and business operations.

### Product Life Cycle

The Company follows the guidelines of ISO 14001 Environmental Management System. Throughout the product lifecycle, from development and design, active growth, maturity to stability, to decline, each responsible unit adheres to operational models that integrate environmental considerations into account. This ensures that the impact on water resources, air quality, waste, toxic substances, soil contamination, and energy consumption is fully evaluated, with the goal of reducing environmental impact.

In the Company's product development planning, various energy-saving products such as power regeneration or energy storage are developed, along with high-efficiency, low-pollution permanent magnet motors. During the design process, materials with low manufacturing pollution are selected. The goal is to minimize the environmental impact during the production process of the product and to maximize energy efficiency by utilizing the regenerative power generation feature of the elevator products.



## Product R&D and Innovation

The Company's sustainable development relies on the continuous improvement and innovation of technology and products. The decision-making process for new product development incorporates departments such as sales planning, R&D design, quality assurance, maintenance, and engineering from the proposal review stage. Based on customer and market demands for product quality, cost, and delivery time, the structured process of new product development is followed. This includes established checkpoints throughout the various stages of development, ensuring that new products meet market needs through reviews, pilot production, and mass production planning.

To motivate the enthusiasm and creativity of R&D personnel and promote the commercialization of new product R&D achievements, a product R&D bonus system (IB-0275) has been established. Based on the technical level of the development project, reward amounts are determined and distributed in two stages, one at the conclusion of the development project and the other upon mass production and shipment.

The Company values intellectual property strategy and infringement disputes. A reward system has been established for patent applications to encourage employees to continuously improve and innovate.

In recent years, the proportion of R&D expenses to revenue, the proportion of R&D personnel to total company personnel, and the number of patent applications are shown in the table below:

Innovation and R&D investment	2019	2020	2021	2022	2023
R&D expenditure (NTD thousand)	43,374	40,320	40,741	42,367	40,483
R&D expenditure to revenue ratio (%)	1.04%	0.94%	0.90%	0.91%	0.78%
R&D personnel (people)	38	32	34	36	44
Ratio of R&D personnel to employees (%)	3.03%	2.46%	2.58%	2.70%	3.21%
Number of patents owned by the Company in the year	45	49	54	55	57
Number of patents obtained in the year	1	1	5	1	2

For addressing the operational needs of mid- and long-term new technology and product development, as well as short-term product cost-performance improvements, GFC continues to innovate and R&D based on the Company's core technologies. By collaborating with different industries and research organizations, the Company develops new technologies and applications, accelerates the development timeline, and cultivates technical talent together.

The partners, periods, and projects of cooperation in recent years are as follows:

Contractors	Cooperation time	Cooperation content
Advantech Co., Ltd.	2020 to 2023	Facial recognition system
Wistron Corporation	2022 to 2023	AGV intelligent robot control system
Institute for Information Industry	2022 to 2023	AGV intelligent robot control system
Delta Electronics Inc.	2023 to	Intelligent elevator control system
APh ePower Co., Ltd.	2023 to	Power regenerative energy storage system

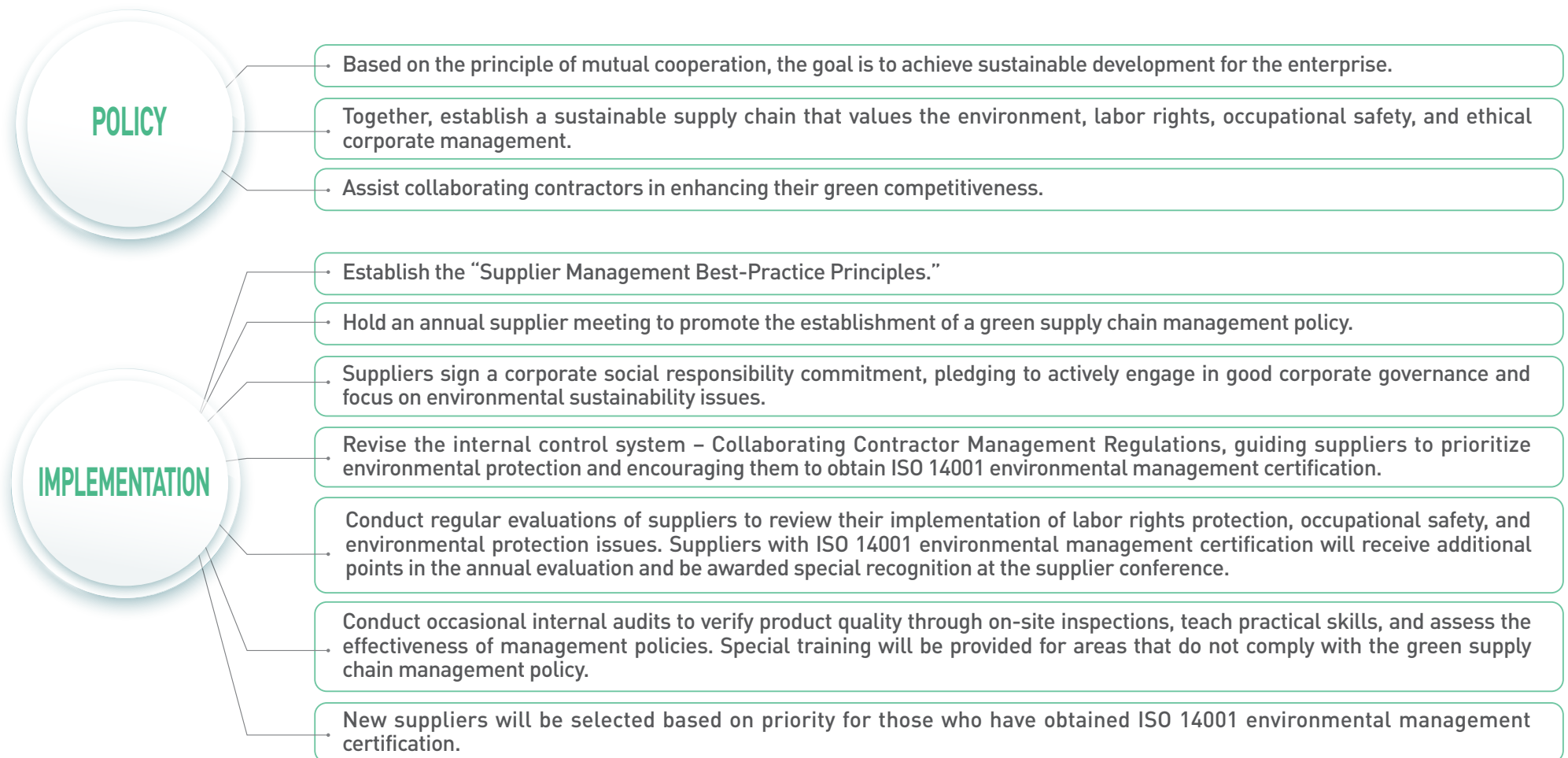
## All Products Comply with International Regulations

Based on the rising trend of green environmental protection, the use of electronic material substrates emphasizes pollution reduction. Therefore, material suppliers have strengthened their R&D capabilities for eco-friendly materials, driving a material revolution in the copper foil substrate industry. Currently, major electronics companies have gradually introduced eco-friendly substrates. Under the awareness of environmental protection and regulatory requirements, eco-friendly materials will become the basic threshold for products.

Item	Description	Product compliance
<b>EU RoHS</b>	The Restriction of Hazardous Substances Directive (EU RoHS) limits the concentration of lead, cadmium, hexavalent chromium, polybrominated biphenyls (PBBs), and polybrominated diphenyl ethers (PBDEs) in products (<1,000 ppm). The EU' s updated RoHS 2.0 adds four restricted substances, including di(2- ethylhexyl) phthalate (DEHP), benzyl butyl phthalate (BBP), dibutyl phthalate (DBP), and diisobutyl phthalate (DIBP), each limited to < 1,000ppm.	Fully qualified
<b>Halogen-free electronics</b>	Bromine and chlorine content <900ppm, total <1,500ppm	Fully qualified
<b>PFOS, PFOA and related substances control</b>	No raw materials containing PFOS/PFOA and their related substances are used in the process	Fully qualified
<b>EU REACH</b>	The hazardous substances and substances of very high concern (SVHC) published by the EU REACH	Fully qualified
<b>WEEE</b>	In response to the increasing amount of electronic waste, to reduce the burden on landfills and incinerators, and to prevent harmful substances in electronic waste from entering the environment, the Company' s products are not considered end products and are not directly subject to this regulation. The flexible board material becomes waste after being used by the end user in the final product and is the responsibility of the end product manufacturer for recycling.	Not applicable

## 5.5 SUSTAINABLE SUPPLY CHAIN

### 5.5.1 Supplier Management Policy



## Supplier Management Regulations and Requirements

To ensure that all suppliers understand and comply with the Company's product safety requirements and the shared goal of corporate sustainable development, the Company requires 381 suppliers to adhere to the following guidelines and submit a commitment letter.

1

### Emphasis on Labor Rights

Respect employees' labor rights and their lawful right to association, handle labor disputes appropriately and fairly, prohibit child labor, prevent discrimination based on gender, age, religion, race, disability, or marital status, and comply with labor regulations.

2

### Environment, Health and Safety

Provide employees with a safe and healthy working environment, appropriate training, and relevant safety equipment or tools to protect their workplace safety.

3

### Ethics and Legal Requirements

Avoid conflicts of interest, prohibit bribery, comply with fair trade laws, report improper conduct, and adhere to the Company's corporate social responsibility standards.

