



ESG Report
Group Up Industrial Co. Ltd.



June 2022

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Reporting Information

About this Report

Group Up Industrial Co., Ltd (GP) issued English ESG Report for the first time. This report has been prepared with reference to the core disclosure options requirements of GRI Standards, issued by the Global Reporting Initiative (GRI). This report covers the management policy and specific performance of the company in the three main aspects of environmental (E), social (S) and corporate governance (G) in 2021. Through stakeholder consultation and materiality analysis, GP team shall identify the Company's key issues and specific actions for sustainable development.

Reporting Boundaries

This report mainly reveals corporate sustainability management policy and performance in 2021 (from January 1st to December 31st), and some information was traced back to years before 2021, showing moderate medium- and long-term changes and comparing trend directions. The boundaries of this report are mainly focus on the headquarter office and factory in Taiwan, but Suzhou factory and affiliated enterprises are not included in the scope of disclosure in this sustainability report. The core operational base of this report is at Yangmei District, Taoyuan City, and the word "local" in the rest of content is referred to GP in Taiwan region.

Financial data in this report, mostly are denominated in NT dollars; relevant data such as environmental actions and employee care for the community were from the results of the company's own inventory and statistics, but electricity consumption is derived from the relevant costs that the original data was not easy to obtain. In addition, Ministry of Economic Affairs approved 2020 electricity carbon emissions coefficient of 0.502 kg CO₂e/kWh, and GP team will make relevant estimates in this report. More details please refer to 2021 Group Up Industrial Co., Ltd Annual Report.

Issue

GP issues the ESG report on company's official website
https://www.gpline.com.tw/message_tw.php.

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Messages from the Chairman

The ancients said that thirty and standing, Group Up Industry in 2022 into the 32nd anniversary, is honored to receive a well-known vision magazine report in 2021, selected as the world's largest coating baking equipment factory; it's also reported that Group Up Industry maintains at Top 2,000 in the manufacturing industry, and we provide high-quality circuit board, optoelectronic and semiconductor production equipment for customers around the world with professional manufacturing technology services.

During this year's Lunar New Year, I especially encourage my colleagues to devote themselves to research and development, pursue excellence, enrich their self-study opportunities, continue to provide customers with baking, coating, exposure, automation equipment and services, and greatly enhance the competitiveness of customers' high-end board factories. Group Up's business territory towards a big growth pattern, always continue to develop and evolve, grow together with customers, I and all the competent colleagues personally, into the global carrier board and advanced packaging equipment market, but also hope that the board of directors to ESG all-round business thinking, so that Taiwan's industrial development continues to move forward.

This year, all the way to the heart, I am very grateful to heaven, let Group Up Industry occupy a place in the global electronic equipment industry stage, in the spirit of gratitude for returns, in addition to focusing on the development of the industry every day, especially in patent research and development, the country has accumulated the top 100, and on both sides of the strait have applied for energy-saving and carbon-saving heat recovery devices, encourage more customers to purchase power-saving machinery and equipment, and jointly contribute to environmental protection. I firmly believe that every colleague of Group Up has social responsibility, that is, to help the industry to bring a better direction, Group Up is the forerunner of the sustainable development of the electronic equipment industry!



Sustainability Highlights in 2021

Corporate Governance

Ranking in Corporate Governance	7th ranking as top 36%~50%, 8 th ranking as top 21%~35%
New Capacity	The expansion project of the fourth floor of the Yangmei headquarters is expected to be completed and put into use in the third quarter of 2022.
Patents	As of the end of December 2021, the cumulative number of patent applications nationwide ranked the top 100. Accumulated a total of 231 patents.
Ranking in Manufacturing	According to the report of Foresight Magazine in 2021, it won the "World's Largest Coating and Baking Equipment Factory" According to the latest ranking of Commonwealth Magazine, the national manufacturing ranking has improved from 1094 to 1069 again; in the field of mechanical and electrical equipment industry, it ranks 72nd in Taiwan, with a revenue growth rate of 18.46%, a profit rate of 17.63%, and a return on equity of 16.8%.

Healthy and Happy Workplace

Salary	In 2021, the total number of employees and workers will be 255. The total salary of full-time employees in non-supervisory positions is NT\$195,618,000, the average salary is NT\$923,000, and the median salary is NT\$892,000, and further recruitment in the Human Resources Bank will improve employment salary.
Foreign employees	Diversified talent recruitment. At the end of 2021, there will be 37 foreign employees (all Filipinos) to promote the company's inclusiveness and diversity.
Performance appraisal	100% of all full-time employees have performance appraisals
Workplace Health	The vaccination rate of COVID-19 vaccine for all employees, the second dose was 97.5%, the third dose was 91.25%, and all Filipino colleagues completed the vaccination.

Social and Environmental Aspect

Charitable activities	Participating in social welfare activities in 2021, the welfare committee will spend 3,240,488 NT\$, social welfare donations will be 96,000 NT\$, beach cleaning activities will be 28,520 NT\$, and public associations will spend 258,913 NT\$
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Changes in electricity consumption	Electricity consumption (kWh) in 2020 is 599,370 kWh Electricity consumption (kWh) in 2021 is 657,580 kWh, an increase of 58,210 kWh (+9.7%)
Total carbon emissions	The total carbon emission in 2020 is 340 metric tons, and the carbon emission coefficient is 0.509 kg CO ₂ e/degree The total carbon emission in 2021 is 417 metric tons, and the carbon emission coefficient is 0.502 kg CO ₂ e/degree Total carbon emissions increased from the previous year: 77 metric tons (+22.6%)
Total water use	Water consumption in 2020 is 4,262 degrees Water consumption in 2021 is 4,605 degrees, an increase of 343 degrees over the previous year (+8%)
Waste weight	2021 gross weight 23,960kg Average weight gain from 2019 to 2021 is 14.9%

GP & UN Sustainable Development Goals

In 2015, UN member states adopted the "2030 Agenda for Sustainable Development" and 17 Sustainable Development Goals (SDGs), ushering in a new era of global sustainable development. The 17 SDGs and their 169 sub-goals not only point to the most pressing sustainability issues in countries around the world, but also reveal the key tools needed to achieve economic, environmental and social sustainability, such as clean Energy, economic growth, industrial innovation and responsible production and consumption. Group Up Industry will take the initiative to respond and take action from 2021 to 2030, which is also the key decade of global sustainable development (Decade of Action) referred to by the United Nations. Generation struggle.

Contribution of GP to SDGs

For more than 32 years, Group Up has been deeply engaged in the core technologies of baking, coating, exposure, and automated manufacturing, and has become an important partner in the development and innovation of my country's high-tech industry. All colleagues of Group Up Industry support the United Nations Sustainable Development Goals. Through industrial technology innovation, we can improve the production efficiency and competitiveness of my country's PCB printed circuit board, optoelectronics, and semiconductor industries, and promote the sustainable development of high-tech industries.

In addition to voluntary public welfare donations on weekdays, Group Up industrial colleagues also actively participate in the inheritance of industrial experience, echoing the SDG goal of industrial innovation. For example: participating in sharing activities of different colleges and universities, assisting students to clarify career development, promoting local employment opportunities, nurturing new people and educating and training, and encouraging various departments to pass on from generation to generation.

Group Up is committed to paying more attention to corporate sustainability and ESG-related issues in a more comprehensive way, and enhancing a new vision of responsible investment. Employee benefits; it will also connect its own industrial practice experience with legal entities and academic units to jointly cultivate the core capabilities of future high-tech practitioners in my country. From the perspective of pragmatic operation, we will make full use of our own efforts to contribute to various sustainable development goals.

Chapter 1 Corporate Governance

1.1 Company Overview

1) Company Briefing

Group Up Industrial Co., Ltd. (GP) was founded in January 1990. It originated from the operation of electronic equipment for the Printed Circuit Board (PCB) industry. Upholding the belief of "quality first, service first", it focuses on the field of advanced technology and actively develops Promoting, has a high share of products in the global field; with the development of Taiwan's technology industry, the company provides customized services including R&D, design and manufacturing with superior innovation capabilities and vertically integrated process technology, tailor-made for customers Modular and multi-functional baking, coating, exposure, and automated production equipment can effectively reduce customer production costs and improve yield and competitiveness.

The overall global industrial environment is facing many challenges during the COVID-19 epidemic in 2020-2021. However, Taiwan's economic situation continues to be booming, and various industrial customers have successively required new factories to expand production in various regions at home and abroad. Operating performance continued to grow. In 2021, the company has contracted and expanded the fourth floor of the factory area. It is expected to complete the expansion of production capacity in the third quarter of 2022, and plans to gradually plan the top-floor solar energy project from 2022 to respond to global customers' demand for green energy and improve the electronic supply chain. The social responsibility will lay the foundation for the future expansion of overseas markets.

Table1-1: GP Profile

Establishment	January 1990
Capital	NT\$ 550,000,000
Address	No.188, He-Ping Road, Yangmei District, Taoyuan City
Stock code	6664
Industry	PCB and Semiconductor equipment
Products & Services	The main business is PCB, FPC, Display, Roll to Roll optoelectronic and semiconductor industry process equipment, providing drying, coating, lamination, exposure, roll-to-roll and automation integration. Products and services provided include: dust-free oven, nitrogen oven, vacuum oven, hot air conveying furnace, ultraviolet dryer, infrared dryer, automatic baking line for roller coating, automatic baking line for electrostatic spraying, automatic baking for dipping coating Line, exposure machine, multi-layer hot air hot plate furnace with robotic

	arm, roll-to-roll vacuum lamination exposure coating equipment, etc.
Headquarter	Yangmei District, Taoyuan City
Full-time staff	255 employees in Yangmei headquarter
Market	Taiwan, Mainland China, Japan, Korea, India, the Philippines, Singapore, Thailand, Vietnam, Israel, the United States of America, Brazil, and Austria.

Membership of Association

Taiwan Circuit Board Association (TPCA)

Since 2002, colleagues of the company have actually participated in the operation of different TPCA committees for a long time, such as: TPCA show or mutual visits, actual participation in industry exchanges, and support for many public welfare events and exhibition activities held by the association.

Circuit Board Environmental Public Welfare Foundation (TPCF)

The company has supported the public welfare and took action. Mr. Yu, the deputy general manager of the management department, donated money to support TPCF in promoting various environmental education promotion events. Relevant public welfare information will be simultaneously disclosed in the 2021 TPCF circuit board environmental public welfare report, making green sustainable, making love infinite, integrating the net-zero carbon reduction concept, and practicing ESG value.

Taiwan Electronic Equipment Association (TEEIA)

As one of the members of TEEIA, we make good use of core expertise to plan R&D and design for customers, and jointly form a smart manufacturing cross-domain service group. Cooperate with the industry-related policies promoted by the government, gather the technology and experience of everyone's intelligent manufacturing, and provide cross-industry technology export services. Looking forward to 2022, Group Up Industry will send staff to join the innovation committee, exhibition committee, ESG committee and other different sub-committees to promote the common good of the industry.

Semiconductor Industry Association International (SEMI)

GP joined in SEMI standards committee to participate online in advanced packaging process. The latest semiconductor baking equipment technology discussions in the United States and Japan, through various physical or online meetings from time to time, hoping to contribute to the industry with its own experience, and to be in line with the latest packaging trends in the global semiconductor equipment market, and participated in the SEMICOM semiconductor exhibition for the first time in 2021.

Table1-2: Revenues by market

Unit: NT\$1,000

Major Market	Year 2021		Year 2020		Year 2019		Year 2018	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
PCB Equipment	1,341,332	70.17	1,137,982	70.5	1,307,492	78.37	1,024,503	62.32
Display Equipment	68,937	3.61	45,501	2.82	74,432	4.46	239,602	14.57
Others (including semiconductor equipment)	501,274	26.22	430,761	26.68	286,362	17.17	379,897	23.11
Total	1,911,543	100	1,614,244	100	1,668,286	100	1,644,002	100

Table1-3: Profitability of the company in the past 4 years

Unit: %

Year	Y2021	Y2020	Y2019	Y2018
Return on assets	8.57	8.78	8.64	8.25
Return on equity	17.21	16.71	16.64	16.69
Ratio of net profit before tax to paid-in capital	78.24	69.48	67.85	59.74
Net profit rate	17.60	19.26	17.81	15.98
Earnings per share (NT\$)	6.12	5.65	5.40	5.10

Service Scope and Operation Base

Service areas

In addition to Taiwan, the company also cooperates with many overseas agents, covering Asia, North America, Europe, Southeast Asia, etc.

The distribution of operating locations, including Yangmei headquarters, Suzhou company, Guangdong company, etc., as shown in the figure below

 <p>台灣總公司 群翊工業股份有限公司 ☎+886-3-485-3536 ☎+886-3-485-6336 ✉gp@gpline.com.tw 📍台灣桃園市楊梅區和平路188號 📐佔地面積：3800坪 📐建築面積：5800坪</p>	 <p>蘇州公司 旺群科技(蘇州工業園區)有限公司 ☎+86-512-8666-5998 ☎+86-512-6299-2858 ✉gp@gpline.com.cn 📍中國江蘇省蘇州工業園區唯亭區唯文路8號 📐佔地面積：55畝 📐建築面積：28000米平方</p>	 <p>廣東公司 群翊貿易(深圳)有限公司 ☎+86-755-2753-1661 ☎+86-755-8619-7952 ✉sz@gpline.com.tw 📍深圳寶安新橋洋下大道 📐建築面積：300米平方</p>
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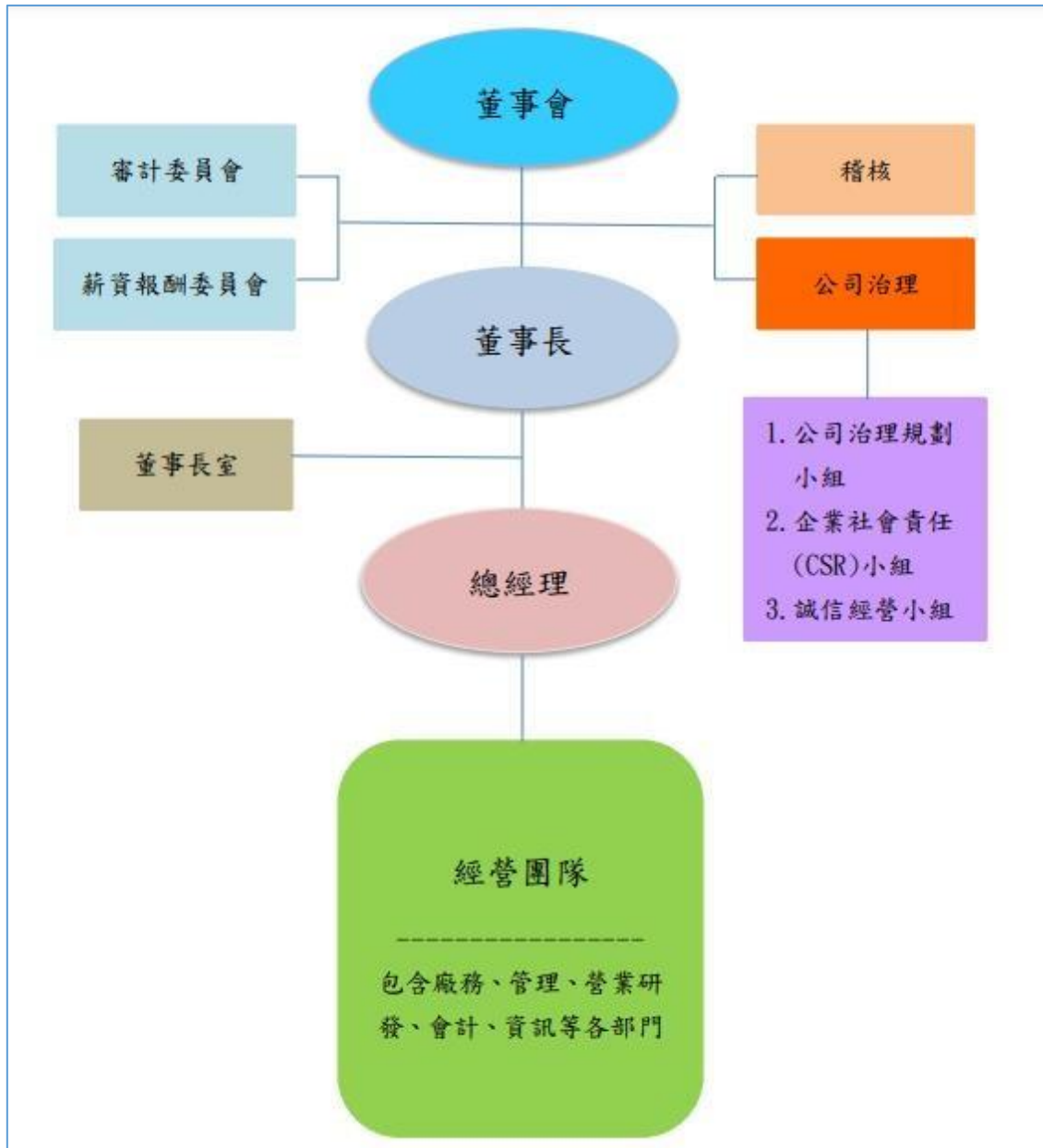
Governance structure

According to the company law and securities exchange law and other relevant norms, Group Up Industry protects the interests of shareholders. It has set up a remuneration committee and an audit committee on the board of directors. It has an independent audit office to handle the ISO management system and various audit matters. The chairman and CEO of the company leads the R&D team, including software, motor, mechanical R&D and other departments. The general manager of our company leads a team of professional managers and has five main departments under its jurisdiction, including: Manufacturing Department, Management Department, Factory Affairs Department, Business Department, and Accounting Department.

