GEM GIANNI INDUSTRIES, INC.

33 YEARS *Since 1992*

Gianni Industries, Inc.

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E-mail: inquiry1@gianni.com.tw
Website: gianni.tw

Company Profile – About Us

Brand Story

Out company logo "GEM" stands for "*Gianni Electro Magnets*". We are a company founded on our expertise in manufacturing electromagnets and access control systems hardware.

(1992~1994)

Company Profile – **About Us**

Mr. Johnny Chang, chairman and founder of *GEM*

The security industry is always met by new ideas and technologies. We're keen to explore new markets and new opportunities as we always have. The key remains to deliver high quality products and service to our customers.

We are constantly investing in our R&D and production facilities as these are the cornerstones of our operations. We believe continuous innovation is how we can stay ahead of our competition.

Company Profile – About Us

Various Management System Policies

ISO9001 Quality Policy:
Professional technology, enthusiastic attitude,
customer satisfaction, and continuous improvement.

QC080000 Green Product Policy:
Eco-friendly products, legal compliance,
full employee participation, and continuous improvement.

ISO45001 Occupational Safety and Health Policy:
Occupational injury prevention, full employee participation,
legal compliance, and continuous improvement.

AEO(Authorized Economic Operator) Secure Supply Chain Policy:
Compliance with safety regulations, enhancement of safety awareness,
implementation of safety management, and improvement of safety efficiency.

Company Profile – About Us

Leading Manufacturer in Access Control Hardware

GEM has marketed across the globe in over 70 countries, mainly in the United States, Europe, Australia, and we have seen growth in the Middle East, South America over the past years. GEM products have been widely used in hub airports such as Amsterdam Airport Schiphol, Birmingham International Airport, Sydney Airport, Melbourne Airport, and Bangkok Airport.

Company Profile – About Us

Leading Manufacturer in Access Control Hardware

In Taiwan, **GEM** products are installed in National Palace Museum, Taipei World Trade Center, Chung-Hwa Telecom Company, Tao-yuan International Airport, Taipei Airport and Kaohsiung Airport, as well as other public sectors, hospitals, office buildings, factories.
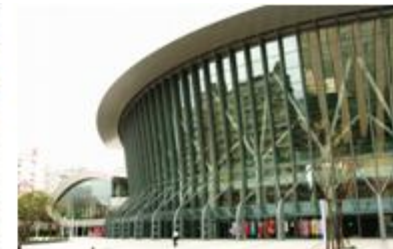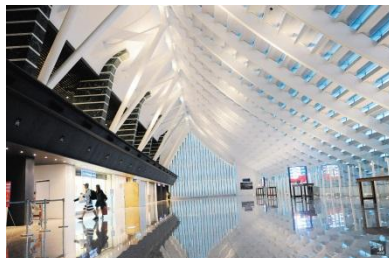
Company Profile – Company History

Years	Site	Space	Company Size
1992~ 1996	Guishan District/ Shulin District	160M²	3-5
1996~1999	Shulin District, New Taipei City	500M²	15-25
2000~2004	Xinzhuang Site 1	1520M²	25-35
2004~2008	Xinzhuang Site 1 Xinzhuang Site 2	2500M²	35-55
2009~	Tucheng Industrial District	8830M²	55-70

Company Profile – Company History

Company Milestones

Year	Milestone
1992	Founded on 25th October
1993	Built a warehouse in Shulin district to export electromagnetic locking devices.
1994	Prepared a new factory in Shulin district to start producing electromagnetic locks.
1995	First production of electromagnetic locks using glue potting machine in Taiwan.
1996	Establishment of subsidiary company Capricorn Locking System Ltd.
1997	GEM as brand to market for oversea and domestic markets.
1998	Establishment of subsidiary company Shanghai Taixiang Technology.
2000	Opening of new factory building in Xinzhuang district.
2001	Passed ISO-9001 certification
2002	Universal Security Products in Hong Kong was founded as distribution of Greater China market.
2003	Establishment of subsidiary company Zhongshi Technology to differentiate domestic markets. Increased capital to 150 million dollars and became a joint stock limited company.

Company Profile – Company History

33 YEARS Since 1992

Company Milestones

Year	Milestone
2004	Completed the second factory building (About 990 square meters) in Xinshu road, Xinzhuang district. Introduction of ERP management system to coordinate and integrate corporate activities.
2005	Established Universal Security Products to differentiate domestic markets.
2006	Received QC080000 certification
2007	Introduction of thermostat, fluorescent X-ray hazardous substance analyzer, CNC machines, and automatic tensile testing machine
2008	Joined the IEC (International Electrotechnical Commission) as a member
2009	Opening of new factory building in Tucheng district. Passed OHSAS & TOSHMS Occupational Health & Safety certifications
2010	Ranked among China's top ten most influential security brands.
2011	Received ISO 14064-1 Greenhouse Gas Inventory certification. Improvement of potting tank mound technique for electromagnetic locks.
2012	Won contract for Taoyuan International Airport Second Terminal (maglocks) Introduction of 3D printer to enhance production efficiency.