4

### Comply with the Supplier Management Best-Practice Principles

If violations are not rectified after guidance, the Company may terminate the partnership early and seek compensation for damages.

5

### Comply with the "GFC Supplier Management Policy"



## Implementation Status

### 1 Annual Supplier Seminar –

In addition to conveying the Company's goals for sustainable development and establishing a green supply chain management policy, the seminar specifically recognized the top ten suppliers for their excellence in quality improvement and delivery accuracy. These suppliers were invited to share their implementation experiences during the seminar for the benefit of other vendors.

### 2 Regular Evaluation –

Supplier performance on issues such as labor rights protection, occupational safety, energy conservation, carbon reduction, product quality, and delivery timeliness is assessed with a rating scale of 1 to 5. Suppliers scoring below level 2 in any category are provided with training and support for improvement. The 2023 evaluation results identified six excellent suppliers in Taiwan, three overseas, and three in China.

### 3 Encouraged to Obtain Quality Environmental Management Certifications –

Guiding suppliers to prioritize environmental protection and quality safety management, with additional evaluation points awarded to suppliers who obtain third-party management certifications, along with special recognition at the annual conference to achieve the goal of corporate social responsibility and mutual benefit. The suppliers have obtained the following management certifications:

Name of certificate	Number of suppliers	Name of certificate	Number of suppliers
ISO 9001:2015	18	CNS 45001:2018	1
ISO 14001:2015	10	IECQ (QC 08000)	1
ISO 45001:2018	3	IATF 16849:2016	1

### 4 On-site Inspection –

Through on-site inspections of product quality and delivery timelines, the effectiveness of management policy implementation is also verified, with special training provided for areas not aligning with the green supply chain management policy.

A total of 54 suppliers were inspected on-site in 2023, with an inspection rate of approximately 17.58%.

Note: The number of suppliers inspected on-site in 2023 increased by 14 compared to 2022.



## 5.5.2 Green Procurement

### ■ Energy Conservation, Environmental Protection, and Green Procurement

The Company prioritizes energy-efficient, energy-saving, and environmentally certified equipment or vehicles when replacing or purchasing new machinery, office equipment, or company vehicles. In 2023, the Company invested NTD 8,767,030 in the purchase of energy-saving or environmentally friendly machinery and equipment, including 5 air conditioning units, 1 water dispenser, 4 production machines, and 4 company vehicles that comply with the latest environmental emission standards.

### ■ Green Consumption

The Company encourages employees to use public transportation instead of driving for business trips to reduce carbon emissions. In 2022, the total amount spent on green consumption for public transportation was NTD 1,883,927, in 2023, the total green consumption amounted to NTD 2,401,715.

### Conflict Minerals

GFC Ltd. has formulated a “Non-conflict Metals Declaration” to address the issue of conflict metals management. Suppliers are required to conduct thorough investigations into their supply chains to ensure that metals such as gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn) are not sourced from conflict areas in the Democratic Republic of Congo (DRC) or through illegal mining and smuggling routes. By strengthening supply chain management, the Company aims to effectively identify and trace the origin of raw materials, ensuring that conflict minerals are not used. Additionally, metals exported from the following countries, as recognized by the United Nations Security Council, do not meet the “conflict-free” standards: Democratic Republic of the Congo (DRC), Rwanda, Uganda, Burundi, and Tanzania.

#### Procurement of 100% non-conflict metals:

- **Metal materials such as copper and aluminum:** Procured from Walsin Lihwa Corporation, Ta Ya Electric Wire & Cable Co., Ltd., Hua Eng Wire & Cable Co., Ltd., Alformer Industrial Co., Ltd., and Yu-wei Aluminum Co., Ltd.
- **Steel materials:** Procured from China Steel Corporation, Yieh United Steel Corporation, and Tang Eng Iron Works Co., Ltd.

### 5.5.3 Emerging Markets

- Due to the optimistic outlook for long-term demand in the electrical machinery industry, global electronics and machinery manufacturers are increasing capital expenditures to expand production capacity, which may cause fluctuations in market supply and demand in the future.
- International powers are using state forces to intervene and sanction competitors, leading to the restructuring and changes in the supply chain. GFC continues to monitor its impact.
- Major international powers are reconstructing local electronic machinery manufacturing through incentives, subsidies, and policy encouragement to secure their electronic machinery supply. In response, GFC will continue to closely monitor the impact on company operations and develop corresponding plans.
- Future investments are becoming increasingly expensive, and global electronic machinery manufacturers are facing high capital expenditure pressures. Industry leaders may use this as a competitive differentiator, while powerful nations may create unfair competition through subsidies and other means. Equipment supply is expected to require a longer lead time. Therefore, future capacity planning and construction need to be more cautious.
- According to statistics from the Procurement Department, GFC Ltd. currently has business dealings only with Singapore and Malaysia. Based on 2023 data, the revenue from exports to Singapore amounted to USD 166,166.72, while the revenue from Malaysia was USD 7,304.5.



# 06

## Friendly Workplace

### 6.1 EMPLOYEE COMPOSITION

In 2023, GFC welcomed a total of 178 new employees, with 166 male and 12 female. The overall new hire rate was 13.11%, an increase of 2.76% compared to 2022. Due to the physical demands of the work, there are more male employees, resulting in a significant gender disparity in the workforce.

Due to continuous business growth and the need for knowledge and experience transfer from retiring senior employees, GFC utilizes various recruitment channels to ensure sufficient manpower for operations.

GFC also offers a comprehensive benefits system and implements various retention strategies, including regular salary adjustments, promotions, technical evaluations, referral bonuses, and retention bonuses, to improve employee retention rates.

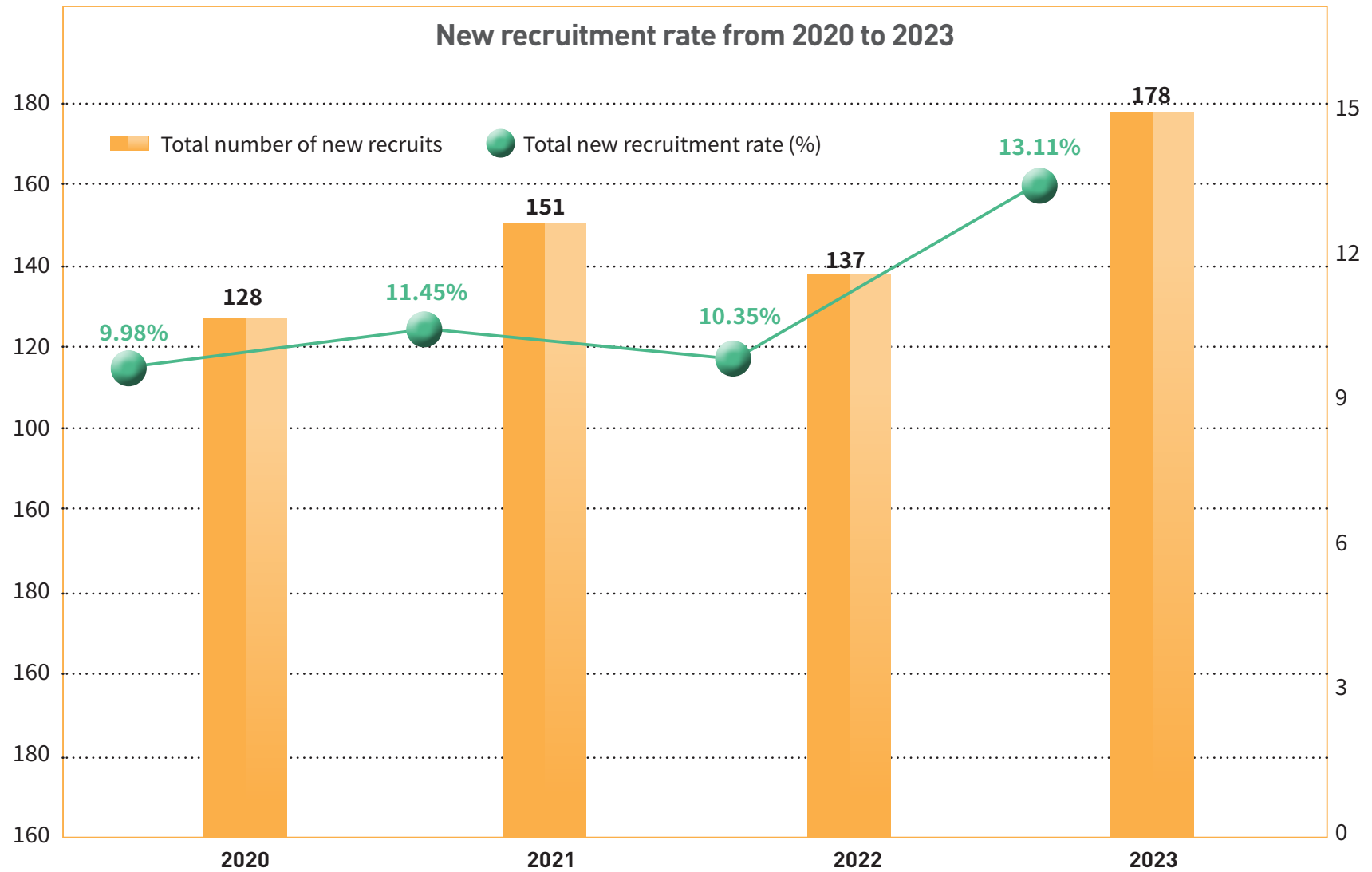


### The gender and age distribution of new employees from 2020 to 2023 are as follows:

Year	2020				2021				2022				2023			
Age/Gender	Male		Female		Male		Female		Male		Female		Male		Female	
	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate	Number of people	New recruitment rate
Under 30 years old	75	5.69%	8	0.61%	91	6.90%	6	0.45%	75	5.66%	2	0.15%	92	6.77%	8	0.59%
Aged 31 to 50	36	2.73%	3	0.23%	46	3.49%	4	0.30%	42	3.17%	14	1.06%	61	4.49%	4	0.29%
Aged 51 and above	5	0.38%	1	0.08%	4	0.30%	0	0.00%	3	0.23%	1	0.08%	13	0.96%	0	0.00%
Total number of new employees	128				151				137				178			
Total number of employees	1,282				1,319				1,324				1,358			
Total new recruitment rate	9.98%				11.45%				10.35%				13.11%			

Note 1: New recruitment rate (%) = Number of new hires in that category for the year / Total number of employees in that category at the end of the year.