In accordance with the government's "Code of Practice for Sustainable Development of OTC Listed Companies" and related regulations, the company has established a CSR promotion team, convened relevant persons across departments, etc., to compile sustainability reports, promote corporate sustainable development, environmental protection and social care-related matters. In addition, set up a corporate governance planning team with main responsibilities:

1. Plan various corporate governance tasks, such as risk assessment, information security system planning, information security personnel training, information security policy formulation, intellectual property rights assessment, application, and announcement.
2. At least once a year, report the implementation status and future planning direction to the board of directors.

In response to the latest trends of the "Corporate Governance 3.0" blueprint, the industry and customer standards will be referenced simultaneously in the future, such as: Climate-related Financial Disclosures (TCFD), Perpetual Accounting Standards (SASB), Nature-related Financial Disclosures (TNFD) and other international standards, continue to look for benchmarking large or medium-sized enterprises as a learning reference, and self-improve the quality of sustainable standard disclosure.



Source: Group Up Industrial Co. Ltd.

Financial performance

In 2021, we benefit from the global semiconductor and high-end ABF substrate market corresponding to 5G, cloud, high-speed computing, autonomous vehicle driving and other trends, greatly increasing the demand for production capacity, and the supply is in short supply. At present, the 4th floor project of the new Yangmei factory will be expanded. It is expected to 2022 The third quarter of the year can join the production ranks. In addition to the equipment required for the ABF carrier board, which is the company's main growth driver, Group Up has excellent R&D line integration capabilities and a high level of customization. In addition to the PCB board factory customers are very positive, there are also semiconductor companies from home and abroad. Group Up, which has placed orders from factories and diversified into a niche product portfolio, will continue to step out of the growth pattern.

According to the comprehensive profit and loss statement of Group Up Industrial, the income tax expense for 2021 is NT\$74,331,000, the income tax expense for 2020 is NT\$67,137,000, and the income tax expense for 2019 is NT\$64,583,000, all of which are paid in accordance with the tax laws of the country and region where they are located and operate with integrity.

The company's financial statements are all assigned by KPMG Accounting Firm, who regularly visit the factory for professional audits. The company's operating income in 2021 was NT\$1,911,543,000, an increase of NT\$297,299,000, or an increase of approximately 18.42%, compared with the turnover of NT\$1,614,244,000 in 2020. Net profit after tax was RMB 336,501,000 and earnings per share (EPS) was RMB 6.12.

Table 1-4: Financial information

Year	2021	2020	2019	2018
Revenues	1.911 billion	1.614 billion	1.668 billion	1.644 billion
Gross profit margin	39.88%	44.51%	36.85%	33.45%
Dividend	4.9	4.3	4.2	4
EPS (After tax)	6.12	5.65	5.4	5.1

Unit : NT\$ 1,000 ; %

Accounting Items	2021	2020	Increase (decrease)	%
Operating income	1,911,543	1,614,244	297,299	18.42
Operating cost	1,149,198	895,803	253,395	28.29
Operating margin	762,345	718,441	43,904	6.11
Operating expenses	292,963	286,335	6,628	2.31
Business revenue	469,382	432,106	37,276	8.63
Non-operating income (expenditure)	(39,089)	(49,965)	10,876	(21.77)
Pre-tax benefits	430,293	382,141	48,152	12.60

2)Business and Performance

Board policy

The Board of Directors is the highest joint discussion organization for business management activities of Group Up Industry. The current board of directors took board on February 22, 2018, and the re-election of the board of directors has been held in 2021. There are currently 6 directors (including the chairman of the board) and 3 independent directors, all of whom are male, and are professionals with industrial experience, technology and knowledge, and who can grasp the pulse of the industry and technological development, so that the board of directors of Group Up Industry has sufficient management. Management, operational judgment and decision-making, accounting and financial analysis, crisis management and other capabilities, and possessing industry knowledge and international market outlook, can play a guiding role in leading the sustainable development of Group Up industry.

According to Article 1 of the Company Law: "Companies should abide by laws and business ethics in their business operations, and may adopt behaviors that promote public interests, so as to fulfill their social responsibilities." As an OTC company, the management team has noticed that in recent years Come to the Financial Supervision and Administration Commission, the Stock Exchange and the OTC Center to propose the "Corporate Governance 3.0 Sustainable Development Blueprint", and continue to strengthen the functions of the board of directors. This report and the rooftop solar green energy expansion project are also included in the board of directors for reporting, exchange and discussion, continue to enhance the sustainable value of the enterprise.

Through the first issuance of the CSR report in 2020 and the renaming of the ESG report in 2021, to improve information transparency and promote sustainable management; communicate with stakeholders from all walks of life to promote good interaction; in line with international standards, and continue to actively fill out the US CECP social investment questionnaire, deepen the corporate sustainability culture, and continue to participate in corporate governance evaluation. In addition, it also continued to participate in the DJSI Dow Jones Sustainability Index evaluation work in 2021, and continued to improve corporate sustainability indicators.



Board members

There are a total of 9 directors on the board of directors of the company in 2021, and the attendance rate is 100%. The board of directors of Group Up Industry is committed to pursuing integrity and sustainable operation. In order to protect the rights and interests of stakeholders and the common prosperity of the society, the directors of Group Up are strictly self-disciplined. Recused and do not exercise their voting rights on behalf of other directors; at the same time, the company also regularly arranges regular refresher courses for directors.

Table 1-5: Board of Directors

Title	Country	Name	Gender Age	Inauguration date	Term	Appointment date	Experiences/academic background	Concurrently holding positions in the company and others
Chairman of Board	R.O.C.	A.S.Chen	Male 61~70	1990.1.24	3 years	2021.7.30	Bachelor of Mechanical Engineering Taipei City University of Science & Technology, TPCU Manager of Design Dept. CSUN Industrial Co.Ltd.	Chairman of Group Up Industrial Co.Ltd. Supervisor of Zhanhong Investment Co., Ltd. GROUP UP (SAMOA) LTD
	R.O.C.	Zhanhong Investment Co., Ltd.	—	2017.6.12	3 years	2021.7.30	n/a	—
Board Director	R.O.C.	Lee, Jung- Kung	Male 61~70	1990.1.24	3 years	2021.7.30	Dept. of Mechanical Engineering Xiehe Vocational High School Manager of Sales Dept. CSUN Industrial Co.Ltd.	General Manager of Group Up Industrial Co.Ltd. Supervisor of Yufeng Investment Co., Ltd.
	R.O.C.	Yufeng Investment Co., Ltd.	—	2017.6.12	3 years	2021.7.30	n/a	—
Board Director	R.O.C.	Lai, Wen- Chang	Male 61~70	1990.1.24	3years	2021.7.30	Bachelor of Mechanical Engineering Chien Hsin University of Science and Technology Manager of Quality Management CSUN Industrial Co.Ltd.	Vice general manager of Group Up Industrial Co.Ltd. Supervisor of Hongyi Investment Co., Ltd.
	R.O.C.	Hongyi Investment Co., Ltd.	—	2017.6.12	3 years	2021.7.30	n/a	—
Board Director	R.O.C.	Yu, Bill	Male 61~70	1990.1.24	3 years	2021.7.30	Bachelor of Electrical Engineering National Taipei University of Technology Manager of Sales Dept. CSUN Industrial Co.Ltd.	Vice general manager of Group Up Industrial Co.Ltd. Board Director of Living Water Investment Co., Ltd. Representative of Wangqun Technology (Suzhou Industrial Park) Co., Ltd. Representative of Group Up Trading (Shenzhen) Co., Ltd.
	R.O.C.	Living Water Investment Co., Ltd.	—	2017.6.12	3 years	2021.7.30	n/a	—

Title	Country	Name	Gender Age	Inauguration date	Term	Appointment date	Experiences/academic background	Concurrently holding positions in the company and others
Board Director	R.O.C.	Dai, Shui- Chuan	Male 71~80	2015.10.30 (Note2)	3 years	2021.7.30	Fu-Hsin Trade and Arts School General Manager, Xiefeng Mingban Printing Co., Ltd.	Chairman of the Board Pizazzy International Co. Ltd.
Board Director	R.O.C.	Kao, Chuan Chih	Male 61~70	2018.2.22	3 years	2021.7.30	Bachelor of Mechanical Engineering Taipei City University of Science & Technology, TPCU Board Director, Xie-He-Xing Precision Machinery (Kunshan) Co., Ltd.	Sehosin Machinery Co., Ltd. (Kunshan)
Independent director	R.O.C.	Li, Robert	Male 51~60	2018.2.22	3years	2021.7.30	Industrial Management Institute National Cheng-Kung University, NCKU Vice General Manager, Chi-Feng Plastic Co., Ltd.	none
Independent director	R.O.C.	Hung, Ching- Chang	Male 61~70	2018.2.22	3years	2018.02.22	Dept. of Welding Engineering Cranfield University General Manager, He-Zeng Technology Co., Ltd.	none
Independent director	R.O.C.	Chen, Ming Hsing	Male 61~70	2018.2.22	3years	2018.02.22	MBA, National Singapore University Consultant, Taiwan Printed Circuit Association (TPCA)	TPCA association Consultant

The board of directors attaches great importance to courses related to corporate governance education and training. The table below is the overview of the training in 2021. All directors are in compliance with legal compliance matters and should take courses for at least 6 to 7 hours.

Table 1-6: 2021 Board Directors & Corporate Governance Manager's participation in the training courses

Title	Name	Date	Training Unit	Module	Hours
Board Director	Chen, An Shun	2021.01.19	Republic of China Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Management	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Board Director	Lee, Jung Kung	2021.01.19	Republic of China Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Management	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Board Director	Lai, Wen Chang	2021.01.19	Republic of China Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Management	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Board Director	Yu, Bill	2021.01.19	Republic of China Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Management	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Board Director	Kao, Chuan Chih	2021.11.23	Business Council for Sustainable Development of the Republic of China (BCSD-Taiwan)	ESG Risk Management Trend Forum	3
		2021.12.14	Securities and Futures Institute	The Influence and Response of the New Labor Incident Law on Enterprise Risks	3
Board Director	Dai, Shui Chuan	2021.11.05	Securities and Futures Institute	The Influence and Response of the New Labor Incident Law on Enterprise Risks	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Independent Director	Li, Robert	2021.2.24	Republic of China Accounting Research & Development Foundation	The latest development of my country's IFRS policy and analysis of financial reporting/supervision legal compliance issues	3
		2021.2.24	Republic of China Accounting	Analysis of the latest securities and financial tax	1

Title	Name	Date	Training Unit	Module	Hours
			Research & Development Foundation	laws and professional standards	
		2021.3.17	Republic of China Accounting Research & Development Foundation	Interpretation of the relevant provisions of the International Financial Reporting Standards [Material Judgment]	3
		2021.3.17	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.4.14	Republic of China Accounting Research & Development Foundation	The latest annual profit-seeking business income tax declaration practice seminar	3
		2021.4.14	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.5.12	Republic of China Accounting Research & Development Foundation	Corporate Governance Practice: Using Performance Management to Improve Operational Effectiveness	3
		2021.5.12	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.06.16	Republic of China Accounting Research & Development Foundation	Fiscal and taxation practices commonly used by enterprises in [real estate transactions]	3
		2021.06.16	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.07.14	Republic of China Accounting Research & Development Foundation	Enterprise [tax loss avoidance and proof] related legal liability and practical case analysis	3
		2021.07.14	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.09.15	Republic of China Accounting Research & Development Foundation	Financial Accounting and Evaluation Practice of Mergers and Acquisitions	3
		2021.09.15	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.10.13	Republic of China Accounting Research & Development Foundation	Corporate Governance Practices in Enterprises: Discussion on Employee Reward Strategies and the Use of Tools	3
		2021.10.13	Republic of China Accounting Research & Development Foundation	Analysis of the latest securities and financial tax laws and professional standards	1
		2021.11.17	Republic of China Accounting Research & Development Foundation	Financial accounting and appraisal practice of real estate, plant and equipment	3
		2021.11.17	Republic of China Accounting	Analysis of the latest securities and financial tax	1

Title	Name	Date	Training Unit	Module	Hours
			Research & Development Foundation	laws and professional standards	
Independent Director	Hung, Ching Chang	2021.08.10	Independent Director Association Taiwan (TIDA)	How can directors analyze the confidence of financial statements and pay close attention to enterprise risk management	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Independent Director	Chen, Ming Hsing	2021.12.08	Independent Director Association Taiwan (TIDA)	Strategies and Secrets of the Board of Directors to Lead the Digital Transformation of Enterprises	3
		2021.08.31	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
		2021.09.01	Republic of China Securities OTC Trading Center	OTC Sustainability Upgrade Online Forum	2
Corporate Governance Manager	Shen, Wendy	2021.01.19	Republic of China Securities Association	Corporate Governance 3.0 - Blueprint for Sustainable Management	3
		2021.08.31	Securities OTC Trading Center	Decoding SME Sustainability DNA - Online Course	2
		2021.09.01	Securities OTC Trading Center	The 13th Taipei Corporate Governance Forum - Online Course	3
		2021.09.03	Corporate Governance and Sustainable Development Association	Offense and defense of non-consensual mergers and acquisitions and the responsibility of the person in charge of the company	3
		2021.09.07	Corporate Governance and Sustainable Development Association	M&A transaction due diligence and financial evaluation	3
		2021.09.08	Corporate Governance and Sustainable Development Association	Corporate M&A equity investment planning and practical analysis of joint venture agreements	3
		2021.10.18	Securities OTC Trading Center	Online course on publicity and briefing session on equity for insiders of emerging companies	3

Source: 2021 Annual report of Group Up Industrial Co. Ltd.