Company Profile – Company History

Company Milestones

Year	Milestone
2013	Introduction of automatic aluminum slot locking machine to enhance product quality and production speed.
2014	Establishment of anti-pulling force testing system to meet safety standards. Introduction of laser engraving machine and advanced 3D printer.
2015	Establishment of automatic glue potting system and dynamic impact testing system. Acquired a US distributor to expand the US market.
2016	Received UL Witness Testing Data Program (WTDP) certificate. Founded subsidiary Anxell Technology
2017	Introduction of four-axis drilling machine, light-hardening 3D printer, FROMM steel strapping machine, semi-automatic screw packaging machine, LCR testing instrument, hydraulic drilling machine.
2018	Installed a robotic arm to reduce dust for electromagnetic lock production. Instituted an image measuring instrument in Quality Control Dept.
2019	Instituted a machining center specially designed for stainless steel material of electric strikes.
2020	Insured Product Liability Insurance (United States and Canada)
2022	Added a new 3D printer and powered stackers to enhance R&D and warehouse capabilities
2023	We updated with a new X-ray fluorescence (ED-XRF) analyser, and a new 3-Axis hybrid laser marker machine.

Company Profile – Company History

Organizations we are part of:

Taiwan Electrical and Electronic Manufacturer's Association

International Electrotechnical Commission

Association of Locks and Hardware Taiwan

Tucheng General Association of Industrial Park
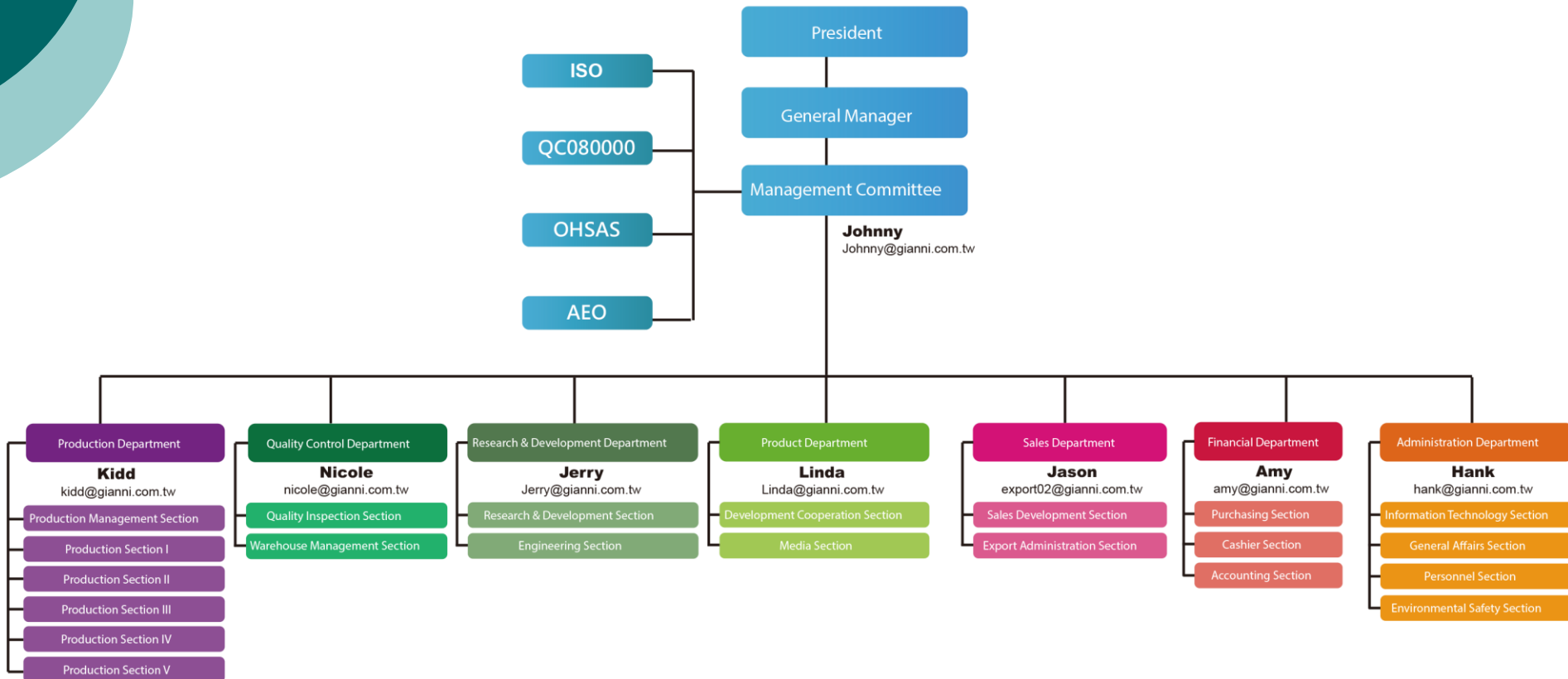
Taiwan Safety and Security Industry Association