Note 2: The number of new recruits includes employees who left partway.



## Analysis of Turnover Rate

Due to the Company's long history, the employee turnover rate has been increasing year by year. In 2023, a total of 142 employees left the Company, including 140 males and 2 females, resulting in a total turnover rate of 10.46%, which is an increase of 0.64% compared to 2022.

In terms of resignation management, when an employee submits a resignation request, the respective manager will immediately arrange an exit interview. Additionally, the HR Department will understand the main reasons for the employee's departure, conduct an exit analysis, and use the findings to improve the retention system, with the aim of keeping outstanding professionals within the Company.

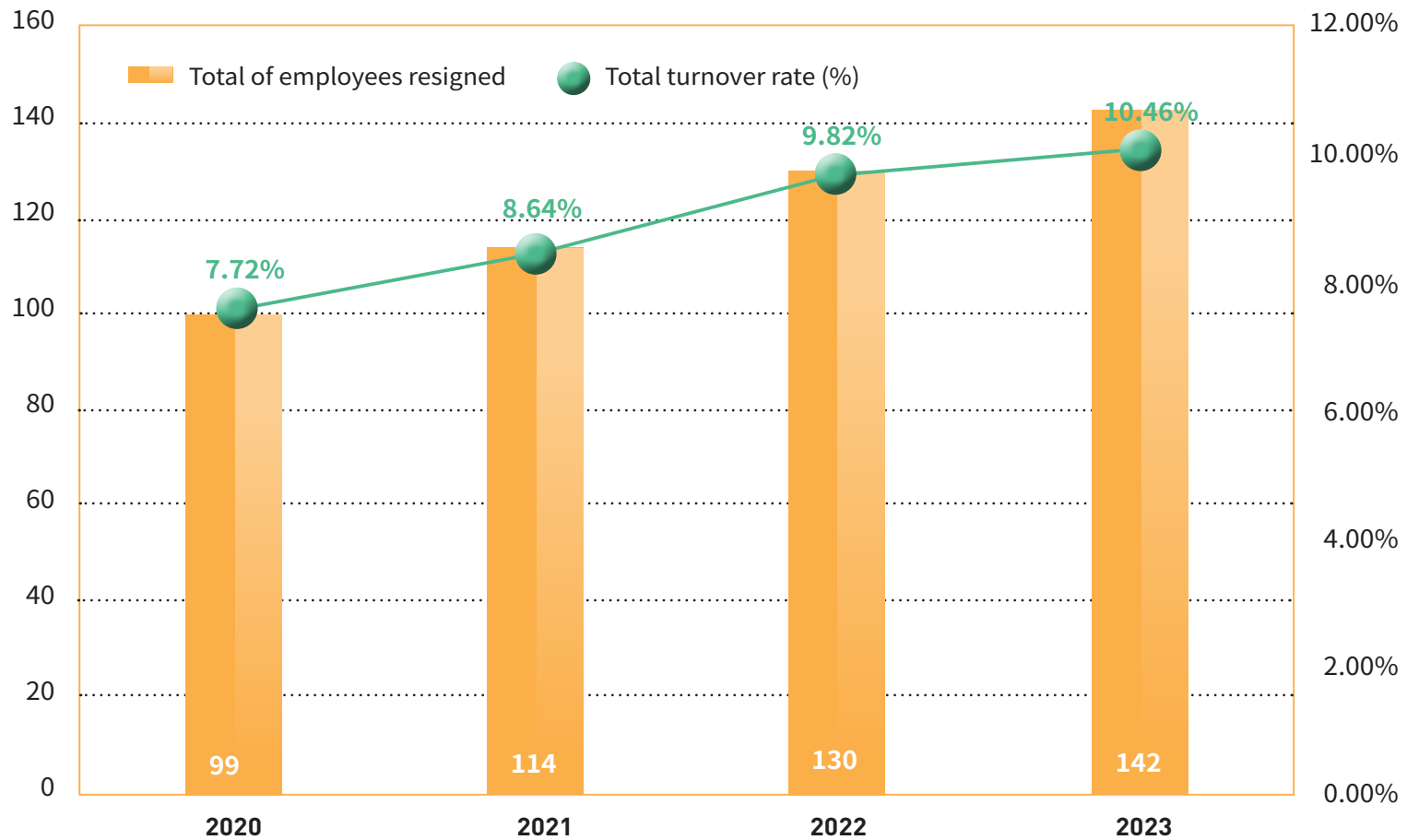
For employees who have retired but wish to continue working with the Company, a re-employment system has been established to assist older workers in returning to the workforce.

## Statistics on the gender and age distribution of employees who resigned from 2020 to 2023

Year	2020				2021				2022				2023			
Age/Gender	Male		Female		Male		Female		Male		Female		Male		Female	
	Number of people	Turnover rate	Number of people	Turnover rate	Number of people	Turnover rate	Number of people	Turnover rate	Number of people	Turnover rate	Number of people	Turnover rate	Number of people	Turnover rate	Number of people	Turnover rate
Under 30 years old	41	3.11%	3	0.23%	50	3.79%	6	0.45%	52	3.93%	4	0.30%	54	3.98%	1	0.07%
Aged 31 to 50	27	2.05%	3	0.23%	31	2.35%	4	0.30%	49	3.70%	7	0.53%	54	3.98%	0	0.00%
Aged 51 and above	22	1.67%	3	0.23%	20	1.52%	3	0.23%	17	1.28%	1	0.08%	32	2.36%	1	0.07%
Number of employees resigned	128				151				137				178			
Total	99				114				130				142			
Total number of employees	1,282				1,319				1,324				1,358			
Total turnover rate	7.72%				8.64%				9.82%				10.46%			



### Turnover rate from 2020 to 2023



## 6.2 TALENT CULTIVATION AND DEVELOPMENT

The role of the elevator industry in modern society has become increasingly important and cannot be ignored, driven by the demand for urban high-rise buildings and the growing awareness of public safety. The cultivation and retention of high-quality technical engineers within elevator companies have also become particularly important.

GFC conducts professional education and training for approximately 100 new engineers and 700 in-service engineers each year, offering different categories and stages of training. Through the courses and experience passed down during the process, the Company enhances the professional literacy and skill level of engineering technicians, ensuring the safety of the public when using elevators and continuously promoting the progress and development of the Company.



## Education and Training Center

To provide professional elevator technical training, GFC has the industry's earliest-established training center. This facility is an important component of GFC's ongoing efforts to enhance employee skills and promote professional development. Through these elevator facilities, a high-quality learning and exchange simulation platform is provided for employees.

The GFC Education and Training Center is equipped with comprehensive elevator teaching facilities, offering various models of physical elevator equipment and complete audiovisual equipment to ensure that every training session is conducted in the clearest and most intuitive manner. In addition, special attention is given to the comfort, convenience, and safety of participating employees. A rest area, tea room, accommodation area, and complete fire safety equipment and first-aid measures are provided, allowing employees to safely relax during training breaks and fostering informal communication and connections among employees.

**The statistics and expenditures related to employee continuing education and training for 2023 are as follows:**

Level		Gender	Total number of people trained	Total training hours	Average training hours per employee	Total training expenditure
Management		Male	281	21,263	76	331,000
		Female	26	1,569	60	34,011
Non-management	Engineering	Male	656	119,685	182	576,431
		Female	8	54	7	13,547
	Maintenance	Male	1,080	35,539	33	1,659,679
		Female	22	131	6	28,432
	Factories	Male	300	1,474	5	44,435
		Female	123	726	6	17,226
	Logistics	Male	81	544	7	48,935
		Female	108	2,573	24	91,464
Total		Male	2,398	178,505	74	2,660,480
		Female	287	5,053	18	184,680

## 6.2.1 New Employee Training Expenses

To ensure that elevator technical professionals receive qualified training and certification, GFC invested significant care and resources in the training activities and courses for new employees. In addition to conducting onboarding training and on-site mentorship, the Company is committed to supporting internal employees in obtaining certifications through various training and exam preparation activities. This ensures that new employees not only acquire knowledge and skills but also enhance their safety awareness and obtain the necessary certifications for their profession. The acquisition of technical certifications is not only a guarantee of the qualifications and skills of elevator technicians but also serves as a testament to GFC's commitment to the safety of its customers' elevator use.

### Training Indicators and Outcomes

Professional certification		
Class	Number of people	Percentage (%)
Class B elevator installation certification	501	51
Class C elevator installation certification	487	49
Total	988	100

Note: Individuals holding both Class B and Class C certifications are only counted in the number of those holding the Level B certification.