Audit Committee

The Audit Committee is to supervise the proper expression of the Company's financial statements and independence and performance of certified accountants, as well as to ensure the Company's compliance with laws and the effectiveness of the internal control system. GP established Audit Committee to replace the supervisor, with all independent directors serving as members of the audit committee. Independent directors have professional backgrounds such as accounting or business studies. From the perspectives of finance, operation management and risk control, they fully urge the board of directors to exercise leadership and supervise the development of the company, and assist the company to control existing or potential risks. The attendance of independent directors at the audit committee meetings this year is as follows:

Table 1-7: 2021 Audit Committee Attendance Statistics Table

Title	Name	Attendance	Number of delegated attendances	Actual attendance rate (%)
Independent Director	Mr. Robert Li	6	-	100%
Independent Director	Mr. Ching Chang Hung	6	-	100%
Independent Director	Mr. Ming-Hsing Chen	6	-	100%

Compensation Committee

To strengthen the corporate governance structure and rationalize the relationship between performance and remuneration, the company has established a remuneration committee under the supervision of the board of directors to formulate and regularly review the company's remuneration policies, systems, standards and structures. The company has established the "Management Measures for Self-evaluation or Peer Evaluation of the Board of Directors" and "Remuneration and Remuneration Measures for Directors, Supervisors and Managers" and regularly evaluates the operational effectiveness of the Board of Directors and the performance of directors to determine remuneration; in addition, the Remuneration Committee annually It will also review the achievement of performance goals and individual performance of the main management level and take into account market trends, and appropriately adjust the annual salary and remuneration.

A good salary system can motivate employees' centripetal force. According to Article 19 of the company's articles of association, if there is an annual profit balance, no more than 5% shall be allocated as directors' remuneration, and no less than 2% shall be allocated as employee's remuneration. The distribution shall be made by the board of directors with a resolution of more than two-thirds of the directors present and with the approval of more than half of the directors present. The relevant remuneration allocation amount shall be reviewed and approved by the remuneration committee and reported to the shareholders' meeting. The attendance of the Compensation Committee in 2021 is as follows:

Table 1-8: Compensation Committee Attendance Statistics Table in 2021

Title	Name	Attendance	Number of delegated attendances	Actual attendance rate (%)
Independent Director	Mr. Robert Li	6	-	100%
Independent Director	Mr. Ching Chang Hung	6	-	100%
Independent Director	Mr. Ming-Hsing Chen	6	-	100%

For full-time employees who are not in supervisory positions, the company also increases salaries in a timely manner based on the overall market environment, employee performance, etc., to stimulate employee morale, and share the company's operating results with all non-supervisor colleagues. In 2019, the average salary of non-supervisory full-time employees was 853,000 yuan, with a median of 807,000 yuan; in 2020, the average was 872,000 yuan, and the median was 837,000 yuan. In 2021, the mean is \$923,000 and the median is \$892,000. For three consecutive years, Group Up's average and median salary have continued to grow.

Management team

The management team is composed of excellent managers from various departments, formulates business strategies with a prudent and down-to-earth attitude, continues to deepen the core expertise of industrial equipment, and expands the scope of application into many industrial fields. Major resolutions in operation also follow the company's risk management policy, manage and control existing potential risks with the principle of prudence, give early warnings, and discuss and resolve relevant decision-making matters at a professional manager meeting. At the same time, an audit room is set up to systematically and institutionalized approach ensures the effectiveness of the company's internal control system to ensure operational efficiency and the best interests of shareholders, and create sustainable value for shareholders, employees, customers and the general public.

The gender ratio of our senior managers is 7 males: 1 female, and GP fully respect people of different genders, races, and religious backgrounds. GP respects and supports the idea of gender equality.

Table 1-9: CEO, General Manager, Vice General Manager, Associate and Supervisors of Various Departments and Branches

Title	Nationality	Name	Gender	Date of appointment	Shares held		Spouse and children holding shares		Holding shares in name of others		Main experiences and academic background
					Shares	%	Shares	%	Shares	%	
CEO	R.O.C.	Chen, An-Shun	Male	1990.01.24	879,408	1.60%	892,211	1.62%	—	—	Bachelor of Mechanical Engineering Taipei City University of Science & Technology, TPCU Manager of Design Dept. CSUN Industrial Co.Ltd.
General Manager	R.O.C.	Lee, Jung-Kung	Male	1990.01.24	913,148	1.66%	1,335,812	2.42%	—	—	Dept. of Mechanical Engineering Xiehe Vocational High School Manager of Sales Dept. CSUN Industrial Co.Ltd.
Manufacturing Vice GM	R.O.C.	Lai, Wen-Chang	Male	1990.01.24	976,853	1.78%	878,521	1.60%	—	—	Bachelor of Mechanical Engineering Chien Hsin University of Science and Technology Manager of Quality Management CSUN Industrial Co.Ltd.
Management Vice GM	R.O.C.	Yu, Bill	Male	1990.01.24	857,097	1.56%	925,036	1.68%	—	—	Bachelor of Electrical Engineering National Taipei University of Technology Manager of Sales Dept. CSUN Industrial Co.Ltd.
Sales Vice GM	R.O.C.	Chen, Asui	Male	2000.11.20	210,836	0.38%	—	—	—	—	Master of Materials Science Engineering Institute, National Tsinghua University Deputy Manager of Taiwan Mitsubishi Corporation
Sales Associate Manager	R.O.C.	Lee, Brent	Male	2006.07.01	33,461	0.06%	—	—	—	—	Ph.D., Institute of Electronic Engineering, Zhongyuan University Assistant Professor, Lingdong University of Science and Technology
R&D Associate Manager	R.O.C.	Chen, Xiurong	Male	2000.04.10	109,460	0.20%	136,977	0.25%	—	—	Bachelor of Mechanical Engineering, National United University Engineer, Whirlho Company
Accounting & Finance, Corporate Governance Manager	R.O.C.	Shen, Wendy	Female	2000.12.21	70,000	0.13%	—	—	—	—	Bachelor of Accounting, Fu Jen Catholic University Team Manager of Deloitte Accounting Firm

Source: 2021 Annual Report of Group Up Industrial Co. Ltd.

Corporate ethics and integrity management

In order to ensure that Group Up Industry follows various statutory regulations in the process of quality innovation and market competition, in order to establish an honest and responsible corporate culture and a good risk management early warning mechanism, our company has formulated the “Code of Ethics” and “Code of Integrity Management” As the superior policy and principle of corporate governance, it is required that the directors and managers of the company shall not offer, accept or be involved in any improper benefits or other acts of breach of integrity, and shall fulfill their obligations to protect business secrets and company assets, follow fair trade and other Laws and regulations, in order to meet the expectations of stakeholders from all walks of life on the ethics and legality of the company’s operations, and further enhance the company’s overall value. The latest situation of the company’s development is explained through 12 public monthly revenue information, 1 shareholder meeting, and 1~2 corporate briefings every year.

In 2021, the company did not have any incidents of corruption, violation of customer privacy, violation of fair competition, violation of the company’s code of conduct, or other major violations of social and economic regulations. The company resists all forms of corruption, including extortion and bribery, in compliance with national laws and policy environments.

Corporate Information Session

On May 19, 2021, a corporate briefing was held in the Taipei Conference Room of the Cabinet Buying Center. Spokesperson Yu personally presided over it, and Mr. Chen Yu shui, the deputy general manager of the sales department, personally gave an oral briefing. The event was successfully completed. Considering the need to maintain the health of investors during the epidemic, avoid gatherings at the venue, and adopt online synchronous live broadcast. Colleagues wear masks for the legal person briefing in the conference room of the Taipei Cabinet Buying Center.

In the second half of 2021, on September 3, an online briefing will be held in cooperation with the OTC Center, and the company will be briefed in English and the latest market development trends to Hong Kong and foreign investment institutions.



Source: Group Up Industrial Co.Ltd.

Stock Information: Bilingual Disclosure

The meeting notices, procedure manuals, reference materials, annual reports, and financial reports required by the shareholders' meeting are not only uploaded to the public information observatory in the basic Chinese version, but also echo the advice of the competent authority (the counter purchase center) on information disclosure, and the above information is gradually uploaded. English culture is more friendly to foreign investment legal persons.

Risk & Crisis Management

Adhering to the principle of prudence in company operation and risk management, following the relevant government regulations on public offering companies, and establishing an appropriate internal control system, the audit office conducts regular and irregular audits to ensure the effectiveness of the internal control system. The company also holds professional managers' meetings on a regular basis to track the execution matters, financial status, order and shipment statistics of each quarter, and review of the closing machines. Effectively manage risks.

In response to the challenges of the global new crown epidemic in 2020~2021, the company has taken proactive measures to formulate the "Guidelines for Continued Operation of Enterprises in Response to Severe Special Infectious Pneumonia (COVID-19) Epidemic" compiled by the Central Epidemic Command Center on March 5, 2020 Relevant policies and actions, regularly measure the forehead temperature every day on and off work; and at any time according to the daily epidemic situation, the factory personnel partition management, meal diversion, hierarchical management, make flexible adjustment decisions to ensure the continuous operation of the enterprise (Business Continuity Plan , BCP) without interruption, and explain to customers in due course.

GP promote the sustainable development of the enterprise

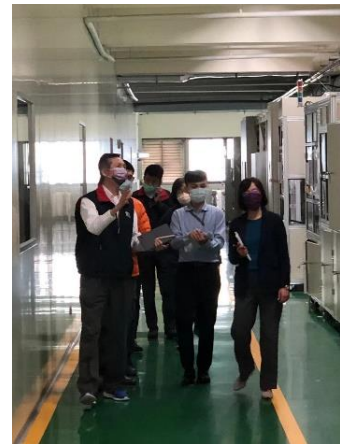
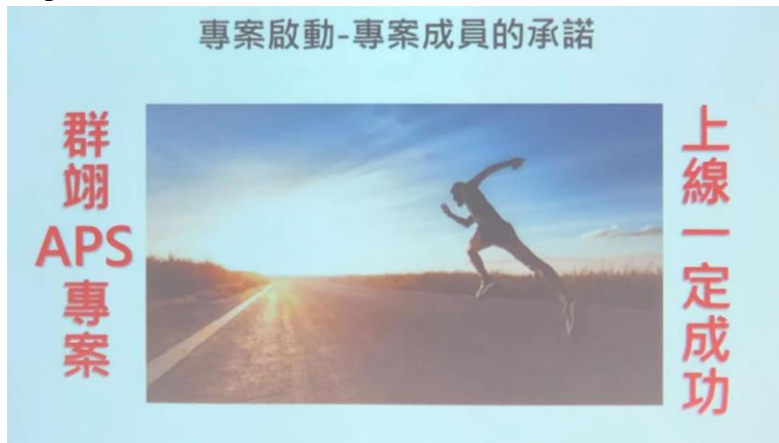
In order to implement the social responsibility of listed companies and promote sustainable economic, environmental and social development, the company has revised the "Code of Practice for Corporate Social Responsibility" on June 19, 2020; The director's office convened cross-departmental members to set up a "corporate sustainable development promotion team". Based on business duties, by integrating the existing resources and management systems of various departments, the company constructed a promotion module for the company's CSR practice and a process structure for checking performance. The first corporate social responsibility report will be successfully released in September 2021. In June 2022, it will be renamed the Corporate Sustainability Report (ESG Report).

The sustainable development of GP is based on the achievement of the "ACE" goal. The so-called "A" (Ability) represents the company's professional A-level capabilities, "C" (Cooperation & Creation) represents the full coordination of internal and external cooperation and the pursuit of technological R&D innovation, and "E" (Environment & Enthusiasm) represents the ecological environment and social welfare. continued attention and enthusiasm. On the road of pursuing sustainable development of the company, the company insists that all operating activities must abide by laws and regulations and take corporate social responsibility into account. By strengthening

employee education and training, improving the company's internal control system, ensuring corporate ethics and complying with government laws and regulations, and taking into account both, we hope that under the mission of respecting life and protecting the global environment on which we depend for a living, we will take into account the sustainable growth and development of the company and become a global village. model citizen.

Planning APS System Optimization Project

The company continues to develop four core manufacturing technologies including baking, coating, exposure, and automation integration, and actively deploys domestic and overseas markets. In view of the further improvement of customers' demand for the system, the company has planned to implement a three-month APS project in 2022 to improve the efficiency of the manufacturing scheduling system and integrate the original ERP enterprise resource planning system. Its purpose is to improve cross-departmental communication, production schedule management, and to know in advance design changes, upstream material shortages, inventory, stocking, and various adjustments to respond.



As a leading manufacturer of coating and baking equipment in the world, Group Up has the responsibility to support the Taiwan Circuit Board Association (TPCA) and assist its peers to jointly complete the PCBECI industrial communication agreement with its superior mechanical equipment innovation and manufacturing capabilities, which will continue in 2021. Obtain third-party equipment safety certificates to promote manufacturing upgrades and global competitiveness.

Information security

The company attaches great importance to information security policy and implementation. The so-called information security consists of three elements:

- Confidentiality: Properly protect information assets so that they can be used legally.
- Integrity: maintain the correctness and integrity of the content of the information assets.
- Availability: ensure that information assets are available for use at any time.

The company's 2021 information security goals are mainly to evaluate, review and improve the information security management of the existing system, ensure the security of the company's current information assets, ensure the confidentiality, integrity and availability of the company's internal information, and strengthen the company's colleagues' awareness of information security , Improve the reliability of information equipment and network systems, avoid damage or improper use of resources, and quickly respond to necessary contingency measures in case of emergency, and restore normal operation in the shortest possible time, reduce possible damage, and protect company information Asset security. Daily work of the information department:

- Check the operating status of each server daily.
- Check the firewall operation daily for IDP intrusion detection, web filtering and virus blocking.
- Check all firewall packets, monitor abnormal network traffic, find and report poisoned computer traffic, etc.
- Check the backup status of all computers in the company every month.
- Antivirus software is installed on all client and server computers, and the virus pattern is updated at any time; if there is a new version, it will be updated online with the agent, and the user version will be updated synchronously to keep the latest status and the best virus detection Rate.
- Set the firewalls built into the operating systems of all clients and servers to remain enabled.
- The client host with Internet access rights keeps the system updated and can repair system loopholes in time. The server runs a system update once a month to patch system vulnerabilities.
- All servers and clients, related data such as: office documents, PDF, drawing files, DWG... and use encryption software to encrypt files to prevent data leakage.

1.2 Significant analysis and negotiation with stakeholders

1)Identify the major stakeholders

All colleagues of Group Up Industry are committed to working together with internal and external partners to establish good communication channels to create a sustainable future. According to their direct or indirect impact on the company's operational decision-making, the stakeholders identified by the company are mainly divided into the following **six** types, which are publicly disclosed on the official website at the same time. The types of stakeholders and maintenance objectives are as follows:

- **Employee:** protect labor rights/enterprise talent cultivation
- **Shareholders:** Information disclosure and transparency/protection of shareholders' interests
- **Customer:** product quality maintenance/fair market competition
- **Suppliers** (upstream suppliers or outsourcers, contractors): honest and honest transactions / intellectual property protection and sharing
- **Government agencies:** follow laws and regulations/cooperative development of industry, government and academia, such as universities.
- **Community:** Implement social responsibility / protect environmental sustainability

2)Materiality issues and analytic result

The following four steps are mainly used to ensure that this report can fully disclose the relevant information of the company's sustainable development and respond to the major issues concerned by the six stakeholders.

