

2025 SUSTAINABILITY REPORT



捷敏股份有限公司
GEM SERVICES, INC.



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Message From The Chairman

Global industries are encountering both challenges and opportunities arising from the net-zero transition. Guided by our vision of Responsible Innovation, Sustainability, and Shared Prosperity, we continue embedding sustainability into our corporate strategy and partnering with stakeholders to create enduring value. Our efforts in 2025 have laid a solid foundation for future growth.

Green processes for a sustainable future

As global momentum toward net-zero emissions accelerates, we firmly believe that green manufacturing and low-carbon transformation are becoming essential capabilities for sustainable corporate competitiveness. We continue enhancing energy efficiency by introducing automation and renewable energy while promoting water recycling to reduce energy and other resource consumption and support environmental sustainability. To further reinforce operational excellence and governance, we have implemented and obtained multiple international certifications. These include ISO 14001 and ISO 45001 to reinforce environmental, health, and safety risk management; ISO 14064-1 to complete greenhouse gas (GHG) inventories across all sites and support future net-zero planning; and RoHS to ensure compliance with green supply chain standards. We have also adopted the TCFD framework to enhance climate risk governance and strengthen the Company's long-term climate resilience.

Putting people first, creating sustainable value together

Talent is a key foundation for sustainable business development. We are committed to building a diverse, equal, and inclusive workplace, enhancing employee benefits, supporting talent development, and strengthening communication channels to foster labor-management harmony and organizational unity. We firmly believe that by respecting talent, empowering employee development, and cultivating a safe, healthy, and supportive workplace, we can create enduring value together with employees, customers, and partners, while achieving shared prosperity between business and society.

Sound governance and ethical corporate management

We uphold sound governance and ethical corporate management by establishing comprehensive internal control and risk management systems, strengthening Board oversight of sustainability topics, and ensuring compliance with laws and regulations and transparency. We continue assessing the impacts of climate change on our operations while advancing local procurement and responsible supply chain management to strengthen enterprise resilience and operational response capabilities. We will continue

improving information transparency and corporate governance effectiveness to create long-term value for shareholders and stakeholders.

In the future, we have formulated short-, medium-, and long-term sustainability objectives

Short-term (2026)

Progressively enhance Board functions, create a friendly workplace, and implement energy conservation and carbon reduction initiatives.

Medium-term (2027)

Improve transparency, strengthen employee occupational safety and health awareness, and promote circular use of raw materials within the supply chain.

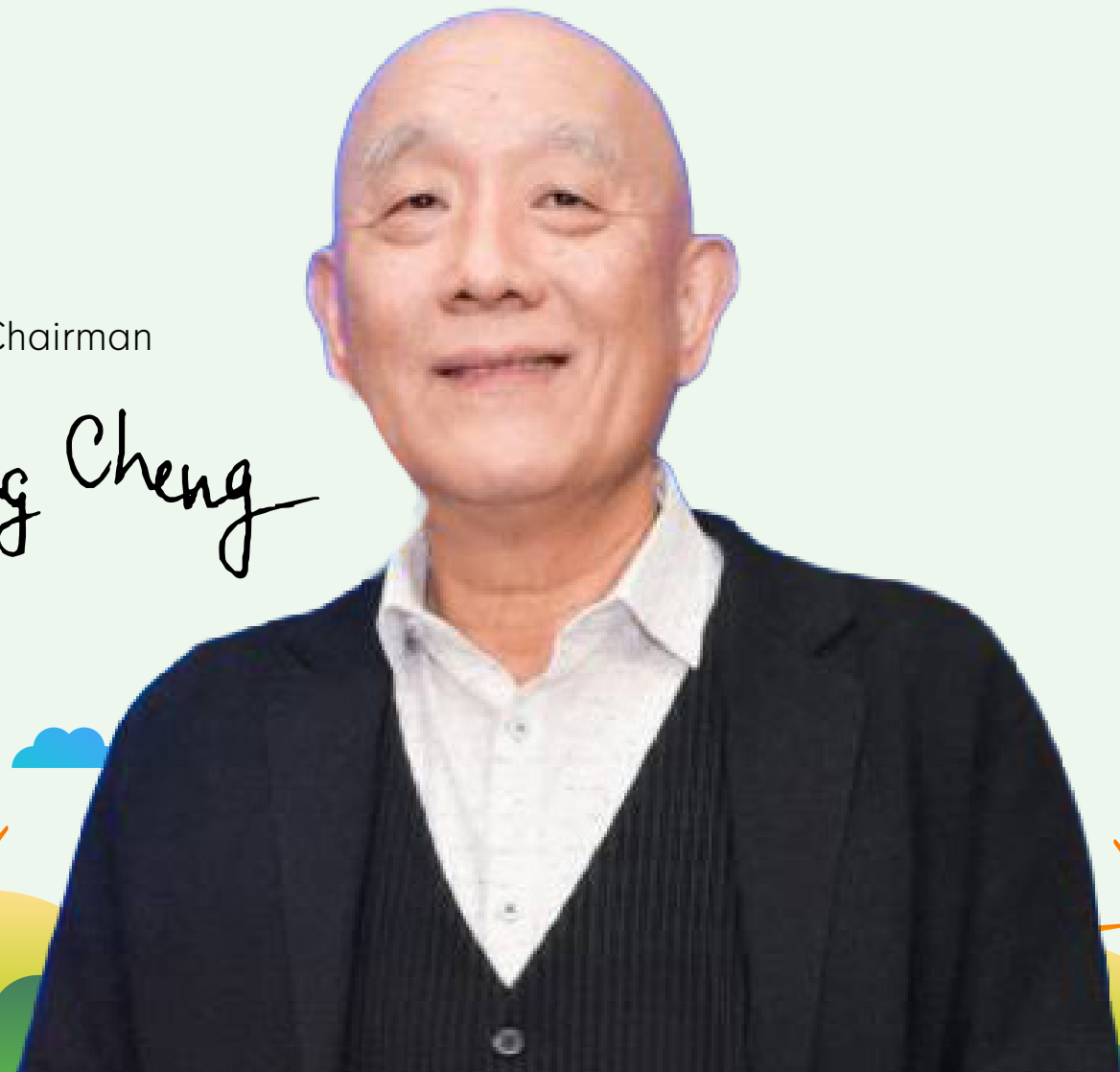
Long-term (2028–2030)

Further reinforce corporate governance, improve occupational safety and health management standards, and assess adoption of the SBTi methodology.

We are actively shaping GEM's sustainable development pathway by implementing strategic initiatives that support steady progress toward green manufacturing and sustainable operations. Looking ahead, we will continue investing in green technologies and innovative manufacturing processes while collaborating with value chain partners to achieve balanced growth in business, environmental sustainability, and social well-being.

The Company's Chairman

Chu Liang Cheng



About the report

This is the second sustainability report issued by GEM Services, Inc. (hereinafter referred to as "GEM" or "the Company"), covering the reporting period from January 1, 2025 through December 31, 2025. The report discloses GEM's performance and initiatives relating to governance and economic development, people and human rights, and environmental sustainability, with the objective of providing stakeholders with transparent insight into the Company's sustainability commitments and achievements.

Reporting scope and preparation principles

The scope of disclosures in this report primarily includes GEM's wholly owned entities: GEM Tech Ltd., Taiwan Branch, GEM Electronics (Shanghai) Co., Ltd., and GEM Electronics (Hefei) Co., Ltd., hereinafter referred to as the "Taipei Office," "Shanghai factory," and "Hefei factory," respectively. Where disclosure boundaries differ, explanatory notes are provided in the relevant sections and data tables. The financial information disclosed in this report is consistent with the scope of the Company's consolidated financial statements, and all amounts are presented in NT\$.

The following standards and frameworks were adopted and referenced in preparing this report:

Standards issuing organization	Standards adopted for reporting
Global Reporting Initiative (GRI)	GRI Standards (Universal, Sector, and Topic)
Sustainability Accounting Standards Board (SASB) under the IFRS Foundation	SASB Standards - Semiconductors
Taiwan Stock Exchange (TWSE)	Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
United Nations (UN)	Sustainable Development Goals (SDGs)
Financial Stability Board (FSB)	Task Force on Climate-related Financial Disclosures (TCFD)

Note. Please refer to the Appendix for the sections and page references corresponding to the reporting principles adopted in this report, including the [GRI Standards Content Index](#), [SASB Content Index](#), [TCFD Climate-Related Financial Disclosures Index](#), and [Reference Table for the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"](#).

Reporting cycle and publication schedule

GEM publishes sustainability reports on a regular annual basis.

Publication date of the 2025 sustainability report: August 2026

Anticipated publication schedule for the next reporting period (2026): August 2027

Sustainability report preparation process



External assurance/verification

Category	Standards adopted	Assurance/verification/validation body
 Sustainability information	Limited Assurance under Standard on Assurance Engagements 3000, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"	Deloitte & Touche
 Financial data	Generally Accepted Auditing Principles and Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants	Deloitte & Touche
 Product quality	IATF 16949 Automotive Quality Management System	DNV BUSINESS ASSURANCE CO., LTD (DNV)
	ISO 9001 Quality management system	
	ANSI/ESD S20.20 Electrostatic Discharge Control	TÜV Rheinland (China) Ltd., (TÜV) DNV BUSINESS ASSURANCE CO., LTD (DNV)
	IECQ QC 080000 Hazardous Substance Process Management	DNV BUSINESS ASSURANCE CO., LTD (DNV)
 Environmental data	ISO 14001Environmental management system	DNV BUSINESS ASSURANCE CO., LTD (DNV)
	ISO 45001 Occupational Health and Safety Management System	
	ISO 14064-1 Greenhouse gas inventory	

Feedback and contact Information

The Board of Directors' Office of Secretariat of GEM Services, Inc.

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Email: IR@gemservices.com

Website: https://www.gemservices.com/zh_TW/index.html

About GEM

Company profile

GEM was founded in the Cayman Islands on April 17, 1998. The Company focuses on semiconductor packaging and testing services for power MOSFETs, IGBTs, diodes, and power conversion or power management ICs, serving discrete component design companies, IC design companies, and Integrated Device Manufacturers (IDMs). As of the end of the reporting period, the Company had developed a sound local service network and a globalized supply chain layout.

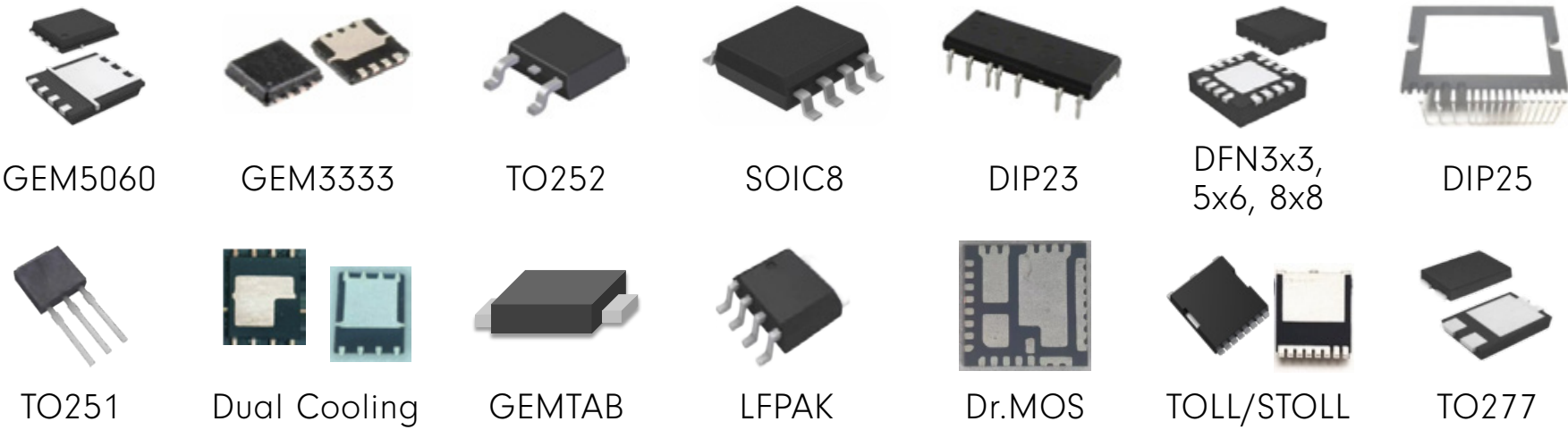
Company name	GEM Services, Inc.	
Nature of ownership and legal form	Listed on the TWSE on April 12, 2016, with common stock code 6525	
Total number of employees	As of December 31, 2025, the total number of employees for GEM in Taiwan and China was 1,828.	
Paid-in capital	NT\$1,290,473,840	
Headquarters location	PO Box 472, 2 nd Floor, Harbour Place, Grand Cayman, KT1-1106, Cayman Island	
Main markets served (geographic distribution of key operational locations)		GEM Tech Ltd., Taiwan Branch 10F., No. 35, Qiao'an St., Zhonghe Dist., New Taipei City
		GEM Electronics (Shanghai) Co., Ltd. No.438, Zhaoxian Road, Jiading Industrial Zone, Jiading District, Shanghai City, China
		GEM Electronics (Hefei) Co., Ltd. Hefei Economic & Technological Development Zone No. 77 JinXiu Blv. Hefei 230601, Anhui Province, China

GEM adheres to the principles of "ethical corporate management and prudence" while pursuing sustainable corporate growth through professionalism and innovation. The Company provides diversified solutions for applications in information technology, communications, consumer electronics, automotive electronics, and industrial electronics industries.

To enhance value chain resilience and market competitiveness, GEM continues broadening and deepening its product portfolio in response to evolving customer application requirements. Its product coverage spans consumer electronics applications, 4G and 5G communication infrastructure, electric vehicle applications, and high-power voltage/current devices. Through synchronized product development strategies, the Company provides comprehensive solutions tailored to diversified market needs. The Company continues to enhance its core technologies and manufacturing capabilities to support next-generation products and maintain its leadership position in the discrete component market. In addition, GEM maintains long-term strategic partnerships with automation equipment manufacturers to co-develop specialized manufacturing technologies that enhance production efficiency, reduce operating costs, and support the development of high-quality, multifunctional, and market-competitive products. Please refer to the Company's website for additional product information.

Key products

Shanghai Production

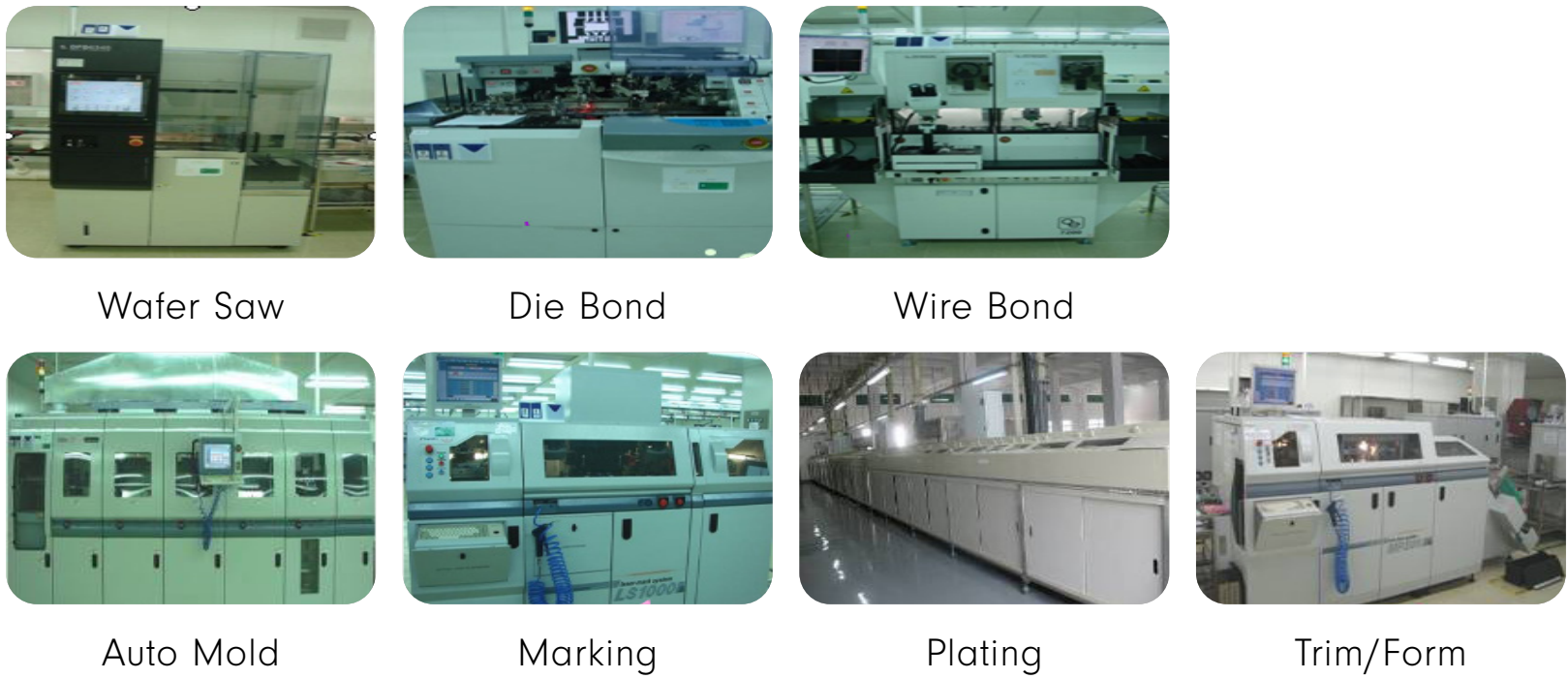


Hefei Production



Factory automation

Automated production line



Automated product testing line

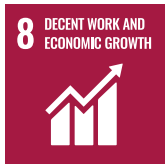


Memberships in professional associations and industry organizations

The Company actively participates in the following associations and industry alliances related to sustainability, industrial development, and technical standards. Through collective action, we aim to drive industry-wide upgrades and responsible business practices:

Name of organization	Membership status	Year joined	Related topics
Shanghai Integrated Circuit Industry Association	Member	2001	Technical R&D and industrial collaboration
Shanghai Fire Protection Association	Member	Before 2008	Occupational safety and health (focusing on fire safety technology)
Shanghai Jiading District Human Resources and Social Security Association	Member	2019	Talent cultivation and development
Taiwan Corporate Governance Association	Member	2019	Corporate governance, director/supervisor continuing education, and Board performance assessment

Economic performance



During 2025, the global economic landscape continued to face headwinds from elevated interest rates and geopolitical uncertainties, contributing to a slower-than-expected recovery in semiconductor end-market demand. Major IDMs continued adjusting their operational structures and resource allocation strategies, increasing the outsourcing ratio of packaging and testing services and reshaping industry competition. In response to evolving market demand and process technology migration, GEM reassessed its capital expenditure plans and implemented more flexible equipment deployment strategies to mitigate expansion risks while improving yield management efficiency. The Company also worked closely with customers on packaging and testing technology development and implemented phased equipment upgrades to support new process introductions. To reduce operational exposure to raw material price volatility, the Company continued leveraging process optimization initiatives and material substitution programs to alleviate cost pressures. GEM also focuses on retaining and developing R&D and process engineering talent through internal training and career development programs to ensure technical continuity and long-term competitiveness.

In 2025, GEM reported operating revenue of NT\$5,325,910 thousand, representing YoY growth of 14.03%. Net income after tax totaled NT\$758,645 thousand, and EPS reached NT\$5.88. The Company will continue evaluating industry trends and resource allocation strategies while steadily improving manufacturing processes and operational efficiency.

Item		2025 consolidated financial statements (NT\$ thousand)
Direct economic value generated	Operating revenue	5,325,910
	Operating costs	3,905,632
Distributed economic value	Employee remuneration and benefits (Operating expenses) ¹	218,624
	Payments to capital contributors ²	541,981
	Interest on loans	0
	Payments to government ³	323,502
	Community investment ⁴	257
	Total	4,989,996
Retained economic value		335,914

Note 1. Employee remuneration and benefits (operating expenses) include salaries, bonuses, incentives, and employee benefits (pensions, insurance, subsidies, and allowances).

Note 2. Payments to capital contributors include the distribution of shareholder dividends.

Note 3. Payments to government include taxes and fines in the jurisdictions where operational locations are located.

Note 4. Community investment includes donations to charitable organizations, NGOs, and research units, as well as funds to support community infrastructure.

Note 5. In 2025, the Company received subsidies totaling approximately NT\$10,394 thousand from the Chinese government, such as human resources employment subsidies, job expansion grants, and industrial development incentives. These funds were used to supplement working capital and support employee retention. As of 2025, there is no government shareholding in GEM.

Note 6. Retained economic value = Economic value generated - Economic value distributed.

Sustainability performance and awards

Environment	E	Completed ISO 14064-1 GHG inventories and third-party verification for all operational locations Obtained ISO 14001 Environmental Management System certification Combined Scope 1 and Scope 2 emissions decreased by 4.82% from the base year
Economic and Governance	G	The ratio of female directors is 37.5% The term of office of independent directors does not exceed 3 terms Operating revenue reached NT\$ 5,325,910 thousand in 2025, representing YoY growth of 14.03%, with EPS of NT\$ 5.88. Ethical corporate management and regulatory compliance: No corruption cases occurred during the year; Internal control self-assessment results remained strong, with no material operational risks arising from internal control deficiencies; No incidents involving customer privacy infringement, data loss, data leakage, or other regulatory violations occurred; The Company recorded no violations related to the Company Act, employee occupational health and safety, securities regulations, or personal data protection; No penalties related to human rights regulation violations were imposed; No environmental regulatory violations resulting in penalties from local authorities were reported;

Anti-corruption risk assessments were completed for all operating locations, achieving **100%** coverage.

The Company maintained an average customer satisfaction score above **94** points during the year.

The Shanghai Factory and Hefei Factory both passed ISO 9001 and IATF 16949 certification audits.

The Shanghai Factory and Hefei Factory both obtained ANSI/ESD S20.20 electrostatic discharge control certification, demonstrating internationally recognized quality management and manufacturing control capabilities.

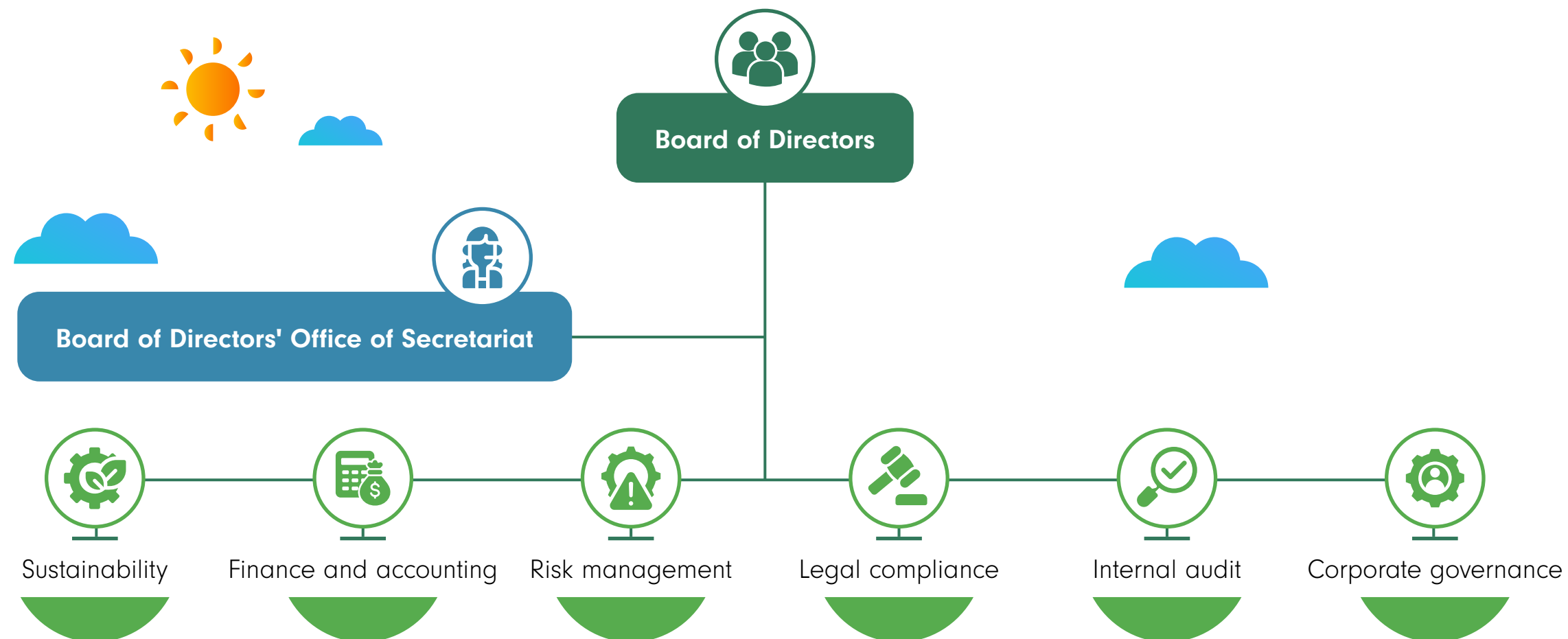
Committed to sustainability management

Sustainability governance framework

The Board of Directors is the highest governing unit for the Company's sustainability development, responsible for guiding strategic direction and overseeing both operational performance and sustainability initiatives. In accordance with the Articles of Incorporation and applicable laws and regulations, the Board fulfills its governance responsibilities by ensuring regulatory compliance and corporate accountability. Through the annual issuance of the sustainability report, the Company proactively discloses the potential impacts of its operations on the economy, environment, and society to stakeholders, and establishes future operational objectives and response strategies based on impact evaluations. To bolster sustainability governance, the Company regularly identifies material sustainability topics and discusses related analyses in departmental meetings to formulate sustainability goals and management actions, thereby fulfilling the Board's oversight responsibilities.

The responsibilities of the relevant functional units in promoting sustainable development are outlined below:

The Company has established the "Sustainable Development Best Practice Principles," which has been approved by the Board of Directors as the highest principle for promoting sustainable development. Through a top-down strategy, the Board of Directors acts as the Company's highest decision-making authority and regularly reviews the progress of sustainability-related initiatives. The Board of Directors serves as the highest-level sustainability governance body within the organization. The Chairperson acts as the chief executive authority, directing the Board of Directors' Office of Secretariat to regularly report the implementation status and outcome of sustainability projects to the Board. The Board of Directors' Office of Secretariat also assists in collecting international sustainability development trends and understanding stakeholder expectations to identify material topics, which are then referred to the relevant responsible units for implementation.



Board of Directors

As the highest sustainability governance body, the Board is responsible for setting sustainability strategies and directions, overseeing management's implementation of sustainability plans, ensuring compliance, and protecting shareholder interests.



Board of Directors' Office of Secretariat

The Office assists the Board in advancing and supervising sustainability initiatives by monitoring domestic and international sustainability trends, identifying stakeholder concerns, consolidating material topics, coordinating implementation with responsible departments, and regularly reporting project progress and outcomes to the Board for review.



Relevant responsible units develop and implement sustainability strategies based on stakeholder concerns, including labor/management relations, employee health and safety, supply chain management, customer service, product quality and safety, greenhouse gas emissions, waste management, and climate risk assessment. Each unit regularly consolidates sustainability-related matters and submits them to the Board of Directors' Office of Secretariat to support the Board's review and decision-making processes.

In 2025, the Board reviewed seven major sustainability-related proposals, including the Company's net-zero strategy, implementation of ethical corporate management procedures and employee conduct guidelines, Board performance evaluations, independent director qualification reviews, directors' and supervisors' liability insurance coverage, and sustainability performance and stakeholder communication results.

The above meetings and topic reviews are conducted on a regular basis. GHG inventory and verification results are periodically reported to the Board, while other sustainability matters are incorporated into the Board's annual agenda and decision-making process to ensure continuous oversight and ongoing enhancement of sustainability management effectiveness.

Sustainable development strategy

Sustainable development commitment

To fulfill corporate social responsibility and achieve balanced development across economic, environmental, and social dimensions, GEM has established the Sustainable Development Best Practice Principles as a governance framework for managing risks and impacts across ESG dimensions, fully embedding sustainability principles into its operations. The sustainability policy and vision are set by the Board of Directors, while senior management is authorized to execute related matters and ensure timely and accurate disclosure.

On the environmental front, the Company has implemented an environmental management system and continuously promotes energy efficiency improvements and resource circularity. It also conducts GHG inventories and implements energy conservation and carbon reduction initiatives to mitigate climate-related operational impacts. In social responsibility, the Company complies with international human rights standards, maintains a human rights policy, provides a safe and healthy workplace, supports employee development, and operates a complaint mechanism to protect employee rights.

The Company places strong emphasis on stakeholder engagement by collecting external feedback through its official website, and actively participates in community development and educational initiatives to foster shared prosperity with local communities. The Company commits to the continuous disclosure of sustainability outcomes, enhanced transparency of information, and periodic review and refinement of policy implementation to ensure that sustainability commitments are substantively and effectively achieved.

Sustainable development goals

Aspect	Corresponding SDGs	Short-term target (2026)	Medium-term target (2027-2028)	Long-term target (2029-2030)
 Economic and Governance	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	- Implement the IFRS Sustainability Disclosure Standards adoption plan, targeting the inclusion of a dedicated Sustainability Disclosure chapter in the 2028 Annual Report - Survey the current status of supplier sustainability management - Engage with major suppliers regarding environmental and social standards	- Continue to strengthen corporate governance - Establish a Sustainability Development Committee - Incorporate sustainability metrics into the Supplier Code of Conduct - Sign Sustainability Development Commitment letters with suppliers	Establish a comprehensive risk management system, periodically inventorying material risks and tracking improvements
 People/Human Rights	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY	The Company continues to enhance its employee benefits framework by offering provisions that exceed statutory requirements, while simultaneously strengthening its talent development and retention systems.	Occupational health and safety awareness is enhanced through structured occupational safety and health education and training programs, as well as regular safety seminars, thereby strengthening the understanding and commitment of both management and employees.	The Company improves occupational health and safety standards through comprehensive policies, a structured management system, and risk monitoring mechanisms. New employees receive at least 24 hours of safety training within their first year, and full-time employees receive at least eight hours annually.
 Environment	6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION	- Strengthen carbon reduction targets and action plans, set organization-wide reduction pathways, and monitor progress - The Company enhances transparency in water resource management strategy by taking into account that all manufacturing sites are located in water-stressed regions. It establishes water management policies, discloses water recycling and reuse initiatives, continuously improves water reuse efficiency, and reduces water intake risks - Expand Scope 3 inventory coverage and disclose reduction targets and progress	- The Company continues to maintain certifications under relevant environmental ISO standards - Increase renewable energy usage across factories - The Company continues implementing hazardous waste reduction, waste heat recovery, and reclaimed water reuse initiatives to reduce overall energy and other resource consumption - Develop energy-saving and efficiency improvement initiatives to reduce GHG emissions	- The Company is evaluating the adoption of the Science Based Targets initiative (SBTi) methodology to strengthen its climate action framework - Purchase renewable energy certificates and carbon credits as needed.

Stakeholder engagement

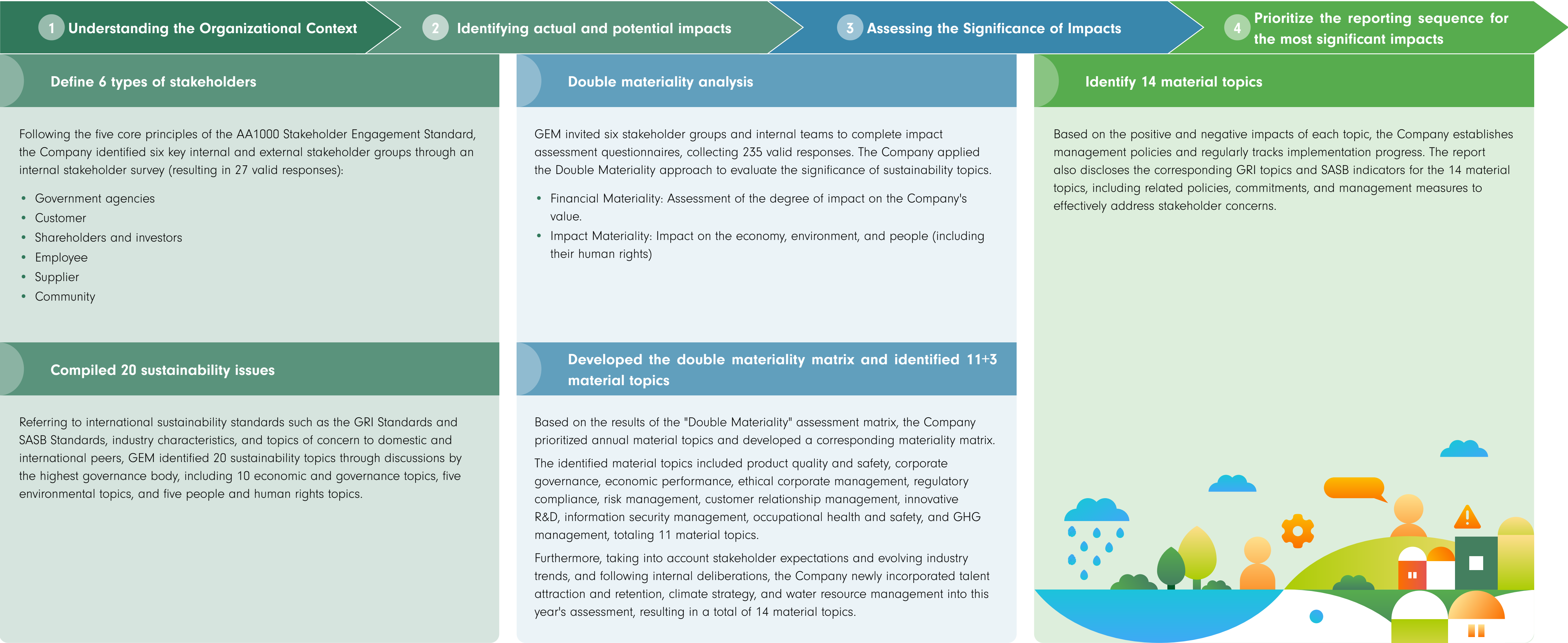
GEM adopts the AA1000 Stakeholder Engagement Standard (AA1000SES) and its five guiding principles (responsibility, influence, tension, diverse perspectives, and dependency) to structure its stakeholder engagement framework. Through internal deliberation and benchmarking against peer practices, the Company identifies six key stakeholder groups: government agencies, customers, shareholders and investors, employees, suppliers, and communities. To evaluate stakeholder concerns and the degree of impact across sustainability topics, the Company conducts structured questionnaire surveys for each stakeholder group. Engagement approaches are defined based on the results of impact assessments. The stakeholder identification outcomes and material topic impact assessments are reviewed by the President and submitted to the Board of Directors for final reporting, ensuring that top management maintains visibility over the Company's sustainability impacts. This governance mechanism strengthens the effectiveness and reliability of stakeholder engagement processes.

Stakeholder	Importance to the Company	Communication mechanism and frequency	Top three material topics by stakeholder assessment (combined positive and negative impacts)	Response chapter
 Government agencies	GEM closely monitors regulatory updates announced by government authorities. With legal compliance as a core principle of operations, the Company actively responds to policies and maintains transparent, collaborative interactions with government agencies.	(Irregular) - Regulatory briefings/seminars - Official correspondence - Receipt of regulatory updates	- Energy management - Customer relation management - Economic performance	3.2 Energy management 2.3 Customer relation management Economic performance
 Customer	Customers drive GEM's continuous pursuit of excellence. By understanding customer needs and applying innovative technologies, the Company provides high-quality services and products to create mutual benefits	[Regularly] - Annually: Customer satisfaction surveys (Irregular) - Hotline, email - Direct consultation via telephone	- Product quality and safety - Ethical corporate management - Information security management	2.2 Product quality and safety 1.2 Ethical corporate management 1.5 Information security management
 Shareholders and investors	The trust and capital support of shareholders and investors provide GEM with a solid foundation for stable operations and sustainable growth. By maintaining transparent disclosures and delivering high-performance outcomes, the Company strengthens investor confidence and creates long-term value together with stakeholders.	[Regularly] - Quarterly: Financial reports - Annually: Annual reports, shareholders' meetings (Irregular) - Investor conferences - Material information announcements - MOPS - Hotline, email	- Ethical corporate management - Economic performance - Product quality and safety	1.2 Ethical corporate management Economic performance 2.2 Product quality and safety

Stakeholder	Importance to the Company	Communication mechanism and frequency	Top three material topics by stakeholder assessment (combined positive and negative impacts)	Response chapter
 Employee	Employees are GEM's most valuable assets. The Company provides competitive welfare and care programs and fosters a friendly workplace environment where employees can maximize their strengths and create win-win outcomes for both labor and management.	(Irregular) - Employee suggestion box - Email, hotline - Interview conducted by management	- Ethical corporate management - Product quality and safety - Compliance with laws and regulations	1.2 Ethical corporate management 2.2 Product quality and safety 1.4 Compliance with laws and regulations
 Supplier	Suppliers are essential partners in GEM's sustainable development strategy. Both parties uphold the principles of integrity and shared prosperity, continuously enhancing product quality, safeguarding confidential business information, and jointly advancing sustainable operations and mutually beneficial partnerships.	[Regularly] Annually: Supplier auditing	- Ethical corporate management - Compliance with laws and regulations - Information security management	1.2 Ethical corporate management 1.4 Compliance with laws and regulations 1.5 Information security management
 Community	Communities provide valuable and diverse perspectives for sustainable development. Through ongoing communication and collaboration, GEM maintains strong relationships with community groups, listens to local needs, integrates resources, and promotes broader positive social impact.	(Irregular) - Donate supplies to underprivileged communities - Participate in community group activities	- Waste management - Product quality and safety - Climate strategy	3.4 Waste management 2.2 Product quality and safety 3.1 Climate governance

Materiality analysis

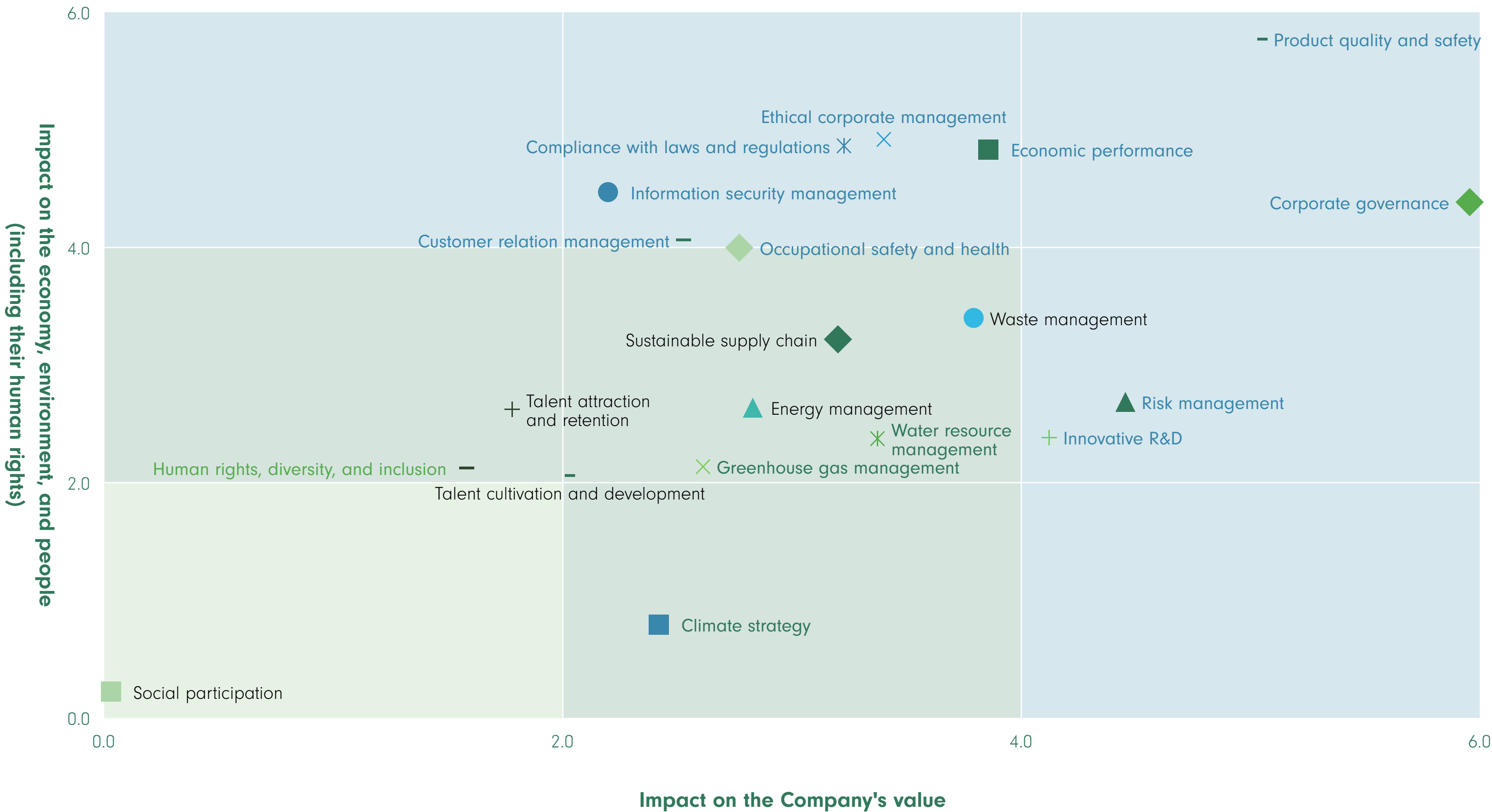
GEM followed the GRI Standards (2021) and applied a four-stage materiality identification process involving senior management and internal and external stakeholders to evaluate the positive and negative impacts of sustainability topics. Considering that there were no significant changes in the Company's business model, supply chain structure, external industry trends, or relevant international standards and domestic regulations during the reporting year, GEM conducted analysis and adjustments based on the previous year's stakeholder questionnaire results. Following internal evaluation and discussion, a total of 14 material topics were identified for 2025. The assessment process and identification results are described as follows:



Double materiality matrix

According to the assessment results from internal and external stakeholders and internal management, the Company determined 14 material topics for the year.