## 6.2.2 Employee Skills and Employee Development Programs



### Performance Management Evaluation

To achieve the Company's operational plans and the goals of departments and individuals, all GFC employees undergo performance evaluations each quarter. The subjects and results of the evaluations are not influenced by gender, race, religion, political stance, marital status, or job category.

The focus of the performance evaluation is on work results, the achievement of set goals, as well as work attitude and cooperation. These factors serve as reference criteria for employee management, future training, and development, and are used as the basis for the distribution of year-end bonuses. For employees with poor performance evaluation results, performance discussions and communication are also conducted to achieve the goal of performance improvement.

The distribution of GFC's year-end bonuses is determined through negotiations between the Company and the labor union, with a consensus reached based on the Company's operational status. It is directly correlated with the Company's performance and is divided into grades of Excellent, A, B, C, and D according to individual performance evaluation results, which in turn affect the individual's year-end bonus outcome.

## 6.2.3 Management Succession Plan

According to the Company's future development plans and direction, in the succession plan, successors must not only possess excellent leadership and work capabilities but also align with the Company's values. They must have integrity, honesty, and a responsible personality, demonstrating a willingness to take on duties.

### Succession Plan for Board Members

The Company currently has a total of seven board members (including three independent directors), all of whom possess professional skills in management, leadership decision-making, industry knowledge, and financial accounting. To ensure continuous improvement, the Company regularly arranges professional courses related to operations for board members, ensuring they stay updated with new industry knowledge.

Regarding the Chairman's succession plan, the Company initiated the plan several years ago, cultivating senior managers and arranging for them to join the Board of Directors. This allows them to become familiar with the board's operations, while also strengthening their involvement in the internal operational units of the group. Finally, in June 2015, the 14th Board of Directors, in its 13th meeting, passed a resolution for the successful succession of the Chairman role from Mr. Tang Sung-Chang to Mr. Tang Po-Loung, the Company's former CEO. Mr. Tang Sung-Chang, the founder, then assumed the position of honorary Chairman of the Company.

As for the independent directors, according to regulations, they must possess work experience in business, law, finance, accounting, or relevant company operations. The Company plans to invite domestic and international professionals to serve as potential successors for the current independent directors.





## Succession Plan for Key Management Positions

The Company's succession plan for key management positions focuses on identifying high-potential employees and assisting them in continuous improvement through internal and external training opportunities. A comprehensive promotion system and pathways are in place to provide employees with development opportunities, preparing for the future succession needs of key management positions.

The Company's senior management is responsible for relevant business operations within the organization. Through job rotation, overseas assignments, and management philosophy seminars, they deepen their understanding and capabilities regarding the Company's business philosophy. This process also serves as a means to select key members of the succession team. In August 2015, the 14th Board of Directors, in its 14th meeting, passed a resolution to select Mr. Yu Pen-Li, Deputy General Manager of the Engineering Division, from the senior management to serve as the General Manager. The position of Deputy General Manager of the Sales & Technology Division was then passed to Mr. Cheng Hung-Mou, former Assistant Manager of the Sales Division, where he continues to serve to this day.

The Company also has a performance evaluation system for senior management, conducted quarterly. Through continuous observation and assessment, the Company evaluates their performance in work-related aspects and behavioral attitudes, using these results as a reference for selecting successors.

Number of employees promoted to management positions	2020	2021	2022	2023	Total
Assistant Manager	—	—	1	0	1
Department Manager	2	1	4	2	9
Director	4	8	7	16	35
Total	6	9	12	18	45

## 6.3 OCCUPATIONAL SAFETY AND HEALTH

### Occupational Safety and Health Committee

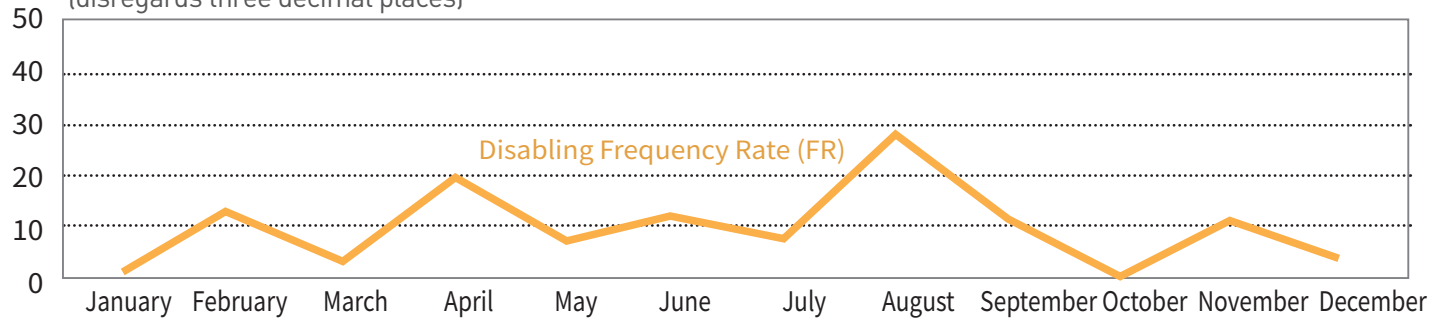
GFC has established an Occupational Safety and Health Committee, dedicated to overseeing the Company's safety and health-related operations, with a commitment to ensuring workplace safety. When the business operations manager is on leave or away on official business, the committee will assume the role of the agent responsible for managing the unit's safety and health affairs. Additionally, the committee is fully responsible for executing and tracking the Company's internal safety and health operations, as well as formulating safety and health management matters. The primary goal of the Occupational Safety and Health Committee is to prevent workplace accidents. In addition to regularly organizing various safety and health seminars and training sessions, the committee has established a "Occupational Safety and Health Management Plan" and ensures its implementation, aiming to create the most employee-friendly working environment for GFC's staff.

	January	February	March	April	May	June	July	August	September	October	November	December
Total number of employees	1,328	1,319	1,331	1,333	1,339	1,344	1,343	1,345	1,343	1,352	1,361	1,359
Total number of days	21,248	26,380	31,944	22,661	29,458	28,224	28,203	30,935	28,203	27,040	29,942	28,539
Total working hours	191,232	237,420	287,496	203,949	265,122	254,016	253,827	278,415	253,827	243,360	269,478	256,851
Number of disabling injuries	1	3	1	4	2	3	2	5	3	0	3	1
Number of days lost due to disabling injuries	1	106	4	60	92	7	8	3,076	11	0	17	10
Disabling Frequency Rate (FR)	1	12.63	3.47	19.61	7.54	11.81	7.87	27.84	11.81	0	11.21	3.89
Disabling Severity Rate (SR)	1	446	13	294	347	26	31	11,048	43	0	63	39
Average days lost due to disabling injuries	1	35	4	15	46	7	4	615	3.7	0	5.6	10
Total number of employees of GFC Ltd.	1,328	1,319	1,331	1,333	1,339	1,344	1,343	1,345	1,343	1,352	1,361	1,359
Calculation of working days per month	31-15=16	28-8=20	31-7=24	30-13=17	31-9=22	30-9=21	31-10=21	31-8=23	30-9=21	31-11=20	30-8=22	31-10=21

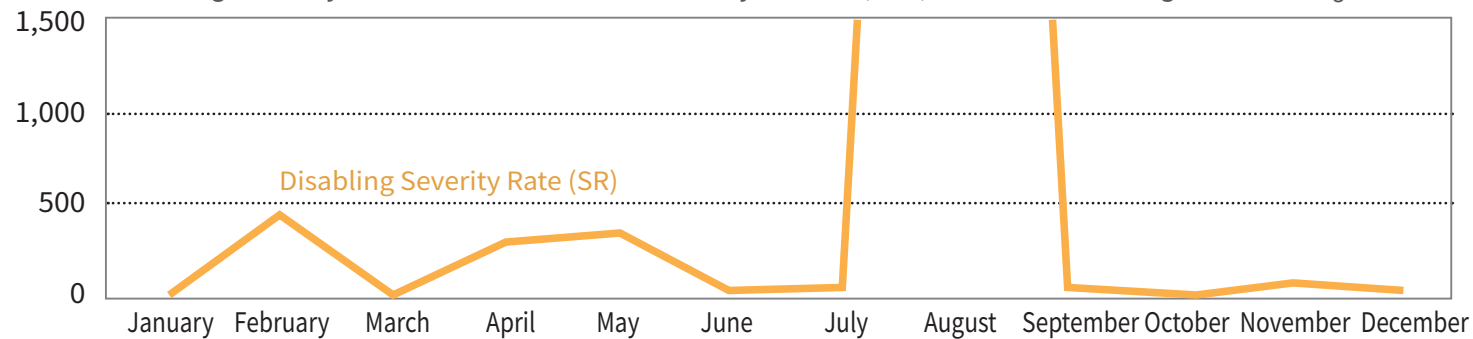
Note: 1. Data source: Monthly occupational accident reports from each department and records of work-related injury leave applications from the Management Department.

2. An employee fall incident occurred at the Zhonghe Service Station on August 30, 2023. After being urgently treated and sent to the hospital, the employee lost function in the left leg (resulting in permanent partial disability) and is still undergoing medical treatment. The loss of days is calculated based on the Ministry of Labor's regulations, with the injury to the area from the ankle to the knee equating to 3,000 days.