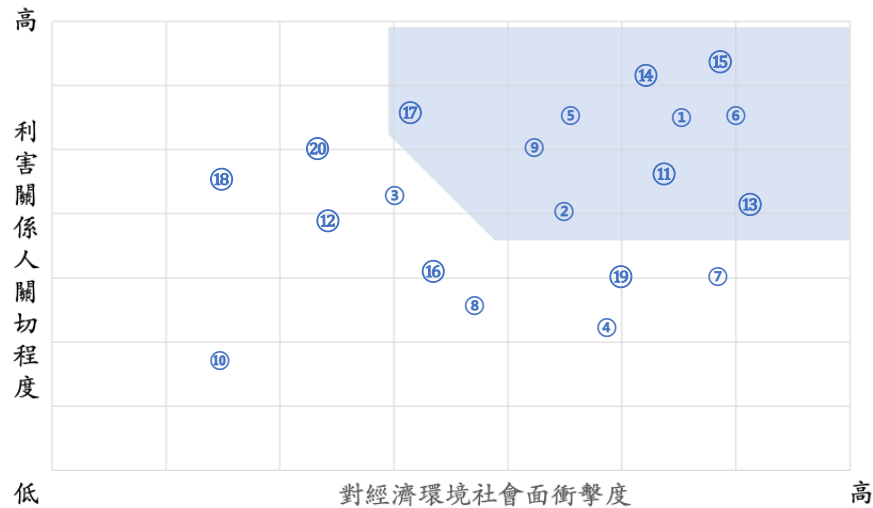
- **Step 1 Identification:** List the issues related to Group Up Industry with reference to foreign benchmarking companies and domestic industry concerns, international sustainability assessments and trend reports, customer requirements, GRI code topics, Responsible Business Alliance Code of Conduct, and industry norms. List of Corporate Social Responsibility Issues.
- **Step 2 Ranking:** Based on the inclusiveness and attention of stakeholders, and considering the company's internal and external impact assessment results, clarify the significance of the issues, and evaluate whether to disclose them in this report.
- **Step 3 Confirmation:** The Chairman's Office convened a "Corporate Social Responsibility Promotion Team" composed of department heads and cross-departments to confirm the evaluation and ranking results of major issues, and compare the issues to GRI themes and disclosure items, and consider the scope and boundaries to determine whether they can Provide valuable information to stakeholders.
- **Step 4 Review:** Review the content of the report, whether it fully presents the identification of the company's management performance and impact, and incorporates multi-stakeholder issues as a reference for the next issue of the report.

After discussions and investigations by inter-departmental supervisors, we can understand the impact of the company on major economic, environmental and social issues from different perspectives, and the degree of impact of the issue on internal operating decisions, and from various channels to stakeholders from all walks of life. From the point of view, respond to the concern and influence of various stakeholder groups on the company's sustainable development issues.

Specifically, for example: face-to-face with customers, occasionally responds to media reporters and investors' calls to inquire about communication issues; invites major customers, suppliers, and the head of the cabinet buying center to visit the factory for guidance, etc. After using issue ranking and matrix analysis (X-axis is the impact on ESG, Y-axis is the degree of concern to stakeholders), and after the top ten major issues discussed by the corporate governance team and senior executives are confirmed, it is determined that the major issues disclosed in this report are significant. Sexual issues, as shown in the chart below.

Remarks: ESG assessment projects include three aspects: environment, society and corporate governance. There are a total of 20 projects, and the top 10 major issues are selected.

Figure: Matrix of major issues in 2021 (20 items in total, the top 10 major issues are selected)



Evaluation items by GP include the following:

1. Economic performance
2. Product quality
3. Product delivery time
4. Supplier Management
5. Occupational health and safety
6. R&D innovation
7. Water management
8. Energy and climate change
9. Waste Resource Management
10. Operation of the Board
11. Salary and benefits
12. Industrial Relations
13. Regulatory Compliance
14. Customer Management
15. Risk Management
16. Integrity management
17. Social Engagement
18. Environmental protection
19. Stakeholder Communication
20. Information Security Management

1.3 Supply chain management

As a professional automation equipment and process development and system integration service provider, we cooperate with downstream customers, such as PCB, LCD, solar cell factories, domestic and foreign semiconductor manufacturers, and other industries. Power supply and other manufacturers purchase the required materials and accessories, and integrate software and technologies such as programming, electrical control, and data analysis, and GP provides highly customized automated production equipment. Feeling that Supplier Chain Management (SCM) has a direct and significant impact on product delivery and quality, and is also an important issue in Taiwan's CSR index, the company also actively prepares materials and manages suppliers and outsourcers.

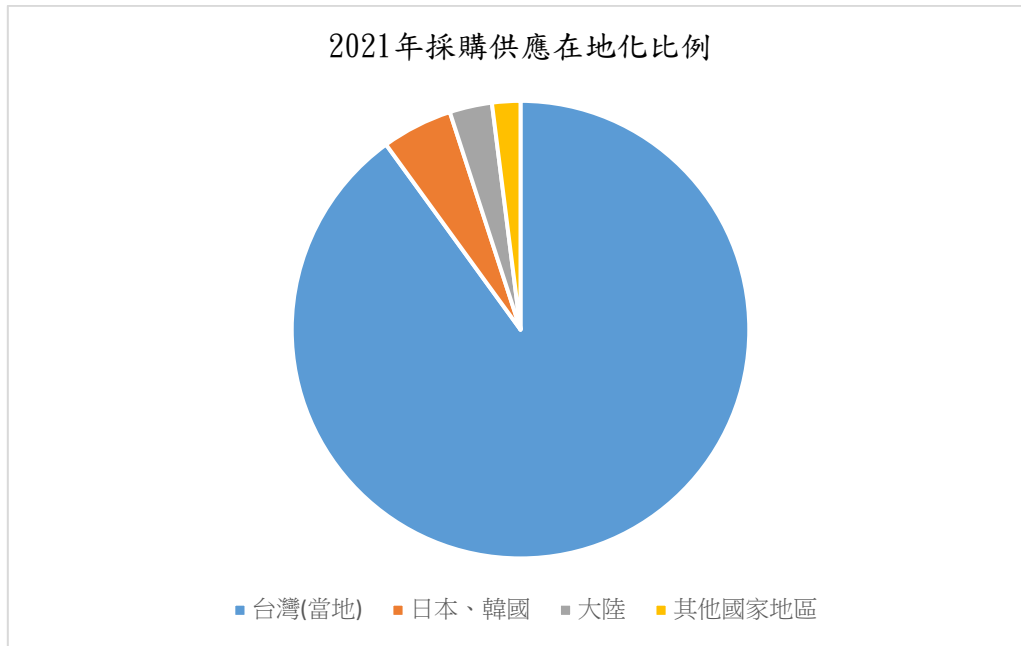
1) Supplier management policy and practice

To provide better products and innovative technologies, to establish long-term mutual trust and stable partnerships with different suppliers, GP wish to jointly pursue sustainable growth on the basis of mutual trust and mutual benefit. GP understands that suppliers are not only important production partners. In the process of implementing corporate sustainability, suppliers of GP actively cooperate and respond together to drive social influence and jointly maintain environmental and social sustainability. It is GP's goal to continue to achieve sustainable supply chain management.

Cooperate with the revision of the ISO9001:2015 quality management system, and introduce the ERP enterprise resource planning system to gradually strengthen the supplier management mechanism. Colleagues in the purchasing department will screen new suppliers through the three major ESG aspects, evaluation and management procedures, in order to establish and provide high quality upstream supply chain of services and commodities. Each supplier needs to go through the audit and evaluation of the purchasing department, plus the requirements of Taiwan Circuit Board Association (TPCA) for equipment safety specifications, in order to become a qualified supplier; for supplier risk types that highly affect the quality of equipment products, such as machining Production or equipment, on-site random inspection and evaluation by mechanical design engineers or purchasing personnel, through on-site visits to inspect the operation and production of suppliers, to ensure that manufacturers are qualified and sustainable.

2) Localized procurement management

The main operating base of Group Up is in Yangmei District, Taoyuan City. The scope of local procurement is mainly in Taiwan. Considering the environmental impact of material production, transportation and processing, and in order to reduce the dependence on foreign manufacturers, most of the materials currently and service manufacturers mostly choose local suppliers, and some of the items that must be purchased from abroad are entrusted to Chinese agents to import. On January 1 every year, the company also dispatches additional manpower to comprehensively count all the material items in the warehouse, and cooperate with the accountant to conduct random inspections to ensure the quantity and quality of materials. In 2021, among the major suppliers, contractors or outsourcers that Group Up Industry has transactions with, local procurement will account for more than 90%.



3) Establish a sustainable supply chain

In order to ensure that suppliers fully understand the company's sustainable development vision and goals, and take corporate social responsibility and business ethics consistent with Group Up, in 2021, we will actively explain the "Supplier Commitment" to suppliers and promote it to the outside world. The company, in addition to basic ISO9001-related verification, should ensure that suppliers or outsourcers can fully understand the sustainability commitment; most supplier communication procedures have been completed.

In the "Supplier Commitment", the relevant clauses of social responsibility are strengthened. Group Up will screen new suppliers 100% based on social criteria, requiring suppliers to abide by the respect of basic human rights and labor rights, provide a good working environment, and pay attention to the salary and benefits of employees. Fair treatment. In addition, in order to protect the healthy growth of children, all suppliers are required not to employ child labor. At the same time, all suppliers shall abide by the environmental protection laws and regulations of the country and region where they are located, and shall not be punished by the local competent authority for serious environmental hazards.

The company strictly prohibits suppliers from engaging in bribery, or giving gifts to company employees and their relatives and friends, and shall comply with intellectual property rights and confidentiality provisions to ensure the fairness of business competition and business integrity. In the physical course that the factory manager uses every Monday morning meeting to train all the employees, the employees are required to abide by the laws and regulations 100%.

In addition to drawing up supplier commitments, procurement personnel also use oral communication to emphasize Group Up's "anti-corruption principles" when cooperating

with suppliers. If a long-term supplier is found to have seriously violated company policies or caused a significant negative impact on the environment and society, the procurement contract may also be terminated or cancelled; and the procurement department must always pay attention to the development of new potential suppliers to ensure that the stable supply of materials is not interrupted.

Supplier Security Management

GP cooperates with the Taiwan Circuit Board Association (TPCA) to require suppliers to self-require with higher security standards through various circuit board equipment safety standards. At present, according to the following three safety rules, according to the specifications of different machine models, the company provides suppliers to read in advance, and conduct education and training respectively.

The three documents are numbered as follows:

- Circuit Board Equipment Safety Standard (Oven) Document No. PCB-EHS-ES01
- Circuit board equipment safety standard (electroplating) document number PCB-EHS-ES02
- Circuit board equipment safety standard (horizontal wet etching) document number PCB-EHS-ES03

Among them, the safety level of the motor is closely related to the baking equipment. Therefore, GP requires a first-tier motor supplier to have a safety management system as a benchmark, such as: IE3 product certification, ISO14001, ISO45001 and other management systems, so that suppliers can recognize the importance of environmental protection, industrial safety and hygiene, and for important projects such as energy saving and carbon reduction, the supplier is invited to come to the factory to provide appropriate explanations and improvement actions.

Chapter 2 Business and Smart Manufacturing

2.1 Customer Service

Group Up Industrial has provided high-quality advanced process equipment for many years. It started with dry process baking equipment, including coating, drying, exposure, lamination, and automatic whole line equipment. It specializes in a small amount of diversified equipment and has strong customization capabilities. The company has a strong R&D team. In recent years, it has stepped into key equipment such as advanced semiconductor packaging at home and abroad, all of which have shown outstanding achievements and improved the added value of production for customers many times.

The company's service bases include domestic and overseas, and customers of export machines come from all over the world, and have learned that the European Union announced the implementation of the "Sustainable Development Financial Information Disclosure Regulation" (SFDR). In response to the trend of international sustainable investment, Group Up is Over-the-counter companies in the electronic equipment industry, with self-expectations to a higher level, start with the preparation of corporate social responsibility reports, so that institutional legal persons can fully understand the company's ESG-related information, and gradually increase their visibility in the financial market, and interact with different financial industry players. Symposium to win the trust of more international manufacturers and provide customized product services °

1) Customer management

Diversified customer needs have become the medium and long-term trend of smart manufacturing in the future. In order to maintain a competitive advantage, the company actively grasps the latest market information, knows itself and the enemy, and develops a full range of products or services for customers to choose. Point-to-point service to quickly meet customers' automation needs in the shortest time. Adhering to Group Up's core strategy of maintaining customers, that is, maintaining a stable and good relationship with customers, customer-oriented, flexible and flexible policy, in addition, in order to provide high-quality products, Group Up's quality policy is promoted as follows:

Adhere to the quality of all aspects of the company, produce high-efficiency and high-function equipment, commit to the practice of ISO 9001 quality system, and obtain ISO international certification. Our committed quality policy is "Quality First, Service First, Technological Innovation, Efficiency Leading", and continuous improvement to ensure customer satisfaction.

Therefore, in order to achieve the promised service quality, the following practices are adopted in the maintenance of customers' daily relationship: regular visits or online activities (during the epidemic) to collect market information; attach importance to customer feedback and follow customers' health concerns before entering the factory Safety inspection, installation and commissioning of various specifications. For the

interaction between government departments and consortium legal persons, it follows the regulations of the Government Procurement Law, and discloses the basic information of the company on the Taiwan Procurement Bulletin website.

In addition to the management of upstream suppliers, Group Up Industry also considers the ability to jointly improve the upstream and downstream of the value chain. For example, in 2021, a supplier management online course for an important semiconductor listed customer in Hsinchu, China, a total of 10 courses, including: general safety and health education Training, environmental protection, water resource management, electricity management, legal compliance management, sustainable trends...etc.

For customer supply chain management matters, for example, a listed customer of a major semiconductor factory in the United States requested a third-party industrial safety assessment, and business colleagues also actively cooperated to obtain a third-party industrial safety audit certificate from Highwire (formerly known as Construct Secure), and responded to the customer in the United States. Relevant regulations for plant procurement, materials and risk management departments.

Another example is that a customer of an important K board factory in Thailand asked our company to fill out **Eco Vadis** online sustainability and other risk control questionnaires; a customer of a Thai board factory asked to provide a business continuity plan (BCP), and Group Up immediately assigned a dedicated window to respond quickly. , to assist customers in responding to sustainable investigation matters; and further assist customers to optimize the work safety of the main exhaust duct, through online communication and sharing, explain the regular cleaning and maintenance work of the hot exhaust duct, so that the customer can easily understand the safety precautions for taking over the factory affairs .

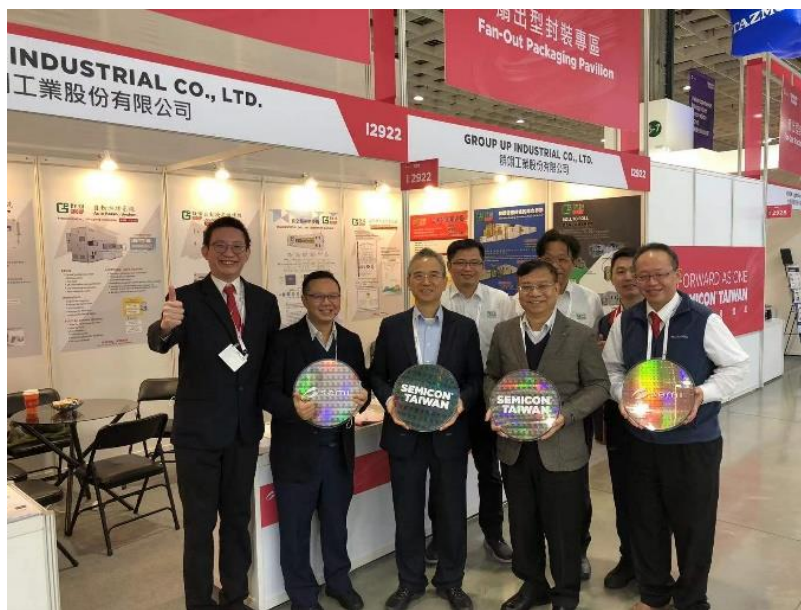
Another example is a large optical factory in a listed company in Guishan Industrial Zone in Taoyuan city, which invited Group Up to assign colleagues to attend video courses such as "Integrity Management" and "Human Rights Promotion". In response to the epidemic, Group Up switched to online participation and maintained a good interaction with customers.