Double materiality matrix



List of Material Topics in 2025

	Economic and Governance	Product quality and safety
		Corporate governance
		Economic performance
		Ethical corporate management
		Compliance with laws and regulations
		Risk management
		Customer relation management
		Innovative R&D
	People/Human Rights	Information security management
		Occupational safety and health
	Environmental aspects	Talent attraction and retention
		Greenhouse gas management
		Climate strategy
		Water resource management

Material topic impact management

For the 14 material sustainability topics, GEM has established relevant policies and commitments to respond to stakeholder concerns and protect their interests.

Aspect	Material topics	Description of positive and negative impacts	Policies and commitments	Corresponding GRI topic standards and/or SASB standards	Value chain impact boundaries			Management achievements (Please refer to the following sections)
					Upstream	GEM	Downstream	
					Supplier		Customer	
 Economic and Governance	Product quality and safety	Rigorous quality management ensures that products meet or exceed applicable standards, thereby enhancing market competitiveness and brand reputation and supporting long-term customer relationships. In contrast, product quality and safety issues may lead to recalls, customer complaints, regulatory violations, higher costs, and reputational damage.	The Company adheres to the RoHS system management procedure to ensure that product materials comply with regulatory requirements and to prohibit the use of restricted hazardous substances. Through supplier audits, incoming material inspection, and internal training, the Company ensures compliance with quality and safety standards across design, manufacturing, and shipment stages, reducing potential risks to end users and the environment.	GRI 416 Customer Health and Safety GRI 417 Marketing and Labeling				2.2 Product quality and safety
	Corporate governance	A sound governance system, including Board independence and diversity, performance evaluation, and internal controls, enhances transparency, protects stakeholder interests, and supports sustainable operations. Conversely, insufficient governance mechanisms may erode stakeholder trust in corporate decision-making, increase operational risks, harm corporate reputation, and reduce competitiveness.	The Company has established formal procedures for the election of directors, rules of procedure for board meetings, and corporate governance principles, clearly defining the functions of the Board, meeting protocols, and election processes. The implementation of independent director mechanisms, together with the Audit Committee and Remuneration Committee, further enhances decision-making transparency and oversight effectiveness, thereby improving governance performance and stakeholder confidence.	GRI 2-9 Governance structure and composition GRI 2-10 Nomination and selection of the highest governance body GRI 2-11 Chair of the highest governance body GRI 2-15 Conflicts of interest GRI 2-17 Collective knowledge of the highest governance body GRI 2-18 Evaluation of the performance of the highest governance body GRI 2-19 Remuneration policies GRI 2-20 Process to determine remuneration GRI 2-21 Annual total compensation ratio GRI 405 Diversity and equal opportunity				1.1 Corporate governance
	Economic performance	Sound financial strategies improve operational efficiency and resource allocation, generate value, and bolster investor and stakeholder confidence, supporting sustainable development. On the contrary, deficiencies in financial management may result in share price volatility, weakened employee morale, erosion of investor and shareholder confidence, deterioration of supplier and customer partnerships, and potential operational disruptions.	The Company focuses on stable operations and creates long-term value through efficiency improvement and cost control. The Company sets annual operational targets and medium- to long-term growth strategies, and strengthens economic governance and accountability through periodic financial disclosure and internal audit mechanisms.	GRI 201 Economic performance				Economic performance

Aspect	Material topics	Description of positive and negative impacts	Policies and commitments	Corresponding GRI topic standards and/or SASB standards	Value chain impact boundaries			Management achievements (Please refer to the following sections)
					Upstream	GEM	Downstream	
					Supplier		Customer	
 Economic and Governance	Ethical corporate management	The Company adheres to laws and free market principles and treats all stakeholders with integrity and honesty. It provides ethics training and whistleblowing mechanisms to ensure ethical corporate management and maintain a strong reputation. However, involvement in corruption, fraud, anti-competitive conduct, or other unethical behavior may result in reputational damage, erosion of customer trust, and regulatory penalties.	The Company has established ethical corporate management codes and procedures that prohibit bribery and improper benefits, and provides anonymous reporting channels and disciplinary mechanisms to foster an ethics-driven corporate culture.	GRI 2-23 Policy commitments GRI 2-24 Embedding policy commitments GRI 2-25 Processes to remediate negative impacts GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 205 Anti-corruption				1.2 Ethical corporate management
	Compliance with laws and regulations	Total compliance with laws and regulations mitigates legal and regulatory risks, enhances corporate reputation, and supports constructive relationships with government authorities and society. In contrast, any legal violation may lead to fines, litigation, reputational damage, and potential impact on operating licenses.	GEM has established a Code of Ethical Conduct requiring all employees to comply with relevant domestic and international laws, regulations, and internal policies. Compliance is reinforced through structured training programs and internal audit mechanisms. Violations are handled according to Company policies to maintain compliance discipline and corporate reputation.	GRI 2-27 Compliance with laws and regulations GRI 205-3 Confirmed incidents of corruption and actions taken GRI 206-1 Legal actions for anti-competitive behavior, antitrust, and monopoly practices GRI 418 Customer privacy TC-SC-320a.2: Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations TC-SC-520a.1: Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations				1.4 Compliance with laws and regulations
	Risk management	The Company identifies and assesses potential risks, establishes response and preventive measures, and continuously monitors risk changes to adjust response strategies. Effective risk management enhances operational resilience and strengthens the Company's adaptability to market volatility and external changes. In contrast, poor risk management may lead to financial losses, operational disruption, and threats to business continuity.	The Company has established a structured risk management mechanism, including an internal material information disclosure process to ensure timely communication and effective control of relevant information. Combined with ethical management systems, the Company strengthens risk identification, assessment, and response capabilities to maintain stable operations.	Self-defined topic				1.3 Risk management

Aspect	Material topics	Description of positive and negative impacts	Policies and commitments	Corresponding GRI topic standards and/or SASB standards	Value chain impact boundaries			Management achievements (Please refer to the following sections)
					Upstream	GEM	Downstream	
					Supplier		Customer	
 Economic and Governance	Customer relation management	Establishing robust communication channels with customers and delivering tailored solutions aligned with customer needs, supported by satisfaction surveys, enhances customer satisfaction and loyalty, strengthens long-term partnerships, and generates positive reputation effects and new business opportunities. Conversely, failure to address customer needs may result in customer attrition, dissemination of negative feedback, and adverse impacts on brand reputation and future customer acquisition.	The Company has implemented structured customer communication channels and satisfaction survey mechanisms to systematically collect and analyze customer feedback. Customer complaints are handled in accordance with corrective and preventive action procedures to drive continuous improvement and enhance overall customer experience and service quality.	Self-defined topic				2.3 Customer relation management
	Innovative R&D	Ongoing innovation strengthens product competitiveness, meets customer needs, supports market leadership, and drives revenue growth. In contrast, a lack of innovation capability may result in products and services failing to meet market expectations, declining market share, weakened brand equity, and reduced profitability.	The Company applies a knowledge management control procedure to promote R&D accumulation and application, enhancing product differentiation and competitiveness. Internal innovation, standardized documentation, and cross-department knowledge sharing are encouraged to support long-term sustainability.	Self-defined topic				2.1 Innovative R&D
	Information security management	The implementation of robust information security policies, periodic data backup mechanisms, and firewall deployment safeguards Company information assets, including internal confidential information and employee and customer personal data, thereby ensuring confidentiality and data integrity. On the other hand, weak information security may lead to system failures, data breaches, regulatory violations, and reputational damage.	The Company has established an information policy framework governing information asset protection, access control, and employee operational behavior, together with an information security incident reporting and response mechanism to mitigate security risks and protect sensitive customer and Company information.	GRI 418 Customer privacy				1.5 Information security management

Aspect	Material topics	Description of positive and negative impacts	Policies and commitments	Corresponding GRI topic standards and/or SASB standards	Value chain impact boundaries			Management achievements (Please refer to the following sections)
					Upstream	GEM	Downstream	
					Supplier		Customer	
 Social aspects	Occupational safety and health	Establish an occupational health and safety management system and promote risk management, health management, and safety initiatives to reduce workplace injury risks. Conversely, inadequate occupational safety management may result in increased workplace accidents, higher legal exposure, reduced employee morale, and adverse impacts on talent attraction and retention.	The Company provides a safe working environment through risk assessments, training, and emergency drills in line with occupational safety policies. GEM has established a safety management system in compliance with occupational safety and health regulations and conducts periodic reviews of occupational accident prevention and health management measures.	GRI 403 Occupational safety and health TC-SC-320a.1: Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards				4.4 Occupational safety and health
	Talent attraction and retention	The Company provides fair performance evaluation and promotion systems and competitive compensation and benefits to retain talent and support stable growth. On the contrary, the absence of a structured talent attraction and retention framework may result in loss of institutional knowledge, workforce instability, reduced employee engagement and productivity, and increased recruitment and training costs, thereby affecting operational continuity.	Compensation is set under the "Employee Salary and Welfare Management Policy" and regularly reviewed to ensure competitiveness. In compliance with applicable regulations, the Company has established a retirement system and provides enhanced welfare benefits exceeding statutory requirements, including comprehensive support in meals, accommodation, and transportation, to foster a supportive and employee-friendly workplace environment.	GRI 401: Employment GRI 405 Diversity and equal opportunity				4.1 Talent attraction and retention
 Environmental aspects	Greenhouse gas management	The Company completed a GHG inventory to understand emissions from operations and production processes and uses the results to support reduction strategies and ongoing monitoring aligned with net-zero goals. However, inadequate emissions management may result in adverse impacts on the environment and human health, regulatory non-compliance, increased compliance costs, financial penalties, and reputational damage.	The Company has completed GHG inventory work and internal training to establish an initial carbon management foundation. Although specific reduction targets have not yet been established, the Company is currently accumulating emissions data and assessing major emission sources to support the future development of medium- and long-term carbon reduction strategies and targets.	GRI 305 Emissions TC-SC-110a.1, TC-SC-110a.2 Greenhouse gas emissions				3.1 Climate governance
	Climate strategy	The Company identifies climate-related risks and opportunities, evaluates their actual and potential financial impacts, and establishes response plans together with short-, medium-, and long-term climate objectives to mitigate climate-related impacts and strengthen organizational climate resilience. In contrast, failing to establish a climate strategy may expose the Company to operational and financial risks caused by extreme climate events.	Through questionnaire-based assessments and analytical evaluations, GEM identifies material climate-related risks and opportunities associated with its operational activities. Based on the assessment outcomes, the Company formulates climate strategies and targets, develops specific action plans, and incorporates climate risk management into its overall operational management and decision-making framework.	GRI 201-2 Financial implications and other risks and opportunities due to climate change				3.1 Climate governance
	Water resource management	The Company promotes water conservation and water recycling measures through effective water resource management systems to improve water use efficiency. The Company also implements wastewater monitoring and management practices to ensure compliance with applicable regulations and minimize environmental impacts. Conversely, poor water management may increase water scarcity risks, restrict production, and cause pollution incidents, regulatory penalties, and reputational damage.	The Shanghai Factory and Hefei Factory have implemented the ISO 14001:2015 Environmental Management System and obtained wastewater discharge permits. The Company has identified potential water-related risks, including water shortages, excessive wastewater discharge, equipment failures, extreme weather events, and chemical leaks, and has established corresponding emergency response plans with annual drills to mitigate operational risks.	GRI 303 Water and effluents TC-SC-140a.1 Total water withdrawn and consumed				3.3 Water resource management



Transparent governance and ethical corporate management

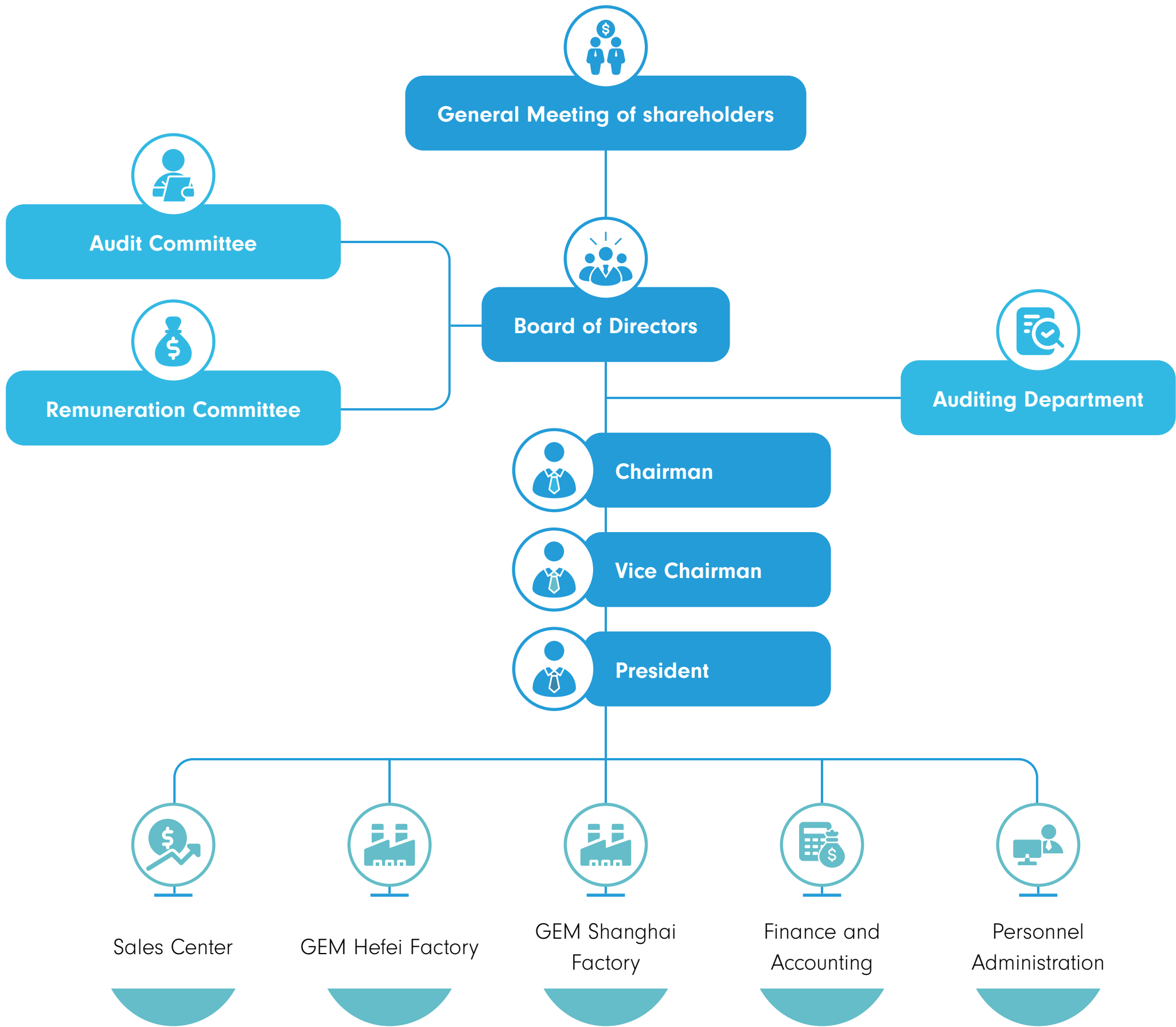
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1.5	Information security management	30

1.1 Corporate governance

1.1.1 Corporate governance framework

GEM has established a sound corporate governance structure, with the Board of Directors serving as the highest governance unit and decision-making center. The Chairperson leads the Board in setting strategic direction and overseeing operations. The highest executive management role is the President, who is responsible for implementing the Company's operational strategies and policies. The positions of Chairperson and President are held by separate individuals, and the President does not serve as a Board member, thereby reinforcing governance effectiveness and segregation of authority. The Board exercises its duties in accordance with the Company's Articles of Incorporation and applicable laws and regulations and remains accountable to both the Company and shareholders. Through the Audit Committee and Remuneration Committee, the Board further enhances professional oversight and governance functions in areas including financial supervision and the compensation system. Board members possess extensive professional expertise and industry experience and actively participate in strategic decision-making and material topic review processes, supporting the Company's ongoing innovation, transformation, and enhancement of core competitiveness. In 2025, the Board held four meetings with an average attendance rate of 100%, reflecting strong participation and effective oversight. The management team, composed of executives with extensive professional and practical experience, maintains close collaboration with the Board to uphold corporate values and promote stable operations and long-term development.

Number of meetings held	Meeting frequency	Director attendance rate
4 times	On average, about once every three months	100%



Board of Directors

Directors are elected by shareholders in accordance with the Company's Articles of Incorporation, with a three-year term of office. The current Board of Directors comprises eight members, including three independent directors, all of whom satisfy the professional qualification and independence requirements stipulated under the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. By the end of 2025, the average tenure of executive directors was 14.5 years, while none of the independent directors had served more than three consecutive terms. This is consistent with the tenure recommendations outlined in the Financial Supervisory Commission (FSC)'s "Sustainable Development Action Plans" and supports the maintenance of Board independence and governance effectiveness.

Name	Category	Title	Gender	Professional knowledge/skills			Expertise			
				Business management	Leadership and decision making	Knowledge of the industry	Director experience	Accounting and finance	Business operation	An international market perspective
Chu-Liang, Cheng	Executive Director	Chairman	Male	✓	✓	✓	✓		✓	✓
Wen-Hsing, Huang	Executive Director	Vice Chairman	Male	✓	✓	✓	✓		✓	✓
Tay-Jen, Chen	Non-executive Director	Director	Female	✓	✓		✓			✓
Wei-Chung, Pan	Non-executive Director	Director	Female	✓	✓		✓		✓	✓
Corporate Representative: Elite Advanced Laser Corporation Tien-Tseng, Sung	Non-executive Director	Director	Male	✓	✓	✓	✓		✓	✓
Shu, Yeh	Independent Director	Independent Director	Male	✓	✓		✓	✓	✓	✓
Wen-Chen, Huang	Independent Director	Independent Director	Male	✓	✓		✓	✓	✓	✓
Chun-Chi, Yang	Independent Director	Independent Director	Female	✓	✓		✓	✓	✓	✓
Chi-Yu, Yang ^{Note 2}	Independent Director	Independent Director	Male	✓	✓	✓	✓	✓	✓	✓

Note 1. Detailed information on directors' backgrounds and tenure is available in the [Company's 2025 Annual Report](#).

Note 2. Independent Director Chi-Yu, Yang resigned on July 23, 2025.

Responsibilities of functional committees

The Company established the Audit Committee and Remuneration Committee in accordance with relevant committee charters to improve the quality of decision-making of the Board. The committees are responsible for reviewing matters related to financial reporting, internal control systems, and remuneration policies for directors and senior management, and for providing professional recommendations that support the Board's oversight and decision-making functions, thereby supporting Board oversight and decision-making.

Committee	Composition of committee members	Responsibilities	Operational status in 2025
Remuneration Committee	All independent directors	- The Committee reviews compensation policies and systems for directors and senior management to ensure fairness, competitiveness, and alignment with long-term corporate development and shareholder interests. - The Committee periodically evaluates the structure, components, and levels of remuneration for directors and management personnel and submits recommendations and adjustments to the Board for consideration and approval.	- In 2025, the Committee held two meetings, with a 100% attendance rate by independent directors. - The Committee reviewed matters relating to annual remuneration allocation and salary adjustments for directors and management personnel. - The Committee reviewed the 2024 director remuneration appropriation proposal.
Audit Committee	All independent directors	- The Committee reviews the Company's financial reports to ensure the accuracy, completeness, and reliability of disclosed financial information. - The Committee supervises the establishment and operation of GEM's internal control systems to strengthen regulatory compliance and enhance the effectiveness of overall risk management and control mechanisms - The Committee also evaluates the appointment and audit performance of independent auditors to ensure their professionalism and independence.	- In 2025, the Committee held four meetings, with a 100% attendance rate by independent directors. - Review of quarterly financial reports and the 2024 earnings distribution proposal - Review and amendment of internal control systems and related statements - Audit quality indicators (AQIs) evaluation report and remuneration proposal for CPAs - Proposal for the amendment of the Procedures for Acquisition and Disposal of Assets

[Note.](#) Detailed information on the annual key priorities and operations of the Audit and Remuneration Committees can be found in the [Company's 2025 Annual Report](#); content and results of internal meeting communications have been disclosed in the ["Corporate Governance – Functional Committees" section of the Company's official website](#).

1.1.2 Operation of the Board of Directors

Director nomination and diversity in appointments

To enhance corporate governance quality and strengthen the Board's composition, GEM implements a candidate nomination system and cumulative voting for director nominations and elections, in accordance with the Articles of Incorporation and Article 21, Paragraph 2 of the "Corporate Governance Principles." All procedures are conducted legally and announced publicly to ensure the transparency and fairness of the selection mechanism.

GEM believes that a diverse Board of Directors helps increase decision-making quality and governance effectiveness. Consequently, a clear Board Diversity Policy has been established to serve as the basis for Board composition planning and selection. In addition to possessing professional capabilities such as business judgment, financial analysis, crisis management, and knowledge of the industry, Board members' diverse attributes, including gender, age, nationality, and cultural background, are also considered to ensure the Board as a whole possesses a comprehensive perspective and integrated judgment. Moreover, the number of directors who concurrently serve as company managers shall not exceed one-third of the total number of director seats to maintain the Board's independence and oversight function.

The Board Diversity Policy encompasses the following two major dimensions:

- (1) Basic requirements and values: Includes gender, age, nationality, and cultural background, etc.
- (2) Professional knowledge and skills: Includes law, accounting, finance, marketing, technology, and industry experience.

In appointing independent directors, GEM conducts assessments of professional capabilities and independence to ensure they can exercise their duties objectively and effectively perform their oversight responsibilities. The composition of independent directors is determined through a systematic selection process based on the Company's business model, strategic development needs, and stakeholder expectations, with the objective of establishing a governance team characterized by diversity, professionalism, and independence, thereby further strengthening the corporate governance framework and enhancing business performance.

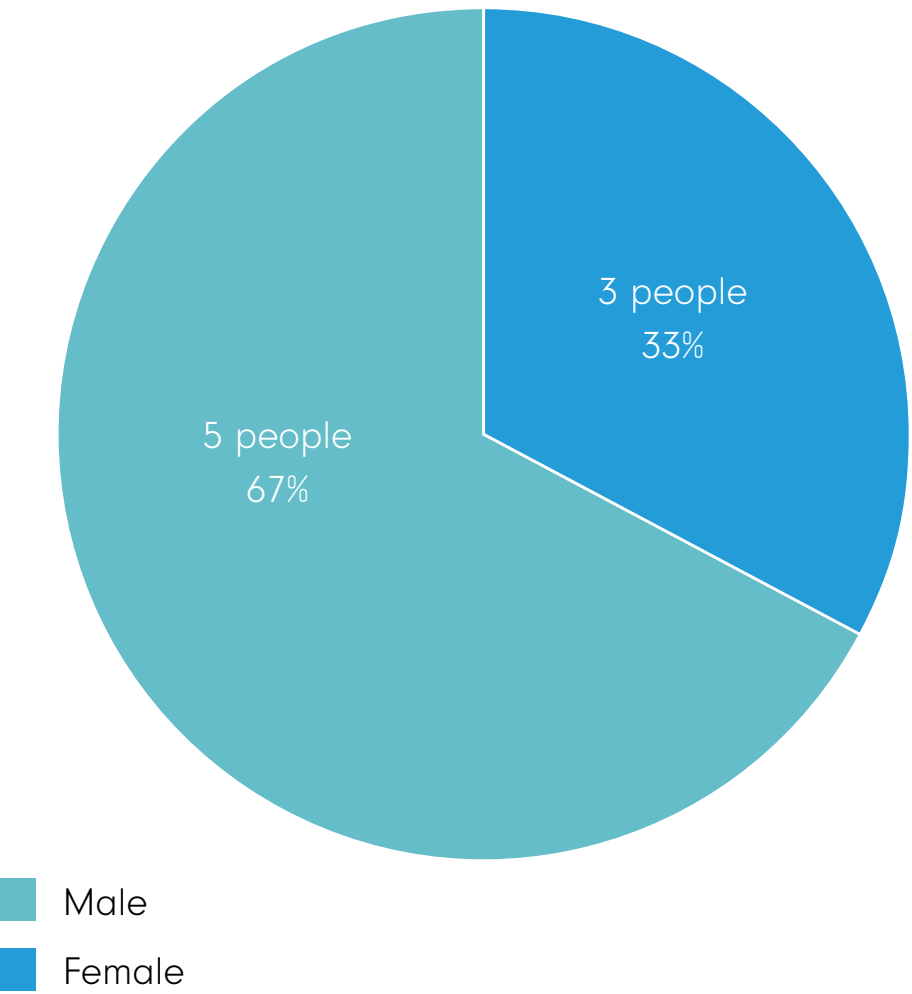


Management objectives and achievement of the Board diversity policy

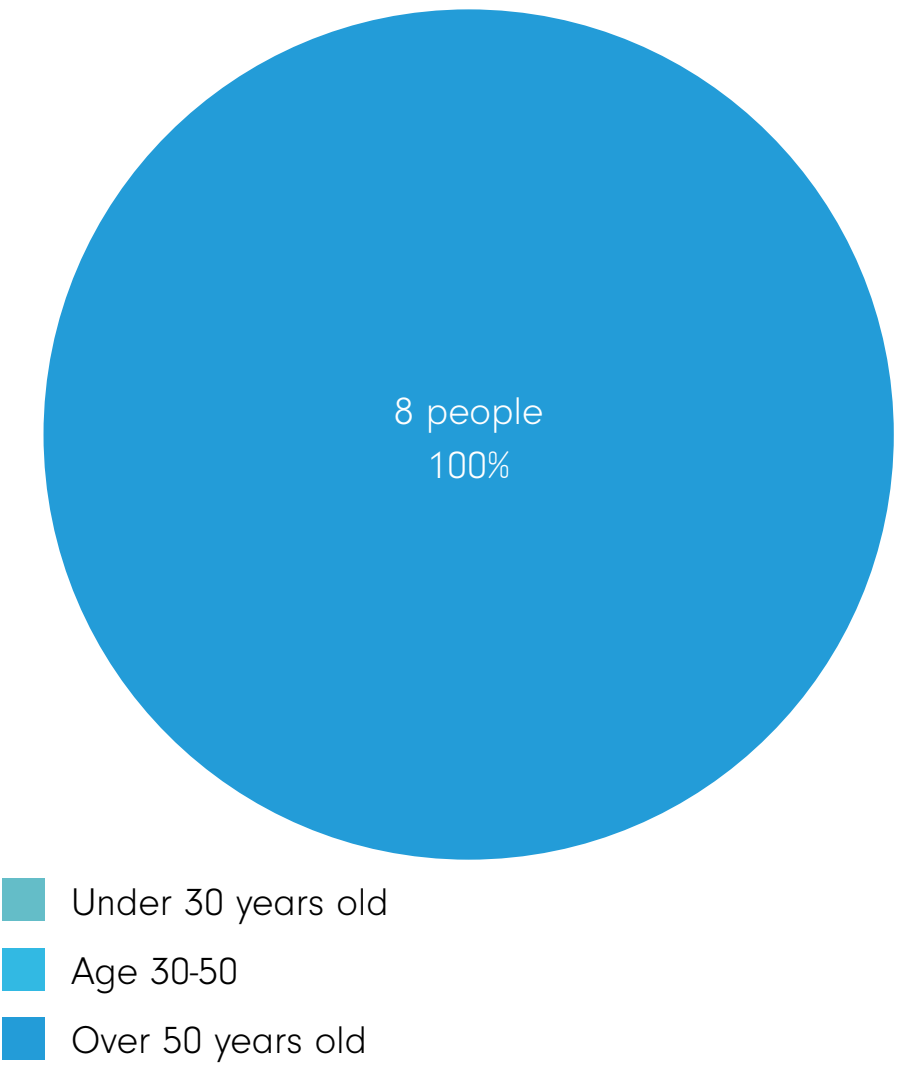
Management objectives	Target description	Outcomes
Directors who concurrently serve as company managers should not exceed one-third of the total directors	As of the end of 2025, the ratio of directors holding management positions was 12.5%	Achieved
The target for the ratio of female directors is above (including) one-third	As of the end of 2025, the ratio of female directors was 37.5%	Achieved
The management objective is to ensure that the term of office of independent directors does not exceed three terms	All the 6th independent directors have not exceeded 3 terms	Achieved
Diversified professional background	The Board of Directors possesses professional abilities, independence and gender-diversity.	Achieved

Note. All current directors possess extensive expertise in business management, leadership, and international market perspectives within listed companies. In addition, the Board comprises members with diversity in gender, age, and industry specialization, enabling comprehensive deliberation on GEM's sustainability strategies.

Gender of the Board of Directors



Age of the Board of Directors



Conflicts of interest management

GEM has established explicit conflict-of-interest provisions within its "Rules of Procedure for Board of Directors Meetings and relevant organizational charters, including the Audit Committee Charter," to prevent and mitigate potential conflicts of interest. Where a director has a personal interest in a meeting agenda item, the director is required, in accordance with governance principles, to disclose the nature of such interest during the relevant board meeting. Where a matter may harm the Company's interests, directors must recuse themselves from discussion and voting and may not act as proxies. GEM's "Corporate Governance Principles" stipulates that directors, managers, and relevant stakeholders must disclose any personal or representative interests related to agenda items and shall abstain from participation in discussion and voting to avoid impairing the Company's interests. Proxy voting is expressly prohibited in such circumstances. Directors are expected to maintain self-discipline and avoid inappropriate mutual support arrangements. Conflict-of-interest provisions extend to spouses, relatives within the second degree of kinship, and controlled entities, all of which are deemed to have equivalent interests as the director. Employees who identify potential situations involving personal or related-party improper benefits are required to immediately report such matters to their direct supervisor and the designated responsible unit for guidance and handling. For further information regarding conflict-of-interest governance, please refer to [GEM's 2025 Annual Report](#).

Performance evaluation

To reinforce corporate governance practices and enhance Board effectiveness, GEM adopted the "Board Performance Evaluation Policy" on January 16, 2020, in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies. The policy requires the Board to conduct internal performance evaluations at least annually and to engage an external independent professional institution or academic expert team to perform external evaluations at least once every three years. The establishment of defined performance objectives is intended to strengthen Board operational efficiency and governance effectiveness. In 2025, the Company completed internal evaluations of the Board (including the Audit Committee and Remuneration Committee), as well as director self-assessments. All evaluation results were rated "Excellent" and reported to the Board in the first quarter of 2026. Furthermore, in September 2025, the Company engaged the independent third-party organization Chinese Corporate Governance Association to conduct an external Board performance evaluation. The evaluation report affirmed the Board's diversity and the effectiveness of its operations, while also providing specific recommendations regarding organizational governance systems. As part of its ongoing governance enhancement efforts, the Company will implement improvement measures based on these recommendations, including formalizing existing operational procedures (such as senior management compensation systems, whistleblowing mechanisms, material incident reporting procedures, and orientation arrangements for newly appointed directors) into comprehensive written policies in response to evolving regulatory trends and practical operational requirements. These initiatives are intended to improve governance transparency, consistency of implementation, and the Board's oversight of the Company's strategic development.

01 Evaluation method

- Questionnaire
- Video interview



02 Evaluation

- Board composition and division of labor
- Board guidance and oversight
- Board authorization and risk management
- Board communication and collaboration
- Board self-discipline and improvement



Director and manager compensation system

GEM has established a Remuneration Committee composed of all independent directors to oversee performance evaluation mechanisms and compensation policies for directors and senior management. The Company has adopted a "Compensation Policy" as the basis for remuneration determination in alignment with its sustainable development strategy. The Remuneration Committee and the Board regularly review compensation reasonableness and performance achievement against financial and operational indicators. Remuneration determinations comprehensively consider factors including individual performance, contributions to the Company, peer industry compensation benchmarks, overall operational performance, industry risks and development trends, as well as prevailing corporate governance practices and market competitiveness, with the objective of providing reasonable and incentive-based compensation. Board members do not participate in employee stock ownership or equity incentive plans and are not entitled to additional severance compensation beyond statutory requirements upon leaving office.

Position	Remuneration policies	
 Director	Fixed compensation	✓ The Chairman and Vice Chairman may receive compensation during their tenure based on business and operational needs, subject to recommendation by the Remuneration Committee and approval by the Board. ✓ Non-executive directors and independent directors are entitled to fixed remuneration. ✓ In addition, directors receive attendance fees for each board meeting.
	Variable compensation	Under the Company's Articles of Incorporation, directors may receive remuneration of up to 3% of annual profits in profitable years.
 Senior management	Compensation for the President and Vice Presidents consists of salary, bonuses, and employee remuneration. Base salary is determined with reference to position, responsibilities, individual contributions, and peer industry compensation levels. Bonuses and remuneration are linked to the achievement of Company revenue targets, net income after tax performance, and performance relating to compliance and internal control systems, and are subject to review by the Remuneration Committee and approval by the Board. Remuneration allocated to managerial officers is determined after considering the Company's business performance for the year, together with the individual's role and contributions. Proposals are submitted by the Human Resources Department, reviewed by the Remuneration Committee, and approved by the Board of Directors. The Company plans to establish a sustainability-linked compensation framework before 2030 by linking variable compensation for senior management to both financial and ESG performance indicators.	

Note. Please refer to [the Company's 2025 Annual Report](#) for details regarding the compensation policy.

Continuing education for directors and supervisors

In accordance with applicable regulatory requirements, GEM has established a continuing education mechanism for directors to enhance their professional knowledge and competencies through participation in professional training programs. This mechanism enables directors to remain informed of evolving industry trends and corporate governance developments, thereby strengthening Board decision-making quality and enhancing the Company's overall competitiveness. The management team provides quarterly reports to the Board regarding business development updates and significant regulatory changes. We also organize seminars on political, economic, and regulatory topics from time to time and encourages directors to participate in external professional training programs according to their individual professional capabilities.

In 2025, the Company's eight directors completed a total of 54 hours of continuing education, covering sustainability topics related to governance, economics, society, and human rights.

Governance-related training courses attended by directors are listed below:

Director name	Sustainability topic	Course/speech name	Time	Total training hours
Chu-Liang, Cheng	Economic and Governance	2026 Global and Taiwan Economic Outlook	3	6
	Economic and Governance	Impact of Recent Amendments to the Securities Investor and Futures Trader Protection Act on the Liabilities of Directors and Supervisors and Practical Responses	3	
Wen-Hsing, Huang	Economic and Governance	ESG Evaluation Indicators and Practical Response Strategies	3	6
	Economic and Governance	Analysis of Breach of Trust and Special Breach of Trust with Case Studies	3	
Tay-Jen, Chen	Economic and Governance	The Issuance, Impact, and Response to IFRS S1 and S2 Sustainability Disclosure Standards	3	12
	Economic and Governance/Social	Legal Duties and Liabilities of Directors and Supervisors: Financial Inclusion, the Convention on the Rights of Persons with Disabilities (CPD), and the Prevention of Workplace Sexual Harassment and Bullying	3	
	Economic and Governance	Impact of Recent Amendments to the Securities Investor and Futures Trader Protection Act on the Liabilities of Directors and Supervisors and Practical Responses	3	
	Economic and Governance	2026 Global and Taiwan Economic Outlook	3	
Wei-Chung, Pan	Economic and Governance	Development and Evaluation of the Corporate Governance Officer and the Board of Directors	3	6
	Economic and Governance	Shareholder Activism and Voting Results: Analyzing Director Responsibilities through Global Perspectives	3	
Tien-Tseng, Sung	Economic and Governance	ESG Evaluation Indicators and Practical Response Strategies	3	6
	Economic and Governance	The Digital Financial Revolution: The Principles of Stablecoins and the Development Trends of Blockchain Virtual Assets	3	
Shu, Yeh	Economic and Governance/Social	Corporate Integrity Management and Fraud Forensic Practices (Including Gender Equality)	3	6
	Economic and Governance	AI Developments and Information Security Risks	3	
Wen-Chen, Huang	Economic and Governance	Operational Practices of the Sustainability Committee (Sustainability Chief, Working Group)	3	6
	Economic and Governance	The Digital Financial Revolution: The Principles of Stablecoins and the Development Trends of Blockchain Virtual Assets	3	
Chi-Yu, Yang		(Resigned)		
Chun-Chi, Yang	Economic and Governance	2025 Trump "Reciprocal Tariff" Impact on Contract Risk Management	3	6
	Economic and Governance	Development Trends and Application Case Studies of Generative AI	3	

Note. The 2025 directors' training status is also disclosed on the [MOPS](#).