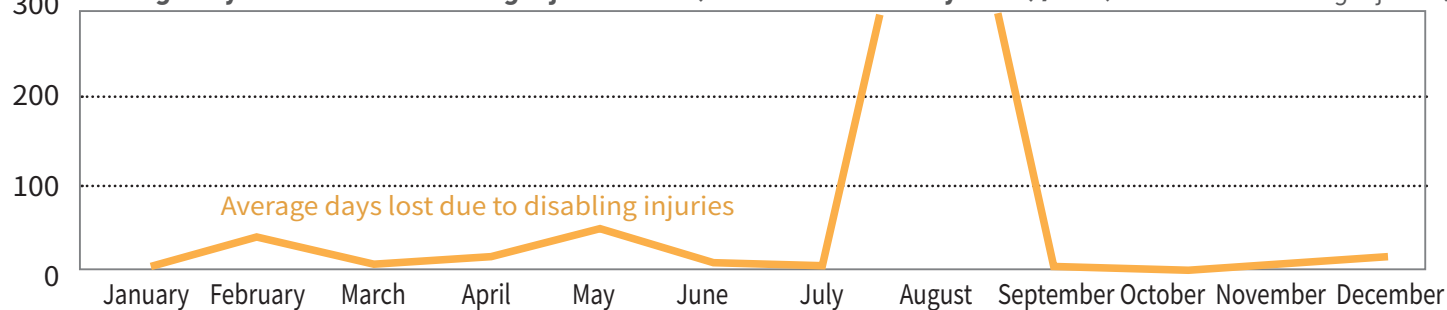
**Disabling Frequency Rate (FR) = Number of disabling injuries x 1,000,000 / Total working hours**  
(disregards three decimal places)



**Disabling Severity Rate (SR) = Total number of days lost x 1,000,000 / Total working hours** (disregards three decimal places)



**Average days lost due to disabling injuries = SR (total number of days lost) / FR (number of disabling injuries)**



The comparison of occupational accident statistics over the past four years is shown in the table below:

	2020	2021	2022	2023
Total working hours	2,826,027	2,929,284	2,947,176	2,994,993
Number of disabling injuries	15	19	27	28
Number of days lost due to disabling injuries	135	1304	722	3,392
Disabling Frequency Rate (FR)	5.3	6.48	9.16	9.35
Disabling Severity Rate (SR)	47	445	244	1,132
Average days lost due to disabling injuries	9	69	26.7	121.1

Note 1: Data source: Safety and Health Office

Note 2: Contractor work-related injury losses are not required to be included in the loss calculation for GFC business units, according to reporting regulations.

The statistics for the number of occupational accidents (traffic incidents) over the past four years are shown in the table below:

	2020	2021	2022	2023
GFC occupational accident cases	16	19	27	28
Number of traffic accidents	9	15	15	10
Number of occupational accidents	8	4	12	18
Number of false alarms	4	2	2	4
Contractor cases	1	0	0	0
Total days lost	135	1,304	722	3,392
Days lost due to traffic	81	757	269	235
Percentage of traffic loss	60.00%	58.05%	37.25%	6.92%

## 6.4 EMPLOYEE BENEFITS AND REMUNERATION

Since its establishment in May 1974, the Company has actively fostered a harmonious and cohesive work environment. To facilitate two-way communication between labor and management on the Company's management policies, working conditions, and welfare measures, GFC has established an Employee Welfare Committee (hereinafter referred to as the Welfare Committee) in accordance with the law, dedicated to building a consensus of unity between labor and management. Regarded as the foundation for organizational development, GFC and the Welfare Committee have established implementation standards for employee welfare measures. To help employees achieve a happy balance between work, family, and life, GFC, in addition to complying with the Labor Standards Act, offers additional high-quality welfare conditions to fulfill the goal of comprehensive employee care. The Company's welfare measures are as follows:

Benefit category	Item/Content
Performance bonus	R&D performance bonus, production performance bonus, sales performance bonus, installation/adjustment performance bonus, maintenance/repair performance bonus
Subsidy measures	Employee wedding and funeral subsidies, year-end bonus, meal allowance, birthday gift, sympathy subsidy, employee club activity subsidy, maternity subsidy, education scholarships for employees and their children, emergency interest-free loans
Insurance	Life insurance, accident insurance, employer's liability insurance, occupational accident insurance
Gift sponsorship	Cash gifts for three major festivals, birthday gift vouchers, group uniforms, seniority trip/prizes, year-end banquet/prizes, New Year banquet/prizes
Special leave	Menstrual leave, maternity leave, miscarriage leave, bed rest leave for pregnancy, paternity leave, prenatal check-up leave, unpaid parental leave, family care leave, vaccination leave, epidemic prevention quarantine leave

The Company established the Employee Welfare Committee in 1978, offering various welfare measures for employees and their families. This enhances the quality of leisure activities and allows employees to benefit from the Company's profits.



## ■ Retirement System

GFC has established a “Labor Retirement Procedures” in accordance with the Labor Standards Act, making monthly contributions to a bank retirement fund account. As required by law, a Labor Retirement Fund Supervisory Committee, composed of both labor and management representatives, is formed to jointly oversee the Company’s contributions to the retirement fund and its disbursement status, ensuring the retirement of all employees. Additionally, for new employees hired after July 1, 2005, and those who transitioned from the old scheme to the new Labor Pension Act before June 30, 2010, the Company contributes 6% of their monthly salary to the employees’ individual accounts at the Bureau of Labor Insurance, in accordance with the government’s wage classification table.

In accordance with Article 56 of the Labor Standards Act, the Company regularly evaluates and estimates the retirement benefits and the balance of the retirement fund account for employees who meet the self-requested retirement conditions before the end of each year. As required by law, any difference is to be contributed to the retirement fund account by the end of March in the following year.

## ■ Gender Wage Gap

Due to the characteristics of the industry, there is a higher demand for male labor and on-site technical positions, while female employees are primarily in administrative and support roles. As there is no comparability in gender-based wages, the gender wage gap is not publicly disclosed. However, we remain committed to the principles of fairness and equality, ensuring that all employees receive just remuneration based on the value they provide. Moving forward, we will continue to strive to ensure gender equality and wage fairness within the Company.

## ■ Living Wage

GFC provides remuneration and benefits that comply with local legal requirements, ensuring that wages are never below the statutory minimum wage. The Company regularly participates in salary surveys to assess the reasonableness of employee wages and makes adjustments based on actual needs. In addition to meeting legal requirements and ensuring employees’ basic living needs are met, GFC implements profit-sharing programs to ensure competitive wages within the industry in each region. This strategy aims to attract and retain top talent while ensuring a high quality of life for employees.

## ■ Minimum Announcement Period for Operational Changes

To ensure employees’ labor rights, the Company strictly adheres to the relevant provisions of the Labor Standards Act. If the Company undergoes significant operational changes or needs to terminate the labor relationship with an employee, the termination of the labor contract will be carried out in accordance with government regulations. The notice period will be carried out according to the following provisions:

- I. For employees who have worked for more than 3 months but less than 1 year, a 10-day notice shall be given.
- II. For employees who have worked for more than 1 year but less than 3 year, a 20-day notice shall be given.
- III. For employees who have worked for more than 3 years, a 30-day notice shall be given.





## 6.4.1 Employee Care

Employees are an important asset to the Company. For the elevator industry, providing a safe and healthy working environment and care for employees is a matter of high priority for GFC.

Therefore, the Company ensures employees can live healthily and work with peace of mind by offering regular health check-ups, providing health education information, offering employee healthcare and support, and organizing health-related activities for employees on an occasional basis.

### ■ Healthy Work and Life

Employee health is the foundation for the Company's sustained development. Through a variety of "exercise promotion" and "health management" activities, the Company encourages each employee to pay attention to their own physical condition.

In addition to providing employees with support and assistance systems, the Company organizes or participates in various activities on an occasional basis, including travel events, weight loss programs, and marathon competitions. Through a variety of activities and programs, the Company enables employees to understand and prioritize their physical and mental health, achieving a balance between work and life.

### ■ Protect the Health and Safety of Employees

Since the widespread COVID-19 outbreak in 2022, GFC has established a human resources and medical team to plan employee leave policies, salary adjustments, bonuses, and operational guidelines during the pandemic. The Company also provided essential protective supplies, such as alcohol, thermometers, protective clothing, and rapid test kits, to units and employees in need. GFC has been committed to tracking the health status of employees in real-time during the pandemic, offering comprehensive care and support to reduce the difficulties and anxiety experienced by employees during this challenging period.

## Employee Health Management

GFC regularly organizes health promotion activities, tracks employees' health check-up status, and provides individual health consultations to ensure the physical and mental well-being of its staff. The nursing service points are set up at the Taipei and Taichung offices, with a total of 214 health consultations conducted in 2023.

Region	Number of people	Region	Number of people
Headquarters	12	Luzhou Service Center	19
Minsheng E. Rd., Taipei	37	Yangmei Plant	7
101 Service Center	12	Hsinchu Branch	12
Da'an Service Center	18	Taichung Branch	31
Zhonghe Service Center	25	Chiayi Branch	12
Xizhi Service Center	18	Kaohsiung Branch	11

## Health Check-up

Comprehensive health check-ups can detect potential diseases early. The Company organizes annual health check-ups for GFC's employees, offering thorough examination items to help employees understand their health status.

After the health check-up, the Company's professional medical staff provides consultation and assistance for any significant abnormalities found in the results, along with reminders for regular check-ups to ensure ongoing care and support.