2)Education and trainings

Since Group Up's customer base is mostly a global electronics manufacturer and a member of the Responsible Business Alliance (RBA), it must follow the relevant standards of the e-citizen industry. In order to actively respond to customer needs, from 2020 to 2022, the latest RBA version 7.0 specification will be promoted to all employees from time to time. In the future, corporate sustainable management will also be included in employee education and training, so that managers of various departments can educate all employees and fully understand the company's sustainable management philosophy, and the sustainable development of corporate governance, environment and society, into daily duties, and work together with internal and external partners to create a better future.

3)Face to face interactions during every show

The company attaches great importance to the direct interaction with customers at each physical exhibition, and accumulates a sense of trust and medium and long-term partnership. We also invite public associations, Taoyuan City Government, and important customers to come to the booth for guidance, promote industrial upgrading and exchanges, and win development opportunities. In 2021, Group Up Industry will participate in the following exhibitions: Taipei Touch Taiwan Photoelectric Exhibition, Taipei Automation Exhibition, Taiwan Circuit Board Exhibition (TPCA Show), and International SEMICOM Semiconductor Exhibition. At each exhibition, we collect opinions from different stakeholders, which will serve as an important basis for the company to expand business opportunities and operate sustainably in the future.



4) Customer management and privacy protection

Customer complaint handling

Properly handling customer complaints is one of the key tasks to improve customer satisfaction. In the face of customer contact incidents, there is a "customer complaint handling process", which clearly defines the handling process for customers' complaints, complaints, proposals or dissatisfaction with products. For example, when there is a complaint, the company's customer or business personnel will notify the relevant departments such as mechanical research and development, quality assurance or manufacturing as soon as possible, analyze the real reason, develop improvement measures, and report the results to the customer to ensure that the customer obtains satisfactory after-sales service. service and maintain a long-term partnership.

Customer Privacy Protection

In the protection of customer confidential information, Group Up actively cooperates and signs a Non-Disclosure Agreement (NDA) with customers to protect customers' business secret information. In the code of conduct for employees, fair competition and anti-monopoly clauses are stipulated. Regarding the intellectual property and privacy of customers, employees are also regulated to abide by relevant regulations. Confidentiality shall not be disclosed to third parties or made public, and can only be used for official commercial purposes and Third-party rights must be protected.

Every employee is responsible for protecting intellectual property, including licenses, patents, and know-how from damage, loss, or theft, and the property of third parties, such as business partners, should also be protected. In 2021, Group Up has not violated customer privacy rights, lost customer information, or was complained by customers to leak.

Information Security Training

In addition to the basic computer security training for new recruits after registration, Group Up also installs anti-virus software and conducts e-mail drills to share knowledge and educate employees on sending and receiving e-mails, reducing the risk of colleagues accidentally clicking malicious e-mails. At the same time, improve the self-information security management capability of each unit, and regularly back up computer data to prevent virus attacks and leaks, and prevent possible future business losses.

In addition to backing up important business secrets, the company's MIS information room team has carried out multiple information security precautions. A review of the information security work implementation items such as IT equipment, network, ERP core system and mainframe, email security protection, data encryption protection and backup in the first half of 2020 to 2021 are as follows:

- Replace the firewall device: The new device can prevent intrusion, web filtering, malicious script filtering, mail antivirus, and provide efficient firewall/VPN traffic services, with a protection efficiency of 90%.
- Replace new equipment, improve system performance, greatly reduce the risk of downtime due to hardware failure, and the system maintenance rate is about 99%.
- The performance of the original backup network was not good, which affected the performance. We purchased Lenovo SR250 Server as the entry File Server, mounted the original NAS disk array space on the SR250 Server, and improved the data transmission efficiency. After replacement, the backup time was reduced by 75%.
- The off-site backup network in the factory is changed to an optical fiber network, and 10G optical fiber is used for transmission. After the test, the speed can reach 300MB per second, and the efficiency is increased by 300%.
- This item is the 10G network switch used by the backup server, and the corresponding NAS GBIC fee is the same as the previous item.
- The original threat protection mechanism for phishing emails, malicious emails and advertising emails is insufficient. Newly purchased email security protection and email backup and archiving, select China Digital products, and the security protection rate is 99.9%.
- Sign a maintenance contract for the system used by the company to maintain the original factory to provide technical services and software data updates.

2.2 Green and Smart Manufacturing

1) Safety Regulations and Hazardous Substance Management

Group Up Industry is a professional electronic equipment manufacturer and integrator. The products it produces are mainly customized automation equipment. In order to improve the quality and safety of products and services, Group Up except the basic specifications are in accordance with ISO9001 operating procedures, and will be based on different Design and verify the relevant national or regional safety standards, and introduce relevant tests according to customer requirements to ensure the safety of power distribution and electricity use, mechanical design to strengthen safety devices, human factors engineering evaluation, and warnings on the parts that are prone to safety hazards. Marks and other measures, the provided product operation manuals contain safety declarations and warnings. For products exported to the United States or Europe, according to customer needs, adopt the latest US Highwire specifications, UL third-party certification, EU CE standards safety specifications, complete relevant safety verification procedures and test reports, or prepare relevant technical documents for self-declaration.

Table 2-1: Product safety certification

Type \ Contents	Product or service providers	Safety instructions	Others (parts list)
All the machine manuals	V	V	V
Oven Hazard Labels		V	
European product by CE self-declaration	V	V	V
U.S. products with UL certification	V	V	V

In terms of customer health and environmental protection, Group Up has established a hazardous substance review process, and evaluates the purchased materials to find out whether they contain hazardous substances that violate laws and regulations. The company ensures that the electronic parts and auxiliary materials used in the process of product design, manufacturing, and shipment do not contain substances that do not comply with regulations (such as EU RoHS regulation) and have an impact on the environment and human health, and at the end of the product life cycle, After the equipment is scrapped, its metal parts will also be recycled in a timely manner.

In 2021, the company has not violated product health and safety regulations.

2) Smart manufacturing

GP Industry started its business in the PCB (printed circuit board) electronic equipment industry. Since its establishment 32 years ago, it has been committed to the research and manufacture of various industrial automation equipment, including electronic assembly, LED/IC packaging and testing, and advanced semiconductor packaging and manufacturing. In recent years, feeling the changes in Taiwan's overall environmental industry, the customers it serves have begun to move from automation to intelligent production, and enter the field of Industry 4.0. Group Up and many peers jointly launched the “iAsia alliance”, and successfully jointly exhibited at the TPCA show in December 2021, and actually exhibited the smart networking 5G application of the machine.



To grasp this opportunity, Group Up integrates relevant internal and external human resources and resources, invests in innovative technology development in the R&D of related technologies of smart factories, and actively applies for patents, and presented smart manufacturing experiences during TPCA conference.

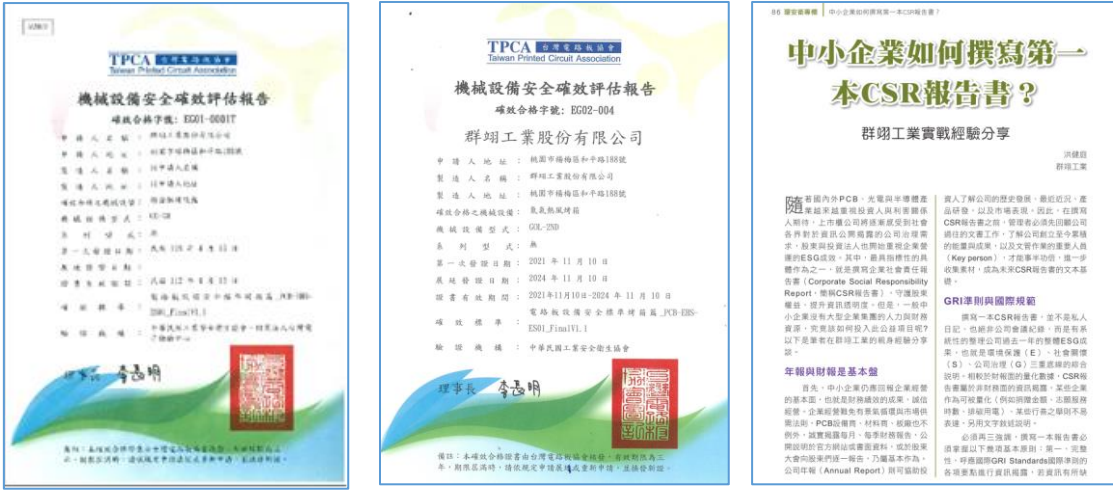
In 2021, patent applications were ranked among the top 100 in Taiwan. In addition, according to the ranking of the top 2000 domestic manufacturing industries by Commonwealth Magazine, Group Up Industry will be ranked 1069 in 2021, and will continue to move towards top 1000 company.

TPCA Show 2021.12.22 (Wed.) TAIPEI 13:30-16:30 Room 402a Free		
PCB智慧系統整合研討會		
【指導單位】經濟部技術處 【主辦單位】工研院機械與機電系統研究所、iASIA智慧自動化系統整合聯盟 【協辦單位】台灣電路板協會		
開放的智造生態：iASIA x 機械雲		
時間	主題	講師
13:30	報到	
14:00	貴賓引言	
14:15	iASIA 聯盟成果及數據樣版說明	簡佑任 經理 iASIA 聯盟
14:35	智慧雲端平台之簡介與應用	張高德 經理 工研院機械所
14:55	智慧工廠 5G 解決方案與資安對策	黃繼民 副處長 數聯資安
15:15	中場休息	
15:30	智慧製造—— 群創設備機械化經驗分享	李志宏 協理 群創工業
15:50		

To effectively enhance the brand value of the company and design a people-oriented working environment, Group Up attaches great importance to the safety performance of the baking equipment. First of all, on April 16, 2020, it officially passed the Taiwan Circuit Board Association (TPCA) domestic first baking equipment safety Certificate (Certificate No. EG01-0001T), and won the Nitrogen Oven Safety Certificate (Certificate No. EG02-004) again in 2021, and successfully sold this equipment to a Philippine semiconductor factory customer. It can be seen that company attaches great importance to the safety of employees within the company, protects the safety of customers and front-line personnel, and has passed the third-party inspection by the Republic of China Industrial Safety Association, which will help win the long-term trust of domestic and foreign customers.

As a manufacturer of printed circuit board baking equipment, Group Up is based on the appropriate safety guards of the printed circuit board equipment safety standard (PCB-S1-01), and the inspection items include: visual inspection, actual inspection of safety functions, testing or quantity Observing and reviewing schematic diagrams and circuit diagrams during testing, operation, reviewing safety-related application software and documents, mechanical equipment life cycle risk assessment, site configuration diagrams and documents, as well as specifications and operating instructions.

To enhance the industry's attention to ESG issues, GP also published the experience in writing the first CSR/ESG report in 2021 Circuit Board Quarterly, with pages 86 to 87.



3)Cross-sector collaboration

In addition to self-developed research and development over the years, it has also strengthened external cooperation. It hopes to combine the resources of research institutions and government units to drive internal innovation energy, while cultivating relevant talents and contributing to the industry and campus. GP believes that inter-departmental cooperation is the source of enhancing the sustainable core competitiveness of enterprises.

The main cooperation or consultation objects include: Ministry of Economic Affairs, Taoyuan City Government, Public Associations, Industrial Technology Research Institute, Ministry of Health and Welfare, Ministry of Labor, tertiary institutions, etc., focusing on the operation of the industry, focusing on the fields of hardware machine innovation, software development and industrial application, and sustainable talent cultivation.

Table2-2: Project outcomes

Year & month	Name of the project	Collaboration partner	Outcomes
2021.3	Taoyuan Vocational Training Ground Entry recruitment plan	Peach and Bamboo Seedling Branch, Workforce Development Agency, Ministry of Labor	Green technology hydropower automatic control class recruitment Industrial wiring and industrial control integration application class recruitment
2021.4	Taoyuan City Government Talent Expo	Taoyuan City Government Employment and Vocational Training Service Office (Zhongli Employment Center)	Yangmei Center Talent Recruitment Expo
2021.4	Industrial professional talent policy planning and promotion platform plan	Industrial Technology Research Institute College of Industry	Log in to the table through the 110-year industry-university-training cooperation talent training needs of the industry associations you belong to, and then log in to the needs of the Ministry of Economic Affairs' industrial talent development information website to continuously recruit talents
2021.5	Youth Employment Flagship Programme	Work Force Agency, Ministry of Labor	Increase employment opportunities for local youth Mainly for enterprises to employ young people under the age of 30, the government will give some subsidies to enterprises

2021.7	Workplace Health Promotion Ranking Project	Health Promotion Administration, Ministry of Health and Welfare	Comparing five dimensions of workplace health, including: workplace health policies and plans, health needs assessment, health promotion activities, healthy work environment, and corporate community engagement, etc.
2021.8	Energy conservation promotion plan for small and medium-sized industrial energy users by the Energy Bureau of the Ministry of Economic Affairs	Taiwan Green Productivity Foundation	Three energy-saving diagnostic service reports for small and medium-sized energy users in the industry (office area, assembly and test area, packaging container area)
2021.9	Electronic equipment industry talent training exchange symposium	Taiwan Electronic Equipment Industry Association	In response to the new crown epidemic, the conference was held online. The participants came from industry, government and academia, and mainly discussed related issues such as human resources required by the industry, industry-academia cooperation and talent cultivation.
2021.9	International environmental standards and green factory promotion plan by the Industrial Bureau of the Ministry of Economic Affairs	Foundation of Taiwan Industry Service	A diagnostic report of the company CSR report, as an optimized reference guide for writing ESG reports in the near future.
2021.10	CSR/ESG Promotion Meeting	Industry Sustainable Development Center, National Cheng Kung University	Face-to-face consultation and communication with experts from Chengdu University, and invite experts to discuss how to improve ESG-related performance for the company.
2021.12	Smart manufacturing-iAsia Alliance	Members from TPCA	Engaged with the industry co-sponsored, and jointly exhibited at the TPCA show in 2021, and actually exhibited the smart networking 5G application of the board flattening machine.

Chapter 3 Healthy and Happy Workplace

3.1 Employee Care

In accordance with labor laws and international human rights conventions, GP Industry treats employees with integrity, and attaches great importance to every employee in the company to have a good career development. Adhering to the belief that employees are “the core of CSR concept”, we protect the legitimate rights and interests of employees in accordance with the Labor Standards Act; and through the employee welfare system and a good education and training system, employees can contribute to their jobs.

We believe that only happy employees can have a healthy workplace and drive the overall development of the company, thereby realizing the ideal of creating a happy enterprise with employees. Managers pay attention to employees’ workplace safety, labor-management harmony, employee association, and equal opportunities. It expects employees to work without forced labor, and to balance their physical, mental, and family life, and to learn and add value through the company’s diverse resources.

The company provides a healthy working environment, sports and leisure venues, a complete and diverse welfare system, and a complete career planning, so that every partner who works with GP can feel warmth and happiness, and grow together with the company. In 2021, GP will also handle three groups of employee travel in Tainan city, Kenting, and Hualien, and the activities have been successfully completed. It also guides and supports travel agencies to calculate carbon emission data for employees to go abroad for business trips and tour buses.

1) Full time staff and diversity

The number of full-time employees in GP Taiwan is 255. After deducting the number of middle and senior executives, the number of employees who are not in supervisory positions is 229, including 201 males (88%) and 28 females (12%). Taiwan The employees are mainly full-time employees. In terms of nationality statistics, by the end of 2021, 37 Filipinos, accounting for 17% of all employees in 2021, are foreign employees.