1.2 Ethical corporate management

Policies and commitments

GEM is committed to embedding environmental, social, and governance (ESG) principles into its corporate operations. The Company has adopted the Corporate Governance Best Practice Principles, Code of Ethical Conduct and Sustainable Development Best Practice Principles as the core framework guiding its sustainability initiatives. Approved by the Board of Directors, these policies comprehensively integrate environmental protection and climate change response, social responsibility, and corporate governance into the Company's governance and operational management framework to achieve long-term sustainable development objectives. The Board regularly reviews sustainability implementation and climate response measures to ensure effective execution of sustainability objectives. The Company aligns its management practices with the principles of the United Nations Global Compact (UNG), the Universal Declaration of Human Rights, International Labour Organization (ILO) standards, and the OECD Guidelines for Multinational Enterprises through the establishment and implementation of relevant management procedures. At its manufacturing sites in China, the Company explicitly communicates its commitment to human rights protection through internal regulations covering freely chosen employment, humane treatment, prohibition of discrimination and harassment, and protection of employee feedback and communication rights (for further details, please refer to [Section 4.3 Human Rights, Diversity and Inclusion](#)).

The Company also maintains diverse communication mechanisms to foster harmonious labor/management relations and provides legally compliant notice periods to protect employee rights. In addition to internal ESG practices, GEM promotes responsible supply chain management by incorporating compliance with Responsible Business Alliance (RBA) standards into supplier audit requirements to strengthen human rights and labor rights protection across the supply chain (for further details, please refer to [Section 2.4 Sustainable Supply Chain](#)). With respect to employee rights, employees of the Company's subsidiaries may organize labor unions in accordance with the Collective Agreement Act or adopt alternative operational mechanisms, including labor-management meetings and employee representative conferences, to fulfill the functions of collective bargaining and communication mechanisms (for further details, please refer to [4.1 Talent Attraction and Retention](#)). More information is available in the ["Corporate Policies and Regulations"](#) section of the GEM's official website.

Ethical corporate management conducts

Management item	Specific actions	Management objective and achievements
 Governance oversight and senior management	Climate-related issues are reported to the Board annually	Sustainability information management is integrated into decision-making and audit processes to prevent greenwashing
	The President is the highest-level executive responsible for climate and environmental matters	
	Climate and sustainability requirements are incorporated into operational and management decisions	
 Policies and management systems	The Company has established environmental protection, energy management, and water resource management policies	Internal management and audit mechanisms are implemented to prevent omissions and misconduct
	The Company has adopted internationally recognized management systems and obtained third-party certification and verification for ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas Inventory, ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System, and IATF 16949 Automotive Quality Management System	
 Carbon management	The 2025 Annual Report discloses greenhouse gas inventory and verification results for subsidiaries for 2025 and 2024	The Company ensures implementation of carbon management targets and the accuracy of greenhouse gas data
	Solar power systems have been introduced at both the Shanghai and Hefei factories	
 Supplier management	Suppliers are required to comply with RBA governance and environmental standards, and supplier conduct is continuously monitored through audits	The Company is committed to ensuring the implementation of ethical business conduct standards to mitigate supply chain-related risks

Anti-corruption and anti-bribery

GEM is committed to fostering a culture of ethical management and anti-corruption through comprehensive business ethics standards and internal control mechanisms to ensure that all operations comply with applicable laws, regulations, and ethical principles. The Company has established the "Code of Ethical Conduct" and "Sustainable Development Best Practice Principles," which explicitly prohibit corruption, extortion, embezzlement, and other improper conduct, and strictly prohibit the offering or acceptance of improper benefits. In addition, the Company adheres to fair trade principles and opposes participation in market competition through misleading advertising or other unfair business practices. To demonstrate its commitment to business ethics, the Company has signed customer corporate social responsibility and business ethics commitments to ensure that all operating locations, including the Taipei office, Shanghai Factory, and Hefei Factory, comply with the relevant standards and principles. In accordance with the RBA Code of Conduct, the Company requires management teams and employees at headquarters and subsidiaries to participate in annual ethics and anti-corruption training programs to continuously strengthen ethical governance and anti-corruption management practices.

As of December 31, 2025, the employee anti-corruption training completion rate reached 99.78%. The shortfall from full completion was primarily attributable to employee turnover and scheduling constraints, while employees on unpaid leave are required to complete the relevant training upon returning to work. Furthermore, anti-corruption risk assessments were completed for all operating locations, achieving 100% coverage.

Anti-corruption policy communication and training	Governance unit (Board of Directors)	Employee				
		Taiwan		China		Total
		Management	Non-management	Management	Non-management	
Number of personnel informed of anti-corruption policies	8	3	3	38	1,784	1,828
Total personnel by category	8	3	3	38	1,784	1,828
Communication coverage ratio	100%	100%	100%	100%	100%	100%
Number of personnel receiving anti-corruption training	3	2	0	38	1,784	1,824
Total personnel by category	8	3	3	38	1,784	1,828
Training coverage ratio	38%	67%	0%	100%	100%	99.78%

Complaint channel

GEM has established a multi-level complaint mechanism and works with stakeholders to mitigate operational impacts. The Company encourages employees, community members, suppliers, and other potentially affected stakeholders to submit concerns or complaints through designated communication channels, including the corporate website, email, and hotline. To reinforce integrity governance and anti-corruption controls, GEM has established an Audit Committee whistleblowing mailbox independent from management, which is publicly disclosed on the Company website to ensure confidentiality and whistleblower protection. A dedicated ethics reporting function is in place to manage all whistleblowing cases and complaints, whether submitted anonymously or with identification. Reporting mechanisms include the stakeholder communication mailbox, English-language reporting email, and employee feedback channels. All cases are subject to formal investigation, with escalation to the President or Chairman for matters involving executive-level personnel. Substantiated violations may result in disciplinary measures or termination of business relationships. The Company maintains strict non-retaliation policies and ensures that all reports are properly documented and investigated. In 2025, the Company did not receive any substantiated reports of illegal or unethical conduct, and no corruption-related incidents or material breaches of ethical standards were identified. GEM has set up a whistleblowing email (audit_committee@gemservices.com) for direct reporting to enhance whistleblower accessibility.



Detailed complaint and reporting mechanisms are disclosed on GEM's official website under the Stakeholder Relations section.



1.3 Risk management

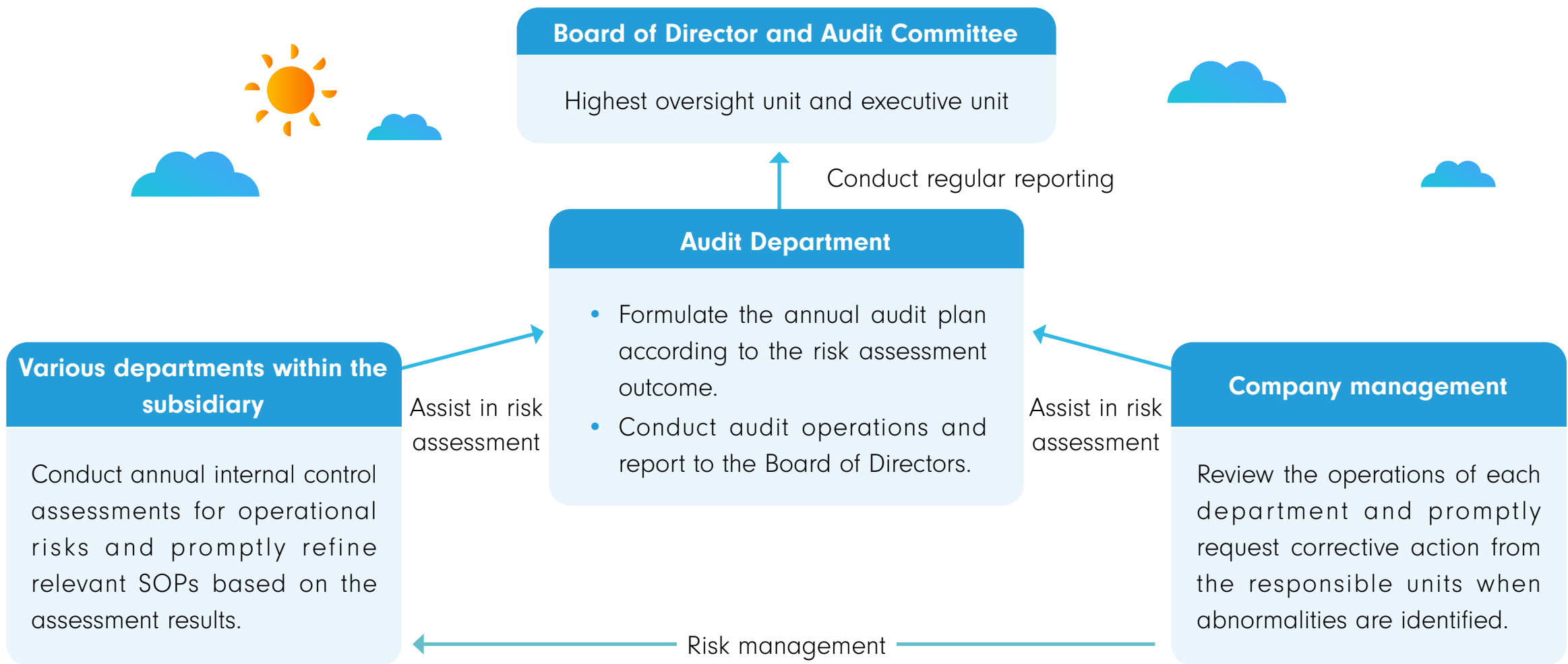
Risk management policy

GEM has established a robust risk management framework through standardized operating procedures, organizational structure design, approval mechanisms, and an internal audit system. Risk management oversight is conducted by the Audit Committee and the Board of Directors, ensuring the effectiveness of risk identification, assessment, and mitigation controls. The Company has adopted the "Procedures for Handling Material Information" and the "Procedures for Ethical Management and Guidelines for Conduct," and reports annually to the Board of Directors on the implementation status of ethical management. Each functional department conducts annual internal control self-assessments and reviews related processes and SOPs based on evaluation results. The outcomes are submitted to the Audit Committee and the Board of Directors for review and approval. The internal audit unit formulates and executes annual audit plans based on internal control assessments, regulatory requirements, and senior management input. Identified deficiencies are addressed through corrective actions and follow-up monitoring. Monthly audit reports are submitted to superiors and independent directors and reported to the Board of Directors to ensure transparency, accountability, and effectiveness of the risk management framework.

Risk management framework

GEM's risk management mechanism is overseen by the Board of Directors and the Audit Committee, which serve as the highest oversight and governing bodies responsible for coordinating and overseeing overall risk governance to ensure system integrity and effective implementation. The Audit Committee meets at least quarterly. No dedicated risk management committee has been established; monthly audit reports are submitted to Supervisors (and Independent Directors for the Taipei office), with quarterly reporting to the Board. Management reviews departmental execution and requires timely corrective actions when issues are identified.

GEM has implemented the three lines of defense framework: the first line consists of subsidiaries and functional departments executing daily operations in accordance with SOPs and performing annual internal control self-assessments, with SOP revisions made based on evaluation outcomes; the second line consists of management responsible for oversight and corrective guidance of departmental execution; the third line is the internal audit function, which formulates risk-based annual audit plans, deploys dedicated auditors at both factories, issues audit engagement plans prior to audits, enforces corrective actions and follow-up monitoring for identified deficiencies, and reports audit results to the Board of Directors regularly.



Risk identification process

GEM adopts a systematic approach to risk identification and management to ensure timely response to internal and external risks and continuous improvement capabilities. Risk sources are categorized into internal risks (including financial uncertainties and operational disruptions) and external risks (including market volatility, regulatory amendments, and climate change-related impacts). Based on risk characteristics, risks are further classified into five categories: strategic, operational, financial, regulatory and compliance, and geopolitical risks. The Company conducts annual internal control self-assessments to identify and prioritize risks based on impact and likelihood. Risk response strategies include avoidance, mitigation, diversification, and acceptance. The Company has established internal control mechanisms overseen by the Audit Department, which regularly reports the effectiveness of risk management and control measures to the Board of Directors.

01 Risk source identification	The Company and its subsidiaries perform annual internal control self-assessments to identify potential risks Risks are categorized into internal and external risks • Internal risks: Include financial uncertainty, operational interruption, and governance deficiencies • External risks: Include market fluctuations, competitive changes, regulatory revisions, and climate change impacts
02 Risk classification	Risks are classified into strategic, operational, financial, regulatory and compliance, and geopolitical risks
03 Risk prioritization and response	Risks are assessed and ranked according to two primary criteria, "impact severity" and "likelihood of occurrence", and categorized into high-, medium-, and low-risk levels to facilitate prioritization of mitigation actions The Company adopts corresponding response strategies based on risk severity, including: • Risk avoidance: Discontinuing or adjusting high-risk operations or activities • Risk mitigation: Implementing preventive measures, including enhanced internal controls and strengthened information security management • Risk diversification: Transferring or sharing risks through insurance coverage or contractual arrangements • Risk acceptance: Maintaining existing management approaches for low-risk projects or activities
04 Risk monitoring and response mechanisms	The Company has established an audit department to execute annual audit plans and report results to the Board of Directors. The Company has implemented internal mechanisms, including the "Internal Control Self-Assessment Procedures," "Risk and Opportunity Management Procedures," and "Corrective and Preventive Action Control Procedures," to strengthen risk monitoring
05 Risk reporting and communication	Internal control assessment results and audit performance are reported annually to the Board to improve transparency in decision-making and risk management

1.4 Compliance with laws and regulations

1.4.1 Regulatory compliance management

GEM rigorously complies with the laws and regulations applicable to all of its global operating locations and formulates corresponding internal policies and management procedures covering personal data protection, anti-corruption, anti-discrimination and anti-harassment, environmental protection, occupational safety and health, intellectual property rights management, insider trading prevention, and human rights protection. The Company has established comprehensive compliance management systems to bolster regulatory adherence. Dedicated units are responsible for monitoring regulatory developments and updating internal procedures accordingly. Through cross-departmental collaboration, GEM promotes compliance communication and education and training programs to ensure operational conformity with legal requirements, while internal audit units conduct follow-up monitoring and verification.

GEM requires all employees to uphold a culture of integrity and ethical conduct and is committed to maintaining a healthy and safe working environment. In implementing green management practices, the Company adopts pollution prevention measures to protect occupational safety and environmental sustainability. In terms of product life cycle, GEM continues to decrease the use of environmentally hazardous substances and adopts management measures to mitigate the environmental impact of manufacturing operations. Employees receive orientation training, electronic publications, digital courses, and other compliance education initiatives to strengthen regulatory awareness.

In 2025, GEM incurred no penalties related to corporate governance, anti-corruption, or other legal compliance matters, no fines related to employee health and safety violations, and no insider trading incidents involving directors or management personnel. In the event of material litigation, the Company will disclose relevant information in accordance with applicable regulations and maintain ongoing communication and follow-up regarding handling status and response measures.

Compliance with laws and regulations

Categories of regulatory violations and penalties	Achievements
Human rights regulations	No penalties related to human rights regulation violations were imposed in 2025
Corruption incidents	No corruption cases occurred in 2025
Operation-related laws	In 2025, the Company recorded no violations related to the Company Act, employee occupational health and safety, securities regulations, or personal data protection
Environment-related laws	In 2025, no environmental regulatory violations resulting in penalties from local authorities were reported

Note. The Company defines material regulatory violations as incidents that have a significant impact on its business operations and financial position.

1.4.2 Internal control and internal audit

Internal audit operation

The Company has established an Internal Audit Office as an independent unit under the Board of Directors, staffed with qualified full-time auditors. Internal audit activities are executed in accordance with the annual audit plan approved by the Board of Directors. The audit plan is developed based on risk assessment outcomes, and project-based or special audits may be conducted in response to operational needs. The audit scope encompasses key operational cycles, including procurement and payment, sales and collection, manufacturing, R&D, payroll administration, property and equipment management, information systems, investment activities, and other control operations, with the objective of ensuring the effectiveness and adequacy of internal control system design and implementation. The audit unit reports audit results to the Chairman and independent directors monthly or when necessary and presents reports at Board meetings. The appointment, evaluation, and compensation of audit personnel are administered in accordance with the Company's "Audit Committee Charter," "Compensation Policy," and "Performance Evaluation" systems. The appointment or dismissal of audit personnel requires prior approval from the Audit Committee and subsequent resolution by the Board of Directors. Performance evaluations are conducted annually, with results reviewed by the head of internal audit and submitted to the Chairman for final approval.

Internal audit education and training

To enhance internal audit capabilities, GEM continued to organize diverse professional development courses in 2025. These programs aimed to improve auditors' expertise in governance-related issues, assisting the Company in continuously refining its governance capabilities and mitigating operational risks arising from integrity or regulatory challenges. The achievements of the 2025 internal auditor training are show below:

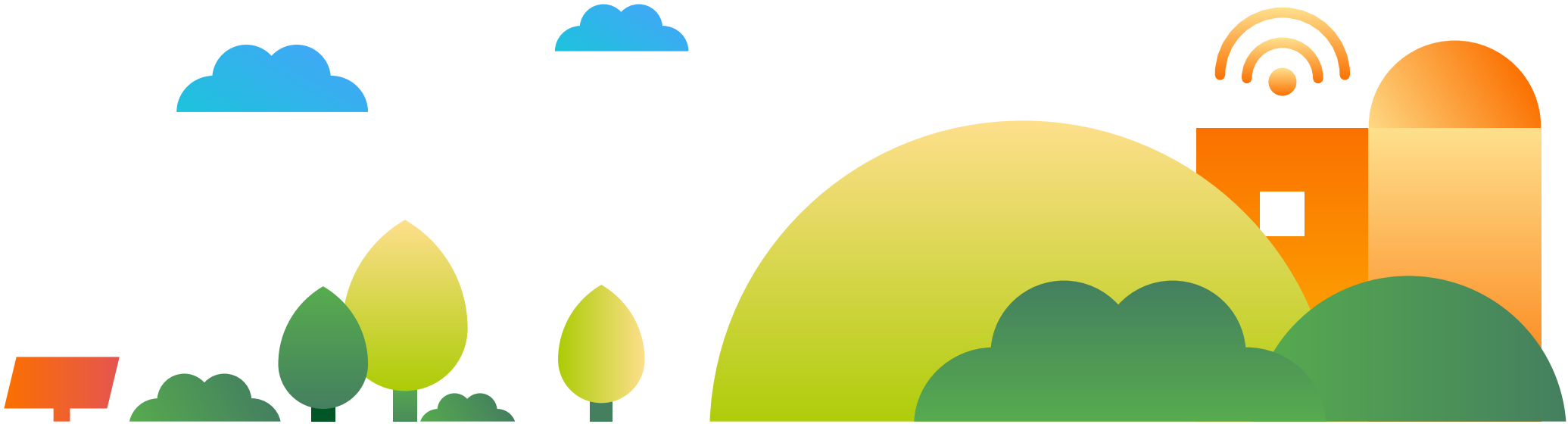
Training course name	Organizer	Training course hours
QC080000 Internal Auditor Training	External consulting firm	16
Essential "Corporate Governance" Competencies for Internal Auditors and Financial Statement Risk Assessment Implementation	Accounting Research and Development Foundation	6
Latest Amendments to the "Regulations Governing Establishment of Internal Control Systems" and Practical Compliance for Internal Audit and Control over Financial Statement Preparation	Accounting Research and Development Foundation	6
Continuing professional education courses required for IIA-related professional certifications, handled in accordance with the IIA's "Annual Certification Renewal Policy"	The Institute of Internal Auditors	40

Internal auditor qualifications

Name of certificate	Issued by	Number of certificate holders
QC080000 Internal Auditor Training	External consulting firm	84
Essential "Corporate Governance" Competencies for Internal Auditors and Financial Statement Risk Assessment Implementation	Accounting Research and Development Foundation	2
Latest Amendments to the "Regulations Governing Establishment of Internal Control Systems" and Practical Compliance for Internal Audit and Control over Financial Statement Preparation	Accounting Research and Development Foundation	2
Certified Internal Auditor	The Institute of Internal Auditors	1

Internal audit achievements

GEM conducts annual self-assessments of internal control design and implementation in accordance with applicable regulations and prepares an Internal Control Statement in the required format. The statement is filed within three months after the fiscal year-end and disclosed on designated websites, annual reports, and prospectuses. The Company has established an internal control system for sustainability information management, which was incorporated into the 2025 internal audit plan. The Board of Directors is responsible for oversight of climate and sustainability-related matters, while the President oversees implementation and integration of sustainability-related regulations and requirements into management decision-making processes, ensuring sustainability information management is embedded throughout governance and audit activities. The 2025 audit results confirmed stable operation of internal control systems with no material deficiencies identified. To strengthen antitrust compliance, GEM has implemented relevant compliance mechanisms, including new employee training, internal awareness initiatives, online learning programs, and dissemination of regulatory updates to enhance employees' understanding and implementation of applicable antitrust requirements. No antitrust litigation, violations, or monetary penalties occurred in 2025.

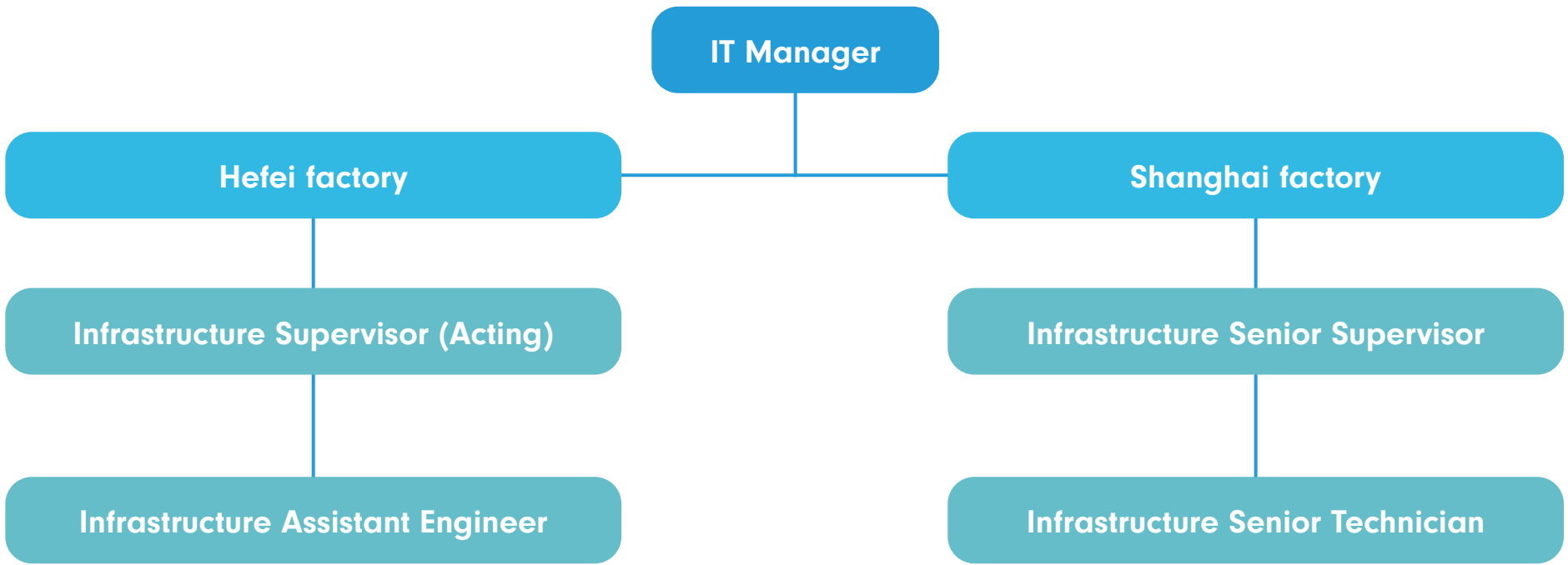


1.5 Information security management

Information Security Management Framework

GEM is committed to ensuring the protection of its internal R&D technologies, as well as the privacy and confidential information of partners and customers. Through a comprehensive information security risk management framework, the Company protects the confidentiality, integrity, and availability of information assets to reinforce stakeholder confidence and trust. To continuously fortify information security governance, the Company has designated the Information Technology Department as the primary function responsible for company-wide information security management and established an Information Security Task Force. Led by a dedicated team leader, the task force oversees the development and implementation of information security management policies and coordinates internal information security training programs to enhance employee awareness and information security capabilities. In addition, the Shanghai and Hefei factories each maintain dedicated information security supervisors and professional IT personnel responsible for implementing and managing information security risk management activities.

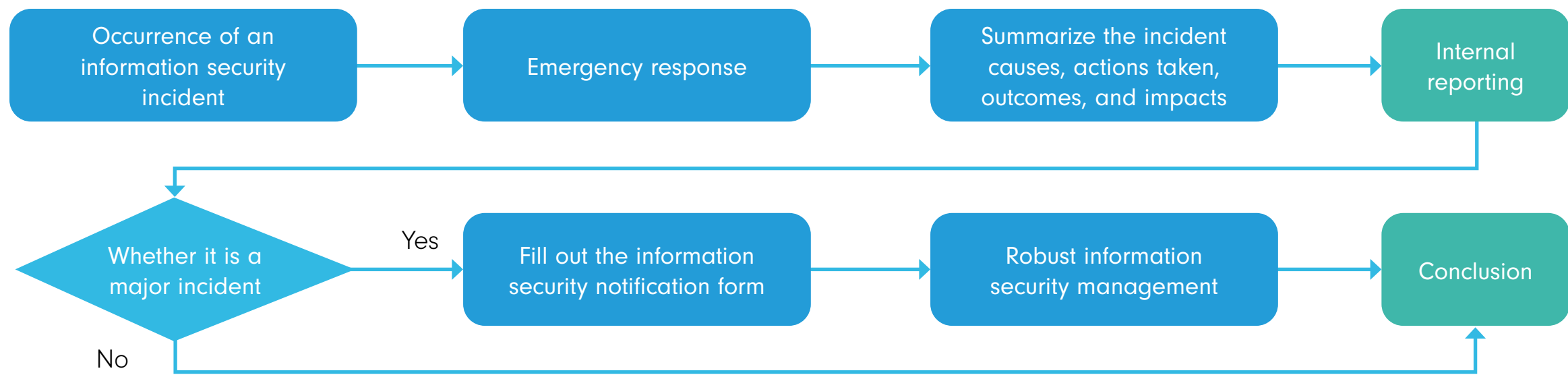
Information security organizational framework



GEM has established an "Information Policy" as the core framework governing information security management and risk mitigation. The policy defines clear requirements and procedures related to information equipment management, data center protection, data backup management, and other information security practices, while implementing protective controls for sensitive information, including both internal corporate information and customer data. Through comprehensive procedural standards and administrative controls, the Company aims to mitigate internal and external information security threats and maintain a secure and stable environment for information systems and business operations. These measures are designed to protect information assets from disruption, damage, unauthorized intrusion, or other inappropriate activities, thereby ensuring the security and continuity of information systems. In the event of information system emergencies arising from improper internal use or malicious external attacks, GEM promptly activates emergency response procedures, conducts incident reporting and materiality assessments, and restores normal operations as quickly as possible to minimize operational disruptions and potential losses, while safeguarding corporate assets and stakeholder interests.

No material information security incidents occurred at GEM in 2025. Furthermore, the Company established a Privacy Protection Policy in 2026 and incorporated related requirements into its annual education and training program. A total of 2,047 employees completed the training, representing an employee participation rate of 98.90%, with a training completion and passing rate of 100%, further strengthening the comprehensiveness and effectiveness of GEM's information security governance framework.

Information security incident reporting and response flowchart



Information security management measures

To protect the security of the Company's trade secrets and customer privacy, GEM continuously enhances the frequency and rigor of information system testing and information security validation activities. Through annual information security drills, internal education and training programs, and awareness campaigns such as email communications, the Company systematically increases employees' information security awareness and reinforces internal protection capabilities for confidential information assets. Supported by ongoing operation of information security hardware and software protection systems and related control measures, GEM recorded no incidents in 2025 involving customer privacy infringements, customer data loss or leakage, or violations of information security regulations, demonstrating the effectiveness of the Company's information security governance and privacy protection practices.

Access control

- Segregation of duties is implemented to ensure no single IT personnel holds initiation, approval, execution, and verification authorities simultaneously for critical operations
- Sensitive information is managed under a classification-based access control model with role-based permissions
- At least once per year, the Company shall verify user accounts against the latest employee roster through the Company domain or systems and remove inactive accounts
- At least once per year, the IT department shall send user account roles and access permissions to department heads for confirmation and update permissions as necessary based on their feedback

Equipment management

- Employees must lock computer screens when away from their workstations and properly secure confidential information without leaving materials in public areas such as printers or meeting rooms
- External devices, including CDs and USB devices, are prohibited from connecting to Company computers unless approved by department supervisors and reviewed by the IT Department.
- Sensitive Company information may not be copied to removable devices, and non-company removable devices may not connect to critical systems.
- Any external device seeking access to the Company network must receive prior approval from the responsible information security personnel, regardless of whether the device will be actively used. Approved external devices must connect only through designated segregated networks and may not directly access critical Company systems or equipment.
- Suppliers of external devices are required to provide evidence demonstrating the adequacy of device security configurations. For example, external devices utilizing embedded Windows operating systems must have antivirus software installed and maintained with up-to-date protection.
- Confidentiality agreements must be signed with third-party vendors responsible for information equipment destruction to prevent unauthorized disclosure of sensitive information.
- Employees leaving the Company are required to return all assigned information equipment, including computers, and all access rights to Company information systems and equipment must be revoked immediately

Data center protection

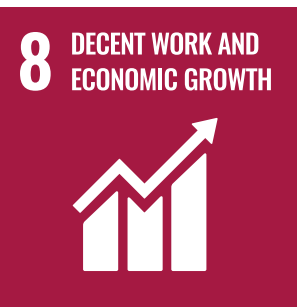
- Servers and critical communication equipment are secured within controlled-access data centers
- The server room must be equipped with an access control system (only authorized facilities management and IT personnel are permitted to enter).
- The data center is fully enclosed to prevent external observation
- Surveillance systems are installed to mitigate intrusion risks

Data backup

- Users are responsible for backing up personal computer data, while critical company data is backed up according to IT backup plans with periodic off-site storage
- Backup data must include device code, content, operator name, and time, and be recorded in a management log
- Annual disaster recovery drills are conducted to test off-site restoration and ensure backup availability

Internal training

- Information security-related training is incorporated into the new employee onboarding program to establish foundational knowledge of information security concepts, common threats, and protection techniques
- Annual company-wide information security training is conducted to continuously enhance employees' information security awareness and resilience
- Information security updates are periodically disseminated to reinforce internal awareness and compliance



2

Innovative R&D - Ongoing Refinement

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2.1 Innovative R&D

GEM promotes sustainability through innovative technologies, continuously upgrading product and process capabilities to enhance competitiveness and environmental performance. The Company's R&D strategy emphasizes high-efficiency, high-voltage applications and multi-die module technologies within the power management domain, with a focus on miniaturization, high performance, and high energy efficiency to expand into high-value-added markets. In response to the global low-carbon transition, GEM vigorously invests in related product development and optimizes resource utilization, contributing to environmental sustainability while improving financing flexibility and reducing financing costs. Continuous R&D innovation reinforces corporate governance and supports a stable and sustainable operating foundation. Looking ahead, GEM will continue to strengthen R&D investment and technological capabilities, integrating low-carbon transition initiatives, digital innovation, and green manufacturing trends to develop forward-looking sustainable products and solutions, achieving a synergistic balance between corporate value creation and environmental responsibility.

2.1.1 Innovative R&D breakthroughs

GEM's R&D strategy is market-driven and aligned with customer application needs, continuously expanding product breadth and depth. The Company advances parallel development across multiple application domains, ranging from consumer electronics to 4G/5G communication infrastructure and high-voltage, high-current applications such as EVs and industrial machine tools, thereby providing integrated solutions that address increasingly diverse customer demands. To reinforce its competitive edge, GEM focuses on innovation in critical technologies and manufacturing capabilities. In response to evolving industry trends, the Company actively adopts next-generation product design approaches, cementing its leadership position in the discrete components sector while continuously advancing technological upgrading and application diversification.

Innovative R&D strategy

Item	Targets	Specific Measures	Expected benefits
Short-term R&D strategy and plan	Improve production efficiency Expand market share	✔ Update design processes ✔ Adjust production strategy, lower production costs ✔ Monitor market trends and customer needs	Expand market share, elevate brand competitiveness
Long-term R&D strategy and plan	Maintain leadership in the discrete components industry Develop next-generation products aligned with industry trends	✔ Expand product portfolio breadth based on customer needs ✔ Develop key technologies and manufacturing processes continuously	Maintain market position and expand business operations

Innovative R&D achievements

GEM maintains close collaboration with customers, strengthening capabilities in product design and packaging technologies. The Company implements innovation-driven R&D initiatives across multiple application domains to enhance product performance, achieve miniaturization, and optimize thermal management efficiency. Through the execution of multiple R&D programs, GEM progressively advances its energy conservation and carbon reduction objectives while integrating smart manufacturing principles. The Company continuously improves production efficiency and reduces process energy consumption. In 2025, GEM invested approximately NT\$264 million in innovative R&D projects, with detailed implementation outcomes presented in the table below:

Project name	Capital investment (NT\$ thousand)	R&D Targets	Project highlights	Outcome description
R&D of inverter systems	141,772.30	Enhance energy efficiency and expand market share	-	Promote the application of Inverter Drive Modules in white goods to effectively improve energy efficiency while meeting the demand for compact end-products
Power control module development	53,006.00	Improve production efficiency	A power device integrating a Driver IC and two MOSFETs into a single package, simplifying design and optimizing PCB space	Achieving product miniaturization and superior thermal performance for motor and power management systems, supporting the demands of industrial and server applications
Packaging technology development	23,054.49	Improve production efficiency/increase energy efficiency	Optimized copper clip leadframe design supporting high-current applications; it reduces package inductance, enhances switching efficiency, and mitigates EMI	Implementation of innovative interconnect technologies to significantly improve electrical and thermal conductivity, enhancing overall system reliability and operational stability
Packaged device development	29,959.93	Improve production efficiency	Shanghai Factory adopts a double-sided thermal design, reducing thermal resistance by over 50% and Rdson by 30% Hefei Factory adopts a top-side thermal design, reducing thermal resistance by over 20%	The double-sided thermal packaging solution significantly reduces thermal resistance, thereby enhancing component stability and efficiency under high-temperature operating conditions and enabling high power density applications

Moreover, GEM engages in long-term collaboration with external equipment manufacturers to co-develop specialized automated manufacturing process technologies. This innovation-driven approach enhances production efficiency and reinforces the Company's competitive position in the market.

Collaboration projects	Capital investment (NT\$ thousand)	Project targets	Outcome description
GEM collaborates with automation equipment suppliers to develop manufacturing process technologies	301.15	These initiatives improve process efficiency, reduce production costs, and support the development of high-quality, competitive products	Fully automated film lamination replaces manual operations to significantly enhance manufacturing efficiency

2.1.2 Intellectual Property (IP) Rights Management

GEM regards IP as a core asset of innovative R&D, essential to the semiconductor industry. To maintain technological leadership and market competitiveness, the Company continuously strengthens its IP strategy and governance framework across patents, trademarks, and copyrights. Employees are trained to ensure compliance with IP-related regulations, thereby reinforcing internal protection mechanisms and mitigating external risk exposure. GEM has established a "Knowledge Management Control Procedure" in accordance with regulatory requirements, forming a comprehensive governance system covering innovation outcome evaluation, application control, authorization and enforcement, and intellectual asset inventory. This framework enables effective tracking of key technologies and market trends while mitigating litigation risks that may result in financial and economic losses for the Company and its customers.

Intellectual property (IP) rights management achievements

To ensure compliance with IP regulations and strengthen internal governance, GEM has established formal management procedures to periodically assess IP compliance and closely monitor evolving legal and policy frameworks, ensuring alignment with the latest regulatory requirements. GEM values IP protection and management, continuously institutionalizing processes to ensure robust safeguarding of all R&D outputs. As of the end of 2025, the Company has accumulated a total of 48 patents, comprising 38 U.S. patents and 10 China patents, demonstrating its technological innovation capability and global IP footprint. In 2025, GEM filed a new patent application entitled "tin-plated structure of electronic component leads." Compared with conventional square cross-section leads, the design reduces exposed copper area while increasing the tin-plating surface, thereby enhancing bonding strength and mechanical stability between the lead and PCB. The application is currently under examination by the relevant patent authority. GEM recognizes IP protection and management as a critical strategic asset of innovation. The Company continues to invest in patent filings to proactively protect R&D outcomes and reinforce its long-term commitment to innovation and core technology development.

2.2 Product quality and safety

GEM upholds the core principles of "Quality First, Customer Satisfaction, and Ongoing Improvement," continuously reinforcing its quality management system and product safety monitoring mechanisms to ensure that all products meet international standards and customer expectations throughout the entire lifecycle, from development and manufacturing to testing and shipment. The Company is committed to delivering high-quality, highly reliable products that satisfy evolving market demands. Through comprehensive risk assessment, process control, and quality traceability mechanisms, GEM strengthens supply chain quality consistency and enhances product lifecycle safety. As part of its corporate responsibility commitments, GEM actively implements green management systems and hazardous substance control measures to minimize potential impacts on user health and the environment, thereby fulfilling its commitment to sustainable products.

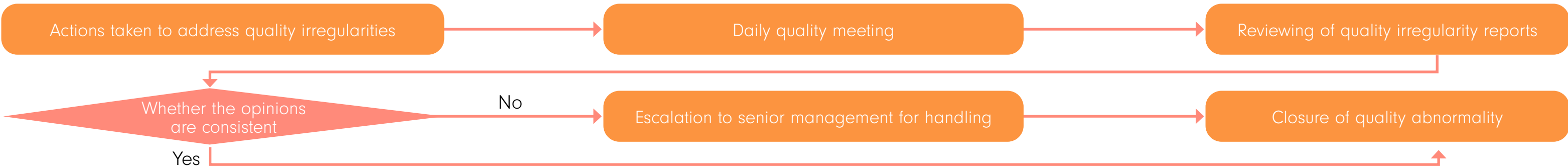
2.2.1 Product quality management

Upholding the philosophy of "Quality First and Customer Satisfaction," GEM has established a comprehensive and rigorous quality management system. Rigorous controls are implemented throughout the entire production flow, from raw material sourcing and packaging processes to final product shipment, supported by standardized operating procedures and management documentation. The quality team oversees supplier audits, process inspections, and finished product testing, with all quality assurance activities performed in accordance with international standards.