The personal health service records and information of all employees are used solely to assess whether employees are in a safe working environment. They are not used for any other purposes and are securely stored by the dedicated health management unit to ensure the confidentiality and security of personal data.

As of the end of 2023, the Company had 1,350 employees, with 1,196 participating in health checks, resulting in a participation rate of 88.6%.

## 6.5 HUMAN RIGHTS AND HUMAN RESOURCES POLICY

### Human Rights Policy Declaration

To fulfill its corporate social responsibility and ensure the protection of basic human rights for all employees, customers, suppliers, business partners, and stakeholders, GFC is committed to creating a safe, equal, and respectful working environment at all its global locations. The Company firmly opposes any form of discrimination, bullying, harassment, child labor, forced labor, and violations of labor relations. The Company adheres to and supports national labor regulations and aligns with international human rights protection standards and principles, such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact Principle 10 on reducing inequalities, and the UN Guiding Principles on Business and Human Rights. GFC has established the “GFC Human Rights Policy Declaration,” which aims to create a working environment that respects individual dignity and is committed to promoting positive social development. In 2023, GFC did not identify any high-risk issues in its human rights concerns that required improvement, nor did it encounter any human rights violations. Therefore, no remedial measures were taken.

The Company strictly adheres to the following principles to uphold human rights:

Item	Specific practices	Targets of impact	Number of high-risk employees
Protection of human rights in the workplace	The Company ensures that in matters of employment, remuneration, benefits, training, promotion, and retirement, employees and job applicants are not subject to differential treatment or any form of discrimination based on race, class, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, physical or mental disabilities, zodiac sign, or blood type.	Job seekers and all employees	0 people
Prohibition of any form of discrimination, bullying, and harassment	The Company provides diverse and secure channels for grievances, ensuring the protection of employees' legal rights and preventing any infringements.	All employees	0 people
Prohibition of forced labor	The Company does not use violence, coercion, confinement, or any other illegal methods to force employees into labor.	All employees	0 people

Item	Specific practices	Targets of impact	Number of high-risk employees
Prohibition of child labor	To protect the physical and mental development of minors, in accordance with the Labor Standards Act, the Company does not employ individuals under the age of fifteen. Employees under the age of eighteen are hired in compliance with the provisions of the Labor Standards Act.	Job seekers and all employees	0 people
Healthy and safe workplace	<p>In terms of workplace safety and health promotion, in addition to strictly adhering to relevant labor laws and regulations, the Company is committed to creating a healthy, safe, and comfortable working environment:</p> <p>The Company provides a safe and healthy working environment, along with necessary health and emergency facilities, to eliminate potential hazards that may affect employees' health and safety in the workplace, thereby reducing the risk of occupational accidents.</p> <p>Regularly implement occupational safety-related education and training and free health check-ups to comprehensively care for the physical and mental health of employees. Based on the results of health check-ups, the Company conducts graded follow-up management for specific groups to prevent potential health risks.</p> <p>The Company promotes strict standards for hardware facilities and safety health operating procedures.</p> <p>Physicians and nurses regularly provide on-site health services to provide colleagues with medical consultation.</p>	All employees	0 people
Respect freedom of association and collective bargaining rights	The Company supports employees' right to form and join trade unions in accordance with the law to exercise their labor rights. The Company also maintains open communication channels with the union and employees, striving to create a harmonious labor-management relationship in the workplace.	All employees	0 people

Item	Specific practices	Targets of impact	Number of high-risk employees
Personal data protection	The Company mandates that each unit implement personal data inventory and management. Personal data shall not be collected, processed, or utilized arbitrarily, except for legitimate, specific purposes. The Company also strengthens awareness during each new employee training session to ensure employees adhere to these practices. In addition, the Company has established a comprehensive information security management system to control data access and prevent data leakage.	All employees	0 people
Help employees maintain physical and mental health and work-life balance	The Company encourages participation in social club activities and organizes employee trips, inviting colleagues' family members to join. Through a variety of activities, the Company enhances cross-departmental interaction, strengthens emotional bonds and cohesion among employees, and helps them relieve physical and mental stress.	All employees	0 people
Human Rights Policy Promotion	In addition to actively implementing corporate social responsibility and human rights protection policies, the Company expects and requires all business partners, including suppliers, to adhere to the same standards. This joint effort aims to enhance attention to human rights issues, identify and manage potential risks, provide employees with a fairer and safer work environment, and increase awareness of human rights protection.	Suppliers of GFC	0 people

## Human Rights Protection Training

Item	Description
<b>New Employee Training</b>	After employees join the Company, they undergo orientation training on regulatory compliance. This includes topics such as prevention of sexual harassment, anti-discrimination, anti-bullying, and related human rights protections.
<b>Prevention of Workplace Violence</b>	Through promotion and official statements, employees are informed of their responsibility to help ensure a workplace free from unlawful infringement during their duties. A dedicated complaint hotline is also available, fostering a supportive working environment.
<b>Sexual Harassment Prevention Policy</b>	Through advocacy and official statements, along with the establishment of an anti-sexual harassment policy, employees gain a thorough understanding to prevent any incidents of unlawful harassment in the workplace. A complaint channel is available, fostering a safe and respectful working environment.
<b>Occupational Safety Training</b>	Safety and health education and training, fire safety training, and emergency response and first-aid personnel training.
<b>Ethics Promotion</b>	Education and promotion are provided on daily conduct and ethical standards to foster a healthy and positive workplace culture.



## 6.6 FREEDOM OF ASSOCIATION

The “GFC Ltd. Union,” established in 1988, has long been dedicated to supporting members’ work and welfare, advocating for employee benefits, and serving as a crucial channel for communication between the Company and employees.

As of the end of 2023, the GFC union membership has exceeded 1,100, representing over 80% of the Company’s total workforce of 1,350 employees.

Whenever major welfare policies or work condition issues arise, the union plays a vital role in negotiations and communication to ensure fair treatment and rights for employees in the workplace. Additionally, the union organizes various employee travel activities to foster team cohesion, significantly contributing to a strong sense of unity among staff and promoting harmonious, stable labor relations.

Although a formal collective agreement has not yet been signed, harmonious labor relations are maintained. Company representatives attend more than four union board meetings annually to ensure smooth communication channels between labor and management. During each union board meeting, company representatives listen attentively to the union’s concerns and provide concrete responses or solutions. For issues that the Company is unable to address, reasonable justifications and explanations are offered, leading to mutual agreement and consensus between labor and management. Currently, both parties have reached an agreement on matters such as working hours, overtime, year-end bonuses, and employee travel. Other claims or opinions are still under ongoing communication to enhance employee welfare and maintain harmonious labor relations.

The Company sponsors the following funds to the corporate union each year to promote union activities and organize employee recreational and travel events, enhancing cohesion and solidarity among employees.

Item	2020	2021	2022	2023
Corporate union membership assembly (NTD)	50,000	50,000	50,000	50,000
Corporate union cultural and tourism activity sponsorship (NTD)	2,544,000	2,616,000	Canceled due to COVID-19	3,362,500



# 07

## Social Relations

### 7.1

### SOCIAL/COMMUNITY CONTRIBUTION ACTIVITIES GFC FOUNDATION

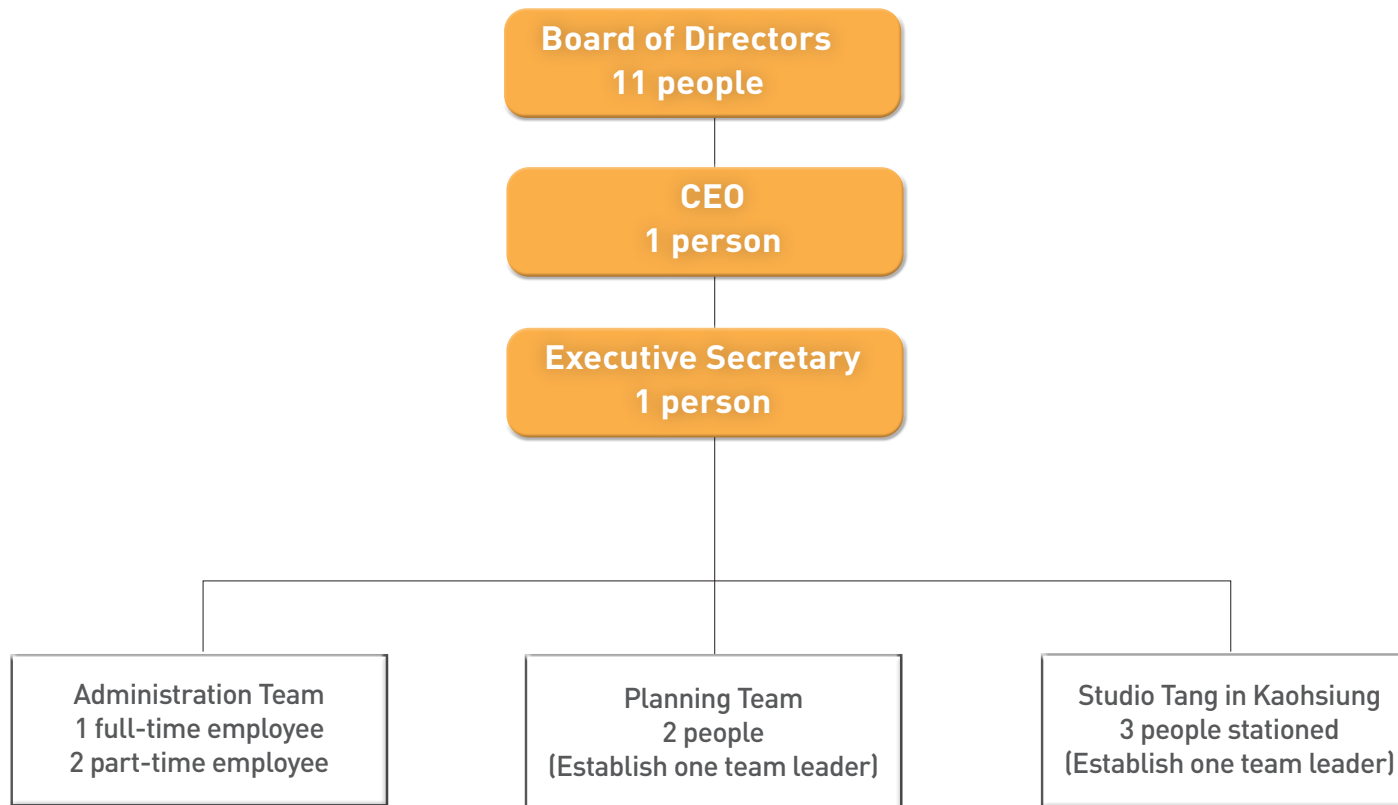
Since its establishment in 1974, GFC Ltd. has weathered more than four decades, gaining the trust and support of various sectors, allowing the Company to grow and thrive steadily to this day. GFC is deeply aware of its corporate social responsibility(CSR), which led to the establishment of the GFC Foundation in 1996. Recognizing that children and adolescents are the key pillars for the future of the nation, the foundation chose this group as its primary target for service. Guided by the principle of “limited resources, unlimited care,” it established four core service areas, including scientific education, aesthetic education, service learning, and social care. To effectively promote its philosophy, the foundation not only actively cares for the marginalized in society but also integrates its elevator business development to create many unique social service projects, which have received long-term praise.