In addition, GP will never employ children under the age of 15 except in accordance with Article 45 of Chapter 5 of the “Labor Standards Act”; and provide job opportunities for disadvantaged groups with disabilities. The employee information disclosed in this chapter covers the full-time employees of GP Taiwan; other workers are defined by GRI, such as the on-site staff of outsourcing companies. Due to changes in personnel projects, it is impossible to accurately count the relevant data of workers, after evaluation and consideration, it will not be included in the disclosure of this report for the time being. The company employs manpower equally, and employs talents based on their abilities, and does not discriminate based on factors such as race, class, language, ideology, religion, political affiliation, place of origin, gender, marriage, appearance, sexual

orientation, age, etc. The detailed information on the human resources structure is as follows:

Table 3-1: Taiwan GP Employee

Year	2018		2019		2020		2021		Unit : number of people
Gender	Male	Female	Male	Female	Male	Female	Male	Female	All
Full-time	185	27	193	29	201	28	201	28	229
%	87%	13%	87%	13%	88%	12%	88%	12%	100%

Table 3-2: Diversity by gender and by department

By Age	< 30		30~50		≥50		Total
Gender	Male	Female	Male	Female	Male	Female	
R&D	2	0	39	1	9	0	51
Sales, Finance, Audit, Chairman Office	0	2	11	9	9	3	34
Factory Affairs, Management Office	0	2	10	6	2	2	22
Manufacturing, Quality Control Warehouse	18	0	85	3	16	0	122
Total	20	4	145	19	36	5	229
Percentage by gender and age	9%	2%	63%	8%	16%	2%	100%

Table3-3: Diversity by minority groups

Category	Number of full-time staff				
	R&D	Sales, Finance, Audit, Chairman Office	Factory Affairs, Management Office	Manufacturing, Quality Control Warehouse	Total
General	50	34	22	84	190
Aboriginal	0	0	0	0	0
The Disadvantaged	1	0	0	1	2
Foreign	0	0	0	37	37
Total (%)	22%	15%	10%	53%	100%

Source: 2021 Group Up Industrial Annual Report

Table3-4: Diversity by education degree level

Category	Full-time staff					Percentage
	R&D Departments	Sales, Finance, Audit, Chairman Office	Factory Affairs, Management Office	Manufacturing, Quality Control Warehouse	Total	
Ph.D.	0	1	0	0	1	0.28%
Master	9	6	1	0	16	4.42%
Undergraduate	22	12	12	27	73	62.15%
College	17	14	6	51	88	33.15%
High School / Vocational School	3	1	3	44	51	22.3%
Total	51	34	22	122	229	100%

Among them, the company attaches great importance to the academic education level of the personnel in the R&D department, and the number of employees with a master's degree or above continues to increase. The distribution of education degree and expenses during the year of 2017~2021 is as follows.

Table3-5: R&D Education Degree and R&D expenses

Degree	2017		2018		2019		2020		2021	
	ppl	%	ppl	%	ppl	%	ppl	%	Number of people	%
Master and Ph.D.	2	4.26	6	12.00	7	14.58	9	18.00	9	18.00
Undergraduate	42	88.36	41	82.00	38	79.17	38	76.00	39	76.00
High School	3	6.38	3	6.00	3	6.25	3	6.00	3	6.00
Total	47	100.00	50	100.00	48	100.00	50	100.00	51	100%

Year	2017	2018	2019	2020	2021
R&D expenses	36,072	55,485	75,306	112,775	85,951
Net operating income	1,453,952	1,644,002	1,668,286	1,614,244	1,911,543
R&D expenses as a percentage of net operating income (%)	2.48%	3.37%	4.51%	7.00%	4.50%

Source: GP's annual report in 2021

Table3-6: New employee by gender and by age

Gender	Age	2021/1/01~12/31
Female	< 30	1
	30~50	2
	≥50	0
	New employee rate (New employee /Total employee)	1.3%
Male	< 30	3
	30~50	14
	≥50	0
	New employee rate (New employee /Total employee)	7.4%
Total		8.7%

Table3-7: Turnover by gender and by age

Gender	Age	2021/1/1~12/31
Female	< 30	0
	30~50	2
	≥50	1
	Turnover rate (Turnover employee /Total employee)	1.3%
Male	< 30	4
	30~50	5
	≥50	1
	Turnover rate (Turnover employee /Total employee)	4.4%
Total		5.7%

The company considers candidates by the locality of Taoyuan, and prioritizes the promotion of employment opportunities for young or middle-aged people in Taoyuan. All vacancies are also openly and transparently searchable on the human resources website or the Taiwan Employment Pass website. At present, more than 70% of the company's full-time employees are mainly in the age group of 30 to 49 years old, with an average age of 35 years old, an average seniority of about 7 years, and a high degree of stability.

2) COVID-19 pandemic management

Since the outbreak of the global new crown epidemic in the fourth quarter of 2019, the company has continued to take effective control measures from 2020 to 2021 to allow all employees to work with peace of mind. The factory director directly advocates that all employees wear masks, wash their hands frequently, and maintain social distance during their full-day work; in addition, all employees are divided into buildings, zones, and diverted management, lunch time is divided into two or three meal time, indirect personnel (including 3F offices and 1F warehouses), direct personnel (including manufacturing colleagues and outsourced manufacturers) have meals at different times. The seats are plum blossom seats, and the dining table is equipped with partitions to maintain a safe social distance between people. The meal is quiet and does not talk to

effectively control risks. In the future, depending on the evolution of the epidemic situation, the control personnel will be divided into different periods of time if necessary.

3) Health management

The company follows the Occupational Safety and Health Law in Taiwan and labor health protection rules, and chooses occupational safety and health consulting service agencies recognized by the Ministry of Labor for labor health consulting services to sign contracts and provide the following services for employees' on-site health services, including acts related to maternal protection.

Table 3-8: Health Service Report

Description of the results of the implementation progress of labor health services			
item	Health service plan	Implementation Status Description	Suggestions for future improvement
1	Work environment hazard identification and health risk management (including special work health monitoring plan)	April 2021 with on-site physicians On-site visit, no abnormality found	Conduct on-site visits at least once a year.
2	Labor physical (health) examination results, analysis and management measures	The 2021 health check is graded as: 4 people in the first level, 122 people in the second level 52 people in the third level, 16 people in the fourth level Levels 3 and 4 have completed interviews with 21 people Achievement rate 30%	Tracking and management of abnormal colleagues can be carried out. For the 2021 annual health check grades, there are 47 people who are classified as level three or level four. It is expected to be implemented in 2022.
3	Job matching, occupational injury prevention, case management and planning	Occupational injury: 0 people	For occupational injuries and compound workers Track and manage.
4	Health Protection Plan for Workers Under 18, Middle-Aged and Senior	Because there are no people in this age group, no included in this year's plan.	It is recommended to formulate a health protection plan for middle-aged and elderly workers in the future.
5	Workplace Maternal Health Protection Program	The revision of the plan and the formulation of the Table have been completed. Protected pair of maternal health protection, have been evaluated for 2 people.	In response to the revision and release of some provisions of the "Implementation Measures for Female Labor Maternal Health Protection" on September 16, 2020, the revised plan and related Tables
6	High-risk labor case assessment and management	No high-risk cases this year.	Track and manage high-risk cases.
7	Abnormal workload promotes disease prevention	1. The revision of the plan and the formulation of the Table have been completed.	In 2021, a total of 24 people were interviewed for overload proposal and need to be interviewed, and 7 people

		<p>2. Questionnaires are issued in August to fill in and collect aggregate Analysis.</p> <p>3. For 194 employees, screen the wind Risk grading and interview advice, recommended</p> <p>A total of 24 people were interviewed and needed to be interviewed, while 17 interviews have been completed.</p>	<p>have not yet completed the interviews. It is expected that the interviews will be completed in the first quarter of 2022.</p>
8	Workplace Wrongful Assault Prevention	<p>1. The revision of the plan and the formulation of the Table have been completed.</p> <p>2. Completed Workplace Violence Prevention Book</p> <p>A face-to-face statement, and an announcement of the appeal channel.</p> <p>3. Other scheduled projects in 2022 implement.</p>	<p>The education and training part can be entrusted to relevant agencies.</p>
9	Human Hazard Prevention	<p>1. The revision of the plan and the formulation of the Table have been completed.</p> <p>2. In August, cooperate with the health check to issue questionnaires to fill in</p> <p>Write, in September, the 2021 annual suspected</p> <p>Hazard list, 7 people in total, completed</p> <p>Interview with 6 people.</p>	<p>2021 Human-related Suspected Hazard List</p> <p>There is still 1 business trip that has not been completed and is expected to be implemented in 2022.</p>
10	Emergency response plan	<p>First aid kit management:</p> <p>Inspections completed in January and July 2021.</p> <p>Whether it is compliant and confirm whether there are expired products</p>	<p>Check the emergency items every six months</p>
11	Health education promotion	<p>Produce 12 health promotion articles</p>	<p>Regular health talks</p>
12	Occupational Hygiene or Occupational Health Research Report	<p>There is no case this year, so there is no need for writing a report.</p>	<p>Write at least one research report on occupational health and health every year.</p>
13	Mental health management	<p>3 employees make an appointment for health consultation</p>	<p>It is recommended to announce on-site medical care hours internally every month for colleagues to know about appointments.</p>

Source: Group Up Industrial medical service team

3.2 Compensation and Benefits

The relationship between the company and its employees is like that of a partner. GP attaches great importance to employee salaries and various welfare care, and is committed to providing each employee with a good working environment and competitive salaries. In terms of talent recruitment channels, the company not only continues to openly recruit vacancies through the government's Taiwan Employment Pass website, but also announces various vacancies through online human resources bank website.

In addition, it also cooperates with various units such as the Industrial Institute of Industrial Technology Research Institute, Labor Development Agency of Ministry of Labor, the Employment and Vocational Training Service Office of Taoyuan City Government... At the same time, they apply to join the Youth Employment Flagship Program to promote youth employment opportunities, and conduct publicity and promotion in various colleges and universities from time to time.

1) Management approach

In order to seek employee welfare and improve employee well-being, the employee welfare committee is specially organized, and representatives from cross-departments are selected to handle employee welfare matters, maternity, hospitalization, major disasters and other subsidies, each year there is an employee travel subsidy of 5,000 NT\$ per person. In addition, every year, employees and their family members can participate free of charge at the end of the year, and appropriate gift boxes made by social welfare organizations for the disabled are purchased as gifts for employees.

In addition to the provision of various welfare measures, GP also regularly provides free health checks and irregular health consultations to assist employees in taking care of their own health; in addition, according to the results of the health check reports, 24 of them were screened for interview and health guidance, considering Colleagues privacy rights, one-on-one discussion and consultation with colleagues.

In addition, special leave is provided for employees to take into account the physical and mental development of employees and ensure the soundness of human assets. We also purchase labor and national health insurance in accordance with relevant government laws and regulations. For the sake of employee safety, we add group insurance, accident insurance, occupational accident insurance, accident medical insurance, etc. to employees to protect employees and provide employees with more benefits.

2) Benefit items

The corporate culture created by GP hopes that the company can not only provide employees with a basic and stable life economically, but also flexibly design and invest in a number of welfare programs that satisfy the physical and mental health of employees. Physical and spiritual, such as the continuous Christmas dinner for Filipino foreign

employees, supervisors share meals with colleagues to care for their lives in Taiwan, so that every partner who serves in the company can feel the warmth and care from the perspective of family members.



The benefits of regular employees are superior to the basic conditions of the Labor Standards Act. Based on individual annual performance assessment, the basic welfare items are as follows: labor insurance, national health insurance, accident insurance, travel expenses, performance bonuses, group activities, education and training, company uniforms, dinner party, health check, wedding gift, birthday gift, quarterly bonus, travel allowance...etc.

3)Compensation

The company provides employees with stable and competitive salary conditions in the Yangmei area, and the salary level is approved according to the employee's academic

background, professional knowledge and technology, seniority experience and personal performance. In order to attract and retain the best talents, and reward colleagues for creating performance and long-term contributions, we provide competitive salaries in the Yangmei area, and according to the price index, we will adjust the extras for overseas business trips in a timely manner.

At the same time, comprehensive evaluations such as gender equality, personal ability, and academic experience are considered, and the salary ratio and performance bonus are appropriately adjusted every year.

4)Parental Leave

In view of the population trend of decreasing children in Taiwan, the company is committed to promoting an appropriate balance between work and family life, providing a workplace that is caring and respectful, and abiding by the "Gender Work Equality Act" and the "Implementation Measures for Childcare, Leave, Work, and Suspension". Employee's parental leave and other related rights. Employees who have worked for one year can apply for parental leave without pay before the child turns three years old in accordance with the "Gender-Work Equality Act" and the "Implementation Measures for Parental Leave-Off without Pay", and the application period can be up to two years. Before the expiry of the leave without pay period, the company will contact the employees and arrange reinstatement-related matters. After reinstatement, relevant education and training courses will also be provided to assist colleagues in returning to work smoothly. For 2021 parental stay data, please see the table below.

Table3-9: Parental leave in Taiwan

2021/1/1~12/31	Male	Female	Total
Total number of employees eligible for parental leave	6	1	7
Actual number of applications for parental leave	1	1	2
Estimated number of applications for parental leave and reinstatement	0	0	0
Actual number of applications for parental leave and reinstatement	0	0	0
Number of employees who returned to work during the reporting period after taking parental leave in year 2020	0	0	0
Number of employees who have taken parental leave and are still employed 12 months after reinstatement in 2020	0	0	0
Parental leave application rate	17%	100%	29%

3.3 Talents and Development

The company is committed to creating a "gender-equal" working environment, which does not differ between men and women. The factory on the third floor of the factory has a space for nursing and nursing mothers, which echoes the implementation measures for the protection of maternal health of female laborers stipulated by the government, and protects women's privacy and child-rearing needs.

In addition, formulate "appeal and disciplinary measures for sexual harassment prevention measures in the workplace" and provide channels for appeals, safeguard the rights and interests of colleagues, and provide maternity (examination) leave, paternity leave, parental leave, etc. in accordance with the law.

The company provides a comprehensive care and a solid welfare system to make employees happy to work, in order to improve employees' work efficiency and ensure career development, it is expected to create all-round talents through a new recruit training system and regular performance appraisal, and provide various channels to strengthen employees. Function, let colleagues learn happily and grow strong, and let colleagues who are aspiring to play enjoy resources and enjoy work

1) Education and trainings

Talent is the most important resource of Group Up Industry. Establishing a high-quality talent development environment and talent cultivation is the foundation and key to the company's sustainable operation. The Dow Jones Sustainability Index (DJSI) also designated Human Capital Development as the important social assessment items. GP connects different units in the outside world and has a variety of educational and training resources, allowing employees to continue to learn and grow while working, and to adapt to the rapid changes in industrial technology.

Deploy ahead of schedule in the talent cultivation group, and connect with local university resources nearby, such as: National Central University, Chung Yuan University, Yuan Ze University, National Taipei University, Jian-Xing University of Science and Technology, etc., interact with the school window, and also provide professional consulting services to cultivate talents needed by the industry as soon as possible.

According to the needs of colleagues and in accordance with relevant regulations, GP organizes various educational trainings such as employee education and training, professional technical training, quality control training, employee growth-related training, and labor safety and health seminars to provide employees with complete professional skills development and self-growth. In 2021, relevant colleagues will be subsidized from time to time for further study, or obtained professional certificates at home and abroad, and continue to carry out talent development and supervisor training, laying the foundation for future business expansion.

The education training category includes internal training and external training, and the courses are divided according to the professional fields of job function attributes. For new partners who join the big family, GP provides training for newcomers, including company introduction, product introduction of different equipment models, company environment introduction, welfare system, work rules, safety and hygiene, etc.

The company attaches great importance to R&D innovation and accumulation of patented technologies. The R&D unit has many connections with external circles, such as: Industrial Technology Research Institute, Metal Research Center, etc. Therefore, professional education and training and the latest technology education and training are often provided.