Quality management process

To enhance the effectiveness of quality abnormality management and ensure ongoing process optimization, GEM conducts daily quality review meetings according to internal quality management procedures. Technical personnel and management representatives from manufacturing, quality assurance, quality control, engineering, and other relevant units jointly participate in comprehensive reviews and disposition decision-making for quality abnormality cases identified on the previous day. Quality control engineers conduct preliminary assessments on whether material review procedures are required and escalate critical matters to higher-level management when necessary, ensuring timely response and effective governance of significant quality matters. Cross-departmental teams jointly evaluate and determine the handling method for nonconforming products. Where consensus cannot be achieved, the matter is escalated through formal procedures to management for final adjudication, ensuring that quality-related decisions are supported by appropriate technical expertise and managerial authorization.

Quality abnormality process flowchart

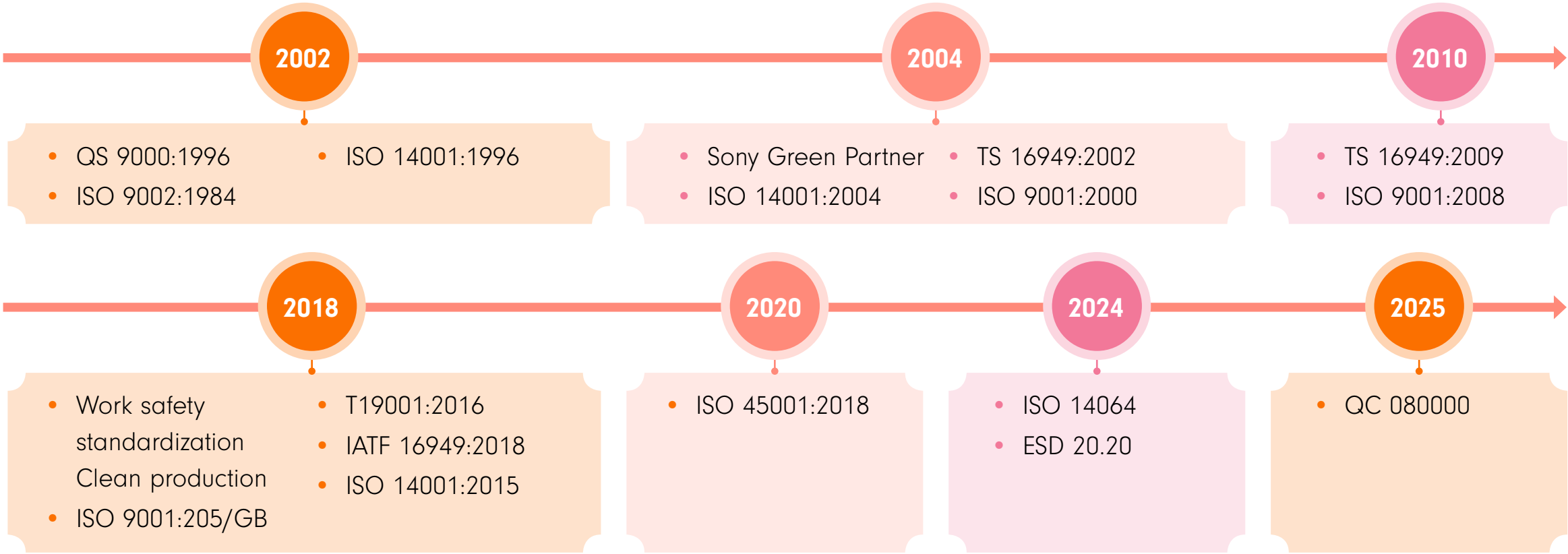


Quality refinement plan

GEM continues to strengthen product quality and process stability, treating quality management as a key driver of market competitiveness. In 2025, the Company implemented several quality enhancement initiatives, with particular focus on "impurity control" and "lead-side flash control" as critical factors influencing manufacturing yield and product reliability. Impurity and lead-side flash are regarded as major factors affecting product quality. GEM conducted comprehensive reviews of potential impurity sources throughout the manufacturing process and effectively enhanced process consistency and product stability through enhanced production conditions, optimized packaging procedures, and improved material usage standards. In terms of quality management, both the Shanghai and Hefei factories have obtained internationally recognized certifications, including the ISO 9001 Quality Management System and IATF 16949 Automotive Quality Management System certifications. In addition, both facilities have achieved ANSI/ESD S20.20 Electrostatic Discharge Control certification and IECQ QC080000 Hazardous Substance Process Management certification, demonstrating that their quality management capabilities meet international standards. At the same time, to improve GHG inventory management and climate action capabilities, GEM has supported relevant personnel in obtaining ISO 14064-1 verifier qualifications, establishing a foundation for the subsequent integration of environmental and quality management across products and operations. Quality refinement achievements for 2025 are outlined below:

Project name	Project description	Achievements
Impurity improvement plan	GEM implemented multiple impurity reduction initiatives focused on optimizing production workflows and refining packaging manufacturing procedures and technologies. Key measures included enhanced monitoring of critical raw material dimensions, improvements to equipment and mold design, and reinforced data monitoring throughout all stages of the manufacturing process.	Both impurity improvement projects were completed and achieved internal impurity reduction targets.
Lead-side flash improvement plan	The Company tightened supplier control standards, IQC incoming inspections, and sampling inspections to improve production quality and effectiveness.	All lead-side flash improvement projects were completed and met internal yield improvement targets.
Obtained international quality management system certifications	GEM supported key production sites and personnel in obtaining certifications and verifications from internationally recognized certification bodies, aligning quality management processes with international best practices while institutionalizing quality management systems to satisfy customer certification requirements.	In addition to existing certifications, the Company continues to promote additional quality-related certifications, reflecting its commitment to quality and sustainability management. • ANSI/ESD S20.20 Electrostatic Discharge Control Program Certification • ISO 14064-1 GHG Inventory Verification Statement issued by a Third-Party Institution • IECQ QC 080000 Hazardous Substance Process Management Certification

Quality management system certifications obtained over the years



Quality management achievements

GEM continues to bolster internal quality management by conducting daily cross-functional DRR/MRB Meetings to review and address quality abnormality cases in a timely manner. In 2025, a total of 26 abnormal cases were addressed through this mechanism, drawing on the cross-functional expertise of the manufacturing, production engineering, supplier quality, and quality assurance departments. All 26 cases were successfully resolved with no outstanding issues remaining under follow-up, achieving a 100% annual case resolution rate. This mechanism enhances cross-department communication, product yield, and process stability. With respect to product information disclosure and labeling, GEM fully complies with all applicable regulatory requirements and customer specifications by accurately providing necessary information through product packaging, instructions, and related labeling materials to ensure product safety and information transparency. In 2025, the Company recorded no regulatory warnings, penalties, recalls, customer complaints, or dispute cases related to improper product information disclosure or labeling, demonstrating the effectiveness of its comprehensive product labeling management system and execution controls. GEM also follows integrity and fair disclosure principles in all marketing and promotional activities and was not involved in any misleading or improper advertising practices. No violations of marketing communication regulations occurred in 2025, demonstrating the Company's commitment to product responsibility and consumer protection.

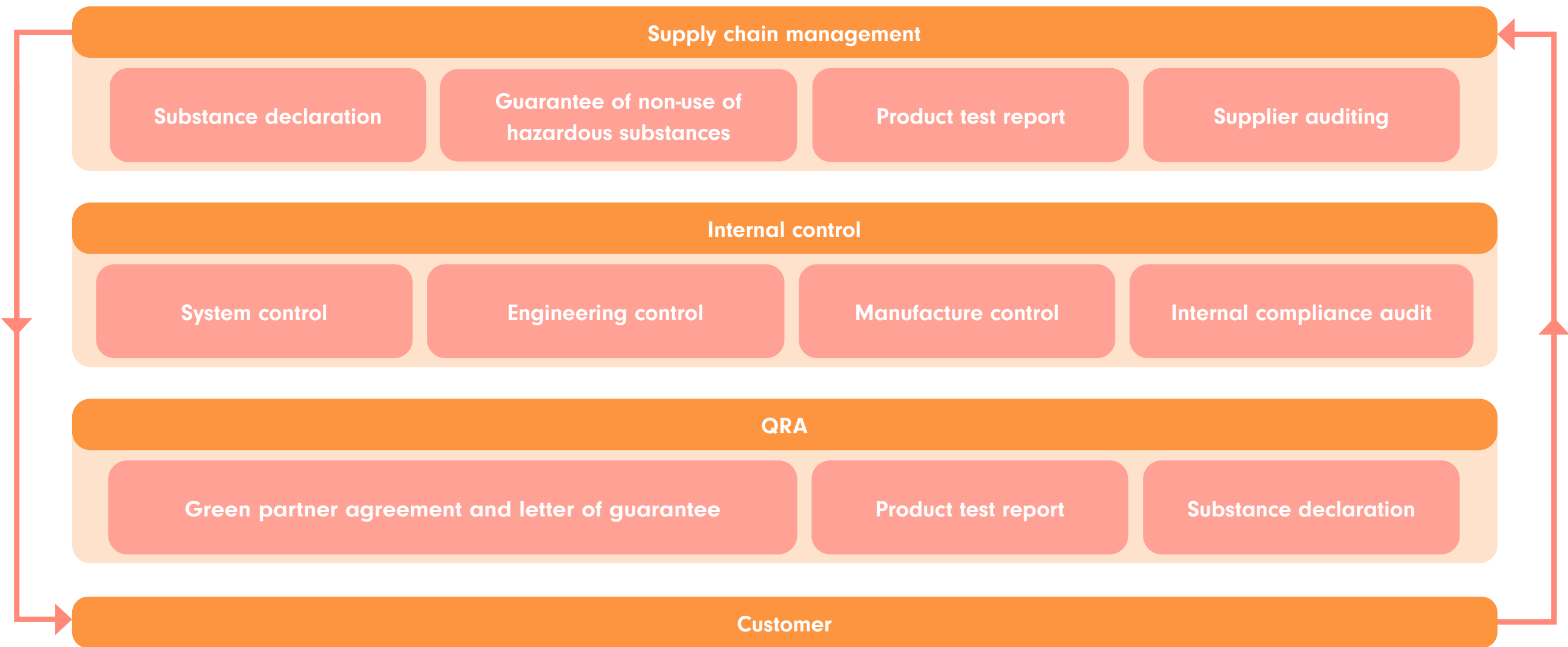
Quality management items	Achievements
Quality abnormality incident	Achieved a 100% annual quality abnormality resolution rate
Incidents of non-compliance concerning product labeling or information errors	No relevant non-compliance incidents occurred in 2025
Penalties or sanctions related to false advertising or marketing violations	In 2025, there were no incidents of penalties or sanctions arising from marketing violations

2.2.2 Hazardous substance management

GEM places significant emphasis on the environmental and health impacts of its products and fully implements hazardous substance management policies to ensure that all materials used throughout manufacturing processes comply with international environmental standards, including the EU Restriction of Hazardous Substances (RoHS) Directive, the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation, and halogen-free requirements. To improve the systematic consistency and effectiveness of management operations, the Company established the "ROHS-2001 RoHS System Management Procedure," which standardizes processes related to material selection, supplier management, incoming material inspections, process control, and finished product labeling, thereby progressively establishing a comprehensive green product management system. In parallel, GEM integrates product health and safety considerations into product and service risk assessments by systematically evaluating raw material characteristics, manufacturing conditions, and end-use environments to identify potential health and safety risks, which are subsequently incorporated into product design and supply chain control measures. Through preventive controls and continuous monitoring, the Company reduces potential impacts on human health and the environment while enhancing product safety and compliance. GEM is committed to ensuring that all products comply with customer environmental protection and hazardous substance specifications and has obtained SONY Green Partner certification, demonstrating its strong commitment to green supply chain management and sustainable manufacturing practices. Through ongoing data monitoring and regular audits, the Company effectively manages operational compliance while actively collaborating with customers and suppliers to promote eco-friendly and non-toxic product design and manufacturing, steadily advancing toward its sustainable green product objectives.

▲ Hazardous substance management process

By following its internal "RoHS System Management Procedure," GEM has implemented a comprehensive hazardous substance management system covering upstream supply chain controls, internal production management requirements, and risk assessment mechanisms. Through systematic hazardous substance management practices, the Company seeks to prevent potential operational and reputational risks associated with the use of hazardous substances.



Hazardous substance management achievements

GEM rigorously implements its hazardous substance management policy and, to strengthen the systematic consistency of management operations, established the "ROHS-2001 RoHS System Management Procedure." This procedure standardizes controls related to material selection, supplier management, incoming material inspection, process management, and finished product labeling. In 2025, the Company conducted health and safety impact assessments on 100% of its major products according to RoHS requirements, covering production, packaging, transportation, and end-use stages to ensure compliance with customer and market expectations regarding product health and safety. The Company continues to proactively advance its hazardous substance management system and regularly reviews the potential impacts of products on user health and the environment. The Company voluntarily provides Material Safety Data Sheets (MSDS), SGS testing reports, and finished product inspection reports to enhance product information transparency and support customers in verifying product safety. All testing activities were conducted according to existing procedures, and all samples in 2025 complied with RoHS, halogen-free, and other environmental regulations without any violations involving restricted substances.

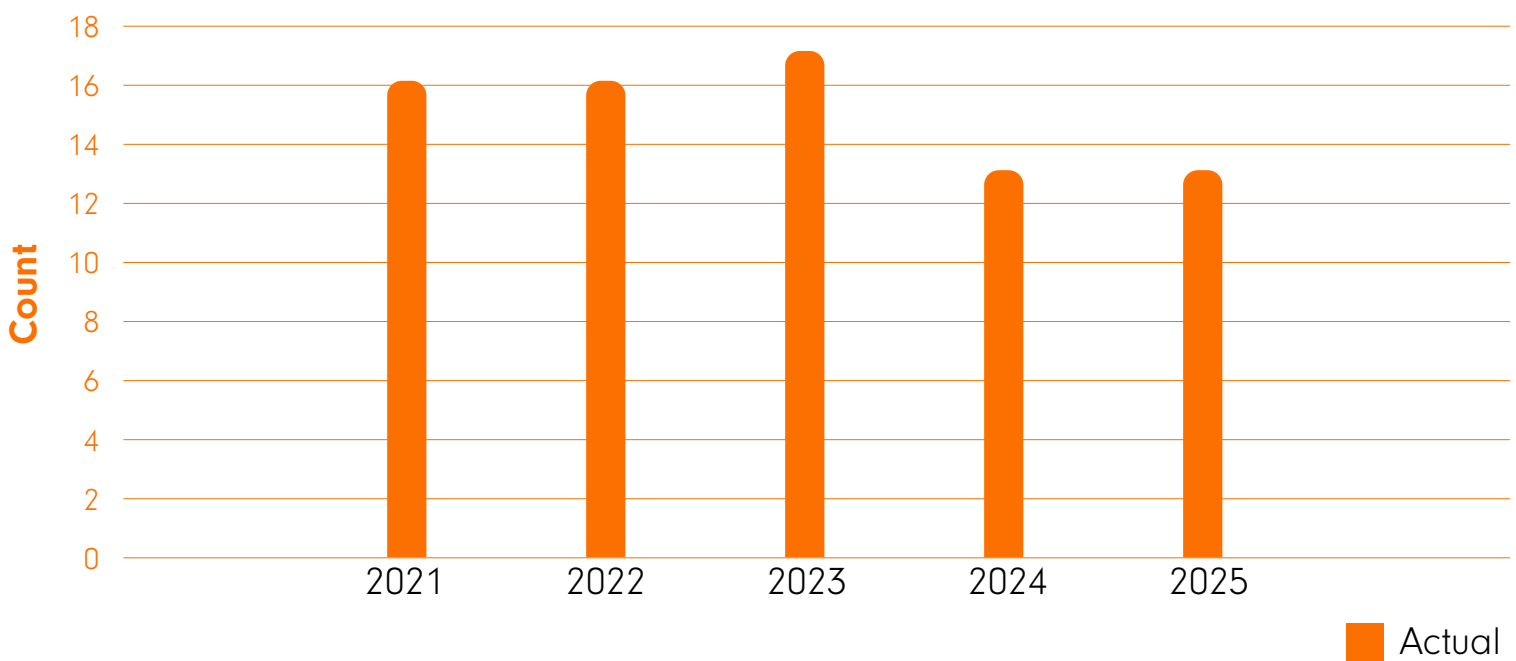
Additionally, GEM integrates health and safety considerations into product and service risk assessments by comprehensively evaluating raw material characteristics, process exposure risks, and end-use scenarios, using the assessment results as key references for product design and supply chain management. Through risk management and ongoing monitoring mechanisms, the Company is committed to minimizing the potential impacts of hazardous substances on human health and the environment while ensuring product safety and regulatory compliance throughout the product lifecycle. GEM complies with all applicable health and safety regulations related to products and services. In 2025, the Company recorded no violations, regulatory penalties, or warning notices, demonstrating its commitment to product accountability and the protection of user health.

Inspection item	Evaluation method and frequency	Results
SGS report for raw materials	At least one sample test is conducted annually	Approved
Material Safety Data Sheets (MSDS)	Provide a composition test for every update to material formulation.	Approved
Raw material RoHS inspection	Raw material RoHS testing is conducted based on predefined inspection items, frequencies, and sampling quantities, and is carried out in alignment with supplier requirements	Approved
Product test report	At least one sample test is conducted annually	Approved

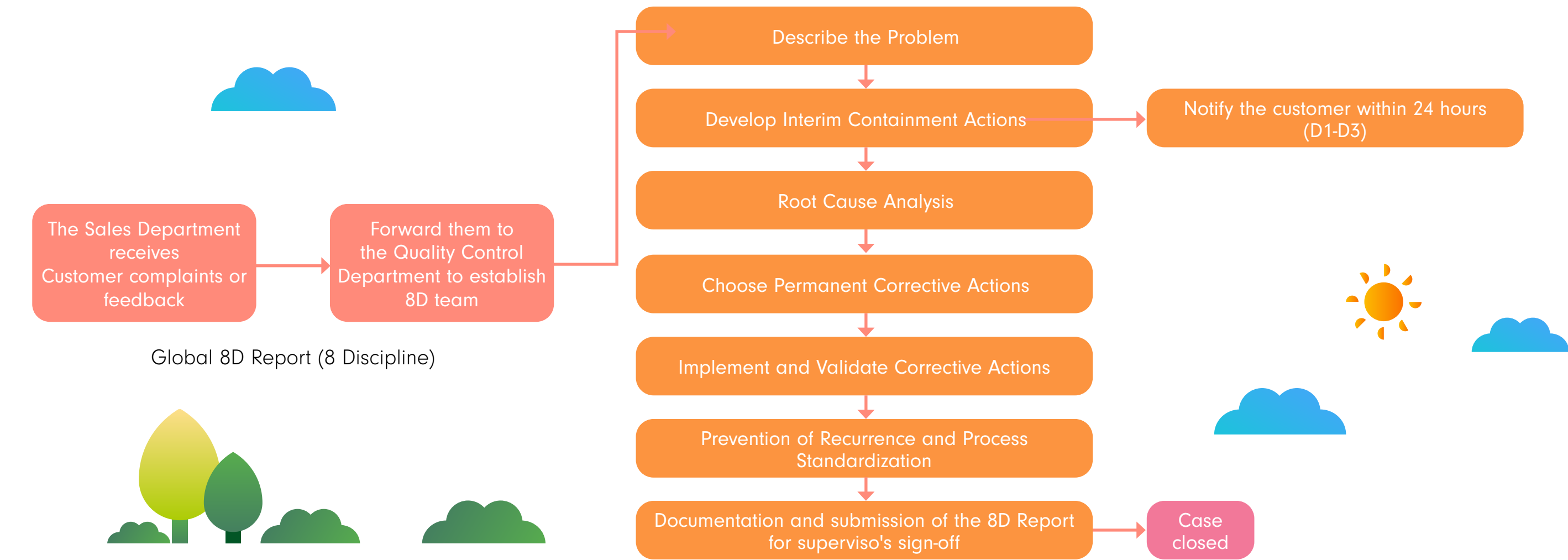
2.3 Customer relation management

Customer requirement feedback and communication

GEM has long been committed to fostering sustainable customer relationships by adhering to a customer-centric and demand-driven business philosophy. The Company strives to deliver premium products and professional services that meet customer expectations, reinforce customer trust, and forge stable long-term partnerships. To maintain effective customer engagement, GEM has established diverse communication channels, including on-site visits, email and telephone communications, customer complaint handling mechanisms, and customer satisfaction surveys. The Company also implemented the "Customer Communication and Customer Satisfaction Management Procedure" and established a management target of maintaining fewer than 14 customer complaint cases annually. Dedicated sales personnel are responsible for promptly responding to customer needs and communications. When customer complaints occur, relevant personnel are required to provide customers with an initial response within 24 hours. Investigations into abnormal incidents must be completed within seven working days, and corrective action reports must be submitted for managerial approval. Final investigation results are subsequently communicated to customers to ensure timely response and proper issue resolution. Meanwhile, GEM established the "Corrective and Preventive Action Management Procedure," under which customer feedback collected by the Sales Department is transferred to the Quality Control Department for further analysis, enabling continuous product optimization and service quality improvement while reducing the likelihood of recurring customer complaints. Supported by these comprehensive management mechanisms, customer complaint cases have dropped in recent years. In 2025, the Company recorded 13 customer complaint cases and successfully achieved its target for the second straight year, reflecting its commitment to maintaining stable product quality and strong customer relationships.



Customer complaint handling process



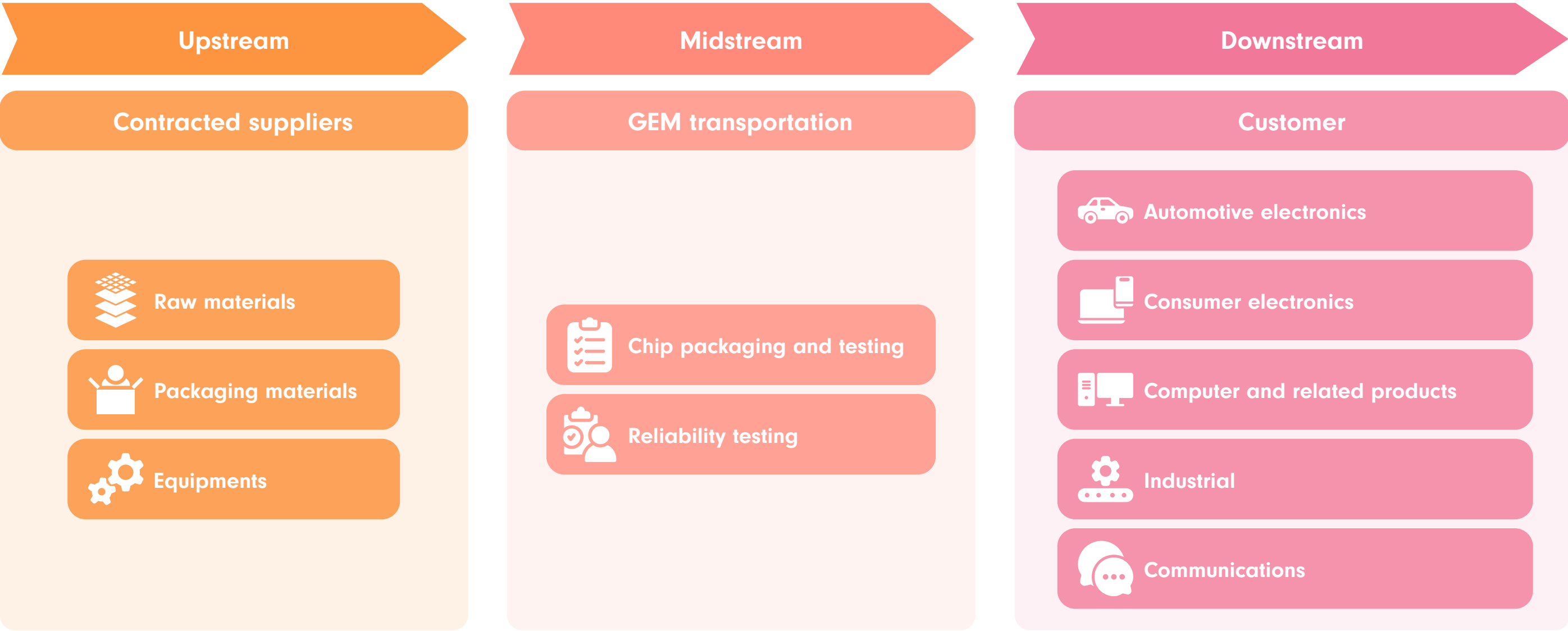
Customer satisfaction surveys

GEM performs an annual customer satisfaction survey to systematically assess customer needs and expectations, with coverage across product quality, green product management, and service for all customers. The survey results are compiled by the sales department into an analytical report and jointly reviewed with production, quality assurance, and engineering teams to develop corrective and improvement actions, thereby continuously enhancing product yield and service performance. In 2025, GEM recorded an average customer satisfaction score of 94 points, exhibiting good customer engagement and the effectiveness of its customer relationship management initiatives in improving satisfaction and loyalty.

Respondents	Number of questionnaires distributed	Customer satisfaction target	2025 survey results
All customers	A total of 70 satisfaction survey questionnaires were distributed	- Achieved a 100% survey response rate from the top three customers by production volume - Maintained a survey response rate of over 60% for all other customers - Achieved a perfect score of 100 in customer satisfaction from the top three customers by production volume - Customer satisfaction scores for all other customers improved compared to the previous year	- Achieved a 100% survey response rate from the top three customers by production volume - Maintained a survey response rate of 90.6% for all other customers - Achieved a perfect score of 92.5 in customer satisfaction from the top three customers by production volume - Achieved an average score of 94.4 in customer satisfaction

2.4 Sustainable supply chain

2.4.1 Supply chain overview



GEM specializes in the power semiconductor market and delivers comprehensive solutions covering wafer probing, semiconductor packaging, testing, reliability verification, and logistics services. With manufacturing facilities located in Shanghai and Hefei, China, the Company collaborates closely with suppliers and customers to address the increasing market demand for high quality and production capacity in the power semiconductor industry.

Positioned within the upstream segment of the semiconductor value chain, GEM procures critical raw materials from multiple global regions according to process and technical requirements, including leadframes and compound semiconductor materials. As of 2025, the Company had approximately 50 active suppliers, mainly located in China, South Korea, Japan, and Singapore. Chinese suppliers primarily provide leadframes and compounds, while suppliers from South Korea, Singapore, and Japan supply advanced packaging materials and adhesives. GEM maintains strict supplier evaluation and quality management systems to ensure stable material quality and delivery performance while progressively establishing sustainable procurement practices. On the downstream side, GEM serves customers worldwide, including markets in Taiwan, China, Japan, South Korea, North America, and Europe, with semiconductor packaging and testing services representing its core business operations. Customers are primarily concentrated in the China and Taiwan markets, with the remaining customer base distributed across other regions in Asia, Europe, and North America. The Company remains committed to improving customer satisfaction and product yield through high-quality and high-efficiency manufacturing capabilities, enabling customers to maintain competitiveness in their end markets.

In the future, GEM will continue to strengthen sustainable supply chain management as a key pillar of its sustainability strategy by deepening supplier collaboration and introducing more comprehensive social and environmental responsibility assessment metrics to create a more responsible and resilient supply chain ecosystem.

Local procurement

GEM actively promotes a localized procurement strategy to reduce the carbon footprint of raw materials during the manufacturing process while fostering local employment opportunities and economic development. The Company continues to strengthen its partnerships with local suppliers, enhancing the stability and resilience of the domestic supply chain through guidance and resource support. GEM's major suppliers are mainly located near key production bases, such as Shanghai and Hefei, where procurement from local suppliers accounts for an average of 53.13% of the total purchase amount. The achievements of the Company's local procurement initiatives in 2025 are as follows:

Region	Total procurement amount (NT\$ millions)	Local procurement ratio
Taiwan	19.72	0.00%
China	2,364.10	53.57%
Total	2,383.82	53.13%

Note 1. GEM defines "local" according to the region of each operational location. Taiwan operations are classified as local to Taiwan, while the Shanghai and Hefei factories are classified as local to China.

Note 2. The Taiwan site mainly supports procurement activities for overseas factories; therefore, its local procurement ratio is relatively low.

Note 3. Procurement amounts are presented in NT\$ and calculated based on the average 2025 exchange rates for US\$/NT\$ and RMB/NT\$, respectively.

Note 4. GEM's key operating sites include the Taipei office, the Shanghai factory, and the Hefei factory.

Supply Chain Human Rights Risk Identification and Management

GEM conducts annual evaluations of operational locations and suppliers to ensure compliance with labor regulations and prevent forced labor and child labor risks across the supply chain. As part of its commitment to responsible business practices, GEM adheres to the Responsible Business Alliance (RBA) Code of Conduct and strives to ensure that its supply chain complies with international labor regulations and ethical standards. GEM strictly prohibits child labor in all manufacturing processes. Under "Labour Law" of the People's Republic of China, individuals under 15 years old are defined as children, and employees under 18 years old are prohibited from performing hazardous work, including night shifts and overtime.

Human rights risk items	Achievements
Use of child labor at operational locations or by suppliers	Zero cases of child labor were recorded at our operational locations and across the supply chain in 2025
Occurrences of forced labor at operational locations or by suppliers	There were zero reported cases of forced labor across all operational locations and suppliers in 2025

2.4.2 Supplier management

GEM is committed to developing a resilient and sustainability-oriented supply chain system. Guided by its "Qualified Supplier Management Procedure," the Company systematically manages both new supplier qualification reviews and existing supplier performance evaluations to ensure suppliers maintain strong quality standards, reliable delivery performance, and sound environmental and social responsibility practices, thereby jointly advancing a sustainable supply chain ecosystem.

New supplier selection

GEM performs qualification assessments for prospective suppliers in accordance with the "Qualified Supplier Management Procedure," with evaluation activities including document reviews, certification verification, and on-site audits where appropriate. Supplier assessments cover a wide range of criteria, including product quality, delivery capability, financial soundness, operational competence, and environmental and social responsibility performance, ensuring suppliers possess the capabilities necessary for sustainable development. All prospective suppliers are required to complete supplier information forms and self-assessment questionnaires, and submit relevant third-party certification documents, such as ISO 14001 Environmental Management System Certification, ISO 45001 Occupational Health and Safety Management System Certification, and RBA Social Responsibility Management System Certification, together with declarations regarding hazardous substance control and environmental and human rights disclosures. Qualified suppliers must additionally sign the "Supplier Code of Conduct Commitment" and the "Integrity Commitment Statement" to reinforce corporate governance and ethical business practices.

These requirements are completed during the qualification review stage and incorporated into subsequent annual evaluations and audits. In conducting supplier qualification reviews, GEM comprehensively considers suppliers' implementation of environmental management, social responsibility, workplace safety, and labor rights practices, and determines supplier approval status based on the results of risk identification and assessment. No new suppliers were added in 2025 due to no significant changes in the Company's major product structure.

Existing supplier evaluation

The Company is committed to strengthening supply chain resilience and regularly performs comprehensive performance evaluations and risk identification for existing suppliers. The evaluation mechanism is executed at least once a year, covering key indicators such as quality stability, delivery fulfillment rate, service response, cost structure, and corporate responsibility. Based on the evaluation results, suppliers are classified into three categories: A (excellent), B (qualified), and C (unqualified). For Level C suppliers, the Company adopts strict deadlines for improvement and tracking mechanisms; those who fail to meet the standards will have their qualified status revoked. If a supplier demonstrates poor performance in two consecutive evaluations, a replacement procedure will be initiated. Furthermore, the Company continues to increase the audit proportion and prioritizes on-site audits for suppliers of critical raw materials and important processes, while listing high-risk suppliers as key monitoring targets. In 2025, the Company completed on-site audits for 16 suppliers and documentary audits for 11 suppliers, with the on-site audit proportion reaching 35.56%. Through diverse evaluation methods, the Company ensures the long-term stability of the supply system.

To promote sustainable supply chain performance, GEM regularly conducts supplier meetings, training programs, and management document updates to support suppliers in strengthening ESG capabilities and sustainability management practices. High-performing suppliers are included in the priority supplier list, while underperforming suppliers are subject to corrective actions and potential replacement mechanisms. GEM also requires all suppliers to sign integrity-related declarations in support of its ethical corporate management policy. GEM also regularly promotes anti-corruption education and policy awareness initiatives for both internal personnel and external stakeholders to reinforce supply chain partners' understanding of ethical business conduct and regulatory compliance requirements.

2025 supplier anti-corruption communication achievements

Anti-corruption policy communication	Supplier		
	Taiwan	China	Total
Number of business partners communicated with	13	407	420
Total number of business partners	17	500	517
Communication coverage ratio	76%	81%	81%

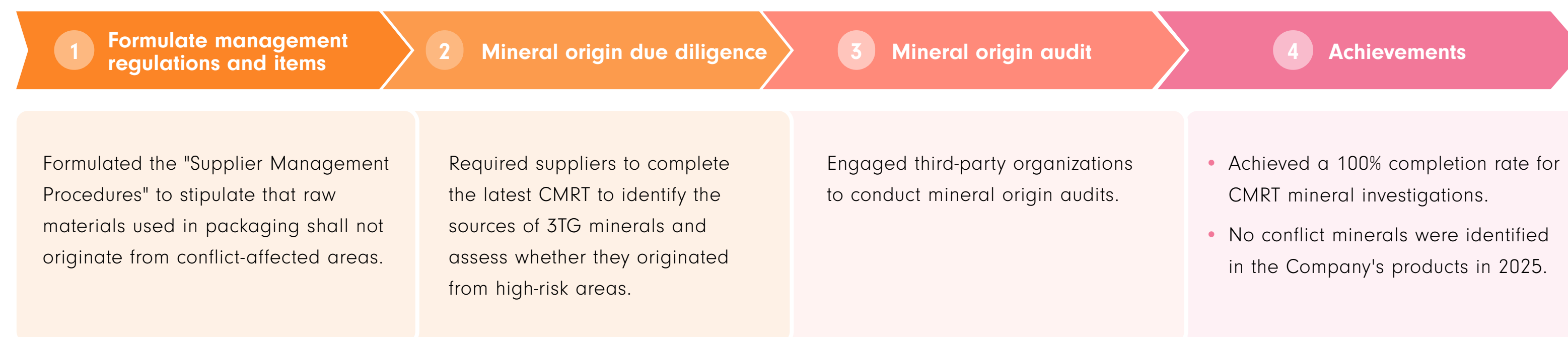
GEM annually evaluates environmental and social responsibility risks for suppliers based on their capital size to ensure full compliance with environmental and social standards. In 2025, the Company conducted environmental and social impact assessments on 45 suppliers. The results showed that all 45 suppliers complied with environmental regulations, with no issues of improper waste disposal or excessive air emissions. In addition, all suppliers complied with legal requirements regarding employee safety, working hours, and wage payments, with no non-compliance found. Therefore, in 2025, there were no instances where suppliers were required to make improvements or had their contracts terminated due to environmental or social impacts. GEM will continue to promote improvements in environmental and social responsibility among its suppliers and provide support to high-performing suppliers to ensure the long-term maintenance of good cooperative relationships.

To fulfill its commitment to sustainable development and environmental protection, GEM has established the "Green Procurement and Sustainable Supply Chain Policy" and actively promotes sustainable procurement initiatives. These initiatives include the purchase of energy-efficient and carbon-reducing environmental equipment, green energy procurement, and process improvements, while also requiring suppliers to comply with the Company's sustainability standards to enhance overall supply chain sustainability. Projects implemented in 2025 included:

Sustainable procurement initiatives	Achievements
Solar power procurement contract	Solar power supply contracts have been signed. Choose renewable energy suppliers to reduce fossil fuel dependence and promote clean energy
Softening process optimization	By optimizing the angle of the chemical softening cassette, the volume of liquid drag-out was drastically lowered, successfully reducing both chemical usage and hazardous wastewater output

Conflict minerals management process

GEM utilizes the Conflict Minerals Reporting Template (CMRT) provided by the Responsible Minerals Initiative (RMI) to regularly survey and verify supplier mineral source information. This enabling mechanism traces mineral usage and assesses risks across the supply chain, while progressively extending the management scope to new energy minerals, such as lithium. GEM continues to enhance its supply chain management mechanisms by demanding all material suppliers to comply with its conflict minerals management policy and maintain transparent partnerships with upstream smelters. In 2025, all gold and tin smelters used by GEM were certified compliant sources. Gold was mainly sourced from Europe, North America, and China, while tin was sourced from China. The Company's products did not use tantalum, tungsten, mica, or cobalt. GEM carefully evaluates the sourcing and potential risks of key raw materials. In 2025, the completion rate of supplier conflict minerals due diligence reached 100%. The Company also used gold wire materials containing trace amounts of the rare earth element cerium in certain manufacturing processes to improve wire loop performance and packaging stability. Although cerium is categorized as a rare earth element, its concentration represents less than 0.01% of the material composition and alternative materials are available; therefore, GEM has assessed the related operational risk as non-material. Overall, the Company did not encounter significant supply restrictions, price volatility, or reputational risks associated with critical materials, and the related impact on operations and financial performance remained limited. To further improve operational resilience and supply chain risk management effectiveness, GEM will continue enhancing material monitoring mechanisms to ensure that all material sources remain lawful, compliant, and stable.





3

Green technology - Sustainable development

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3.1 Climate governance

3.1.1 Climate actions

According to the Global Risks Report 2025 released by the World Economic Forum (WEF), environmental issues represent five of the most impactful global risks over the coming decade, including extreme climate events, biodiversity loss and ecosystem collapse, critical change to Earth systems, natural resource shortage, and pollution. This underscores that climate and environmental risks have become material challenges requiring proactive management by enterprises worldwide. GEM recognizes that climate change may significantly impact its operations and development. The Company therefore places strong emphasis on climate-related risks and opportunities and has gradually established relevant management mechanisms, integrating them into business strategy and decision-making while promoting mitigation and adaptation initiatives to strengthen climate resilience. Regarding climate-related disclosure, GEM follows the framework established by the Task Force on Climate-related Financial Disclosures (TCFD) and provides disclosures under the four core pillars of "Governance," "Strategy," "Risk Management," and "Metrics and Targets." The disclosures outline the short-, medium-, and long-term climate-related risks and opportunities potentially facing the Company, their potential financial implications, and the governance structures and management mechanisms established to address climate-related matters.

Four core pillars of TCFD



Climate-related risk and opportunity identification process

GEM places significant emphasis on the potential impacts of climate change on its operations and value chain. In 2025, the Company implemented a four-step climate risk and opportunity identification process, including the collection of climate-related information, identification and assessment of potential risks and opportunities, determination of material climate-related risks and opportunities, and development of corresponding response strategies and targets. The assessment process considered the likelihood of occurrence, potential financial impact, and the Company's response and adaptation capabilities to identify material climate-related risks and opportunities relevant to GEM's operations. The identification methodology and 2025 assessment results are described below:

01



Gather climate change-related topics

Referring to the TCFD framework and international climate-related standards, GEM analyzed the geographic and operational characteristics of each site and considered domestic and international industry trends to identify climate-related risks relevant to its core business operations.

02



Identify and evaluate climate risks and opportunities

Based on the consolidated list of climate-related risks and opportunities, GEM organized dedicated workshops and distributed assessment questionnaires to responsible departments for climate risk and opportunity identification. Each department evaluated predefined risk and opportunity factors according to its respective operational expertise, assessing the degree of potential financial impact, likelihood of occurrence, and potential organizational vulnerability.