The GFC Foundation is committed to the physical and mental development of children and adolescents, the cultivation of scientific talent, and the enhancement of aesthetic education. It hopes to work hand in hand with young people across Taiwan to build a society that is respectful, friendly, inclusive, diverse, and dedicated to the public good. At the same time, the foundation is dedicated to promoting lifelong learning. Through service learning, it fosters inspirational growth, ensuring that its core values are passed down through generations, creating a foundation that feels like home.

#### Four Core Services of the GFC Foundation



The team members of the foundation include 1 Chairman, 10 Directors, 1 CEO, 1 Executive Secretary, 2 Planning Group Leaders, 2 Executives in Planning, and 4 Administrative Specialists.



■ The indicators corresponding to the foundation's work plan are as follows:

Sustainable Development Goals, SDGs

Sustainable Development Goals, SDGs

Talent Cultivation

- GFC Ltd. Scholarship
- National Taiwan Science Education Center – Youth Science Talent Cultivation Program
- National Taiwan Science Education Center – National Elementary and Junior High School Science Exhibition/GFC Innovative Research Award

4

QUALITY EDUCATION

10

REDUCED INEQUALITIES

Elevator Education

- Elevator Science Education Promotion**
  - Promotion sessions for existing urban and rural schools
  - Handle in conjunction with the service of GFC Elevator volunteers

4

QUALITY EDUCATION

11

SUSTAINABLE CITIES AND COMMUNITIES

Social Service

- Established GFC Elevator Volunteer Service Team**
  - LED energy-saving service plan for social welfare organizations

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

7

AFFORDABLE AND CLEAN ENERGY

11

SUSTAINABLE CITIES AND COMMUNITIES

Aesthetic Education

- Alumni Humanities Lecture by Tang Sung-Chang
- GFC Humanities and Arts Lecture
- Studio Tang in Kaohsiung – Aesthetic Education Program

3

GOOD HEALTH AND WELL-BEING

4

QUALITY EDUCATION

Charity Sponsorship

- Chang Chen-Chieh Parent-Child Concert, Die 12 Cellisten der Berliner Philharmoniker
- Annual performance of Qiyan String Quartet and annual donation to the Cloud Gate Dance Theatre
- Elevator Project of Paul Chiang Art Center

4

QUALITY EDUCATION

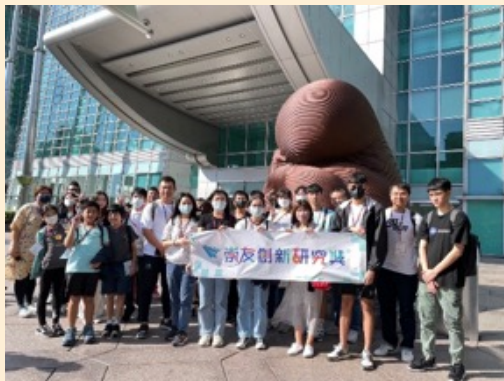
## Youth Science Talent Development Program

Since 1997, the foundation has continuously sponsored the National Taiwan Science Education Center's Taiwan Youth Science Talent Cultivation Program, which identifies and mentors students with potential in scientific research. These students receive individual guidance from professors in various specialized fields, preparing them to become future technology talent.

In 2023, a total of 189 research proposals were submitted for the Youth Science Talent Cultivation Program. Specialized professors were hired to provide individual guidance, nurturing future technology talents. A total of 40 projects were mentored, involving 59 students. Among them, 20 projects won awards at the Taiwan International Science Fair, and 6 projects were selected to represent the country abroad, demonstrating the fruitful outcomes of the cultivation program.



## GFC Innovative Research Award



The GFC Foundation sponsored the 63rd National Science and Technology Exhibition for Primary and Junior High Schools with the "GFC Innovative Research Award" offering a NTD 100,000 prize. A total of 10 teams and 45 teachers and students across the nation received awards. The foundation also arranged for the awardees to visit Taipei 101 to ride the super-high-speed elevator and tour the GFC elevator factory.



## GFC Ltd. Scholarship (2022 academic year)

Held according to the school semester, twice a year. The foundation rewards outstanding and financially underprivileged students from four major departments, including electrical engineering, mechanical engineering, architecture, and civil engineering, at domestic universities. The target group includes second- and third-year students in the first semester of the 2022 academic year, and first- and second-year students in the second semester. A two-day exchange learning session and scholarship award ceremony were also organized.

Semester	Number of cases received	Number of schools receiving applications	Received departments					Number of winners	Acceptance rate	Total bonus
			Electrical Engineering	Mechanical Engineering	Architecture	Civil Engineering	Others			
2022 1st semester	71	33	22	17	15	15	2	38	53.5%	1,860,000
2022 2nd semester	76	34	23	21	14	17	1	41	53.9%	1,990,000
Total	147	67	45	38	29	32	3	79	53.7%	3,850,000



## Soochow University Alumni Humanities Lecture by Tang Sung-Chang

In collaboration with Soochow University, the foundation offers a general education credit course titled “Culture, Art, and Environment,” inviting prominent masters in the cultural and artistic fields to give lectures. These include experts such as Professor Li Chia-Wei, a master of biological sciences, Chief of Justice Huang Hung-Hsia of the Constitutional Court of the Republic of China, Professor Jiun-Huei Protty Wu, Associate Dean of the College of Science at National Taiwan University, and Hsu Wei-Che, co-founder of Greenvines. Through the speakers’ rich life experiences and knowledge, the course aims to broaden students’ cultural perspectives and cultivate a deeper understanding of the humanities.



## Xin Xin Nanguan Ensemble – Campus Lecture Tour



The foundation invites the Xin Xin Nanguan Ensemble to jointly promote traditional Chinese music. They organize a nationwide tour of the lecture series “Music in the Heart – The Shortest Distance Between Modern People and Ancient Music” at high schools across Taiwan. The aim is to establish a basic understanding of Nanguan music among teenagers, spark their interest and appreciation for traditional music and performing arts, and ultimately elevate their cultural awareness and broaden their artistic horizons.



## Community Energy-Saving Services



The foundation brings together volunteers from GFC Ltd., matching them with 7 social welfare organizations and connecting 5 GFC service locations. A total of 114 volunteers were recruited to carry out 6 light replacement service events and two collaborative light donation events, titled “Hand in Hand, Exchange Love to Illuminate Happiness.” These events provided free LED energy-efficient light replacements for local small and medium-sized social welfare organizations, helping them save on electricity costs. This initiative establishes long-term partnerships, shows care for the local community, and illuminates the corners of Taiwan, creating a sustainable “shared benefit” value for society.

In this collaboration with 7 social welfare organizations, a total of 323 LED lighting fixtures and 529 light tubes were replaced. Based on the electricity carbon emission coefficient of 0.495kg CO<sub>2</sub> per kWh as published by the Ministry of Economic Affairs’ Bureau of Energy, it is estimated that this initiative will reduce CO<sub>2</sub> emissions by 6,042kg.

## Charitable Blood Donation Activity



The Yangmei Plant organized a blood donation drive, with a total of 70 participants in this event.





## Tree Planting and Forest Conservation Services

To promote GFC's ESG sustainable action philosophy and spirit, the Company has collaborated with regional service station volunteers and the "Chilin Ecological Restoration Cultural Association" to regularly participate in tree planting and forest conservation activities. This initiative not only strengthens team cohesion among employees and helps alleviate physical and mental stress, but also fosters a sense of environmental awareness through hands-on efforts to protect the mountains, thereby demonstrating the Company's sustainable social impact.