Since GP's first-line colleagues often assist customers in assembling machinery and equipment, regarding site operations at heights higher than two meters, confined spaces, oxygen-deficient environments (such as nitrogen-free ovens), volatilization of organic solvents, etc., or colleagues install machines for customers During the test drive to different countries and regions, special attention should be paid to personal safety. The company also provides various explanations to guide colleagues to establish a safety culture.

Education Training

For the education and training of the future trend of sustainable development, considering that there should be flexible arrangements during the epidemic prevention period, GP also arranged for full-time staff from different departments to participate in professional training.

Table3-10: Average training hours in 2021

Year	2021		
Gender	Male	Female	Total
Total training hours	11,900	1,480	13,380
Total full-time staff	201	28	229
Training hours per person	59	52	58

Table3-11: Training hours by department

Department	R&D	Sales, Finance, Audit, Chairman Office	Factory Affairs, Management Office	Manufacturing, Quality Control Warehouse	Total
Training hours	3,170	1,900	1,120	7,190	13,380
Total full-time staff	51	34	22	122	229
Training hours per person	62	56	51	59	58

2)Performance evaluation

The company has formulated employee performance evaluation methods as the basis for employees' open and fair promotion and salary increase. As long as they are full-time Taiwanese employees formally employed by GP Industry, they are all subject to an annual performance appraisal evaluation, and the appraisal results are sent to the human resources unit for filing and retention.

The assessment items have different scoring items due to different supervisor and non-supervisory positions. Supervisor-level assessment items mainly cover the achievement rate of departmental strategic goals and behavior/attitude. The non-supervisor-level evaluation contents include professional ability, team spirit, work efficiency, work accuracy, work knowledge and ability, work attitude, interpersonal relationship, initiative and development, attendance, reward and punishment records, and assessment after the previous assessment. The assessment mechanism also distinguishes between supervisors and non-supervisors, and is carried out in different departments and at

different stages. For new colleagues, the middle and senior managers of GP will learn about the familiarity and understanding of the new colleagues' entry work status through the work daily, and conduct an assessment after the expiration of the three-month service period for colleagues.

Help build trusting relationships within the department through transparent performance evaluation. For employees' mid- and long-term career growth, they can also receive regular feedback from supervisors, so that employees' personality traits and advantages can continue to be exerted, and adjustments can be made as soon as possible for the parts to be improved.

Table3-12: Percentage of GP employees accepting regular performance (by gender)

Year	2021		
Gender	Male	Female	Total
Number of all Group employees subject to regular performance and career development reviews	315	47	362
Total number of employees in the group	315	47	362
Percentage	100%	100%	100%

Remarks: How the number of employees is calculated

At present, there are three versions of the total number of people in the company. Due to different definitions and calculation methods, the descriptions are as follows:

- There are 201 males and 28 females, totaling 229, which refers to the number of employees who are still employed on December 31, 2021.
- Upload the employee salary information checklist of the Taiwan Stock Exchange or the securities OTC center: The total number of employees is 255, which refers to the number of employees who have worked in the company in 2021.
- According to page 73 of the company's annual report, the total number of employees in the group is 362: refers to the total number of employees in the GP Group (including GP Taiwan, Suzhou factory, and GP Trading company in Shenzhen) as of December 31, 2021.

3.4 Occupational safety and health

We provide a safe and comfortable working environment for employees, and provides safety protection equipment for employees' safety and health. At the same time, it formulates the provisions of the safe work code to jointly prevent various accidents. The supervisor and management unit also regularly walk around to manage Check the work environment. The company handles factory safety and health work in accordance with the relevant laws and regulations of the "Occupational Safety and Health Law", "Occupational Safety and Health Management Measures" and "Occupational Safety and Health Education and Training Regulations" to prevent occupational disasters and ensure the safety and health of employees. For employees to carry out safety and health education, disaster prevention training, health check and other measures necessary for their work, GP has formulated safety and health work codes that are suitable for their needs in accordance with the relevant regulations of CNS45001 and the relevant spirit of ISO45001 occupational safety management system.

The company complies with occupational safety and health laws and regulations. The factory affairs department has a Class-A occupational safety business supervisor and a Class-B occupational safety and health administrator, so as to properly allocate human resources and regularly receive on-the-job education and training every 2 years. Due to the severe global COVID-19 epidemic from 2020 to 2021, the company continues to issue management measures and specific actions. Every day, the company enters the factory to measure the forehead temperature of colleagues, monitor the healthy working environment in the factory, and avoid indoor gatherings. Looking forward to 2022, depending on the actual development of the epidemic, the management department will announce relevant measures to make preparations in advance, so that colleagues can work with more peace of mind.

1)Management approach

Only healthy and happy employees can bring sustainable growth. In order to ensure the work safety and health of all employees, the company or external units provide relevant safety and hygiene education and training, and also according to the needs of customers in different factories. Carry out on-the-job education and training to ensure the qualification of entering the factory to serve customers.

Table 3-13: General safety and health training courses (total 6 hours)

Modules
1. Outline of Work Safety and Health Regulations in Law
2. Concept of Occupational Safety and Health and Code of Practice for Safety and Health
3. Automatic checks before, during and after work
4. Standard operating procedures
5. Emergency response
6. Fire and first aid knowledge and drills
7. Other safety and hygiene knowledge related to labor work

Specifically, in addition to receiving general safety and health education and training, public works, machinery operators, etc. must receive at least three hours of professional safety and health education and training. Operators of dangerous machinery or equipment (cranes, etc.) and operators of hazardous substances or other special operators must be trained by government-approved training institutions.

Fire Safety

At Yangmei Headquarters, fire safety issues are also arranged for personnel to conduct drills every year, and the Taoyuan City Fire Chief is invited to come to the factory to educate and train all employees. Through oral or video publicity, the personnel's safety awareness of fire alarms can be strengthened. Use fire-fighting facilities and handle the wounded soldiers urgently to ensure the safety of the workshop.

Looking at the important indicators of factory safety throughout the year, the injury rate (IR) (that is, the Ministry of Labor's disability rate FR), the occupational disease rate (ODR), and the number of lost days (LDR) (that is, the Ministry of Labor's disability injury rate SR) are all 0. During the time of commuting to and from get off work, there are occasional accidental collisions, and official vehicles are insured. The factory manager also strengthens the promotion of good driving habits during the weekly meeting, and pays attention to the direction of oncoming traffic.

- Disability injury frequency = (total number of injuries and losses × 106) ÷ total working hours = (0×106) / (229 people×8 hours×12 months) =0
- Total Lost Days of Disabling Injury = 0
- Injury severity rate calculation = 0
- Total injury index=√ (disability injury frequency FR × disability injury severity rate SR) ÷1000=0

2)Accommodation management

Continue to arrange for foreign colleagues to be vaccinated to enhance immune system resistance. Irregularly care about foreign employees' daily life safety inspections, cooperate with the Taoyuan City Government Labor Bureau and Health Bureau's policy promotion, strengthen the environmental sanitation and safety management of care employees' dormitories, and the front-line supervisors personally care about foreign employees living in Yangmei to ensure physical and mental health. And spraying drugs for disinfection, the implementation of the current two staff dormitory management, and 5S cleaning work.

In addition to Filipino employees, we will continue to recruit Thai and Vietnamese employees in the future, and will continue to look for different dormitories, arrange for employees to have a good accommodation and safe environment, live comfortably, work happily, and maintain good interaction with the community and neighbors.

3.5 Labor Relations and Communications

We comply with relevant labor laws and regulations and respects basic labor human rights, protects the legitimate rights and interests of employees and does not discriminate in employment policies. The publicity of company policies and the understanding of employees' opinions are conducted through open two-way communication, and monthly meetings are held. Employees are aware of changes in company operations.

In order to protect the rights and interests of labor and management, coordinate labor relations, and strive to strengthen labor-management harmony and promote two-way communication and coordination, a labor suggestion box is set up to receive suggestions from employees and expand communication channels to solve problems. In addition, an employee grievance system has been formulated to deal with complaints of employees who refuse to accept punishment, improper management, suggestions and violations of relevant labor laws and measures. As of the end of 2021, there are no major unresolved labor disputes.

1)Management approach

GP Industrial Taiwan abides by the principle of protecting employees. If the company's business development has a new or relocated business base, the employee's position must be adjusted or transferred to the mainland. It will provide employees with sufficient time for business handover and preparation for the new environment. And new employees are led by senior employees to quickly enter the service field. The management of labor contracts is also handled in accordance with the provisions of Articles 11 and 16 of the Labor Standards Act.

Table3-15: Minimum notice period for labor contracts (relevant provisions of Labor Standards Act)

Article 11	No employer shall, even by advance notice to a worker, terminate a labor contract unless one of the following situations arises: 1. Where the employers' businesses are suspended, or has been transferred. 2. Where the employers' businesses suffer an operating loss, or business contractions. 3. Where force majeure necessitates the suspension of business for more than one month. 4. Where the change of the nature of business necessitates the reduction of workforce and the terminated employees cannot be reassigned to other suitable positions. 5. A particular worker is clearly not able to perform satisfactorily the duties required of the position held.
Article 16	Where an employer terminates a labor contract pursuant to Article 11 or the provisions of Article 13, the provisions set forth below shall govern the minimum period of advance notice: 1. Where a worker has worked continuously for more than three months but less than one year, the notice shall be given ten days in advance. 2. Where a worker has worked continuously for more than one year but less than three years, the notice shall be given twenty days in advance. 3. Where a worker has worked continuously for more than three years, the notice shall be given thirty days in advance.

	<p>After receiving the advance notice referred to in the preceding paragraph, a worker may, during hours of work, ask for leave of absence for the purpose of finding a new job. Such leave of absence may not exceed two work days per week. Wages shall be paid during such leave of absence.</p> <p>Where an employer terminates the contract without serving an advance notice within the time limit prescribed in the first paragraph of this article, he/she shall pay the worker wages for the advance notice period.</p>
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2)Labor right meetings

GP attaches great importance to labor rights and interests. In order to coordinate labor-management relations and improve work efficiency, labor-management meetings are held in accordance with the law. Representatives of labor and management will negotiate various welfare systems and other matters. At present, the company's employees have not established a trade union, and the wages are negotiated by both parties, but not lower than the statutory basic wages. If employees continue to work for a certain period of time, the company will give special leave in proportion to their seniority according to regulations. With the consent of the employees, the company will pay double wages for workers on Saturdays and holidays, and thank colleagues for their hard work.

Table3-16: Scope of the labor-management meeting

Report items	<p>Number of workers, labor changes, turnover rate, etc.</p> <p>Production information such as business production plans, business overview and market conditions</p> <p>Labor activities, welfare programs and improvement of working environment</p>
Items to be discussed	<p>Coordinate labor relations and promote labor cooperation</p> <p>Labor conditions, labor welfare planning, improving work efficiency</p> <p>How to select and dismiss Table on behalf of the labor-management conference</p> <p>Operation of labor-management conference</p>

3)Labor code of conduct

The key to GP Industrial's market success lies primarily in satisfied customers and motivated employees. Every GP Industrial employee is required to abide by Code of Conduct, abide by professional ethics, be impartial and abide by all regulations. The high competence and expertise of the company's employees, combined with a high level of attention to social norms and ethical behavior, enables our partners, customers, regulatory authorities and the general public to trust.

In particular, the current global electronics industry customers attach great importance to the spirit of Responsible Business Alliance (RBA). In response to global trend of

attaching importance to human rights, GP does not employ persons under the age of 15 for work.

Workers are obliged to cooperate, and they must also abide by safety and health work code, and accept necessary safety and health education and training provided by GP for working and preventing disasters. In addition, workers are also required to undergo necessary physical and health examinations to ensure work safety. Entering the customer's factory to provide installation and test-driving services must also comply with the relevant regulations of the factory, and wear engineering helmets, safety belts, insulating gloves, protective gear, or clean clothes and shoes.

In the process of work, GP colleagues have the opportunity to obtain mechanical equipment specifications, drawings, business secrets, etc. due to their direct technical and business positions, and are obliged to keep it confidential. For example: For patented technology, cost analysis, product design drawings, advanced manufacturing processes, production schedules, customer lists, etc., legal norms such as business secret law, company law, fair trade law, civil law, etc. for it.

Chapter 4 Social Engagement and Environment Sustainability

4.1 Social welfare and engagement

1) Main focus

GP is well aware of creating social value, achieving win-win results with stakeholders, growing steadily step by step, always upholding a serious attitude, and in line with the concept of "take from society and use it for society", actively invest corporate resources in various charitable activities. Maintaining social welfare is the principle and mission of corporate social responsibility practice. Through various forms of public welfare professional services, we will contribute to the creation of people's happiness, promote community development, and strive to become a good neighbor in the community. It is hoped that through various public welfare activities, 2021 beach cleaning volunteer services and long-term environmental education, it will invest in the operation of different external associations, play strategic social responsibilities, and enhance corporate brand value.

2) Social investment and donations

Table4-1: Expenditures for 2021 (Unit: NT\$)

Items	Unit: NT\$
Charity donation	96,000
Beach cleaning activities	28,520
Association membership fees	258,913
Welfare committee expenses (for staff travel and welfare and other related expenses)	3,240,488

Corporate Citizenship and Philanthropy has always been an important project in international sustainability evaluations. GP currently counts the company's investment in sports, social welfare and environmental projects, and will also learn how to measure the actual results of social welfare in the future, and through the cooperative power of corporate volunteers to expand social influence.

In the year of 2021, management team from GP visited local Yude Nursery and Kindergarten near Yangmei District, support the Child Are Us Foundation Mid-Autumn Festival gift box, send love to the tribe, and participate in various public associations through the society. Actively support positive influence in physical or online activities, and let the society play a good cycle. Colleagues also voluntarily and voluntarily invest

in various public welfare acts, and the company expresses affirmation and encouragement.



3) External social networking connection

Taiwan Printed Circuit Board Association (TPCA)

Since March 2002, colleagues of GP have participated in various TPCA committees for a long time, such as: Environmental Safety Committee, Intelligent Automation Committee, Marketing Committee, Norms Committee, International Affairs Committee, Mainland Affairs Committee, Exhibition Committee, etc., through various meetings, exhibitions or visits, actually participate in peer exchanges, and also support a number of public welfare and exhibition activities of the association.

Taiwan Printed Circuit Board Environmental Public Welfare Foundation (TPCF)

As a donation unit, Mr. Yu, the deputy general manager of the management department, personally donated money to support TPCF in promoting various environmental education promotion work, going deep into the campus to build environmental knowledge from primary and secondary schools, and assisting high school vocational students to understand electronic technology and sustainable production. Inherit the concept of sustainability and encourage students to practice in life. Relevant public welfare information will be simultaneously disclosed in the 2021 TPCF circuit board environmental public welfare report, making green sustainable, infinite love, integrating the net zero carbon reduction concept, and practicing ESG value.

Taiwan Electronic Equipment Industry Association (TEEIA)

As one of the members of TEEIA, we make good use of core expertise to plan R&D and design for customers, and jointly form a smart manufacturing cross-domain service group. Cooperate with the industry-related policies promoted by the government, gather the technology and experience of everyone's intelligent manufacturing, and provide cross-industry technology export services. Looking forward to 2022, GP will join the

Innovation Committee, ESG Committee and other different sub-committees to promote the common good of the industry.

Semiconductor Industry Association International (SEMI)

GP passed the audit in the fourth quarter of 2020, successfully joined the International Semiconductor Industry Association, and joined the standards committee to participate in advanced packaging process, Japan's latest semiconductor baking equipment technical discussions, through various physical or online meetings from time to time, hoping to use its own experiences, contribute to the industry, and align with the latest packaging trends in the global semiconductor equipment market. And continue to participate in SEMICOM semiconductor exhibition to promote business opportunities and build a national protection team!