03



Confirm material climate risks and opportunities

The assessment process resulted in the evaluation of nine climate-related risks and five climate-related opportunities. Each identified risk and opportunity was quantitatively assessed across three dimensions: magnitude of financial impact, likelihood of occurrence, and potential vulnerability or opportunity controllability. The combined multiplication of the three assessment scores generated an overall climate risk/opportunity impact score used for quantitative analysis and prioritization.

Based on the ranking of composite impact scores, and incorporating international climate trends together with GEM's operational characteristics, the Company further evaluated the relevance of material climate-related risks and opportunities and established a material climate risk and opportunity analysis matrix to identify the key climate factors most critical to the Company's long-term development and operational resilience.

04



Formulate strategic goals

Based on the identification results of climate-related risks and opportunities, GEM formulates climate strategies and targets and develops corresponding action plans.

Utilizing the outcomes of its climate risk and opportunity assessments, GEM established dedicated climate risk and climate opportunity matrices. The 2025 assessment identified the Company's material climate-related risks as including "regulatory compliance costs associated with carbon-related policies," "shifts in customer sustainability awareness and purchasing preferences," "transition costs associated with low-carbon technologies," "heavy rainfall, typhoons, floods, droughts, earthquakes, voltage instability, and power outages,"; material climate-related opportunities included "increasing renewable energy usage," "promoting automation technologies and improving energy management efficiency," and "changes in stakeholder expectations and preferences."



Climate risk identification list

Is it considered a material risk	Ranking	Risk categories	Risk factor	Impact scope	Impact period	Risk description
✓	1	Transition risks - Policy and legal risks	Regulatory compliance costs for carbon policies	Own operations	Medium-term	As regulatory compliance over corporate GHG emissions tightens and carbon fee collection is implemented, GEM must comply with more stringent carbon inventory, emission reduction, and disclosure standards. To ensure environmental regulatory compliance, GEM must allocate higher compliance costs; moreover, excessive carbon emissions could incur additional charges, potentially impacting net profits and escalating overall operational pressures.
✓	2	Transition risk - Market risk	Increased customer sustainability awareness and change in preferences	Own operations, downstream	Medium-term	As customers and supply chain stakeholders increasingly prioritize corporate sustainability performance, such as decarbonization in packaging and testing processes and packaging material reduction, GEM may face reduced customer confidence if carbon reduction targets are not established or if progress falls behind expectations. Inability to satisfy customers' sustainability expectations and emissions reduction requirements could lead to loss of business opportunities, restricted market access, and potential negative impacts on the Company's overall revenue performance and long-term competitiveness.
✓	3	Transition risk - Technology risk	Low-carbon technology transition costs	Upstream, own operations	Medium-term	To achieve its corporate low-carbon transition goals and fulfill supply chain reduction mandates alongside customer expectations, GEM must continuously innovate to maintain its competitive edge. Therefore, GEM may need to allocate considerable resources to drive low-carbon technology R&D, replace high-energy-consuming equipment, and install carbon reduction facilities, thereby increasing R&D expenses and climate transition-related expenditures.
	4	Transition risk - Market risk	Supply chain risks and increase in raw material costs	Upstream, own operations	Medium-term	Climate change and extreme climate events may disrupt supply chains and cause raw material shortages, while increasing import, procurement, and transportation costs. These developments may lead to significant fluctuations in critical material prices, and the implementation of carbon pricing may further increase the cost of carbon-intensive materials. High dependence on such materials may increase GEM's operating costs and expose the Company to greater operational risks arising from supply disruptions.
	5	Transition risks - Policy and legal risks	Energy-related regulatory compliance costs	Own operations	Medium-term and long-term	Compliance with the Renewable Energy Development Act, which requires that enterprises source 10% of their installed capacity from renewable energy, will directly escalate GEM's green power procurement expenditures. Meanwhile, global mandates for climate information disclosure and product energy efficiency standards are becoming increasingly stringent. Insufficient disclosure or failure to meet efficiency targets could expose the Company to penalties and loss of market access, ultimately leading to declining revenues and an increased cost burden.
	6	Physical risk Long-term-Increase in temperature	Increase in average temperature	Own operations	Long-term	Increasing average temperatures may cause cooling challenges, higher equipment failure risks, and increased demand for cooling systems, resulting in higher equipment loads, maintenance costs, electricity consumption, water usage, operating costs, and GHG emissions. Long-term climate pattern changes may also affect the supply of water, electricity, and raw materials, potentially impacting product yields and manufacturing efficiency and increasing operational risks.
	7	Transition risk - Reputation risk	Impact on corporate reputation	Own operations	Long-term	With increasing global sustainability awareness, investors are placing greater emphasis on corporate sustainability performance. Failure by GEM and its suppliers to actively promote GHG management and carbon reduction initiatives or meet customer and supply chain sustainability standards may negatively affect the perceptions of customers, investors, and other stakeholders regarding the Company's brand image. Such circumstances may lead to order losses, reduced investor confidence, reputational damage, and reductions in bank credit limits, ultimately impacting revenue and overall competitiveness.
✓	8	Physical risk Immediate risks -Extreme climate events	Rainstorms, typhoons, floods, droughts, earthquakes, power surges/outages	Own operations	Long-term	As climate change intensifies the frequency and severity of extreme climate events, GEM may face risks including facility flooding, equipment damage, and transportation disruptions. These impacts may result in property losses, supply interruptions, production shutdowns, increased repair and maintenance costs, reduced production capacity, and lower revenue.
	9	Physical risk Long-term-Extreme climate change	Shifting rainfall patterns and rising sea levels	Own operations	Long-term	Increasing extreme climate events in recent years have caused uneven rainfall distribution and more frequent water restrictions or supply interruptions, leading to unstable water availability and potential operational disruptions and cost increases for GEM. At the same time, global sea level rise associated with climate change has elevated the risk of coastal flooding. As a result, GEM may have to invest in water storage capacity, flood mitigation infrastructure, and insurance coverage in order to maintain operational continuity and supply chain resilience.

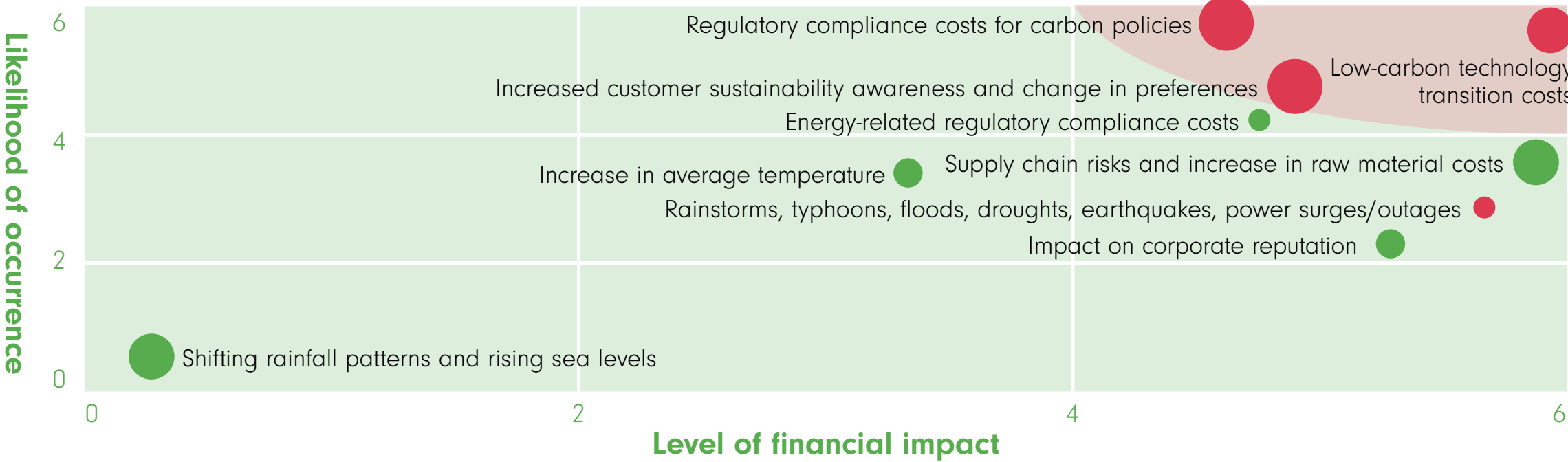
Note. Physical risk (Immediate – extreme climate events) may seem relatively unlikely to occur; however, the immediate impacts of extreme climate events may still cause significant financial impacts to GEM. As such, these risks are considered material.

Climate opportunity identification list

Is it considered a material opportunity	Ranking	Opportunity categories	Opportunity factor	Impact scope	Impact period	Opportunity description
✓	1	Energy source	Increase renewable energy usage	Own operations	Short-term	A reasonable renewable energy mix can improve GEM's energy resilience, minimize carbon emissions, and reduce exposure to instability in purchased energy, while also attracting investor interest, enhancing brand reputation, and appealing to customers with low-carbon requirements. By increasing the use of solar energy, renewable electricity procurement, and renewable energy certificate trading, GEM can increase its renewable energy share, lower carbon costs, meet supply chain requirements, and elevate competitiveness.
✓	2	Resource efficiency	Promote automation technology and improve energy management efficiency	Own operations	Short-term	The semiconductor packaging and testing industry is labor-intensive. Introducing industrial automation can reduce labor costs and human error, reduce idle energy consumption of testing equipment, and improve factory and production efficiency, thereby lowering electricity costs. Additionally, continued implementation of energy-saving projects, digital energy management systems, and real-time monitoring and optimization can reduce energy, water, and waste consumption, thereby lowering costs and improving operational performance.
✓	3	Market	Shift in stakeholder expectations and preferences	Own operations, downstream	Medium-term	Global demand for low-carbon supply chains and sustainable products is increasing, with growing expectations for low-carbon packaging, energy-efficient testing, and green supply chain management in the semiconductor packaging and testing industry. By vigorously responding to market trends and stakeholder expectations, GEM can enhance its corporate image, become a preferred international supplier partner, and expand revenue and market share. Meanwhile, it can also improve employee engagement and corporate reputation, supporting growth in demand for low-carbon products and services.
	4	Resource efficiency	Implement resource recycling/reuse initiatives	Own operations	Short-term	With stakeholders increasingly valuing sustainability and cost efficiency, GEM can improve resource efficiency and optimize processes and material use through circular reuse, thereby reducing raw material procurement costs and production losses. The introduction of water recycling and reuse can also reduce water consumption and costs while demonstrating resilience to environmental challenges, increasing customer and market trust in GEM's sustainability commitments and supporting a more stable market position.
	5	Products and services	R&D of low-carbon products and low-carbon processes	Upstream, own operations	Medium-term	With the rise of sustainability trends, demand for low-carbon products is increasing. If GEM adopts material-reduction packaging technologies and low-carbon materials, it can increase product value and differentiation, strengthen green competitiveness, and meet customer and investor expectations for supply chain carbon management. Low-carbon process development can also decrease defect rates and resource consumption, improving operational efficiency and lowering costs.

Climate risk matrix

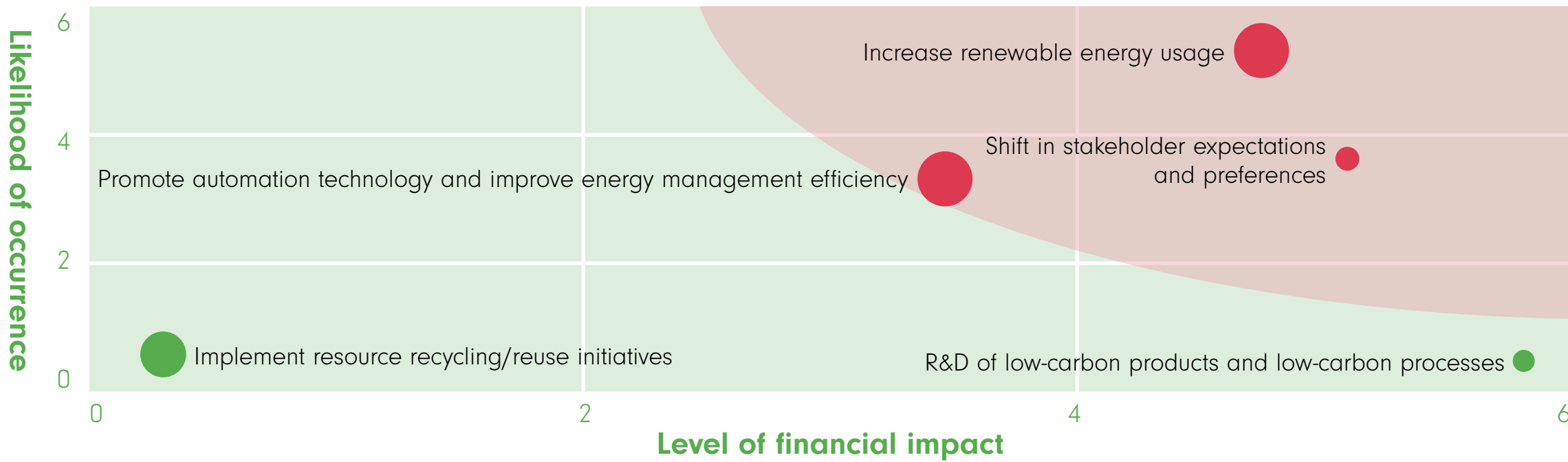
● Significant risks ● Secondary risks



Note. X-axis – Financial impact: severity of the financial and operational impact if a risk materializes; Y-axis – Likelihood: probability of occurrence; Bubble size – Risk vulnerability: degree of controllability or adaptability by GEM.

Climate opportunity matrix

● Significant opportunity ● Secondary opportunity



Note. X-axis – Financial impact: magnitude of financial and operational impact if an opportunity materializes; Y-axis – Likelihood: probability of occurrence; Bubble size – Opportunity controllability: degree of preparedness and adaptability.

Material climate risk description and response strategies

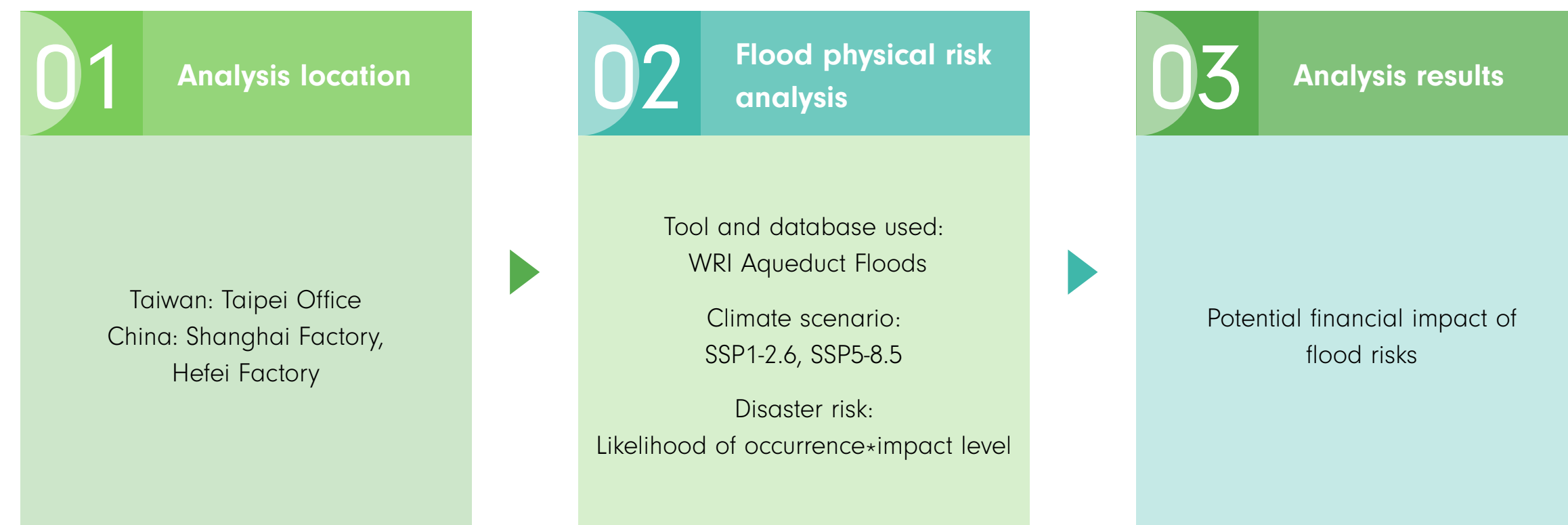
	Risk categories	Risk factor	Impact dimension	Response strategies	Feasible future plans (Short-/ Medium-/ Long-term)	Management objectives
1	Transition risks - Policy and legal risks	Regulatory compliance costs for carbon policies	To comply with carbon fee collection and mandatory carbon inventory regulations, investment in compliance manpower and systems must increase. If carbon reduction progress fails to meet targets, the Company may face carbon fee premiums or regulatory fines, resulting in extra expenditures.	- Establish a comprehensive greenhouse gas emissions inventory and verification system for manufacturing sites around the world, conduct annual greenhouse gas inventories and pass external third-party verification, and continuously take greenhouse gas reduction actions - Closely monitor carbon-related regulations and policies, as well as relevant requirements from customers	- Short term: Enhance energy efficiency through energy-saving equipment and optimized processes, and improve waste and water management. - Medium term: Implement green processes and low-carbon materials (that are compliant with RoHS and non-toxic requirements), and strengthen supply chain carbon management (by requiring supplier carbon inventory and reduction). - Long term: Advance net-zero transition (carbon neutrality goals), expand renewable energy use (solar and green electricity procurement), and invest in carbon capture and circular economy solutions.	- Short-term: Improve energy efficiency by reducing power consumption per unit of output by 1% annually; waste recovery rate of no less than 90%. - Medium-term: Supplier carbon inventory coverage of no less than 65%; low-carbon material usage ratio of no less than 50%. - Long-term: Renewable energy usage ratio of no less than 40%; achieve carbon neutrality by 2060.
2	Transition risk - Market risk	Increased customer sustainability awareness and change in preferences	Failure to achieve supply chain carbon reduction targets may lead to customers shifting orders or the loss of preferred supplier status, resulting in decreased revenue and reduced market competitiveness.	- Continue to monitor market and customer demands - Stay focused on new technologies and processes to reduce impacts on the climate and environment	- Short term: Develop low-carbon or circular economy products and continue ESG disclosure via sustainability reports and the corporate website to enhance transparency - Medium term: Work with customers through joint initiatives or shared carbon reduction targets to promote a green supply chain - Long term: Transition toward a full net-zero product portfolio (such as carbon-neutral products)	- Short-term: Recycled material usage ratio of no less than 30%; ESG disclosure completeness 100% compliant with GRI/TCFD frameworks - Medium-term: At least 2 collaborative carbon reduction projects with customers per year - Long-term: Carbon-neutral products account for no less than 50% of total products
3	Transition risk - Technology risk	Low-carbon technology transition costs	To develop low-energy consumption packaging technology and replace old high-energy consumption equipment, significant R&D funds and the purchase of low-carbon equipment are required. While beneficial for long-term competitiveness, this will raise capital expenditures and amortization costs in the short term.	- Implement solar power generation projects and actively use green electricity - Launch waste heat recovery projects to reduce power consumption - Actively promote energy-saving and emission-reduction projects to improve energy efficiency and lower carbon emissions	- Short term: Introduce pilot applications of low-carbon technologies, including energy-saving equipment and localized process improvements. - Medium term: Collaborate with supply chain partners to co-develop low-carbon technologies and reduce transition costs. - Long term: Invest in carbon capture and circular economy technologies.	- Short-term: Comprehensive inventory of high-energy-consuming or near-end-of-life electrical equipment, with gradual replacement - Medium-term: No less than 2 supply chain cooperation projects per year - Long-term: Continuous decrease in carbon emission intensity, with carbon emissions per unit of product reduced by no less than 30%
4	Physical risk Immediate risks - Extreme climate events	Rainstorms, typhoons, floods, droughts, earthquakes, power surges/outages	Extreme weather may lead to factory damage or unstable power supply, causing production line shutdowns and equipment repair costs. Furthermore, logistics disruptions lead to delivery delays, thus increasing extra operating costs and lowering capacity utilization.	- Establish disaster emergency response plans and set up emergency supplies and resources - Establishing a sustainable supply chain management mechanism	- Short term: Develop emergency response plans and enhance infrastructure protection, such as flood control facilities and backup power systems. - Medium term: Team up with local authorities to participate in disaster prevention programs. - Long term: Adopt smart energy management and renewable energy to minimize power outage risks.	- Short-term: Conduct at least one disaster response drill annually; backup power supply coverage for critical production lines no less than 70% - Medium-term: Shorten disaster-related downtime by reducing average downtime by no less than 30% - Long-term: Renewable energy usage ratio of no less than 60%

Material climate opportunity description and response strategies

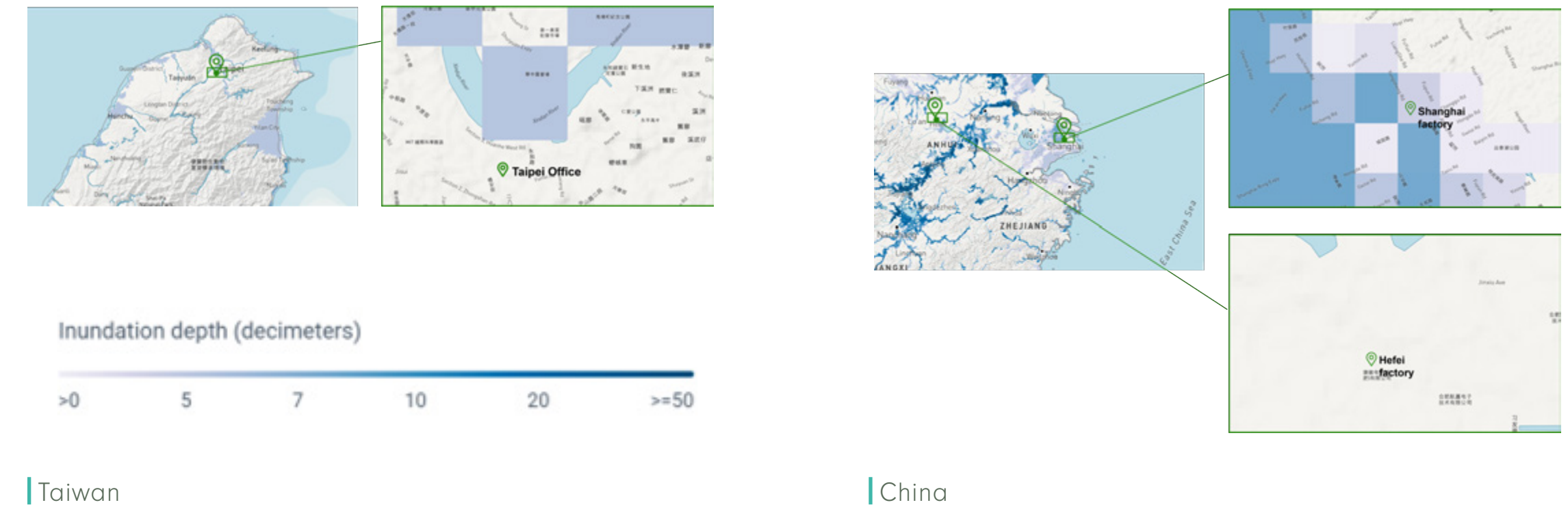
	Opportunity categories	Opportunity factor	Impact dimension	Response strategies	Feasible future plans (Short-/ Medium-/ Long-term)	Management objectives
1	Energy source	Increase renewable energy usage	Increasing renewable energy usage helps the Company reduce the impact of carbon-related policies and regulations and enhances the market competitiveness of products through energy transition	- Solar power supply contracts have been signed. Choose renewable energy suppliers to reduce fossil fuel dependence and promote clean energy - Both the Shanghai and Hefei Factories have adopted rooftop distributed solar power generation plans	- Short term: Review the current energy mix, establish a renewable energy procurement plan, and implement tracking and reporting for renewable energy use - Medium term: Continue investing in renewable energy facilities, including solar and wind power - Long term: Develop renewable energy-driven "carbon-neutral products" as a key competitive strength	- Short-term: Renewable energy procurement no less than 5% of total power consumption; publish one energy usage transparency report per year - Medium-term: Renewable energy generation accounts for no less than 25% of total power consumption - Long-term: Continuous improvement in energy efficiency by no less than 2% per year
2	Resource efficiency	Promote automation technology and improve energy management efficiency	Improving energy management efficiency through process optimization can reduce carbon emissions and operating costs while responding to market preferences for green products	- The Shanghai Factory has phased out two sets of high-energy-consuming, obsolete motor equipment and replaced them with energy-saving equipment - The Shanghai Factory educates employees on the use of energy-saving equipment during training sessions and has signed the "Energy Conservation and Consumption Reduction Target Responsibility Statements" - The Hefei Factory implemented heat recovery for air compressors - Adopted robots in the electroplating process to replace manual loading to improve production efficiency - Adopted post-wire bonding (WB) AOI to replace manual inspection to improve inspection efficiency - Adopted an automated management system for PMC ovens	- Short term: Introduce basic automation equipment, including automated inspection and packaging systems - Medium term: Advance smart manufacturing with IoT sensors, AI scheduling, and robotics applications - Long term: Build smart factory operations with an integrated automation and energy management platform	- Short-term: Automated production line coverage of no less than 10% - Medium-term: Smart manufacturing adoption rate of no less than 20% - Long-term: Automation rate of no less than 40%
3	Market	Shift in stakeholder expectations and preferences	By introducing low-carbon packaging technology, energy-saving testing processes, and green supply chain management, the Company can precisely align with the strong demand from major international manufacturers for low-carbon supply chains. This not only strengthens customer loyalty but also drives revenue growth through the differentiated advantages of green products. Furthermore, an excellent sustainability reputation helps attract and retain top talent and increase employee engagement, which in turn optimizes operational efficiency and reduces recruitment costs.	The Company attaches great importance to low-carbon and sustainable development strategies, actively responds to customer and market requirements, and continuously conducts greenhouse gas inventories and performs carbon footprint assessments for major products	- Short term: Build stakeholder engagement mechanisms, increase ESG transparency, and incorporate stakeholder feedback into sustainability planning - Medium term: Convert stakeholder preferences into product differentiation, such as low-carbon and eco-friendly designs - Long term: Integrate sustainability preferences into core strategy, including carbon neutrality and circular economy	- Short-term: At least 1 stakeholder communication event per year; ESG disclosure completeness 100% compliant with international frameworks; stakeholder satisfaction score no less than 80 - Medium-term: Sustainable products account for no less than 30% - Long-term: Carbon-neutral products account for no less than 50% of total products

GEM conducts physical risk assessments for its key sites (Taipei office, Shanghai factory Hefei factory), focusing on high-intensity rainfall during the monsoon and typhoon seasons in Taiwan and China (approximately April–September). Under the SSP5-8.5 scenario, the 2030 flood risk simulation identifies only the Shanghai factory as a flood-risk site, while the Taipei office and Hefei factory are not located in high-risk flood zones. Without adequate adaptation measures, extreme precipitation events may still cause facility damage, asset impairment, and operational disruptions, with an estimated potential financial impact of approximately NT\$12,767 thousand. To mitigate flood-related risks, GEM is committed to conducting regular flood simulations and climate adaptation assessments across vulnerable sites. The Company will reinforce site-level flood protection infrastructure and enhance safeguards for production equipment, which includes deploying flood barriers alongside annual readiness drills. Furthermore, GEM will establish robust emergency response SOPs and disaster backup mechanisms while executing diversified supply chain strategies. These initiatives aim to minimize operational disruption risks stemming from single-site incidents, thereby substantially strengthening the Company's resilience against floods.

Analysis process



Flood risk map



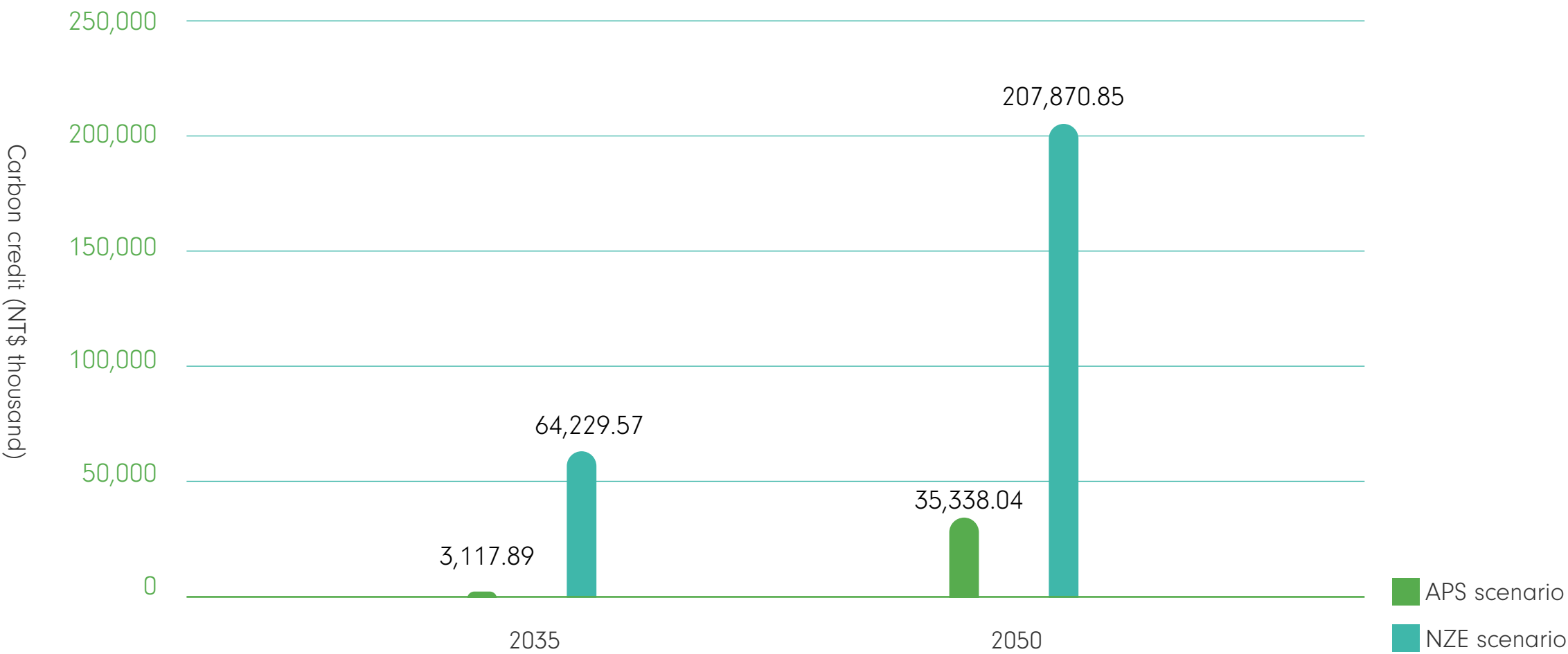
In line with the global 2050 net-zero target, carbon pricing is becoming a key regulatory trend. Taiwan has introduced phased carbon fees under the Climate Change Response Act, while China operates an emissions trading system that initially targets high-emission sectors and is expected to expand coverage. To assess the financial risks associated with tightening carbon regulations and carbon pricing mechanisms, GEM references the International Energy Agency (IEA) World Energy Outlook 2025, applying two scenarios for carbon price assumptions: the Announced Pledges Scenario (APS) and the Net Zero Emissions by 2050 Scenario (NZE). Using 2025 Scope 1 and Scope 2 emissions as the baseline, GEM estimates potential financial impacts under a BAU (Business As Usual) scenario and evaluates the expected exposure under APS and NZE scenarios in the absence of additional emission reduction actions.

Climate scenario	Scenario description	Parameter description
Announced Pledges Scenario (APS) scenario	Incorporating all the latest global climate pledges, the global average temperature increase by 2100 is projected to be held at approximately 2.1° C above pre-industrial levels	Carbon Pricing: USD 22 in 2035 and USD 34 in 2050
Net Zero Emissions (NZE) scenario	Assessing global progress toward achieving the 1.5 °C target and other energy-related SDGs.	Carbon Pricing: USD 125 in 2035 and USD 200 in 2050

As GEM's Shanghai and Hefei factories are located in China and the Taipei office has limited exposure, Taiwan's carbon fee is excluded from this scenario analysis. Under the APS scenario, estimated carbon costs are NT\$3,117.89 thousand in 2035 and NT\$35,338.04 thousand in 2050. Under the NZE scenario, estimated costs are NT\$64,229.57 thousand in 2035 and NT\$207,870.85 thousand in 2050. These results indicate that, absent emission reduction actions, GEM may be exposed to substantial future carbon compliance costs, representing material financial risk under evolving carbon pricing regimes.

To mitigate the potential financial impacts of carbon pricing policies, GEM continues to conduct comprehensive GHG inventories while establishing clear emission reduction targets and pathways. The Company is actively bolstering energy efficiency enhancements, including the replacement of high-energy-consuming equipment and the deployment of solar power systems to elevate renewable energy utilization. These initiatives effectively reduce overall GHG emissions, shielding the Company from the escalating financial impact of carbon pricing mechanisms. For detailed GHG reduction measures, please refer to [3.1.2 Greenhouse Gas Emissions and Management](#).

▼ Total carbon cost



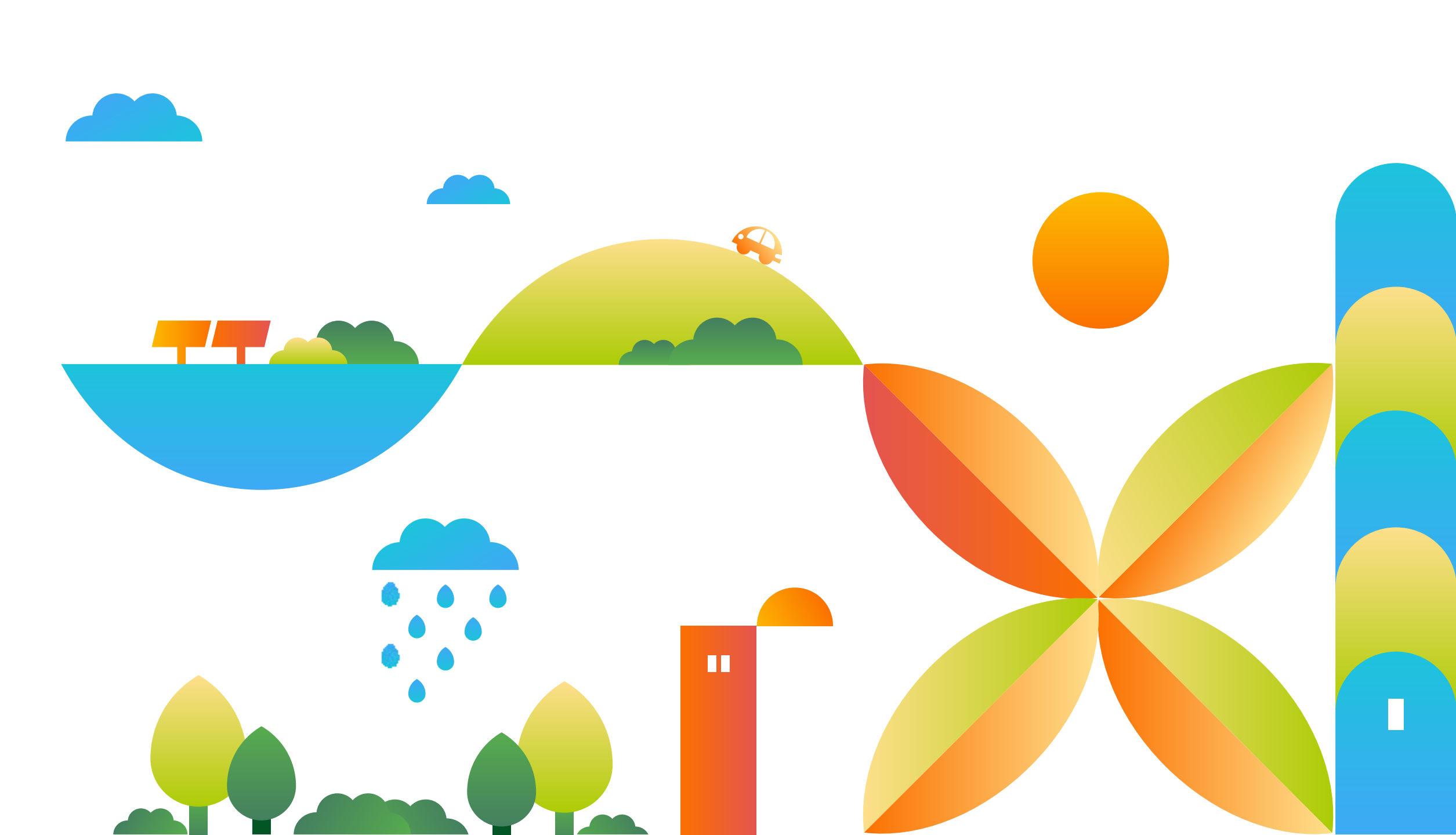
Year	APS scenario (NT\$ thousand)	NZE scenario (NT\$ thousand)
2035	3,117.89	64,229.57
2050	35,338.04	207,870.85

3.1.2 Greenhouse gas emissions and management

Greenhouse gas management

GEM is committed to eco-friendly operations and actively implements GHG management while adopting low-impact technologies and equipment to reduce environmental impact. The Shanghai and Hefei factories strictly comply with applicable regulations governing emission facilities, including the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution and the Integrated Emission Standard of Air Pollutants, across all stages from design and construction to operation and reporting. The Shanghai factory has also established internal "Air Pollutant Emission Implementation Standards," while the Hefei factory has passed regulatory review by the Hefei Economic and Technological Development Area of the Hefei Municipal Bureau of Ecology and Environment, ensuring compliance and demonstrating environmental responsibility. The Company engages third-party specialists annually to conduct GHG monitoring to ensure data accuracy and compliance. Furthermore, each operational location (including the Shanghai and Hefei factories) performs quarterly outsourced monitoring with full documentation retained.

Since 2023, GEM has conducted greenhouse gas inventories in accordance with the ISO 14064-1:2018 standard. Our Taipei headquarters, Shanghai factory and Hefei factory have successfully undergone third-party verification by DNV, achieving a reasonable level of assurance. This enhances the completeness, transparency, and measurability of the Company's GHG emissions quantification operations. Future reduction strategies will be developed based on inventory results, with ongoing tracking and disclosure of carbon reduction performance. The GHG verification statement and assurance report are available on the Company's [website](#).



GHG emissions over the last three years

In 2025, GEM's total GHG emissions (Scope 1 and 2) were 32,388.7270 tCO₂e, including 188.9967 tCO₂e for Scope 1 and 32,199.7303 tCO₂e for Scope 2. Compared with the 2023 base year, emissions decreased by 21.47% (Scope 1), 4.70% (Scope 2), and 4.82% in total. Emissions intensity in 2025 was 6.0814 tCO₂e per NT\$ million revenue, down 21.02% from the base year, indicating improved carbon efficiency alongside business performance. To strengthen climate resilience, each GEM facility develops tailored greenhouse gas reduction strategies based on its operational characteristics, emissions structure, and local conditions. The Company will continue to monitor, verify, and disclose emissions performance to ensure transparency and accountability in achieving decarbonization targets.