This time, volunteers visited the GFC Little Tree Area next to Yangming Fude Temple, where they planted 21 saplings of *Cinnamomum kanehirae* and *Calocedrus formosana*. In addition, 4 GFC service stations (Da'an, Zhonghe, Xizhi, and Luzhou) were involved, recruiting 134 volunteers to carry out 7 forest conservation service activities.



## ■ Summary

### 8.1 GRI Content Index (in accordance with the GRI Standards)

Statement of Use	GFC Ltd. has reported based on the GRI standards for the reporting period from January 1, 2023, to December 31, 2023, referencing the information quoted in the GRI Content Index.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Industry Standards	No applicable industry standards

## ■ General Standards

GRI Standards	Disclosure item	Corresponding chapter	Page
GRI 2: General Disclosures 2021	2-1 Organizational details	1 Corporate Overview	9
	2-2 Entities included in the organization's sustainability reporting	1 Corporate Overview	9
	2-3 Reporting period, frequency and contact point	1 Corporate Overview	9
	2-4 Restatements of information	About GFC Ltd.'s Sustainable Development Report	5
	2-5 External assurance	About GFC Ltd.'s Sustainable Development Report	5
	2-6 Activities, value chain and other business relationships	1 Corporate Overview	9
	2-7 Employees	6.1 Employee Composition	104
	2-8 Workers who are not employees	Calculation of losses that are not required to be included in the business unit of GFC according to the reporting regulations	X
	2-9 Governance structure and composition	4.1 Responsibilities and Composition of the Board of Directors	38
	2-10 Nomination and selection of the highest governance body	4.1 Responsibilities and Composition of the Board of Directors	38
	2-11 Chair of the highest governance body	4.1 Responsibilities and Composition of the Board of Directors	38

GRI Standards	Disclosure item	Corresponding chapter	Page
<b>GRI 2: General Disclosures 2021</b>	2-12 Role of the highest governance body in overseeing the management of impacts	2 Corporate Sustainable Development	20
	2-13 Delegation of responsibility for managing impacts	2 Corporate Sustainable Development	20
	2-14 Role of the highest governance body in sustainability reporting	2 Corporate Sustainable Development	20
	2-15 Conflicts of interest	4.1 Responsibilities and Composition of the Board of Directors	38
	2-16 Communication of critical concerns	4.1 Responsibilities and Composition of the Board of Directors	38
	2-17 Collective knowledge of the highest governance body	4.1 Responsibilities and Composition of the Board of Directors	38
	2-18 Evaluation of the performance of the highest governance body	4.1 Responsibilities and Composition of the Board of Directors	38
	2-19 Remuneration policies	4.1 Responsibilities and Composition of the Board of Directors	38
	2-20 Process to determine remuneration	6.2.2 Employee Skills and Employee Development Programs	112
	2-21 Annual total remuneration ratio	6.2.2 Employee Skills and Employee Development Programs	112
	2-22 Statement on sustainable development strategy	Chairman's Sustainability Commitment	6
	2-23 Policy commitments	Chairman's Sustainability Commitment	6
	2-24 Embedding policy commitments	6.5 Human Rights and Human Resources Policy	122
	2-25 Processes to remediate negative impacts	Continuing Education of Directors, 4.2.2 Privacy Protection	43-44, 49
	2-26 Mechanisms for seeking advice and raising concerns	4.2.3 Legal Compliance	50
	2-27 Regulatory Compliance	4.2.3 Legal Compliance	50
	2-28 Membership associations	6.6 Freedom of Association	126
	2-29 Stakeholder Engagement Policy	3.1 Stakeholder Identification and Communication	28
	2-30 Collective bargaining agreements	3.1.1 Communication Status	28

GRI Standards	Disclosure item	Corresponding chapter	Page
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.2 Analysis of Material Issues	33
	3-2 List of material topics	3.2.3 Issues of Concern to Stakeholders	35
	3-3 Materiality Management	3.3 Materiality Management Policy	36

GRI Standards	Disclosure item	Corresponding chapter	Page
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.1 Employee Composition	104
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Employee Benefits and Remuneration	118
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice period regarding operational changes	6.4 Employee Benefits and Remuneration	118
GRI 403: Occupational Health and Safety Topics 2016	403-1 Occupational health and safety management system	6.3 Occupational Safety and Health	115
	403-2 Hazard identification, risk assessment, and incident investigation	6.3 Occupational Safety and Health	115
	403-3 Occupational health services	6.3 Occupational Safety and Health	115
	403-4 Worker participation, consultation, and communication on occupational safety and health	6.3 Occupational Safety and Health	115
	403-5 Worker training on occupational safety and health	6.3 Occupational Safety and Health	115
	403-6 Promotion of worker health	6.3 Occupational Safety and Health	115
	403-7 Prevention and mitigation of occupational safety and health impacts directly linked by business relationships	6.3 Occupational Safety and Health	115
	403-8 Workers covered by an occupational safety and health management system	6.3 Occupational Safety and Health	115
	403-9 Work-related injuries	6.3 Occupational Safety and Health	115
	403-10 Work-related ill health	6.3 Occupational Safety and Health	115



GRI Standards	Disclosure item	Corresponding chapter	Page
GRI 404: Training and Education Topic Disclosure 2016	404-1 Average hours of training per year per employee	6.2 Talent Cultivation and Development	109
	404-2 Programs for upgrading employee skills and transition assistance programs	6.2 Talent Cultivation and Development	109
	404-3 Percentage of employees receiving regular performance and career development reviews	6.2 Talent Cultivation and Development	109
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	6.1 Employee Composition	104
	405-2 Ratio of basic salary and remuneration of women to men	6.1 Employee Composition	104
GRI 414: Supplier Social Assessment Topic Disclosure 2016	414-1 New suppliers that were screened using social criteria 414-2 New suppliers that were screened using social criteria	6.1 Employee Composition	104
GRI 418: Customer Privacy Topic Disclosure 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.2.2 Privacy protection	49

2023 Material Topics	Corresponding GRI Standards Title
Product quality	301 Materials, 302 Energy, 416 Customer Health and Safety
Talent cultivation and education and training	404 Training and Education
Corporate image	Corporate image
Occupational Safety and Health	403 Occupational Safety and Health
Financial performance	201 Economic Performance

## 8.2 TCFD Indicators

TCFD item	Content	Page
Governance	Describe the governance of the board's oversight of climate-related risks and opportunities	23
	Describe the function of management in assessing climate-related risks and opportunities	23
Strategy	Describe the climate-related risks and opportunities identified by the organization in the short-, mid-, and long-term	64
	Describe the impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning	64
	Describe the resilience of the organization's strategy, considering different climate-related scenarios (including a 2°C or more stringent scenario)	64
Risk Management	Describe the organization's process for identifying and assessing climate-related risks	64
	Describe the managing's processes for climate-related risks	64
	Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management framework	64
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management processes	84
	Disclosure of Scope 1 to 3 GHG emissions and related risks	84
	Describe the targets and performance metrics the organization uses to manage climate-related risks and opportunities	84



Items formulated by the Financial Supervisory Commission	Page
Explain the oversight and governance of climate-related risks and opportunities by the board of directors and management	23
Explain how the identified climate risks and opportunities impact the Company's business, strategy, and financials in the short, mid, and long term	64
Explain the financial impact of extreme climate events and transition actions	64
Explain how the processes of identifying, assessing, and managing climate risks are integrated into the overall risk management framework	57
Should scenario analysis be used to assess resilience against climate change risks, please explain the scenarios, parameters, assumptions, analytical factors, and key financial impacts utilized	64
If a transition plan exists to manage climate-related risks, please describe the plan's content, along with the metrics and targets used to identify and manage both physical and transition risks	64
If internal carbon pricing is used as a planning tool, please explain the basis for setting the price	X
If climate-related targets are set, please explain the activities covered, GHG emission scopes, planning timeline, and annual progress. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these targets, please specify the source and quantity of offset reductions or the quantity of RECs used.	X
GHG inventory and verification	84

## 8.3 SASB Indicators

Disclosure topic	Indicator code	Disclosure indicator	Corresponding chapter	Page
Energy management	RT-EE-130a.1	(1) Total energy consumption	5.3.1 Electricity	81
		(2) Percentage of purchased electricity to total electricity consumption		
		(3) Percentage of renewable energy used		
Hazardous waste management	RT-EE-150a.1	Hazardous waste generated	5.3.5 Waste Management	86
		Hazardous waste recycling rate	5.3.5 Waste Management	86
	RT-EE-150a.2	The number of reportable spills	X	X
		Reportable spill volume	X	X
		Reportable response volume		
Product life cycle management	RT-EE-250.1	Number of recalls	5.4 Green Products and Services	95
		Number of products recalled	5.4 Green Products and Services	95
	RT-EE-250a.2	The total financial loss resulting from product safety-related legal litigations	5.4 Green Products and Services	95
Raw Material Management	RT-EE-440a.1	Description of the risk management mechanisms related to the use of critical materials	5.5 Sustainable Supply Chain	99
Business ethics	RT-EE-510a.1	Description of policies or practices to prevent corruption or bribery	4.2.3 Legal Compliance	50
		Description of policies or actions to prevent anti-competitive behavior	4.2.3 Legal Compliance	50
	RT-EE-510a.2	The total financial loss resulting from bribery or corruption-related legal litigations	4.2.3 Legal Compliance	50
	RT-EE-510a.3	The total financial loss resulting from anti-competitive behavior-related legal litigations	4.2.3 Legal Compliance	50



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## 2023 Sustainability Report