Joint beach cleanup activities with customers and suppliers

On October 2, 2021, I participated in the beach cleaning activity. The senior managers of our company personally led colleagues, around 100 people in total, to the coastal beach cleaning in Guanyin District, Taoyuan City. The plastic debris and particles collected on the beach are used as a reference for the reduction of the source of the enterprise, and they are also more interested in the sustainable development of the ocean.



Looking forward to the future, GP will continue to plan various types of public welfare activities. Based on the orientation of environmental protection and social care, select high-quality partners or manufacturers to jointly handle local outdoor activities, and control the activities in accordance with the regulations and guidelines of the Central Epidemic Command Center. The number of people to ensure the quality of activities, taking into account health and safety.

External Public Initiative: iAsia Alliance

Since 2020, GP had participated in the planning symposium of the Taoyuan PCB Ecological Alliance. The company had helped that PCB industry needs to jointly establish a smart manufacturing industry standard and a good operating environment. GP had jointly launched an external initiative with 28 peers in the equipment industry to establish the “iAsia alliance” to promote economic development; and presented at the TPCA show in December 2021, combined with the 5G demonstration field, the machine will be displayed to create the best demonstration case of smart factory in the near future.



Source: iAsia alliance

4.2 Environment Protection and Sustainability

The company is engaged in industrial assembly and testing of mechanical automation equipment for circuit boards, optoelectronics, and semiconductor factories. During the operation, electricity and water are mainly used, and no major environmental pollutants such as air, water, and harmful substances are generated. The daily operation and production about business wastes generated in the process are properly disposed of in accordance with local laws and regulations, with the guiding principle of not causing environmental harm, and in environmental protection matters, GP will further undertake more environmental responsibilities.

Waste management

In addition to setting up resource recycling bins on different areas of the factory, the company continues to promote the importance of resource sorting and recycling to colleagues. For production materials such as aluminum, iron, waste paper, wire rods, and other remaining materials, it also collects After entrusting professional manufacturers to recycle. Sustainability Highlights of 2021 In order to promote cross-industry cooperation, Zhen-long Paper Company will recycle the company's old and expired paper documents, so that materials with reusable value will be put into the circular economy again, so as to improve environmental protection and improve resource efficiency. responsibility.

Table 4-2: Disclosure of waste-related data

Year 2021			Year 2020			Year 2019		
item	weight	fees	item	weight	fees	item	weight	fees
Waste Clearance	23,960	224,715	Waste Clearance	20,175	181,575	Waste Clearance	19,075	171,675
Average monthly weight (KG) from 2019 to 2021		1,725	Average from 2019 to 2021 Processing amount (NT\$)		16,055	Average from 2019 to 2021 Weight increase (%)		14.9%

Based on concept of sustainable development and climate strategy, in the process of product design, development and manufacturing, we cooperate with government legal persons, suppliers, customers, industry-academia institutions and other partners for innovative research and development, and are committed to improving the efficiency of resource use. GP provides various equipment to help customers improve PCB production speed, yield and quality, thereby reducing unnecessary waste of raw materials and energy in the manufacturing process, and contributing to environmental sustainability.

Carbon management

According to the definition of the National Greenhouse Gas Registration Platform of the Environmental Protection Agency of the Executive Yuan, Carbon Footprint can be defined as the direct and indirect carbon dioxide emissions related to an industry's activity or the entire life cycle of a product. quantity. The government announced that the carbon emission coefficient of electricity in 2020 is **0.502 kg CO₂e/kWh**, and the company uses this coefficient to estimate the relevant data in 2021. In view of the fact that the Executive Yuan has set Taiwan's greenhouse gas reduction target of 50% by 2050, and important customer groups have successively set energy-saving and carbon-reduction-related targets, GP will respond to the relevant needs of the government and stakeholders, and conduct a rolling annual review every year.

In the process of manufacturing and daily operation, GP follows various environmental protection laws and regulations in my country, and there will be no illegal projects in 2021.

1)Energy

The energy consumption of GP focuses on the efficiency of energy use in factories, which is the fundamental key to combating climate change and reducing the overall environmental footprint of the organization. The company mainly focuses on machine assembly and testing operations and the use of electricity required by the office area. The rest, such as emergency power supply equipment, accounts for a very small proportion. Therefore, it currently focuses on the statistics of electricity consumption in factories and office areas. The detailed electricity consumption is shown in the table below. In response to the influx of new orders in 2021, the electricity consumption in the factory increased by 58,210 kWh compared with the previous year (an increase of 9.7%), and the electricity cost increased by NT\$156,314 (increase ratio 6.25%).

It is expected that after completion of 4th floor expansion project in the future, the electricity consumption will further increase. It is expected that after the completion of the 4F expansion project in the future, the electricity consumption will further increase.

In 2021, the company specially participated in 2021 energy conservation promotion plan for industrial small and medium energy users hosted by the Energy Bureau of the Ministry of Economic Affairs, cooperated with the Taiwan Green Productivity Foundation, and invited the professional team of Energy Conservation Diagnosis Service Center of Cultural University to conduct on-site inspections in the plant. Through the energy-saving diagnosis service report for small and medium-sized energy users in the industry, we can have a deeper understanding of how to optimize the ice water host equipment in different working areas in the future.



Table 4-3: Power consumption by KWh and cost

Year	Power consumption (KWh)	Cost (NT\$)
2020	599,370	2,499,842
2021	657,580	2,656,156

2) Greenhouse gas emissions (GHG)

In the face of global climate change, coupled with the increasing emphasis on net-zero carbon reduction in various countries, companies first focus on understanding greenhouse gas emissions (GHG) in their own operations. Only every listed OTC company pays attention to its own carbon emissions. Only then can all of us have the opportunity to maintain the goal of not exceeding the 1.5°C global temperature increase, so as to avoid irreversible environmental impacts and impacts from climate change.

Due to characteristics of the electronic equipment industry, GP Industry uses the kilometers of fuel used by official vehicles, purchased electricity from the scope of 2, and the carbon emissions data of employees traveling to various countries in Scope 3 as the main calculation basis, as the main greenhouse gas emissions. source. After adding up, the total carbon emission in 2021 is 417 metric tons, and the carbon emission coefficient is 0.502 kg CO₂e/degree. Compared with fiscal 2020, the total carbon emission in the previous year was 340 metric tons, and the carbon emission coefficient was 0.509 kg CO₂e/degree.

As a result, the total carbon emissions increased from previous year: 77 metric tons (+22.6%). Further analysis of the sources of carbon emissions includes the following 4 items:

- Total mileage of official car: 67.12 metric tons (scope 1)
- Carbon emissions from electricity and water used in Taiwan: 344.169 metric tons (scope 2)
- Three groups of staff travel: 1.62 metric tons (scope 3)

- Staff travel abroad: 4.26 metric tons (scope 3)

Based on the past electricity usage, referring to the electricity emission coefficients published by the Energy Bureau of the Ministry of Economic Affairs over the years, and the average CO₂ emission value announced on the official website of the Environmental Protection Agency, the CO₂ emission per liter of gasoline is 2,373 grams to estimate the greenhouse gas emissions of the GP industry. Such as table 4-3. GP Industry will review the energy efficiency year by year, and the vehicles used by senior executives will also be the first to be replaced by gasoline-electric hybrid vehicles, which have a better energy efficiency level and moderately improve air quality.

In the future, GP will continue to make statistics on the energy consumption within the scope of operation. It will first understand the overall greenhouse gas inventory items in Scope 1, Scope 2, and Scope 3, track the changes in its own greenhouse gas emissions, and publicly disclose it in the report. In order to implement the corporate citizenship responsibility of energy saving and carbon reduction, and strategically cooperate with customers to carry out related activities, we will also actively participate in various online or physical education and training courses of the government, industrial technology research institutes, or civil organizations.

Table4-4: 2020~2021 Greenhouse Gas Emissions and Emission Intensity

Scope 1

Year	Scope 1 (ton CO ₂ e)	Emission Intensity (kg CO ₂ e/million NT dollars)
2020	20.27	0.02
2021	67.12	0.07

Scope 2

Year	Scope 2 (ton CO ₂ e)	Emission Intensity (kg CO ₂ e/million NT dollars)
2020	311.609	0.31
2021	344.169	0.34

Scope 3

Year	Scope 3 (ton CO ₂ e)	Emission Intensity (kg CO ₂ e/million NT dollars)
2020	8.22	0.008
2021	5.88	0.006

3)Water resource

In response to global extreme climate change, coupled with the special water-scarce geographical environment and climate in Taiwan, it is very important for companies to properly manage the use of water resources. They must always pay attention to the efficiency of water use and whether they violate relevant environmental protection laws and regulations.

The company's total water consumption and total water cost in 2021 are as follows; the company will continue to follow various water-saving measures such as the Taoyuan City Government and the North District Water Resources Bureau of the Water Resources Administration of the Ministry of Economic Affairs, and track changes in monthly water consumption; The hand-washing device adopts water-saving faucets, and the management department will further plan to adopt more water-saving faucet devices, so that the company can continue to save water resources.

Table 4-4: Water consumption and cost

Year	Water consumption	Cost (NT\$)
2020	4,262m ³	53,336
2021	4,605m ³	59,759

From the above table, it can be seen that the industrial water consumption in 2021 will increase by 343 degrees compared with the previous year, with an increase rate of 8%. Compared with the cost of water in the previous year, the cost increased by NT\$6,423, an increase rate of 12%. Analyzing the reasons behind it, in addition to the increase in orders in the factory, which led to an increase in water consumption for assembly and test runs; in addition, the customer's advanced process precision has increased, and the demand for the cooling water coil system has increased, resulting in a natural increase in water consumption.

4)Bio-diversity

GP echoes the spirit of the Nature-related Financial Disclosure (TNFD) guidelines, and further understands and treats the natural and human environment where the factory is located. GP also experienced the rich terrain of the Taoyuan area through the actual beach cleaning public welfare activities; the ecology is also diverse. The grass slopes forage, and most aquatic insects and frogs also hide in the aquatic plants. There are many kinds of aquatic plants in Yangmei wetland, such as Taoyuan Shilongwei, Metasequoia, Tianzicao, etc. In recent years, due to the construction of No. 66 expressway and related projects, the industry and academic advanced have built the "Korong Plant Bank" Wetland Bank Education Center, and through aquatic plants, we have successively cultivated aquatic insects with local characteristics, such as: Insects, matcha flowers, water mantises, etc., continue to improve environmental protection and ecology.

The company is aware of the diversity of local plants, and has also planted related species in the factory area, such as: saffron, camphor tree, bigleaf sycamore, golden dew flower, pine and cypress, camellia, mangosteen, sweet-scented osmanthus, etc., to do a good job of greening and beautification.



Appendix: GRI Standards Index Tables

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305-2 Energy indirect (Scope 2) GHG emissions	Materiality Issue	4.2 Environment protection and Sustainability	51	
305-3 Other indirect (Scope 3) GHG emissions	Materiality Issue	4.2 Environment protection and Sustainability	51	
305-4 GHG emissions intensity	General Disclosure	4.2 Environment protection and Sustainability	51	
305-5 Reduction of GHG emissions	General Disclosure	4.2 Environment protection and Sustainability	51	
306-4 Transport of hazardous waste	General Disclosure	4.2 Environment protection and Sustainability	49	
307-1 Non-compliance with environmental laws and regulations	General Disclosure	4.2 Environment protection and Sustainability	50	
308-1 New suppliers that were screened using environmental criteria	General Disclosure	1.3 Supply Chain Management	25	

308-2Negative environmental impacts in the Supply Chain and actions taken	General Disclosure	1.3 Supply Chain Management	25	
401-1New employee hires and employee turnover	General Disclosure	3.1 Employee Care	34	
401-2Benefits provided to full-time employees that are not provided to temporary or part-time employees	Materiality Issue	3.2 Compensation and benefits	37	
401-3Parental leave	Materiality Issue	3.2 Compensation and benefits	37	
403-1 Occupational health and safety management system	General Disclosure	3.4 Occupational Safety and Health	42	
403-2Occupational health services	Materiality Issue	3.4 Occupational Safety and Health	42	
403-6Promotion of worker health	General Disclosure	3.4 Occupational Safety and Health	35-36	
403-9Work-related injuries	Materiality Issue	3.4 Occupational Safety and Health	43	
404-1Average hours of training per year per employee	General Disclosure	3.3 Talents and Development	40	
404-3Percentage of employees receiving regular performance and career development reviews	General Disclosure	3.3 Talents and Development	41	
405-1 Governance unit and Diversity	Materiality Issue	3.1 Employee Care	33	
414-1New suppliers that were screened using social criteria	General Disclosure	1.3 Supply Chain Management	24-25	
414-2Negative social impacts in the supply chain and actions taken	General Disclosure	1.3 Supply Chain Management	24-25	
416-1Assessment of the health and safety impacts	General Disclosure	2.2 Green & Smart Manufacturing	26	

of product and service categories				
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	General Disclosure	2.2 Green & Smart Manufacturing	26	
417-1 Requirements for product and service information and labeling	General Disclosure	2.2 Green & Smart Manufacturing	26	
419-1 Non-compliance with laws and regulations in the social and economic area	Materiality Issue	1.1 Company Overview	18	

Appendix: United Nations Global Compact

Item	Ten Principles	Chapter	Page
Human rights	Businesses should support and respect the protection of internationally proclaimed human rights	Ch.1 and Ch.3	p.25, p.44, p.45
	make sure that they are not complicit in human rights abuses.	Ch.1 and Ch.3	p.25, p.44, p.45
Labor	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Chapter 3	p.32
	the elimination of all forms of forced and compulsory labor	Chapter 3	p.32
	the effective abolition of child labor	Chapter 3	p.32
	the elimination of discrimination in respect of employment and occupation.	Chapter 3	p.32
Environment	Businesses should support a precautionary approach to environmental challenges	Chapter 4	p.49
	undertake initiatives to promote greater environmental responsibility	Chapter 4	p.49
Anti-corruption	Businesses should work against corruption in all its forms, including extortion and bribery.	Chapter 1	p.19

Source: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Appendix: List of Abbreviations and Nouns

Abbreviations	Term	Mandarin
ABF	Ajinomoto Build-up Film	高階IC載板增層材料
BCP	Business Continuity Plan	企業持續營運計畫
CDP	Carbon Disclosure Project	碳資訊揭露專案
CDSB	Climate Disclosure Standards Board	氣候揭露標準委員會
CECP	Chief Executives for Corporate Purpose	美國執行長企業目標聯盟
COVID-19	Coronavirus disease 2019	嚴重特殊傳染性肺炎
CSR	Corporate Social Responsibility	企業社會責任
DJSI	Dow Jones Sustainability Index	道瓊永續指數
ESG	Environment, Social, Governance	環境、社會、公司治理
GHG	Greenhouse Gas	溫室氣體
GRI	Global Reporting Initiative	全球永續報告協會
NDA	Non-Disclosure Agreement	保密協定
PCB	Printed-Circuit Board	印刷電路板
PCBECI	Printed Circuit Board Equipment Communication Interfaces	印刷電路板設備通訊協定
RBA	Responsible Business Alliance	責任商業聯盟
SASB	Sustainability Accounting Standards Board	永續會計準則委員會
SCM	Supply Chain Management	供應鏈管理
SDGs	Sustainable Development Goals	聯合國永續發展目標
SEMI	Semiconductor Association	國際半導體產業協會
TCFD	Task Force on Climate-related Financial Disclosures	氣候相關財務揭露建議
TEEIA	Taiwan Electronic Equipment Industry Association	台灣電子設備協會
TNFD	Taskforce on Nature-related Financial Disclosures	自然相關財務揭露建議
TPCA	Taiwan Printed Circuit Association	台灣電路板協會
TPCF	TPCA Environment Foundation	財團法人電路板環境公益基金會