		Taipei Office			Shanghai factory			Hefei factory			Total		
Year		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Scope 1: Direct GHG Emissions (Category 1)	CO ₂ (tCO ₂ e)	3.4415	3.2777	4.1006	36.2755	33.1163	32.2910	15.2505	16.5984	16.8111	54.9675	52.9924	53.2027
	CH ₄ (tCO ₂ e)	0.0457	0.0330	0.0413	39.1292	38.5554	42.3734	26.2917	24.7503	26.4581	65.4666	63.3387	68.8728
	N ₂ O (tCO ₂ e)	0.0434	0.1033	0.1292	0.4559	1.3566	1.3896	0.1836	0.6173	0.6654	0.6829	2.0772	2.1842
	HFC (tCO ₂ e)	0.0000	0.0000	0.0000	24.8105	84.0030	64.7370	94.7310	107.3400	0.0000	119.5415	191.3430	64.7370
	Total (tCO ₂ e)	3.5306	3.4140	4.2711	100.6711	157.0313	140.7910	136.4568	149.3060	43.9346	240.6585	309.7513	188.9967
Scope 2: Other energy indirect GHG emissions (Category 2)	Electricity consumption (kWh)	0.0000	0.0000	0.0000	36,490,695.0728	37,744,733.0000	37,459,019.7000	22,753,933.0177	22,715,551.5485	23,226,487.8123	59,244,628.0905	60,460,284.5485	60,685,507.5123
	Electricity emissions (tCO ₂ e)	0.0000	0.0000	0.0000	20,810.6434	20,253.8237	19,875.7559	12,976.5680	12,189.1650	12,323.9744	33,787.2114	32,442.9887	32,199.7303
Total Scope 1 and Scope 2 emissions		3.5306	3.4140	4.2711	20,911.3145	20,410.8550	20,016.5469	13,113.0248	12,338.4710	12,367.9090	34,027.8699	32,752.7400	32,388.7270
Scope 3: Indirect GHG emissions from transportation (Category 3)		-	31.6499	18.4335	1,794.2209	929.7324	1,484.5037	2,226.3856	1,717.9170	2,062.4384	4,020.6065	2,679.2993	3,565.3756
Scope 3: Indirect GHG emissions from products used by the organization (Category 4)		-	-		689.5322	165.2218	302.7787	338.2055	174.8299	392.3195	1,027.7377	340.0517	695.0982
Annual operating revenue (NT\$ Millions)											4,418.9890	4,670.5390	5,325.9100
Emissions intensity (tCO ₂ e per NT\$ million revenue)											7.7004	7.0126	6.0814

Note 1. GEM applies the operational control approach for emissions boundary setting. GWP values are based on the IPCC Sixth Assessment Report.

Note 2. From 2023 to 2025, GEM reported no emissions of perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), or nitrogen trifluoride (NF₃), and there were no biogenic CO₂ emissions or land-use change removals.

Note 3. The Taipei office included only Scope 1 and Scope 2 emissions in 2023. In 2024, Scope 3 Category 3 (business travel) was added, while Category 4 was excluded as a non-material emission source.

Note 4. Emissions intensity is defined as total Scope 1 and Scope 2 emissions divided by annual revenue.

Note 5. GEM completed its first GHG inventory in 2023, which has therefore been designated as the baseline year.

Greenhouse gas reduction targets

GEM's emissions hotspot is Scope 2 purchased electricity, accounting for approximately 99.42% of total emissions. The Company has implemented energy-saving initiatives, including increasing renewable energy use and upgrading high-energy-consuming equipment, to support its GHG reduction targets.

Location	Reduction targets	Reduction scope	Reduction strategy and annual implementation status
Shanghai factory	- Short-term target: Reduce Scope 2 greenhouse gas emissions by 600 metric tons of CO₂e in 2026 (compared to the previous year) - Long-term target: Achieve carbon neutrality by 2060	Scope 2	- Shanghai Factory Phase 2 Rooftop Solar Project: A total of approximately NT\$3,349 thousand was invested this year - Energy-Saving Retrofit for Air Conditioning and Refrigeration Systems: A total of approximately NT\$27,912 thousand was invested this year The aforementioned reduction strategies were launched in the second half of 2025, saving approximately 3% in energy compared to 2024
Hefei factory	- Short-term target: Reduce carbon emissions per thousand dollars of output value by 5% in 2026 compared to the previous year - Long-term target: Achieve carbon neutrality by 2060	Scope 2	- Continuously implemented on-site solar power generation projects for self-consumption to reduce purchased electricity consumption, achieving an annual emission reduction of approximately 1,001 tCO₂e - Without reducing illuminance, 18W standard lamps were replaced with 8W LED tubes, achieving an annual reduction of approximately 48 tCO₂e. - High-energy compressed air from air compressors was previously used for the aeration tank of the wastewater station; following evaluation, the compressors were replaced with Roots blowers, achieving an annual reduction of approximately 60 tCO₂e - Continuously implemented waste heat recovery, energy consumption was reduced, achieving an annual emission reduction of approximately 660 tCO₂e Implemented various energy-saving and consumption-reduction initiatives, including on-site solar power generation for self-consumption, the promotion of LED lighting, aeration tank blower optimization at wastewater treatment stations, and waste heat recovery, the carbon emissions per thousand dollars of output value in 2025 decreased by 11.52% compared to 2024

Note. Greenhouse gas emissions from the Taipei Office are categorized as Scope 3 (business travel or commuting expenses); as there is no purchased power and such travel is necessary, no reduction strategy has been formulated.

Significant air emissions

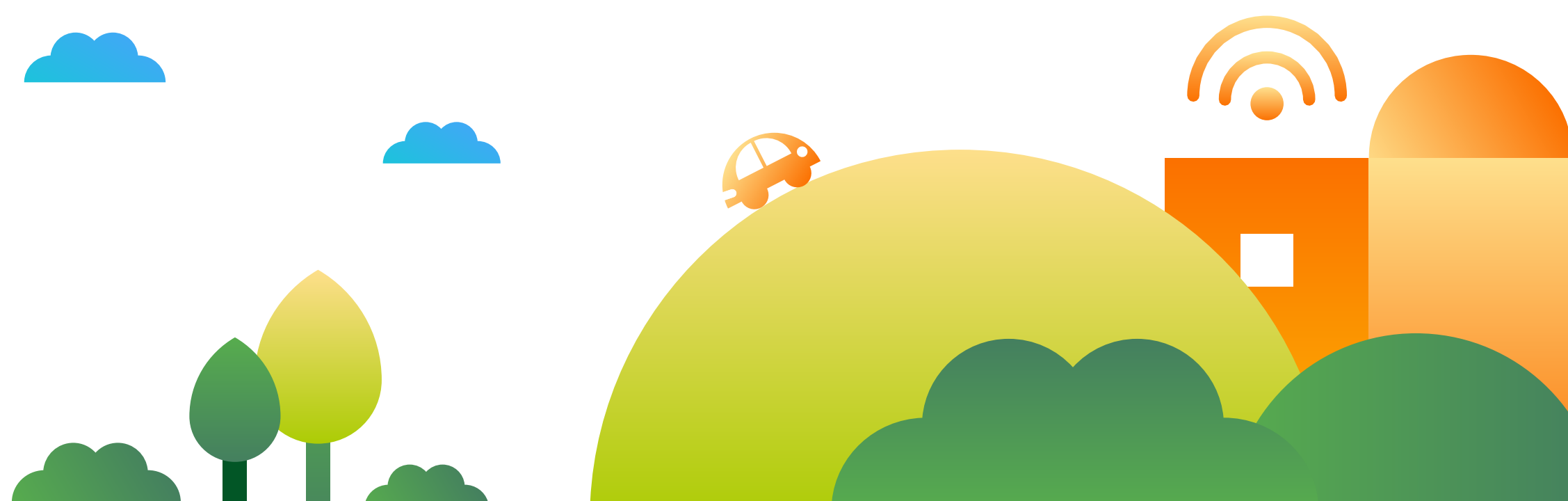
GEM conducts regular VOC monitoring through accredited third-party testing bodies at its Shanghai and Hefei factories to support the management of significant air emissions. Organized emissions are tested semi-annually, while fugitive emissions are tested annually, with full records retained for audit purposes. All results have complied with applicable emission standards. All factories are equipped with activated carbon adsorption systems using high-efficiency carbon materials (iodine value ≥760 mg/g, supported by certification reports), replaced one to two times per year to ensure treatment efficiency and compliance.

In 2025, the Shanghai factory recorded VOC emissions of 1,905.00 kg (down4.8% YoY) and PM emissions of 66.47kg, an increase of 1.19 times. At the Hefei factory, VOC emissions in 2025 were 52.50kg, a 51.9% decrease compared to 2024. In response to the observed increase in certain emissions, the Company will conduct an in-depth analysis of the underlying causes and continuously optimize its control measures to enhance the overall effectiveness of our emissions management.

Various significant air emissions	Unit	Shanghai factory			Hefei factory			Total		
		2023	2024	2025	2023	2024	2025	2023	2024	2025
Volatile Organic Compounds (VOCs)	KG	2,704.00	2,002.00	1,905.00	73.29	109.21	52.50	2,777.29	2,111.21	1,957.50
Particulate matters (PM)		14.35	56.06	66.47	-	-	-	14.35	56.06	66.47

Note 1. GEM does not generate significant air emissions such as Nitrogen Oxides (NOx), Sulfur Oxides (Sox), Persistent Organic Pollutants (POPs), or Hazardous Air Pollutants (HAPs).

Note 2. The Taipei office operates as an administrative space and does not generate significant air emissions regulated by governing authorities.



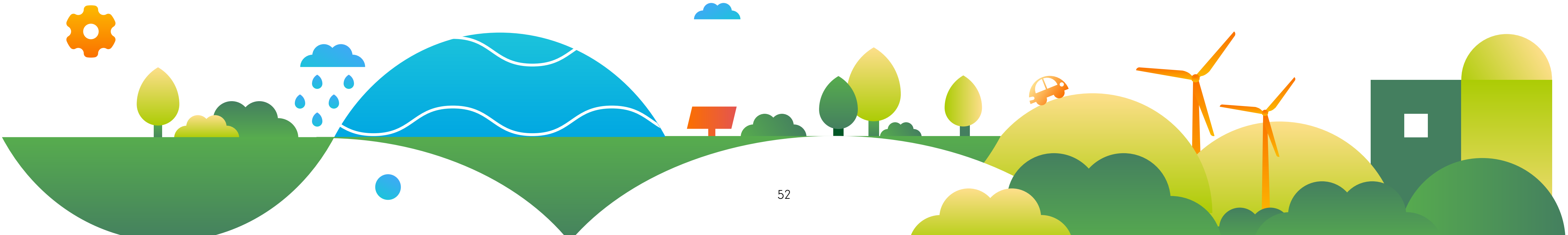
3.2 Energy management

Energy policy and management

GEM places great importance on the impact of climate change on operations. The Factory Management Department is responsible for energy management, and both the Shanghai and Hefei factories actively promote energy-saving measures to reduce climate impact.

Location	Energy management measures	2025 Energy management achievements
Shanghai factory	• Rooftop solar power generation • Compressed Dry Air (CDA) system upgrade • Production line energy-efficient lighting replacement	• The rooftop distributed solar energy project generated electricity savings of 2,603,238 kWh in 2025, contributing to carbon reductions of approximately 1,483.8457 tCO₂e • The CDA upgrade initiative reduced electricity consumption by 105,070 kWh in 2025, lowering emissions by approximately 59.8899 tCO₂e • The production line lighting efficiency project achieved electricity savings of 34,270 kWh in 2025, with carbon reductions of approximately 1,483.8457 tCO₂e
Hefei factory	• Without reducing illuminance, 18W standard lamps were replaced with 8W LED tubes • High-energy compressed air from air compressors was previously used for the aeration tank of the wastewater station; following evaluation, the compressors were replaced with Roots blowers • The Company reduced compressed air pressure supplied to testing sites to lower air compressor electricity consumption while maintaining normal operations. • Phase II of the solar project included installing solar panels on the cafeteria, utility workshop, and parking shelter rooftops	• In 2025, 3,114 conventional lighting tubes were replaced with LED energy-saving tubes, saving approximately NT\$398 thousand • The Company replaced compressed air generated by air compressors with Roots blowers, saving approximately NT\$489 thousand in 2025. • Reduced air compressor power consumption generated savings of approximately NT\$39,874 in 2025 • Since beginning operation in October 2025, the solar panel installation project has saved approximately NT\$13,418 • Electricity consumption intensity in 2025 was approximately 9.67 kWh per thousand products, down around 15% from 2024

GEM's energy usage in 2025 included purchased electricity, gasoline, diesel, and renewable energy. Purchased electricity accounted for the largest share at the Shanghai and Hefei factories, while gasoline was the primary energy source for the Taipei office. Overall purchased electricity and gasoline usage decreased in 2025, while renewable energy usage increased. Total energy intensity was 43.44GJ per NT\$ million revenue. To increase long-term climate resilience amid the global energy transition, both the Shanghai and Hefei factories significantly increased renewable energy usage in 2025 compared to 2024, with renewable energy utilization rates reaching 6.48% and 3.26%, respectively.



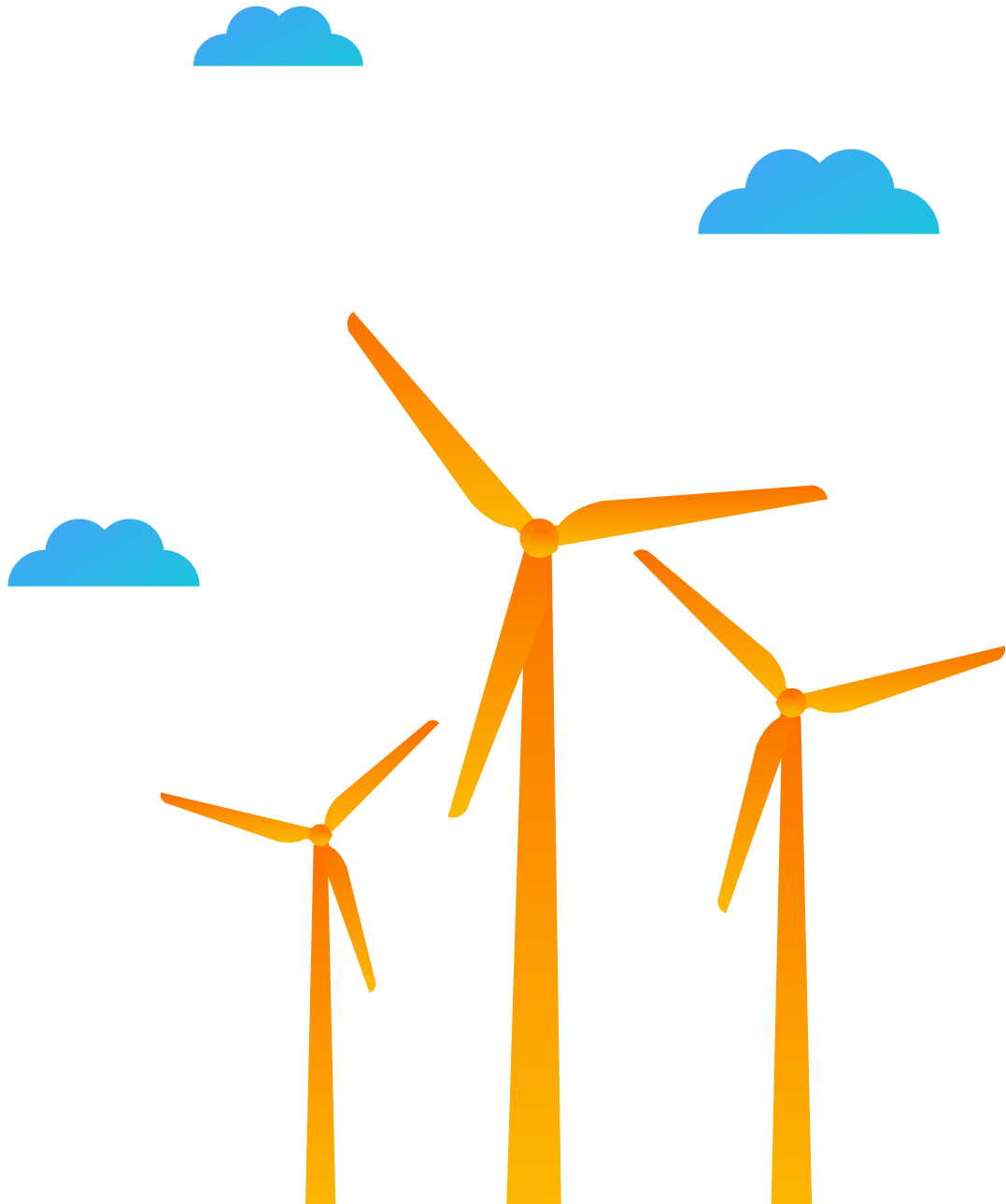
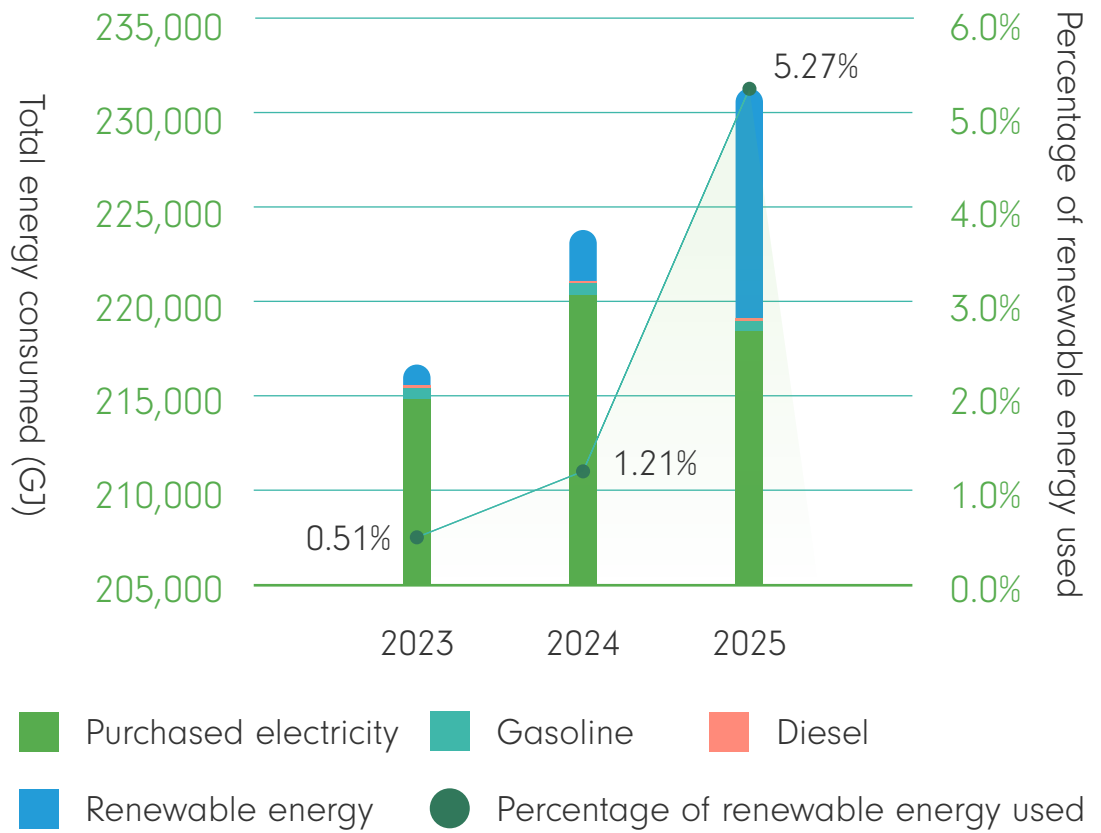
Item	Unit	Taipei Office			Shanghai factory			Hefei factory			Total		
		2023	2024	2025	2023	2024	2025	2023	2024	2025	2023	2024	2025
Purchased electricity	kWh	-	-	-	36,490,695.00	37,813,019.00	37,459,019.70	23,197,596.07	23,414,936.97	23,226,487.81	59,688,291.07	61,227,955.97	60,685,507.51
	GJ	-	-	-	131,365.04	136,125.36	134,852.47	83,510.42	84,292.84	83,615.36	214,875.46	220,418.20	218,467.83
Gasoline	L	1,520.70	1,448.28	1,811.91	12,353.20	11,661.52	10,205.94	5,602.48	6,459.29	6,413.39	19,476.38	19,569.09	18,431.24
	GJ	47.87	45.59	57.04	388.86	367.09	316.38	176.36	203.33	198.82	613.09	616.01	572.24
Diesel	L	-	-	-	2,906.00	2,617.33	3,269.84	681.53	679.72	802.45	3,587.53	3,297.05	4,072.29
	GJ	-	-	-	104.97	94.54	118.11	24.62	24.55	28.99	129.59	119.09	147.10
Renewable energy	kWh	-	-	-	-	68,286.00	2,603,238.00	305,715.60	683,440.80	784,833.20	305,715.60	751,726.80	3,388,071.20
	GJ	-	-	-	-	245.83	9,371.66	1,100.56	2,460.36	2,825.40	1,100.56	2,706.19	12,197.06
Total energy consumed	GJ	47.87	45.59	57.04	131,858.87	136,832.82	144,658.62	84,811.96	86,981.08	86,668.57	216,718.70	223,859.49	231,384.23
Percentage of purchased electricity	%	-	-	-	99.63	99.48	93.22	98.47	96.91	96.48	99.15	98.46	94.42
Percentage of renewable energy used	%	-	-	-	-	0.18	6.48	1.30	2.83	3.26	0.51	1.21	5.27
Operating revenue in 2025	NT\$ million	5,325.91											
Energy intensity in 2025	GJ per NT\$ million revenue	43.44											

Note 1. No purchased electricity was reported for the Taipei office from 2023 to 2025, as the office premises are leased from the ultimate controlling entity, Elite Advanced Laser Corporation. Since the facilities are shared within the same premises, purchased electricity was not separately accounted for.

Note 2. Energy intensity = Total 2025 energy consumption of the Taipei office, Shanghai factory, and Hefei factory divided by 2025 annual revenue.

Note 3. Energy content conversion was based on the "Net Calorific Value of Energy Products" published by the Energy Administration, MOEA. Conversion factors used include electricity (consumption basis) and solar photovoltaic power generation (860 kcal/kWh), gasoline (7,520 kcal/L), diesel (8,629 kcal/L), and the joule conversion coefficient of 4.186×10^6 GJ / kcal).

Energy consumption breakdown by source over the last three years



3.3 Water resource management

3.3.1 Water resource policy and management

GEM's Shanghai factory and Hefei factory have implemented ISO 14001:2015 environmental management systems and obtained pollutant discharge permits. To enhance water environmental protection, both Shanghai factory and Hefei factory comply with the Ecological and Environmental Code of the People's Republic of China and local discharge regulations, while conducting routine monitoring of wastewater discharge outlets to minimize environmental impact. GEM systematically identifies water-related operational risks, including water scarcity, excessive wastewater discharge, equipment malfunction, extreme weather, and chemical leakage, and has established emergency response procedures with annual drills to lower operational risks.

Water resource management policy and objectives

The Hefei factory has introduced energy and water resource control procedures, implemented water-saving management systems, and adopted recycling and reuse technologies to optimize planned water usage and strengthen wastewater control. Water-saving training programs are conducted across the factory to enhance employee awareness of water conservation. Process optimization and reclaimed water reuse initiatives continue to be promoted to enhance water efficiency and support sustainable water management.

The Hefei factory established water management targets and achieved a 10% reduction in water consumption per thousand products in 2025 compared to 2024. Through wastewater segregation and reuse practices, treated high-quality water is directly reused in production, while remaining treated water is utilized in cooling tower systems. An online wastewater discharge monitoring system connected with government regulators has also been established, with treatment standards approved by the Hefei Economic and Technological Development Area of the Hefei Municipal Bureau of Ecology and Environment to ensure regulatory compliance. Through integrated policy, system, technology, and target management approaches, GEM continues to minimize the environmental impact of water consumption and wastewater discharge, promote water recycling, reuse, and improve long-term operational sustainability.

Water resource impact management measures

Location	Compliance standards for exceedance events	Source-level segregation management	Real-time emergency response for anomalies
Shanghai factory	GEM commits to wastewater discharge standards that are more stringent than local regulatory requirements. Wastewater from the Shanghai factory is discharged to a government wastewater treatment facility instead of directly entering external water bodies.	Separate collection and treatment systems are implemented for heavy metal wastewater and other wastewater streams to improve treatment efficiency.	Automated water quality monitoring systems have been implemented. Automatic alert and notification mechanisms have been established to provide immediate warnings in the event of abnormal water quality conditions.
Hefei factory	GEM commits to factory wastewater discharge standards that are more stringent than local regulations to minimize impacts on biodiversity in receiving water bodies.	Wastewater streams are "segregated and treated separately" according to their characteristics to improve treatment efficiency.	An online automated wastewater monitoring system connected to regulatory authorities has been implemented to ensure compliant discharge.

Water resource management solutions and achievements

Location	Water-saving/water recycling and reuse solutions	2025 Water resource management achievements
Shanghai factory	The Company implements "water-saving and water recycling and reuse solutions," recycling wastewater from wafer dicing machines and electroplating hot water rinsing processes via a reclaimed water system.	The "water-saving and water recycling and reuse solutions" program achieves a 25% recovery rate, with annual reclaimed water use reaching 32,361 tons.
Hefei factory	- B3 wafer dicing wastewater is recovered and reused in production after treatment via a reclaimed water system. - RO concentrate, UF backwash water, and concentrate are collected into a new cooling tower automatic makeup system to improve reuse efficiency.	- Water consumption intensity in 2025 was approximately 0.03 tons per thousand chips, down more than 10% from 2024, achieving the annual target. - Around 20 water-saving measures were implemented in 2025, delivering total water savings of 52,821 tons per year.

Note. Water consumption per thousand products is calculated based on actual chip dicing volume.



Water withdrawal

GEM utilizes the Aqueduct water risk assessment tool developed by the World Resources Institute to evaluate water stress across its operating locations. Assessment results show that both the Shanghai factory and Hefei factory are situated in high water-stress regions; as a result, 100% of the Company's water withdrawal, discharge, and consumption are concentrated in high water-stress areas. In 2025, total water withdrawal reached 259.68 million liters, fully sourced from surface water, representing a 5.67% increase compared with 2024 (245.74 million liters).

Item		Shanghai factory			Hefei factory			Total		
		2023	2024	2025	2023	2024	2025	2023	2024	2025
By source	Water withdrawal (million liters)									
	Surface water	108.19	121.56	142.66	122.17	124.18	117.02	230.36	245.74	259.68

Note 1. Water withdrawal at the Shanghai and Hefei factories is freshwater ($\leq 1,000$ mg/L TDS), supplied by municipal systems. Shanghai factory sources water from Chenhang Water Source, while Hefei factory sources from Dongpu Reservoir and Dafangying Reservoir. No groundwater, seawater, or produced water is used.

Note 2. The Taipei office reported no water withdrawal data from 2023 to 2025 due to its lease arrangement with the ultimate controlling entity, Elite Advanced Laser Corporation. As the premises are shared, water fees were not separately charged, and no independent water data is available.

Wastewater discharge, water consumption, and water recycling and reuse

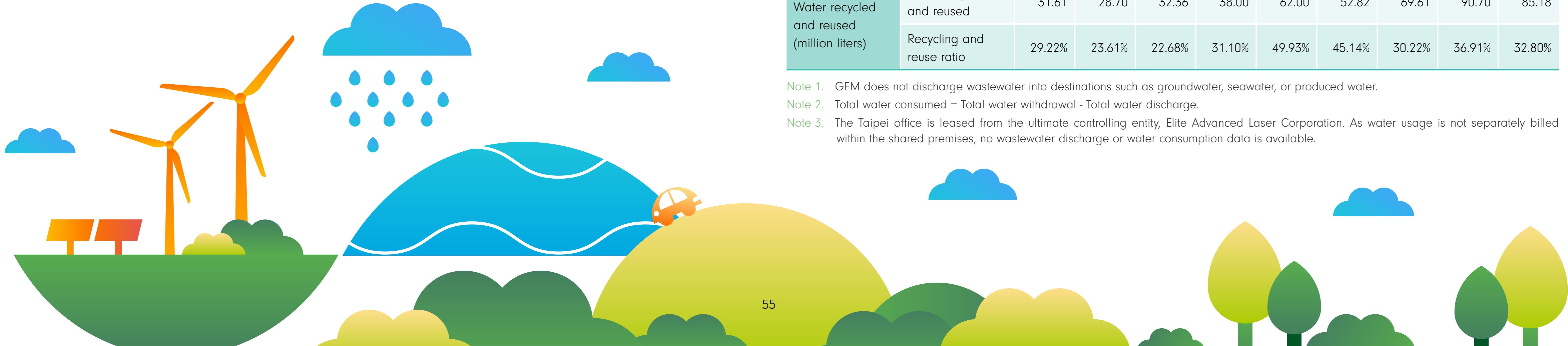
GEM manages wastewater at Shanghai and Hefei factories in accordance with local regulatory discharge standards to safeguard regional water resources and environmental quality. The Shanghai factory conducts regular testing of its wastewater discharge outlets. The monitoring parameters encompass key pollutants, including total tin, ammonia nitrogen, total organic carbon, fluoride, anionic surfactants, total nitrogen, total copper, total phosphorus, petroleum, suspended solids, sulfide, animal and vegetable oils, pH value, biochemical oxygen demand, and chemical oxygen demand, with discharge concentration limits stipulated in accordance with applicable regulations. Treated wastewater is discharged in compliance with local environmental regulations into municipal wastewater treatment plants, municipal sewer systems, or water bodies such as rivers, lakes, and reservoirs. In 2025, total wastewater discharge was 212.00 million liters, representing an increase of 12.69% compared to 2024 (188.13 million liters). Total water consumption in 2025 was 47.68 million liters, a decrease of 17.24% compared to 2024 (57.61 million liters). GEM places strong emphasis on water resource conservation and efficiency. In 2025, the water recycling and reuse rate was 22.68% at the Shanghai factory and 45.14% at the Hefei factory, respectively.

Item		Shanghai factory			Hefei factory			Total		
		2023	2024	2025	2023	2024	2025	2023	2024	2025
Water discharge by destination	Surface water	77.80	82.58	99.42	103.84	105.55	112.58	181.64	188.13	212.00
	Total water discharge	77.80	82.58	99.42	103.84	105.55	112.58	181.64	188.13	212.00
Water consumption (million liters)	Total water consumed	30.39	38.98	43.24	18.33	18.63	4.44	48.72	57.61	47.68
Water recycled and reused (million liters)	Water recycled and reused	31.61	28.70	32.36	38.00	62.00	52.82	69.61	90.70	85.18
	Recycling and reuse ratio	29.22%	23.61%	22.68%	31.10%	49.93%	45.14%	30.22%	36.91%	32.80%

Note 1. GEM does not discharge wastewater into destinations such as groundwater, seawater, or produced water.

Note 2. Total water consumed = Total water withdrawal - Total water discharge.

Note 3. The Taipei office is leased from the ultimate controlling entity, Elite Advanced Laser Corporation. As water usage is not separately billed within the shared premises, no wastewater discharge or water consumption data is available.



Waste diverted from disposal via recycling

GEM enhances raw material circularity by ensuring that valuable non-hazardous waste, such as waste wood, scrap steel, and plastic waste from the Shanghai and Hefei factories, is transferred to qualified recycling contractors for reuse. In 2025, the total volume of waste diverted from disposal through recycling reached 1,409.10 metric tons, a 2.38% decrease compared with 2024.

Waste composition	Disposal method	2024	2025
Non-hazardous waste (metric tons)	Recycling and reuse	1,213.58	553.06
	Other recycling operations	151.42	790.99
	Total	1,365.00	1,344.05
Hazardous waste (metric tons)	Recycling and reuse	78.57	65.05
	Other recycling operations	0.00	0.00
	Total	78.57	65.05
Total weight of waste diverted from disposal via recycling		1,443.57	1,409.10

Note. The Company commissions external waste contractors for waste disposal, and all waste is treated off-site.

Waste disposed through disposal operations

Waste composition	Disposal method	2024	2025
Non-hazardous waste (metric tons)	Incineration (with energy recovery)	51.10	409.34
	Incineration (without energy recovery)	76.62	0.00
	Other disposal operations	0.00	22.95
	Total	127.72	432.29
Hazardous waste (metric tons)	Incineration (with energy recovery)	0.00	12.01
	Incineration (without energy recovery)	62.47	49.86
	Other disposal operations	88.10	50.40
	Total	150.57	112.27
Total weight of waste disposed through disposal operations		278.29	544.56

Note. The Company commissions external waste contractors for waste disposal, and all waste is treated off-site.

Hazardous waste reduction plan

GEM places high priority on hazardous waste management and has established reduction programs to systematically minimize operational environmental burdens and enhance long-term sustainability performance.

Hazardous waste items	Annual reduction plan	2025 total generation (metric tons)	2026 target generation (metric tons)	2026 target reduction
Waste softening solution	An electroplating-softening process is applied to distill water from waste solution at lower temperatures, discharging it to the wastewater system and significantly reducing waste generation.	Shanghai factory 35.14 Hefei factory 29.40	Shanghai factory 35.00 Hefei factory 32.00	Shanghai factory 1.40% Hefei factory 3.77%
Sludge	A new designated storage area for electroplating sludge has been established. By using higher ambient temperatures during summer, the storage holding time is extended, which further reduces moisture content and consequently decreases the overall generation volume of electroplating sludge.	Shanghai factory 26.76 Hefei factory 23.87	Shanghai factory 27.50 Hefei factory 25.00	Shanghai factory 1.80% Hefei factory 7.39%
Tin-containing waste liquid	By optimizing the existing chemical stripping process and transitioning to electro-stripping technology, the factory has significantly reduced the frequency of chemical bath preparation, thereby lowering chemical consumption and reducing waste liquid generation.	Shanghai factory 0.24 Hefei factory 8.53	Shanghai factory 0.50 Hefei factory 9.00	Shanghai factory 40.00% Hefei factory 6.74%
Waste cleaning agents	By enhancing the condensation recovery of waste ST-31 from the upstream cleaning process, the factory has effectively minimized chemical consumption and reduced waste liquid generation	Shanghai factory 6.60 Hefei factory 0.50	Shanghai factory 8.25 Hefei factory 0.50	Shanghai factory 12.00% Hefei factory 11.77%
Waste filters	Utilizing centrifuges to spun-dry waste filter cartridges effectively lowers their moisture content	Shanghai factory 2.56 Hefei factory 0.85	Shanghai factory 3.00 Hefei factory 0.85	Shanghai factory 6.70% Hefei factory 11.70%
Waste acid solution from product rework	Improved chemical usage control to reduce replacement frequency	Shanghai factory 7.05	Shanghai factory 8.0	Shanghai factory 3.75%
Waste acid solution from cleaning tanks	Reused repeatedly	Shanghai factory 0.00	Shanghai factory 0.50	Shanghai factory 20.00%
Rust removal waste liquid	Treated through alkaline neutralization and sedimentation; supernatant is discharged to the wastewater treatment system, and concentrated residue is externally disposed of.	Shanghai factory 2.25 Hefei factory 10.13	Shanghai factory 3.00 Hefei factory 11.00	Shanghai factory 6.70% Hefei factory 4.02%
Waste activated carbon	Lowering activated carbon moisture content	Shanghai factory 4.89	Shanghai factory 4.00	Shanghai factory 5.00%
Waste oil	Use of long-life lubricating oil to extend replacement intervals	Shanghai factory 0.54	Shanghai factory 0.70	Shanghai factory 14.00%
Waste barrel (bottle)	Empty barrels are recycled and reused	Shanghai factory 0.80 Hefei factory 7.45	Shanghai factory 0.50 Hefei factory 8.00	Shanghai factory 20.00% Hefei factory 5.10%
Waste filter cotton	Lowering moisture content	Shanghai factory 0.06	Shanghai factory 0.20	Shanghai factory 25.00%
Waste scrubbing solution from upstream operations	Waste liquid is treated through evaporation and concentration	Shanghai factory 1.96	Shanghai factory 4.00	Shanghai factory 2.50%
Waste scrubbing solution from overflow material removal	Reduction and control of generated volume	Shanghai factory 2.06	Shanghai factory 2.20	Shanghai factory 4.50%
Laboratory waste liquid	Reduction and control of waste generation	Shanghai factory 0.88	Shanghai factory 1.30	Shanghai factory 15.00%



4

Quality talent drives innovation

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4.1 Talent attraction and retention

4.1.1 Human resource diversity

GEM strives to building a diverse, equitable, and inclusive workplace culture. In compliance with local regulations, the Company ensures equal employment opportunities and prohibits differential treatment based on gender, age, race (nationality), marital status, religion, disability, political affiliation, or other personal factors. Talent is regarded as a key strategic asset for sustainable development. As of late December 2025, GEM employed 1,828 full-time employees, with no temporary, guaranteed-hours, or part-time employees. Employees with disabilities totaled 16, representing 0.88% of the workforce. Employees requiring work permits included 11 Filipino employees, accounting for 0.60% of total employees, with no material YoY change.

In terms of age distribution, employees aged between 30 and 50 comprised 74.62% of the workforce, while employees under 30 and above 50 accounted for 18.93% and 6.45%, respectively, reflecting a balanced workforce structure that supports the Company's operational stability and long-term competitiveness. Regarding gender distribution, male employees accounted for 52.13% (953 employees), while female employees accounted for 47.87% (875 employees). GEM aims to continuously enhance an inclusive workplace environment that encourages diverse perspectives, fosters teamwork, and facilitates steady business growth.

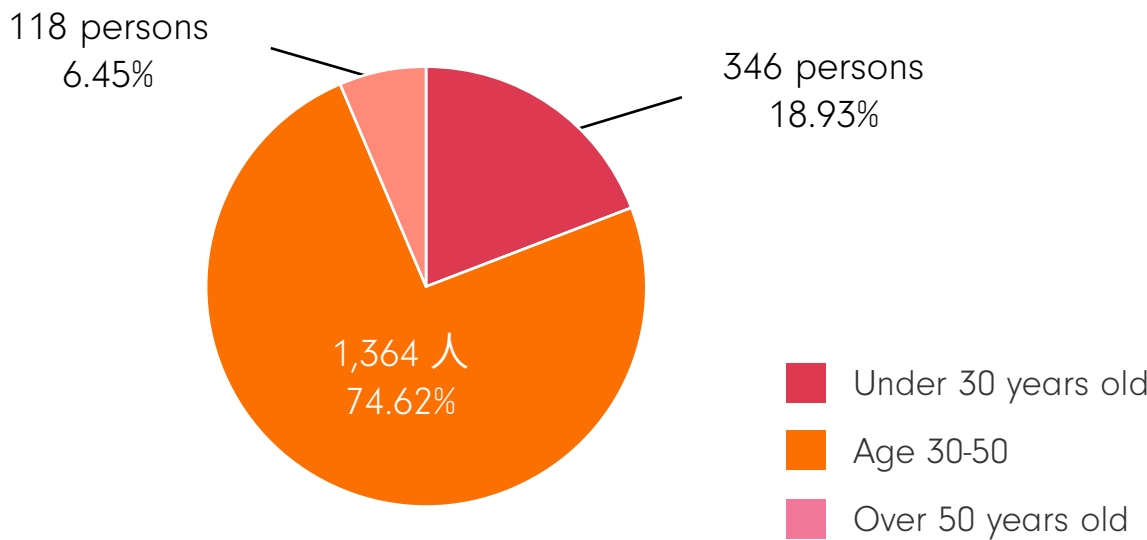
Category	Category	Female			Male			Work region	
		Under 30 years old	Age 30-50	Over 50 years old	Under 30 years old	Age 30-50	Over 50 years old	Taiwan	China
Employment contract	Permanent employees	90	719	66	256	645	52	6	1,822
	Temporary employees	0	0	0	0	0	0	0	0
	Zero-hour contract workers	0	0	0	0	0	0	0	0
	Total	90	719	66	256	645	52	6	1,822
Employment category	Full-time employees	90	719	66	256	645	52	6	1,822
	Part-time employees	0	0	0	0	0	0	0	0
	Total	90	719	66	256	645	52	6	1,822

Note 1. Employee data covers the Taipei office, Shanghai factory, and Hefei factory.

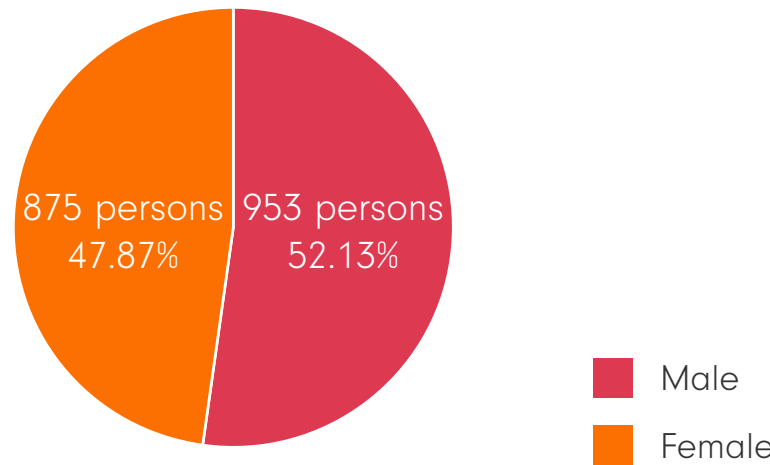
Note 2. Taiwan region refer to the Taipei office; China region refer to the Shanghai and Hefei factories.

Note 3. The disclosure is prepared according to GRI standards. Total employees = permanent + temporary + no guaranteed-hours employees = full-time + part-time employees, as of December 31, 2025.

Age distribution chart



Gender distribution chart



Non-employee workers are individuals without an employment relationship with the Company but whose work or workplace is under organizational control, including agency workers, contractors, and interns. To support operational and technical requirements, the Company mainly engages 298 agency workers in its China operations for machine operation and assistant technical roles within factory settings, with no material change compared to the previous year.

Categories of non-employee workers	Taiwan	China	Total
Agency workers	0	298	298

Note 1. Non-employee worker data covers the Taipei office, Shanghai factory, and Hefei factory.

Note 2. Taiwan region refer to the Taipei office; China region refer to the Shanghai and Hefei factories.

Note 3. Reporting period is as of December 31, 2025.

4.1.2 New employee hires and turnover

In talent recruitment, GEM aligns recruitment activities with departmental and operational development needs. The Personnel Administration Department assists each department in recruitment processes. In 2025, recruitment efforts focused on production-line personnel in the China factories. The Company hired 503 new employees in 2025, corresponding to a new employee rate of 27.52%.

On the other hand, GEM continuously monitors employee turnover trends and conducts analyses into key retention drivers, such as working conditions, compensation and benefits, and individualized career development planning. In 2025, 397 employees left the Company, resulting in a voluntary turnover rate of 21.72%, slightly lower than the previous year, with most turnover occurring in China factory operations. Due to industry characteristics, turnover among frontline production workers in factories tends to be higher. GEM remains committed to retaining key talent. Upon receiving a resignation request, relevant departments actively engage with the employee to ascertain their reasons for leaving while assessing their professional background and career development goals, thereby enhancing overall satisfaction and enhancing long-term talent retention.

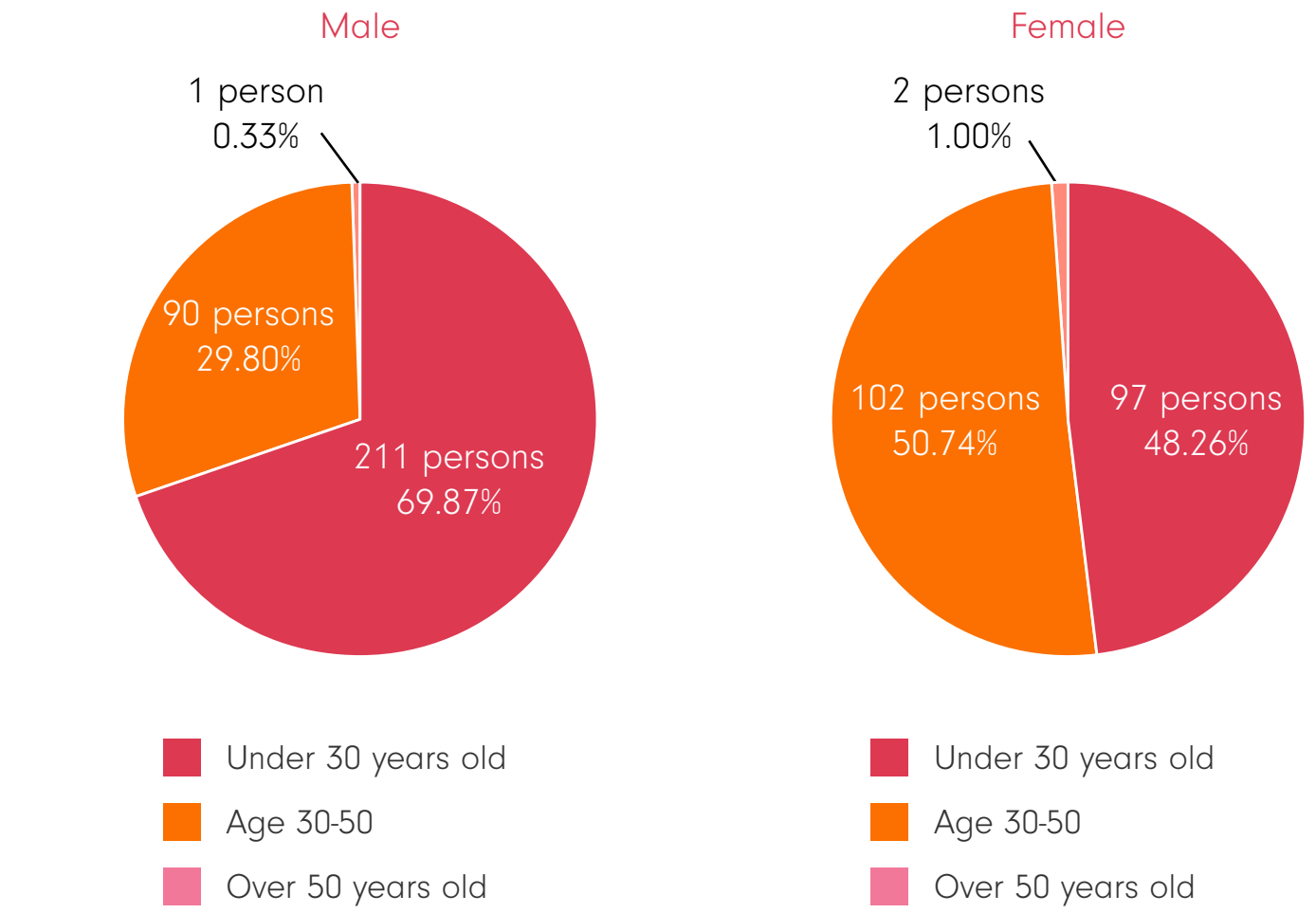
New employee		Taiwan	China	Total
Male	Under 30 years old	0	211	211
	Age 30-50	0	90	90
	Over 50 years old	0	1	1
	Total	0	302	302
Female	Under 30 years old	0	97	97
	Age 30-50	2	100	102
	Over 50 years old	0	2	2
	Total	2	199	201
Total Number of People		2	501	503
New employee ratio (by region)		33.33%	27.50%	27.52%

Note. New employee ratio = Number of new employees in the demographic group / Total number of employees in the demographic group.

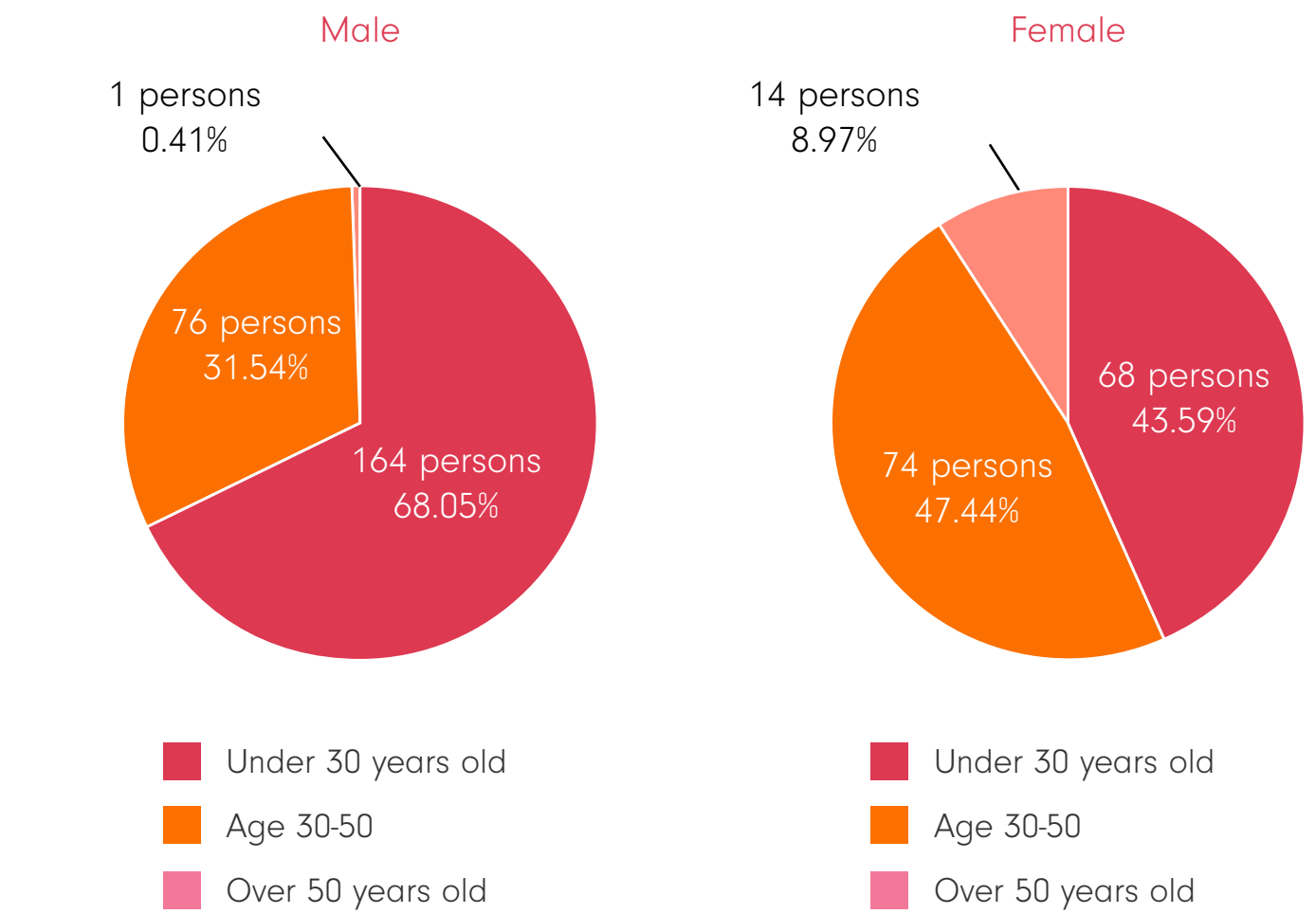
Employee turnover (including voluntary and involuntary)		Taiwan	China	Total
Male	Under 30 years old	0	164	164
	Age 30-50	0	76	76
	Over 50 years old	0	1	1
	Total	0	241	241
Female	Under 30 years old	0	68	68
	Age 30-50	2	72	74
	Over 50 years old	0	14	14
	Total	2	154	156
Total Number of People		2	395	397
Employee turnover ratio (by region)		33.33%	21.68%	21.72%

Note. Employee turnover rate = Number of turnovers in the demographic group / Total number of employees in the demographic group.

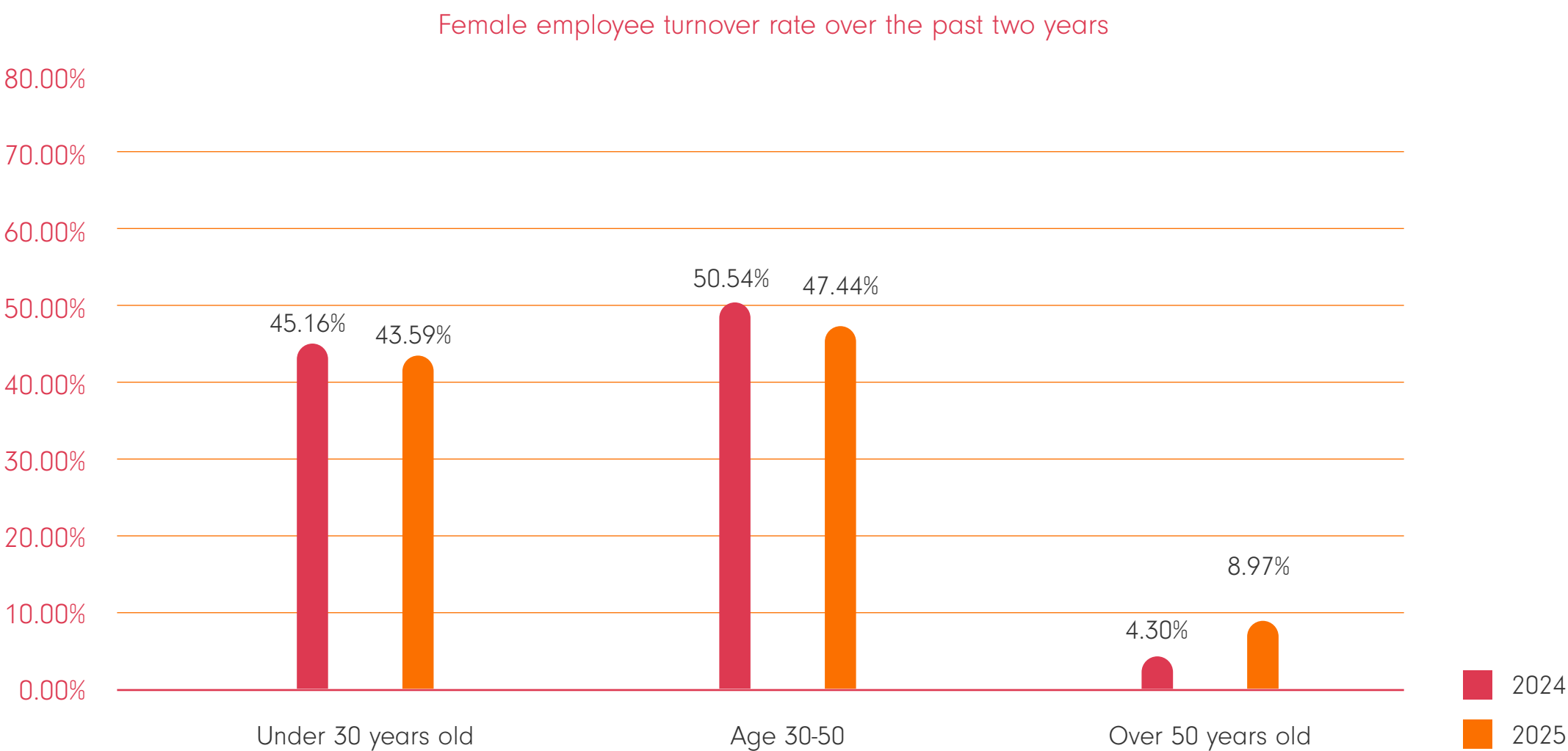
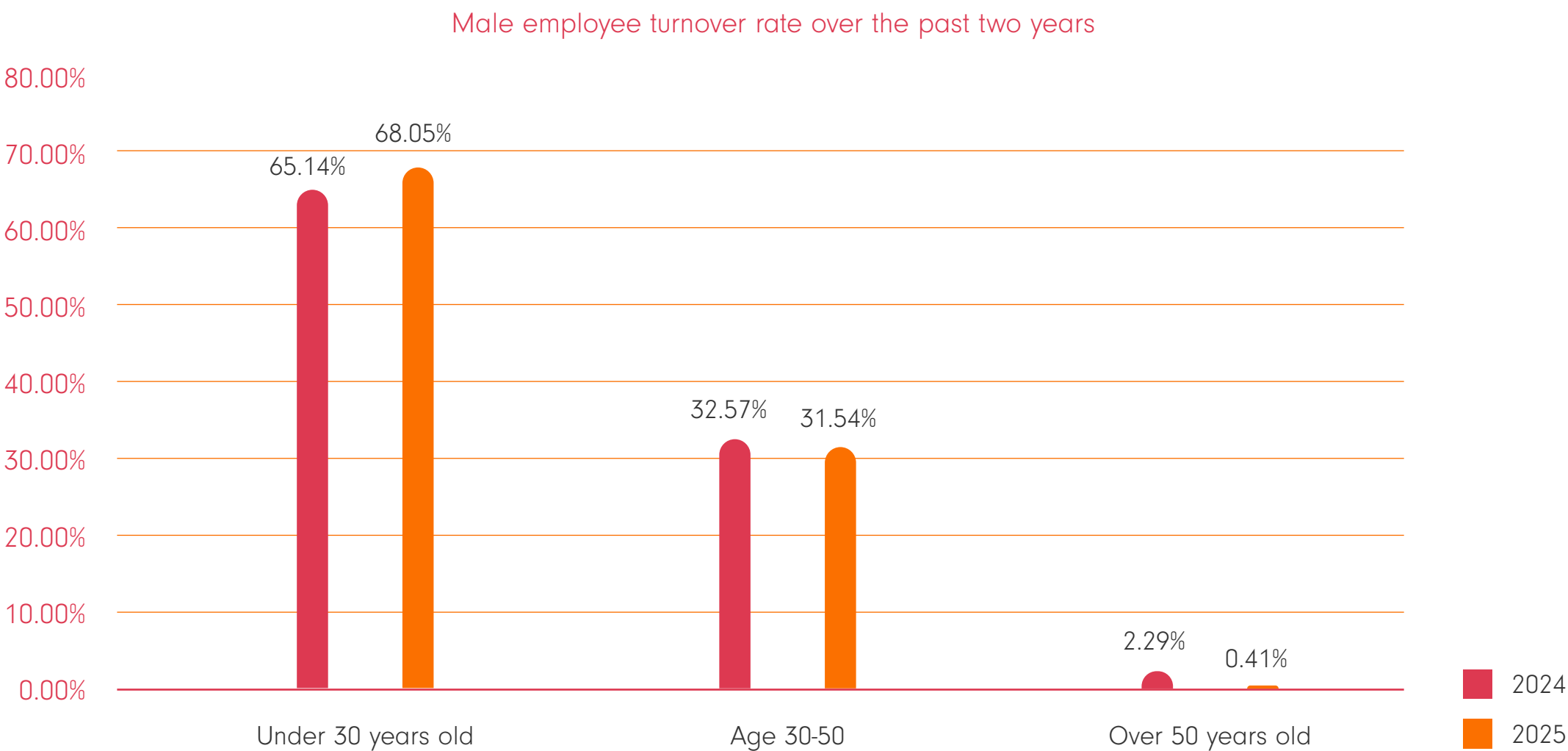
Age distribution chart of new employees



Employee turnover age distribution chart



Employee turnover rate trends over the past two years



4.1.3 Compensation system

GEM regularly reviews market salary levels, overseas labor market conditions, and industry compensation practices to provide competitive and fair compensation and benefits programs, including overtime pay, annual bonuses, and retirement contribution plans. The aim is to enhance employee satisfaction, strengthening retention, and attracting high-caliber talent. The overall compensation system is designed based on the "Employee Salary and Welfare Management Policy" and relevant regulations. It is regularly reviewed and adjusted to remain competitiveness. When profitable, the Company distributes 5% to 10% of annual profits as employee compensation in shares or cash. At the same time, GEM conducts annual reviews to ensure wages exceed statutory minimum wage requirements to protect the rights of grassroots employees and other workers.

The Company follows a position-based compensation policy and is committed to equal pay for equal work regardless of gender or other personal characteristics. Compensations are made based on educational background, professional experience, job responsibilities, performance outcomes, and overall Company operating conditions, without discrimination based on gender, age, race, religion, or political affiliation. Under this fair principle, the Company not only implements regular merit-based salary adjustments to recognize outstanding performance, but also adopts a tiered salary increase mechanism designed to provide phased incentives for grassroots employees. Newly hired level-1 shift operators or inspectors who complete three months of service are evaluated, with the top 10% of outstanding performers receiving salary adjustments. Upon completion of six months, employees ranked within the top 30% (excellent) and top 50% (good) are eligible for additional salary increase incentives. Employees demonstrating exceptional performance after one year of service may also qualify for accelerated promotion opportunities, capped at 15% of eligible employees. The average salary adjustment rate in 2025 was 2.98%.

In 2025, the ratio of average annual fixed compensation between female and male grassroots employees in equivalent positions across major operational locations is presented in the table below. Any observed differences were primarily attributable to variations in individual qualifications and experience rather than gender-based disparities.

Ratio of basic salary and remuneration of women to men						
Important operational locations	Taipei Office		Shanghai factory		Hefei factory	
Category	Female	Male	Female	Male	Female	Male
Management	0.70	1	0.73	1	1.05	1
Non-management	-	-	0.85	1	0.92	1

Note. In Taiwan, management refers to employees at the Assistant Manager level and above, while non-management refers to all other personnel; In China, management comprises employees between grades M15 and M4 (inclusive), with non-management comprising all other employees.



Parental leave and childbirth benefits

In accordance with Taiwan's Gender Equality in Employment Act and The Regulations for Implementing Parental Leave Without Pay for Raising Children, GEM has established a comprehensive unpaid parental leave program. All eligible employees, regardless of gender, may apply for unpaid parental leave to support employees in balancing career and family responsibilities. China operational locations also provide childcare-related benefits in compliance with local laws and regulations. Out of 189 employees eligible for parental leave in 2025, 181 applied, resulting in a 100.00% return to work rate and an 82.42% retention rate. These figures highlight GEM's commitment to supporting family needs, empowering staff to thrive at work during any life stage while balancing a healthy lifestyle.

Parental leave statistics			
Item	Female	Male	Total
2025 eligible employees for parental leave	82	107	189
2025 actual applicants for parental leave	78	103	181
Number of employees who should be reinstated after childcare leave in 2025	78	103	181
Number of employees who were actually reinstated after childcare leave in 2025	78	103	181
Number of employees who were actually reinstated after childcare leave in 2024	88	94	182
Number of employees who were actually reinstated and remained employed for at least a year after childcare leave in 2024	73	77	150
Return to work rate (%)	100.00%	100.00%	100.00%
Retention rate (%)	82.95%	81.91%	82.42%

Note 1. Return-to-work rate (%) = Employees who returned to work in 2025 ÷ Employees expected to return to work in 2025 × 100%.

Note 2. Retention rate (%) = Employees remaining employed 12 months after returning to work in 2024 ÷ Employees who returned to work in 2024 × 100%.

Note 3. Statistics cover the Taipei Office, Shanghai factory, and Hefei factory.

4.2 Talent cultivation and development

4.2.1 Education and Training Framework

GEM is aware that talent is critical for the Company's competitiveness and sustainable operations, and thus it has vigorously established a comprehensive employee education and training plan. Based on job competencies, business development, and regulatory mandates, the Personnel Administration Department plans annual internal and external training. They also track completion and evaluation records, utilizing the training system to cultivate the professional knowledge and skills required for employees' roles, thereby strengthening professional capabilities and enhancing corporate competitiveness.

In 2025, GEM organized multiple internal and external training sessions covering all employees. The course framework included professional competency training for various departments and factory-wide emergency response drills, focusing on professional knowledge enhancement, machinery operation, and occupational safety training to strengthen competencies and deepen professional application and safety awareness. For production line operators, inspectors, and technicians, the Company has established a comprehensive skills training program managed by dedicated personnel, committing to strengthening the cultivation and retention of frontline factory employees. For new employees, GEM also designs comprehensive orientation training, including basic professional knowledge training and introductions to corporate systems and regulations, helping new employees quickly understand the corporate culture and adapt to the work environment. In 2025, the completion rate of our education and training programs reached 100%, with cumulative employee training hours totaling 47,646 hours.

Additionally, in response to the Company's sustainability vision, GEM continues to reinforce all employees' awareness and practice of sustainable development, promoting training that covers climate change, carbon management, environmental policies, and sustainability management systems. The course includes introductions to international standards such as the ISO 14001 Environmental Management System and ISO 14064-1 GHG Inventory, as well as energy management and water resource management practices. Meanwhile, all new employees are required to complete foundational sustainability training, and management from each unit must regularly participate in advanced courses to ensure the management team possesses the capability to drive climate and environmental initiatives. GEM utilizes diverse formats, including online learning, internal training, and in-person seminars, to strengthen all employees' awareness of and action toward sustainable governance.

2025 Education and Training Plan

Trainee	Course content	Average training completion rate
New employees	- New employee orientation (including ESD) - Fire safety knowledge, fire equipment usage training	100%
All factory personnel	<u>Quality and tech management</u> - APQP/PPAP & CP/MSA & SPC core tool training - Reliability basics/PMC logistics management - Annual periodic re-certification and assessment for ESD, RoHS, SPC, and SPEC qualifications <u>Environmental, safety, and health</u> - Fire/Earthquake/Plant collapse escape drills - Fire safety knowledge re-training; fire prevention management - Production safety accident warning training session - Quarterly occupational safety and health promotion meetings <u>Legal, compliance, and general competencies</u> - All-staff production safety responsibility system and relevant provisions of the Work Safety Law - Anti-fraud knowledge training - Environmental laws and regulations training (QC080000) - Accountant education and training	100%
Relevant operators and exposed personnel across all departments	<u>Professional operation safety training</u> - Forklift, radiation safety, special equipment safety (pressure vessel/pipeline operations) - Hazardous chemicals/hazardous waste - Rented factory fire safety training - Production safety accident warning training <u>Emergency drills</u> - Forklift, X-RAY safety, machine accidents, electric shock training - Confined space emergency drills - Water/power outage emergency drills - Hydrogen leak emergency drills - Epidemics emergency drills - Emergency drills for hazardous chemicals, waste leaks, and general chemicals <u>Fire safety and emergency medical services</u> - Fire control room operation - Safety & health training for Red Cross first-aid responders and first aiders - AED & CPR training - Occupational health basics; mental health and on-site first-aid	100%

Employee training statistics					
Category	Management		Non-Management		Total
	Male	Female	Male	Female	
Total Training Hours	398.50	290.00	26,146.50	20,811.00	47,646.00
Total number of employee in the category	32	10	921	865	1,828
Average training hours	12.45	29.00	28.39	24.06	26.06

Note. Management personnel are defined as: Those holding the rank of Assistant Manager or higher; project specialists, technical specialists, experts, consultants, and special assistants are deemed non-management personnel and are excluded from the statistics.

4.2.2 Performance evaluation system

GEM is committed to maintaining a fair, open, and transparent performance management system and has established the "Performance Evaluation Regulations." Through objective evaluation standards, the Company aligns employee career development with corporate objectives, enhances employee motivation and creativity, and improves overall operational efficiency. Evaluation results enable managers at all levels to fully assess employee performance and serves as an important reference for compensation adjustments, promotions, and other incentive mechanisms. The Company conducts annual performance evaluations, and the outcomes are classified into five distinct tiers (ranging from Grade A+ to D) according to work performance, which also act as a metric for employee advancement and bonus remuneration. Employees who disagree with their evaluation results can appeal to the reviewing supervisor, with the Personnel Administration Department facilitating the coordination and communication process.

Employee performance evaluation					
Employee category	Management		Non-management		Total
	Male	Female	Male	Female	
Number of employees receiving performance and career development reviews	30	9	921	863	1,823
Total number of employee in the category	32	10	921	865	1,828
Percentage of employees within this category receiving performance evaluation	93.75%	90.00%	100.00%	99.77%	99.73%

Note. Employees hired after July 1 of the current year and those above certain positions are excluded from reviews; therefore, the overall evaluation rate is under 100%.

4.2.3 Labor/management relations and communication

GEM systematically monitors and respects employees' diverse feedback, convinced that favorable labor/management relations are critical to bolstering group solidarity, elevating work productivity, and advancing the organizational climate. Consequently, the Company maintains an open and transparent environment with clear labor/management communication channels, encouraging everyone to speak up freely. Such measures protect employee rights while fostering harmony in labor/management relations, nurturing a supportive and inclusive corporate culture. GEM has instituted diverse communication channels to gather and respond to employee feedback and concerns, including the establishment of employee suggestion boxes and the implementation of employee satisfaction assessment mechanisms. A written employee satisfaction survey is administered biennially to evaluate the practical requirements of personnel, ensuring employee rights are protected to uphold equitable labor/management relations.

1,344 employees engaged in the satisfaction survey during 2025, yielding 1,308 valid questionnaires. Assessment dimensions encompassed the management level, organizational culture, work environment, remuneration and benefits, and training plans; the employee satisfaction rating for 2025 was 72.49%. Survey results showed that attendance, remuneration and benefits were the main factors affecting satisfaction. Based on this feedback, GEM has optimized these systems and adjusted our remuneration and benefits policy, thereby effectively boosting satisfaction through open, two-way communication.

Labor unions are active across our China sites, bringing collective bargaining agreement coverage to 100% for all employees (in Taiwan and China). We have had zero labor disputes or freedom of association violations since starting operations, and we pledge to comply with local laws and international labor standards to maintain stable and harmonious labor/management relations. For layoffs and severances under Articles 11, 13, and 16 of Taiwan's Labor Standards Act and China's Labor Contract Law, we guarantee to meet local minimum notice periods and handle all transitions properly to protect our employees' interests.



Employee suggestion box and complaint channel

The suggestion box offers a secure channel for all employees to speak up freely, whether to report concerns about their rights or to share feedback on company operations and decisions.

- Complaint phone: (886)2-2248-0680
- Complaint email: [IR @ gemservices.com](mailto:IR@gemservices.com)



Employee satisfaction survey

Through written questionnaires to execute employee satisfaction surveys, we analyze dimensions of employee satisfaction and dissatisfaction alongside corresponding factors based on the resulting data. The opinions and recommendations feedback by personnel constitute an essential reference for the Company's formulation and amendment of operational guidelines and the implementation of various policies.

4.3 Human rights, diversity, and inclusion

4.3.1 Human rights policy communication

GEM promotes diversity, equity, and inclusion and strictly complies with local laws and regulations, including the Labor Standards Act, Labor Contract Law, Employment Service Act, and Act of Gender Equality in Employment. The Company enforces a zero-tolerance policy toward discrimination and harassment and prohibits discrimination based on race, gender, age, marital status, religion, political belief, sexual orientation, or disability, ensuring a fair, safe, and dignified workplace that is protective of our employees' basic human rights. GEM adheres to international human rights standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. The Company has established the "RBA System Control Procedure" in accordance with the Responsible Business Alliance Code of Conduct and provides grievance channels, including dedicated email boxes and publicly available management contact information, to address human rights concerns. Furthermore, the labor union operates as an independent organization, providing oversight and constructive input on employee benefits and human rights matters, thereby reinforcing fair employee treatment and respect across the organization.

4.3.2 Human rights topic management

GEM stipulates within the "Sustainable Development Best Practice Principles" and "RBA System Control Procedure" a public pledge prohibiting the employment of child labor. The Company shall not solicit workers through violence, coercion, confinement, human trafficking, or alternative illicit methods. All labor must be rendered voluntarily, and employees maintain the entitlement to terminate or dissolve employment contracts at any time without facing penalties. Forced labor and relevant coercive practices, including but not limited to intimidation, physical assault, or verbal abuse, are forbidden. Concerning supplier management, in its capacity as an RBA member, GEM pledges to regularly review and oversee suppliers' compliance status regarding the RBA Code of Conduct. If required, remediation protocols will be initiated to immediately halt child labor or forced labor, report to competent authorities, appropriately relocate child laborers while absorbing all associated costs, and offer corresponding assistance in instances of mistaken child labor or forced labor deployment, guaranteeing that such human rights non-compliances are thoroughly resolved. In 2025, no incidents of workplace discrimination, forced labor, or child labor exploitation transpired that led to administrative sanctions by competent authorities, nor were any operational locations or suppliers identified as posing material risks concerning child labor or forced labor.

To effectively protect human rights and maintain an open, transparent corporate culture, GEM builds human rights education and training into new employee orientation and annual training for all staff, raising awareness and lowering relevant risks. Additionally, GEM has established a complaint mailbox and hotline on its [official website](#) to achieve thorough communication and effectively address human rights issues. No complaints related to human rights violations were received in 2025.

4.4 Occupational safety and health

4.4.1 Occupational safety and health management and evaluation

Occupational health and safety management system

GEM pledges to create a safe, healthy, and supportive operating environment for its personnel and business associates, such as suppliers and contractors, maintaining rigorous compliance with domestic and international occupational safety and health standards and regulations. The Shanghai Factory and Hefei Factory of GEM both obtained ISO 45001 Occupational Health and Safety Management System certification, covering all 1,828 employees and 298 non-employee workers within the facilities, with total coverage reaching 100% (with employees making up 85.98% of the workforce and non-employee workers making up 14.02%). The management system certification details and certificates are available on our [corporate website](#).

GEM has established the "Occupational Health and Safety Production Policy" as the highest guiding principle for the Company's occupational health and safety management. The Vice President is responsible for endorsing occupational safety and health directives, setting annual objectives, targets, and management solutions, and overseeing performance evaluations. These corporate goals are broken down into specific departmental plans and evaluation regulations. The EHS Department monitors implementation progress across all departments and carries out management measures including safety inspections, workplace patrols, education and training programs, and health promotion initiatives. Guided by a philosophy of continuous improvement, GEM continuously enhances its internal management systems to improve occupational health and safety performance. We have also rolled out internal regulations under the "Safe Production Responsibility System," detailing specific safety duties for each production line. Operators must sign these agreements to ensure the effectiveness of our safety policies, creating a healthy workplace where safety culture is everyone's job. GEM's Occupational Health and Safety Production Policy and corresponding objectives are described as follows:

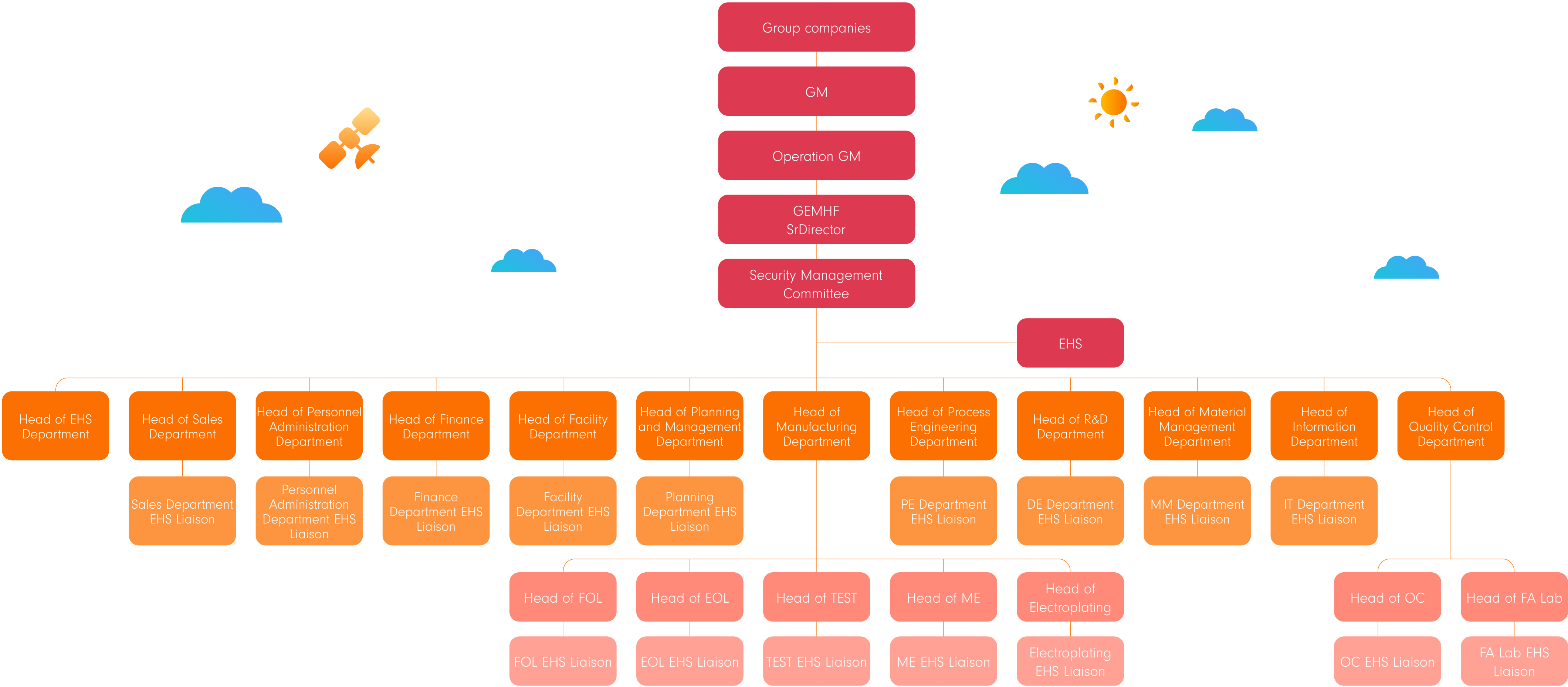
	<u>Occupational Health and Safety Production Policy</u>	
	Safety first, prevention-oriented, comprehensive governance, with full participation in continuous improvement.	
2025 Annual Objectives		2025 Objective Achievement Progress
Number of major fatal accidents: 0		Achieved
Number of major production safety accidents: 0		Achieved
Number of work-related serious injuries within the factories: 0		Achieved
Number of work-related ill health cases: 0		Achieved
Safety training and drill completion rate: 100%		Safety training and drill completion rate: 100%
Safety hazard rectification rate targets for the Shanghai and Hefei factories: over 95% and 98%, respectively		Safety hazard rectification rate targets for the Shanghai and Hefei factories: over 98.6% and 100%, respectively
Note 1. Per the Regulations on the Reporting, Investigation and Disposition of Production Safety Accidents, a major internal safety accident is defined as a single event causing 1–2 deaths, serious injuries to 1–9 people, or direct economic losses between NT\$4.5 million and NT\$45 million. Note 2. A serious on-site work injury is defined as an accident rated as a Grade 9 disability.		



Employee consultation and communication

To fulfill occupational health and safety policies and targets, and build unobstructed communication channels, GEM has formed the Safety Management Committee. Serving as the highest deliberative authority for occupational safety and health management, the Committee convenes quarterly to monitor plan execution status, and evaluates, reviews, and revises various occupational safety and health management operations to foster continuous improvement towards annual goals. The Company recorded zero workplace safety or occupational health-related disputes or accidents in 2025.

Safety and health organizational framework



GEM is committed to maintaining a safe and healthy workplace by regularly organizing EHS education and training programs and translating regulatory requirements into concrete management practices to foster a high-quality occupational environment. In addition to basic occupational safety and health training for all employees, the Company also develops specialized occupational hazard prevention courses, first-aid training, and emergency response drills for employees engaged in manufacturing operations and related positions. Moreover, the Company conducts company-wide fire drills biannually to reinforce employees' safety awareness and emergency preparedness capabilities. In 2025, the Shanghai factory organized five education and training sessions and emergency response drills for various departments to enhance occupational hazard prevention awareness. Meanwhile, the Hefei factory conducted 13 emergency drills covering evacuation procedures, special equipment operations, and environmental emergency response scenarios. Through safety, occupational health, and environmental education programs, GEM aims to raise employees' awareness of occupational hazard prevention. The Company has also established dedicated occupational safety and health bulletin boards to regularly communicate relevant information and promote internal health and safety awareness initiatives. These efforts help employees become familiar with emergency response procedures and reporting mechanisms while bolstering their knowledge and skills related to workplace safety and hazard prevention, thereby improving professional competency and emergency response capabilities and reducing accident risks arising from unsafe behaviors.

Occupational Safety and Health Education and Training Performance			
Training audience	Training category	Course name	2025 training hours
Employee	General occupational safety training	Occupational safety and health education and training for general personnel	1,006
		Occupational safety and health promotion meetings	22
		Class-1 Occupational Safety and Health Affairs Manager (Initial Training)	48
	Firefighting and first aid training	Firefighting drills	2,764
		Fire safety management education and training	150
		AED & CPR training	38
		Occupational safety and health education and training for first aid personnel	63
Contractors	Pre-entry training	Occupation safety training for on-site construction operations	255

Firefighting drills and first aid training



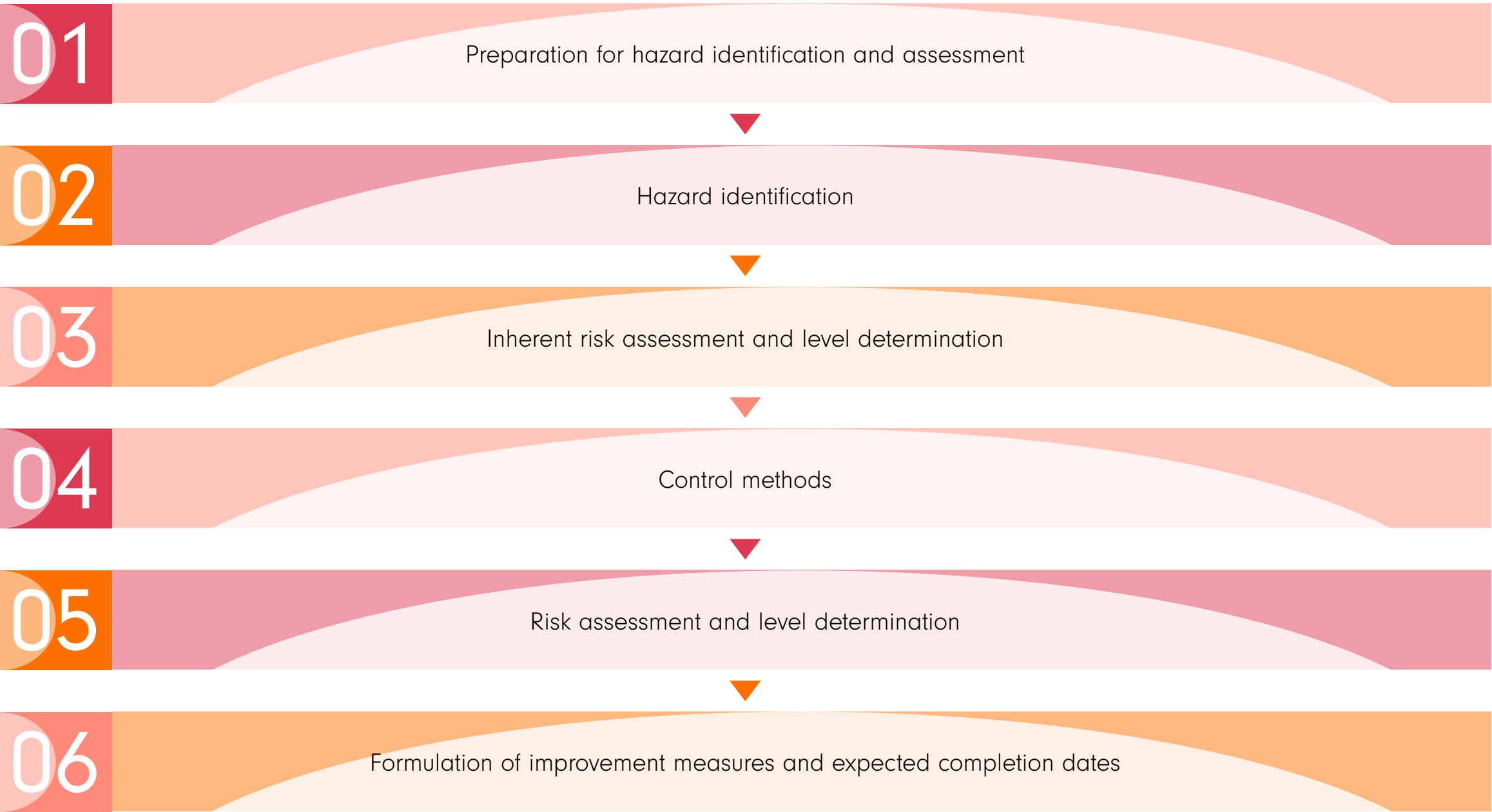
Additionally, GEM actively maintains communication with non-employee workers and has established the "Related Party Management Control Procedure" to implement on-site management measures for contractors, lessees, external construction personnel, and visitors. Contractors are required to sign the "Related Party On-Site Operational Environment Safety Agreement" with the Company's safety management department. Before entering work areas, contractors must participate in pre-job safety meetings, receive notifications regarding workplace hazards, and complete on-site occupational safety training. In doing so, GEM can effectively enhance occupational safety and health management across all phases of construction activities.

4.4.2 Occupational safety protection

Environmental safety risk identification and management

To manage occupational safety and health risks associated with operational activities and production testing processes, GEM conducts systematic hazard identification and risk assessment procedures to identify EHS risks and establish corresponding control measures, thereby minimizing operational risks across factory activities. The Company has implemented the "Hazard Identification and Risk Assessment Control Procedure," under which each department performs hazard identification based on production workflows and work environments. Assessment scope includes raw materials, hazardous chemicals, production equipment, fire safety systems, and workplace conditions, serving as the foundation for subsequent EHS risk evaluations. Hazard identification focuses primarily on chemical, physical, biological, psychosocial, and ergonomic hazards. Based on identification results, departments conduct risk grading assessments and compile the outcomes into the "Hazard Risk Assessment and Significant Hazard Inventory." The risk assessment methodology evaluates hazards according to three criteria: likelihood of occurrence (L), exposure frequency (E), and consequence severity (C). Hazards are classified into Grades A through D to support risk prioritization, identification of significant potential risks, and development of corresponding mitigation and improvement measures.

Hazard identification and risk assessment process



GEM classifies risks into four categories: low risk, general risk, significant risk, and high risk. High-risk activities require control measures and risk reduction before work may begin. Based on the 2025 hazard identification and risk assessment outcome, no high-risk hazards were identified. Other potential hazards that may affect personnel primarily involve physical risks associated with work environment conditions, including machinery operational safety within factories. Operating environments with potential risks have been incorporated into continuous monitoring and tracking programs to identify and eliminate potential hazards and risks. GEM's main risk management measures are outlined below:

Risk management measures

-  GEM continues strengthening hazard investigation and corrective management by rigorously implementing the "Five-in-Place" principle, including awareness in place, management in place, inspection in place, corrective action in place, and learning in place.
-  Intensify the monitoring and inspection of latent hazards concerning electrical safety within the work environment, and timely replace non-compliant electrical installations. Require personnel to rigorously adhere to safety operation protocols during execution, wear mandatory protective gear, and implement necessary precautionary measures
-  The Company has further enhanced its "Safety Objective Assessment Management Measures" by incorporating risk management performance into assessment indicators under the principles of "tiered management, tiered assessment, and accountability at every level," thereby strengthening the rationality, accountability, and practical implementation of performance management.
-  Reduce the accumulation of materials within designated work zones inside production workshops to ensure unobstructed safety pathways. Rigorously enforce post-specific operating protocols, strictly execute a 24-hour stock inventory control procedure for hazardous chemicals located in production zones, and regularly audit the integrity of firefighting infrastructure alongside conducting fire drills.
-  Refine equipment safety rules and distribute protective equipment such as gas masks, gloves, masks, and earplugs on time to help staff raise their self-protection awareness and avoid work-related ill health and hazards.
-  Formulate safety risk advisory cards tailored to specific high-risk operations, clearly detailing potential accident types and consequences, while prescribing corresponding emergency response protocols.

GEM mitigates the negative impacts of occupational health and safety incidents on corporate operations and workplace safety through hazard prevention measures. For personnel assigned to relatively higher-risk work environments, the Company arranges specialized operational risk training to ensure that operators are equipped with the competencies for hazard identification and risk avoidance. Employees may stop work and evacuate to a safe location when facing imminent danger, provided other personnel are not placed at risk. No disciplinary action will be taken in such cases.

In 2025, no severe work-related injuries or legally defined work-related ill health incidents occurred among employees or other non-employee workers, reflecting the effectiveness of our proactive preventive and protective measures. The Company recorded five cases of work-related injuries in 2025, all in factories. Incidents mainly occurred during walking, stair use, equipment adjustment, and cart operations, resulting in minor injuries such as fractures caused by slips, falls, or equipment-related obstructions. All injured personnel received immediate medical treatment. Corrective actions included strengthening equipment operation training, replacing potentially hazardous equipment, and installing warning signs to improve workplace safety awareness and minimize accident risks to protect our employees' work safety.

Work-related injury statistics		
Item	Employee	Non-employee
Total working days in 2025 (days)	452,039	86,645
Total working hours in 2025 (hours)	4,207,010	727,959
Number of recordable workrelated injuries	5	0
Number of severe work-related injuries	0	0
Number of lost working ways (days)	108	0
Injury Rate (IR)	0.24	0
Lost Day Rate (LDR)	5.13	0

Note 1. Severe work-related injuries refer to "injuries resulting from work-related causes that lead to death, or render workers unable or difficult to recover to their pre-injury health status within 6 months."

Note 2. Injury Rate (IR) = (Total number of work-related injuries / Total working hours) * 200,000.

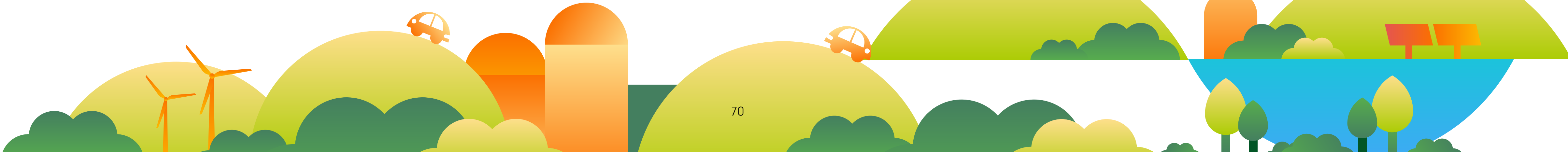
Note 3. Lost Day Rate (LDR) = (Total number of lost working days / Total working hours) * 200,000.

Note 4. Zero fatalities arising from work-related injuries and zero severe work-related injury events were recorded during 2025

Occupational health services and health promotion plans

In accordance with local statutory requirements, GEM implements health promotion initiatives, which include biennial health examinations for the entire workforce, as well as supplemental annual medical checkups tailored for personnel in designated operational roles within the factory zones. Moreover, the Company irregularly conducts health awareness seminars, administers free vaccinations, and arranges for employees to attend first-aid training. Furthermore, the Taipei Office is staffed with an on-site nurse to provide professional health consultation services. The Shanghai and Hefei factories are equipped with nursing rooms within their premises, demonstrating corporate care by fully considering the needs of employees.

Health courses	Event participation	Employee satisfaction feedback
Occupational Health and Safety Training	Total number of people: 197	Satisfied
Radioactive Incident Emergency Drills and Training	Total number of people: 25	Satisfied
Training on laws, regulations, and rules related to occupational safety and health	Total course duration: 2 hours, total participants: 5 people	Satisfied
Building an occupational health management system	Total course duration: 1 hours, total participants: 5 people	Satisfied
Selection, use, and management of personal protective equipment (PPE) for work-related ill health	Total course duration: 1 hours, total participants: 5 people	Satisfied
Work-related ill health and hazard factor identification and management	Total course duration: 2 hours, total participants: 5 people	Satisfied
Occupational health monitoring	Total course duration: 2 hours, total participants: 5 people	Satisfied



4.5 Social participation

GEM values corporate social responsibility and continuously identifies community engagement opportunities that align with its corporate culture and operational development. Through diverse social outreach initiatives, the Company actively supports local communities and promotes inclusive community development. The Company encourages employees to participate in public welfare and volunteer activities and has long invested in community service initiatives, including elderly care, meal assistance programs, community traffic support, and environmental greening activities, thereby enhancing interaction with local communities. Through volunteering, public welfare sponsorships, and social partnerships, GEM continues applying its corporate influence to fulfill its social responsibilities and work alongside local communities to generate positive social value.

Volunteer services and social engagement

Promote public welfare activities related to environmental protection, energy conservation, and green, low-carbon living

Event description

To support World Environment Day 2025, the Hefei factory organized an environmental awareness activity led by the responsible factory staff and supported by EHS personnel. The program covered topics including sustainable development, energy use, and waste management to promote environmental awareness and green, low-carbon concepts among employees.



Event investment

- A total of 5 employees participated
- Contributing 28 volunteer hours
- Invested NT\$ 11 thousand

Event achievements

- The beneficiaries were all factory employees.

Community care visits for elderly residents aged 80 and above

Event description

The Company visited local elderly residents aged 80 and above, providing them with essential daily items like rice and cooking oil to strengthen ties and foster positive relationships with the local community.



Event investment

- A total of 2 employees participated
- Contributing 2 volunteer hours
- Invested NT\$ 21 thousand

Event achievements

- Total number of beneficiaries: 45
- The external participating organization was the Shixin Residential Committee of Linhu Community, with 5 people participating

The Company donated electric bicycles to the local neighborhood where the company is located for patrol use.

Event description

Donated electric bicycles to the local neighborhood where the company is located for patrol use.



Event investment

- A total of 2 employees participated
- Invested NT\$ 32 thousand

Event achievements

- The beneficiaries were all community residents

Provided meal support services

Event investment

- A total of 2 employees participated
- Invested NT\$ 25 thousand

Event achievements

- Total number of beneficiaries: 500



Community volunteer services



Event description

Voluntarily participated in community environmental greening initiatives



Event description

Summer cooling public welfare activity



Event description

Volunteer community traffic control



Event description

Employee voluntary blood donation

Appendix

GRI Standards Content Index	73
SASB Content Index	81
TCFD Climate-Related Financial Disclosures Index	82
Reference Table for the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"	83
CPA's Limited Assurance Report	85

GRI Standards Content Index

Statement of use	GEM Services, Inc. has prepared and reported the disclosures for 2025 (covering the period from January 1, 2025, through December 31, 2025) in accordance with the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	As of the reporting period of this report, no applicable GRI Sector Standards have been officially published

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
General disclosures					
GRI 2 General disclosures 2021	2-1	Organizational details	Company profile	4	
	2-2	Entities included in the organization's sustainability reporting	About the report	3	
	2-3	Reporting period, frequency and contact point	About the report	3	
	2-4	Restatements of information	About the report	3	
	2-5	External assurance	About the report	3	
	2-6	Activities, value chain, and other business relationships	Company profile 2.4.1 Supply chain overview	4 38	
	2-7	Employee	4.1.1 Human resource diversity	59	
	2-8	Workers who are not employees	4.1.1 Human resource diversity	59	
	2-9	Governance structure and composition	Sustainability governance framework 1.1.1 Corporate governance framework	8 19	
	2-10	Nomination and selection of the highest governance body	1.1.2 Operation of the Board of Directors	22	
	2-11	Chair of the highest governance body	1.1.1 Corporate governance framework	19	
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability governance framework	8	
	2-13	Delegation of responsibility for managing impacts	Sustainable development strategy	9	
	2-14	Role of the highest governance body in sustainability reporting	About the report Sustainable development strategy	3 9	

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
GRI 2 General disclosures 2021	2-15	Conflicts of interest	1.1.2 Operation of the Board of Directors	22	
	2-16	Communication of critical concerns	Sustainability governance framework Stakeholder engagement	8 10	
	2-17	Collective knowledge of the highest governance body	1.1.2 Operation of the Board of Directors	22	
	2-18	Evaluation of the performance of the highest governance body	1.1.2 Operation of the Board of Directors	22	
	2-19	Remuneration policies	1.1.2 Operation of the Board of Directors	22	
	2-20	Process to determine remuneration	1.1.2 Operation of the Board of Directors	22	
	2-21	Annual total compensation ratio	Highest-paid individual compensation to median employee compensation ratio: 1,860.60%. Highest-paid individual compensation increase to median increase ratio: 56.12%.	-	The compensation ratio is calculated by dividing the highest-paid individual's total annual compensation by the median total annual compensation of all employees (excluding the highest-paid individual). The increase ratio is calculated by dividing the highest-paid individual's annual total compensation growth rate by the median total annual compensation growth rate of all employees (excluding the highest-paid individual).
	2-22	Statement on sustainable development strategy	Message from the chairman	2	
	2-23	Policy commitments	1.2 Ethical corporate management 2.4.1 Supply chain overview 4.3.1 Human rights policy communication	25 38 65	
	2-24	Embedding policy commitments	1.2 Ethical corporate management 4.3.1 Human rights policy communication	25 65	
	2-25	Processes to remediate negative impacts	Materiality analysis 1.2 Ethical corporate management 2.3 Customer relation management	12 25 37	
	2-26	Mechanisms for seeking advice and raising concerns	Stakeholder engagement 1.2 Ethical corporate management	10 25	
	2-27	Compliance with laws and regulations	1.4.1 Regulatory compliance management	29	

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
GRI 2 General disclosures 2021	2-28	Membership associations	Company profile	4	
	2-29	Approach to stakeholder engagement	Stakeholder engagement	10	
	2-30	Collective bargaining agreements	4.2.3 Labor/management relations and communication	65	
Material Topics					
GRI 3 Material Topics 2021	3-1	Process to determine material topics	Materiality analysis	12	
	3-2	List of material topics	Materiality analysis	12	
	3-3	Management of material topics	Materiality analysis	12	
Economic and Governance					
Material topics - Economic performance					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis Economic performance	12 6	
GRI 201 Economic performance 2016	201-1	Direct economic value generated and distributed	Economic performance	6	
	201-4	Financial assistance received from government	Economic performance	6	
Material topics - Corporate governance					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 405 Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	1.1.2 Operation of the Board of Directors	22	
Material topics - Ethical corporate management					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	1.2 Ethical corporate management	25	

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	1.2 Ethical corporate management	25	
Material topics - Risk management					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
Material topics - Compliance with laws and regulations					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 205 Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	1.4.1 Regulatory compliance management	29	
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, antitrust, and monopoly practices	1.4.2 Internal control and internal audit	29	
Material topics - Information security management					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 418 Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.5 Information security management	30	
Material topic - Innovative R&D					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
Material topics - Product quality and safety					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 416 Customer health and safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.2.1 Product Quality Management	34	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.2.2 Hazardous substance management	36	

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
GRI 417 Marketing and labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	2.2.2 Hazardous substance management	36	
	417-3	Incidents of non-compliance concerning marketing communications	2.2.2 Hazardous substance management	36	
Material topics - Customer relation management					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 2 General disclosures 2021	2-25	Processes to remediate negative impacts	2.3 Customer relation management	37	
Other disclosures					
GRI 204 Procurement practices 2016	204-1	Proportion of spending on local suppliers	2.4.1 Supply chain overview	38	
GRI 205 Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	2.4.2 Supplier management	39	
Environmental aspects					
Material topics - Greenhouse gas management					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.1.2 Greenhouse gas emissions and management	49	
	305-2	Energy indirect (Scope 2) GHG emissions	3.1.2 Greenhouse gas emissions and management	49	
	305-3	Other indirect (Scope 3) GHG emissions	3.1.2 Greenhouse gas emissions and management	49	
	305-4	GHG emissions intensity	3.1.2 Greenhouse gas emissions and management	49	
	305-5	Reduction of GHG emissions	3.1.2 Greenhouse gas emissions and management	49	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.1.2 Greenhouse gas emissions and management	49	

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
Material topic - Climate strategy					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 201 Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	3.1.1 Climate actions	42	
Material topics - Water resource management					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 303 Water and effluents 2018	303-2	Management of impacts related to effluents	3.3.1 Water resource policy and management	54	
	303-3	Water withdrawal	3.3.1 Water resource policy and management	54	
	303-4	Water discharge	3.3.1 Water resource policy and management	54	
	303-5	Water consumption	3.3.1 Water resource policy and management	54	
Other disclosures					
GRI 302 Energy 2016	302-1	Energy consumption within the organization	3.2 Energy management	52	
	302-3	Energy intensity	3.2 Energy management	52	
	302-4	Reduction of energy consumption	3.2 Energy management	52	
GRI 306 Waste 2020	306-3	Waste generated	3.4.1 Waste management	56	
	306-4	Waste diverted from disposal	3.4.1 Waste management	56	
	306-5	Waste directed to disposal	3.4.1 Waste management	56	
GRI 308 Supplier environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.4.2 Supplier management	39	
	308-2	Negative environmental impacts in the supply chain and actions taken	2.4.2 Supplier management	39	

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
People/Human Rights					
Material topics - Occupational safety and health					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 403 Occupational safety and health 2018	403-1	Occupational health and safety management system	4.4.1 Occupational safety and health management and evaluation	66	
	403-2	Hazard identification, risk assessment, and incident investigation	4.4.2 Occupational safety protection	69	
	403-3	Occupational health services	4.4.1 Occupational safety and health management and evaluation	66	
			4.4.2 Occupational safety protection	69	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.4.1 Occupational safety and health management and evaluation	66	
	403-5	Worker training on occupational health and safety	4.4.1 Occupational safety and health management and evaluation	66	
	403-6	Promotion of worker health	4.4.2 Occupational safety protection	69	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.4.1 Occupational safety and health management and evaluation	66	
			4.4.2 Occupational safety protection	69	
	403-8	Workers covered by an occupational health and safety management system	4.4.1 Occupational safety and health management and evaluation	66	
			4.4.2 Occupational safety protection	69	
	403-9	Work-related injuries	4.4.2 Occupational safety protection	69	
	403-10	Work-related ill health	4.4.2 Occupational safety protection	69	
Material topics - Talent attraction and retention					
GRI 3 Material Topics 2021	3-3	Management of material topics	Materiality analysis	12	
GRI 201 Economic performance 2016	201-3	Defined benefit plan obligations and other retirement plans	4.1.4 Employee Benefits and Support Programs	62	Note: Please refer to the Company's <u>2025 Annual Report</u>

GRI Standards Category/ Topic	No.	Disclosure Content	Corresponding chapter	Page	Omissions/ Notes
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	4.1.2 New employee hires and turnover	60	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.4 Employee Benefits and Support Programs	62	
	401-3	Parental leave	4.1.4 Employee Benefits and Support Programs	62	
Other disclosures					
GRI 402 Labor/management relations 2016	402-1	Minimum notice periods regarding operational changes	4.2.3 Labor/management relations and communication	65	
GRI 404 Training and education 2016	404-1	Average hours of training per year per employee	4.2.1 Education and Training Framework	63	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2.2 Performance evaluation system	64	
GRI 405 Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	1.1.2 Operation of the Board of Directors 4.1.1 Human resource diversity	22 59	
	405-2	Ratio of basic salary and remuneration of women to men	4.1.3 Compensation system	61	
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.3.2 Human rights topic management	65	
GRI 408 Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.4.1 Supply chain overview 4.3.2 Human rights topic management	38 65	
GRI 409 Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.4.1 Supply chain overview 4.3.2 Human rights topic management	38 65	
GRI 414 Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	2.4.2 Supplier management	39	
	414-2	Negative social impacts in the supply chain and actions taken	2.4.2 Supplier management	39	

SASB Content Index

Disclosure topic	Indicator code	Disclosure indicators	Nature	Description/Corresponding chapter	Page
Greenhouse gas emissions	TC-SC-110a.1	- Total global emissions for Scope 1 emissions, and - Amount of total emissions from perfluorinated compounds	Quantitative	(1) Scope 1 direct greenhouse gas emissions were 188.9967 metric tons of CO ₂ e. (2) No perfluorocarbons (PFCs) were emitted in 2025 Please refer to 3.1.2 Greenhouse Gas Emissions and Management	49
	TC-SC-110a.2	Discussions of the long- and short-term strategies or plans for managing Scope 1 emissions, GHG reduction targets, and a performance analysis relative to these established targets	Discussion and analysis	Each of GEM's factories has established specific GHG mitigation targets and strategies customized to its distinct operational attributes, emissions profile, and localized conditions; please refer to 3.1.2 Greenhouse Gas Emissions and Management.	49
Manufacturing energy management	TC-SC-130a.1	- Total energy consumed - Percentage of grid power used - Percentage of renewable energy used	Quantitative	(1) Total energy consumption was 231,384.23 GJ (2) Percentage of grid power used to total energy consumption: 94.42% (3) Renewable energy accounted for 5.27% of total energy consumed Please refer to 3.2 Energy Management	52
Water management	TC-SC-140a.1	- Total water withdrawal, and percentage in regions with high or extremely high baseline water stress - Total water consumed, and percentage in regions with high or extremely high baseline water stress	Quantitative	Since all factories are located in high water stress regions, 100% of the total water withdrawal and total water consumed are sourced from high water stress regions; Please refer to 3.3.1 Water Resource Policy and Management	54
Waste management	TC-SC-150a.1	- Total weight of hazardous waste generated during product manufacturing - Recycling percentage	Quantitative	The total amount of hazardous waste was 177.32 metric tons, with a recycling and reuse rate of 36.69% Please refer to 3.4.1 Waste Management	56
Labor Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce employee exposure to human health hazards	Discussion and analysis	Please refer to 4.4.1 Occupational Safety and Health Management and Evaluation	66
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	In 2025, there were no legal incidents related to violations of employee health and safety, and therefore no associated monetary losses were incurred Please refer to 1.4.1 Regulatory Compliance Management	29
The recruitment and management of a global, technically skilled workforce	TC-SC-330a.1	The percentage of the total workforce requiring employment visas	Quantitative	In 2025, a total of 11 GEM employees required work visas, accounting for 0.60% of the total workforce. Please refer to 4.1.1 Human Resource Diversity	59
Product life cycle management	TC-SC-410a.1	Percentage of revenue from products containing IEC 62474 reportable substances	Quantitative	Percentage of products by revenue that contain IEC 62474 declarable substances was 0%	
	TC-SC-410a.2	System-level processor energy efficiency for (1) servers, (2) desktops, and (3) laptops	Quantitative	Not applicable	
Sourcing of materials	TC-SC-440a.1	Description of the management of risks related to the use of key materials	Discussion and analysis	Please refer to 2.4.3 Conflict Minerals Management	40

Disclosure topic	Indicator code	Disclosure indicators	Nature	Description/Corresponding chapter	Page
Intellectual Property Protection and Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	In 2025, there were no legal incidents related to anti-competitive behavior, and therefore no associated monetary losses were incurred Please refer to 1.4.2 Internal control and Internal audit	29
Activity metric	TC-SC-000.A	Total production	Quantitative	Power semiconductor packaging and testing 5,599,003 kpcs	
	TC-SC-000.B	Percentage of total output produced in-house	Quantitative	28.98%	

TCFD Climate-Related Financial Disclosures Index

Level	Industry benchmark indicators	Report section	Page
Governance	a. Describe the board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	3.1.1 Climate actions	42
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short-, medium-, and long-terms b. The impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios (including the 2° C or more drastic scenarios)	3.1.1 Climate actions	42
Risk management	a. Describe the organization's climate-related risk identification and evaluation process b. Describe the organization's management process for climate-related risks c. Describe how climate-related risk identification, evaluation, and management processes are integrated into the organization's overall risk management system	3.1.1 Climate actions	42
Indicators and goals	a. Disclose indicators used by the organization to evaluate climate-related risks and opportunities according to its strategy and risk management process b. Disclose Scope 1, Scope 2, and Scope 3 (if applicable) GHG emissions and relevant risks. c. Describe targets used by the organization in managing climate-related risks and opportunities, as well as its performance in reaching the targets	3.1.1 Climate actions	42

Reference Table for the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies"

Article 4 Appendix Table 1-8 Sustainability Disclosure Indicators — Semiconductor Industry					
No.	Indicator	Metric type	Unit	Report section	Page
1	Total amount of energy consumed, the proportion derived from grid electricity, and the proportion originating from renewable sources	Quantitative	Gigajoules (GJ), Percentage (%)	3.2 Energy management	52
2	Total water withdrawn and consumed	Quantitative	Thousand cubic meters (1,000m ³)	3.3.1 Water resource policy and management	54
3	Total weight of hazardous waste generated and the percentage that is recycled or otherwise recovered	Quantitative	Metric tonnes, Percentage (%)	3.4.1 Waste management	56
4	Description of occupational injury categories, number of cases, and rates	Quantitative	Quantity, percentage (%)	4.4.2 Occupational safety protection	69
5	Disclosure of product lifecycle management: The weight of discarded products and electronic waste and the percentage of these products and waste recycled	Quantitative	Metric tonnes, Percentage (%)	The Company's key products are not terminal products and therefore are not applicable	
6	Description of risk management related to the use of critical materials	Qualitative description	-	2.4.3 Conflict minerals management	40
7	Total monetary losses from legal proceedings associated with anti-competitive behavior regulations	Quantitative	NT\$	1.4.1 Regulatory compliance management	29
8	Production volume of major products by product category	Quantitative	-	Power semiconductor packaging and testing 5,599,003 kpcs	

Article 4-1 Appendix Table 2 Climate-Related Information for TWSE Listed Companies

No.	Item	Performance	Page
1	Describe the board's and management's oversight and governance of climate-related risks and opportunities.	Please refer to 3.1 Climate Governance	42
2	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.		
3	Describe the financial impact of extreme climate events and transitions.		
4	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.		
5	Description of the scenario analysis used to assess resilience to climate change risks, including the critical input parameters, assumptions and considerations, analytical choices, and major financial impact.		
6	Describe the content, and the indicators and goals used to identify and manage physical risk and transition risk for any transition plan for managing climate-related risks.		
7	If internal carbon pricing is used as a planning tool, the pricing basis should be stated.	The Company has not yet adopted an internal carbon pricing mechanism	
8	For any climate-related goals set, the scope of activities, scope of greenhouse gas emissions, planning schedule, annual progress and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used for the relevant goals, the source and quantity of carbon reduction credits or the quantity of RECs should be stated.	Please refer to 3.1 Climate Governance	42
9	Greenhouse gas inventory and assurance as well as reduction targets, strategies, and specific action plans.	Please refer to About the Report and 3.1 Climate Governance	42
Article 4-2			
Item		Report section	Page
Domestic listed companies shall disclose the average and median salary for full-time non-managerial employees, as well as the changes in both figures compared to the previous year. The aforementioned information may be disclosed by providing an index to query the data on the information reporting website designated by the Company.		As GEM is a KY (foreign-listed) company, this clause is not applicable	

CPA's Limited Assurance Report

Deloitte.

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INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

GEM Services, Inc.

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report ("the Report") of GEM Services, Inc. ("the Company") for the year ended December 31, 2025.

Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

Responsibilities of Management

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Universal Standards, Sector Standards and Topic Standards published by the Global Reporting Initiative (GRI), SASB Standards published by the Sustainability Accounting Standards Board (SASB), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities

Our responsibility is to plan and conduct our limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We exercised professional judgment in planning and performing the assurance procedures to obtain limited assurance evidence regarding the Subject Matter Information. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the subject matter information is likely to arise.

- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, observation, and analytical procedures to obtain evidence supporting limited assurance.

Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumptions and interpretations by the management, and the different stakeholders may have different interpretations of such information.

Independence and Quality Control

We have complied with the independence and other ethical requirements of the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Standard on Quality Management 1 "Quality Management for Public Accounting Firms" issued by the Accounting Research and Development Foundation of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

Other Matters

We have no responsibility to perform any additional assurance procedures in respect of changes to the Subject Matter Information or the applicable criteria occurring after the date of this report.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2026

Deloitte & Touche

APPENDIX 1

SUMMARY OF SUBJECT MATTER INFORMATION

No.	Subject Information	Reference Section	Applicable Criteria																																																																																								
1.	Taipei Office, Shanghai Factory and Hefei Factory, FY2025 Total energy consumption: 231,384.23 GJ; Percentage of grid power used: 94.42%; Percentage of renewable energy used: 3.27%.	CH3 Green Technology - Sustainable Development 3.2 Energy Management	a. Total energy consumed b. Percentage of grid power used c. Percentage of renewable energy used SASB TC-SC-130a.1																																																																																								
2.	In 2025, total water withdrawal reached 259.68 million liters, fully sourced from surface water, representing an increase of 5.67% compared to 245.74 million liters in 2024. In 2025, total wastewater discharge was 212.00 million liters, representing an increase of 12.69% compared to 188.13 million liters in 2024. In 2025, total water consumption in 2025 was 47.68 million liters, representing a decrease of 17.24% compared to 57.61 million liters in 2024. Note: Both the Shanghai factory and Hefei factory are situated in high water-stress regions; as a result, water withdrawal, water discharge and water consumption in high water-stress areas each accounted for 100% of the Company's respective totals.	CH3 Green Technology - Sustainable Development 3.3.1 Water Resource Policy and Management	a. Total water withdrawal, and percentage in regions with high or extremely high baseline water stress b. Total water consumed, and percentage in regions with high or extremely high baseline water stress SASB TC-SC-140a.1																																																																																								
3.	The total amount of hazardous waste generated during product manufacturing was 177.32 metric tons in 2025. In 2025, the Company's hazardous waste recycling rate reached 36.69%, an improvement compared to 34.29% in 2024.	CH3 Green Technology - Sustainable Development 3.4.1 Waste Management	a. Total weight of hazardous waste generated during product manufacturing b. Recycling percentage SASB TC-SC-150a.1																																																																																								
4.	The Company recorded five cases of work-related injuries in 2025, all in factories. Incidents mainly occurred during walking, stair use, equipment adjustment, and cart operations, resulting in minor injuries such as fractures caused by slips, falls, or equipment-related obstructions. All injured personnel received immediate medical treatment. Corrective actions included strengthening equipment operation training, replacing potentially hazardous equipment, and installing warning signs to improve workplace safety awareness and minimize accident risks to protect our employees' work safety. In 2025, the injury rate of employees was 0.24, and the injury rate of non-employees was 0.	CH4 Quality Talent Drives Innovation 4.4 Occupational Safety and Health	Types of, number of employees in and rate of occupational accidents Taiwan Stock Exchange Corporation (TWSE), Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, Article 4, Paragraph 1, Table 1-8, Item 4																																																																																								
5.	<table><tr><td>New Employee</td><td>Taiwan</td><td>China</td><td>Total</td></tr><tr><td>Under 30 years old</td><td>0</td><td>211</td><td>211</td></tr><tr><td>Age 30-50</td><td>0</td><td>90</td><td>90</td></tr><tr><td>Over 50 years old</td><td>0</td><td>1</td><td>1</td></tr><tr><td>Total</td><td>0</td><td>302</td><td>302</td></tr><tr><td>Under 30 years old</td><td>0</td><td>97</td><td>97</td></tr><tr><td>Age 30-50</td><td>2</td><td>100</td><td>102</td></tr><tr><td>Over 50 years old</td><td>0</td><td>2</td><td>2</td></tr><tr><td>Total</td><td>2</td><td>199</td><td>201</td></tr><tr><td>Total number of people</td><td>2</td><td>501</td><td>503</td></tr><tr><td>New employee ratio (by region)</td><td>33%</td><td>28%</td><td>28%</td></tr></table> <table><tr><td>Employee turnover</td><td>Taiwan</td><td>China</td><td>Total</td></tr><tr><td>Under 30 years old</td><td>0</td><td>164</td><td>164</td></tr><tr><td>Age 30-50</td><td>0</td><td>76</td><td>76</td></tr><tr><td>Over 50 years old</td><td>0</td><td>1</td><td>1</td></tr><tr><td>Total</td><td>0</td><td>241</td><td>241</td></tr><tr><td>Under 30 years old</td><td>0</td><td>68</td><td>68</td></tr><tr><td>Age 30-50</td><td>2</td><td>72</td><td>74</td></tr><tr><td>Over 50 years old</td><td>0</td><td>14</td><td>14</td></tr><tr><td>Total</td><td>2</td><td>154</td><td>156</td></tr><tr><td>Total number of people</td><td>2</td><td>395</td><td>397</td></tr><tr><td>Employee turnover ratio (by region)</td><td>33%</td><td>22%</td><td>22%</td></tr></table>	New Employee	Taiwan	China	Total	Under 30 years old	0	211	211	Age 30-50	0	90	90	Over 50 years old	0	1	1	Total	0	302	302	Under 30 years old	0	97	97	Age 30-50	2	100	102	Over 50 years old	0	2	2	Total	2	199	201	Total number of people	2	501	503	New employee ratio (by region)	33%	28%	28%	Employee turnover	Taiwan	China	Total	Under 30 years old	0	164	164	Age 30-50	0	76	76	Over 50 years old	0	1	1	Total	0	241	241	Under 30 years old	0	68	68	Age 30-50	2	72	74	Over 50 years old	0	14	14	Total	2	154	156	Total number of people	2	395	397	Employee turnover ratio (by region)	33%	22%	22%	CH4 Quality Talent Drives Innovation 4.1.2 New Employee Hires and Turnover	New employee hires and employee turnover GRI 401-1: 2016
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