Taiwan Industry Association of Intelligent Security and Safety

Taiwan Telecommunication Engineering Industry Association

Company Profile – Organizational Charts

Organization Chart

Headcount: 72 (2022.12)

Company Profile – Organizational Charts

Company photo (2024.2.2)

Company Profile – Organizational Charts

Department Contacts

Department	Personnel	e-mail	TEL FAX
Sales (Export)	Jason Tsai Jimmy Chang Ivan Chen	export02@gianni.com.tw jimmy@gianni.com.tw export03@gianni.com.tw	+886-2-22677986 +886-2-22679876
Sales (Domestic)	James Cho Minni Hsieh	james@Usp-ltd.com minni@Usp-ltd.com	+886-2-22671722 +886-2-22678553
Production	Kidd Ouyang	kidd@gianni.com.tw	+886-2-22676816 +886-2-22679876
QC	Nicole Wei	nicole@gianni.com.tw	+886-2-22676816 +886-2-22678553
Purchasing	Julia Cheng	julia@gianni.com.tw	+886-2-22676816 +886-2-22678553
R&D	Jerry Wu	jerry@gianni.com.tw	+886-2-22679133 +886-2-22679576
Management	Hank Cho	hank@gianni.com.tw	+886-2-22675386 +886-2-22679576

Area Usage

GEM Tucheng Headquarter Area Usage(Total: $8838\,m^2$)

- Meeting Rooms/show room, 2.6%
- Office, 5.2%
- Restaurant/ Staff Lounge, 6.3%
- Assembling zone, 8.9%
- Car Parks/Shipping dock, 10.8%
- Lab/R&D/Q.C., 11.1%
- Processing zone, 12.1%
- Storage/Warehousing, 29.4%
- Others, 13.6%

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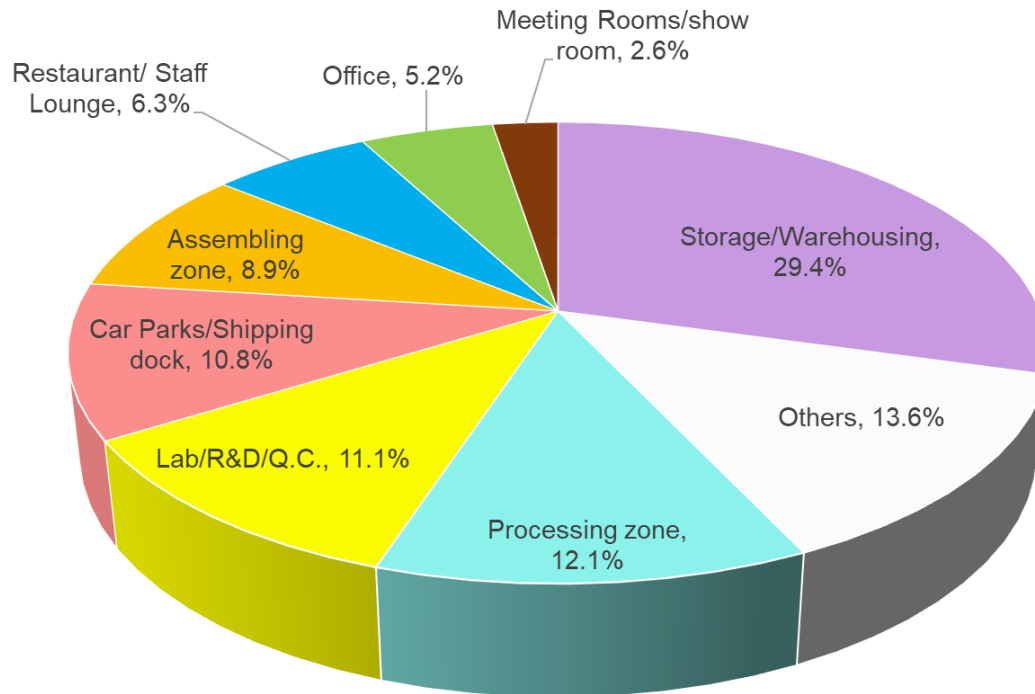
Product & Marketing - Product Overview

Components of Access Control Systems

F. Accessories

C. Power Supply

A. Electric Locks

D. Request to Exit

E. Automatic Door operator

B. Access Control Systems
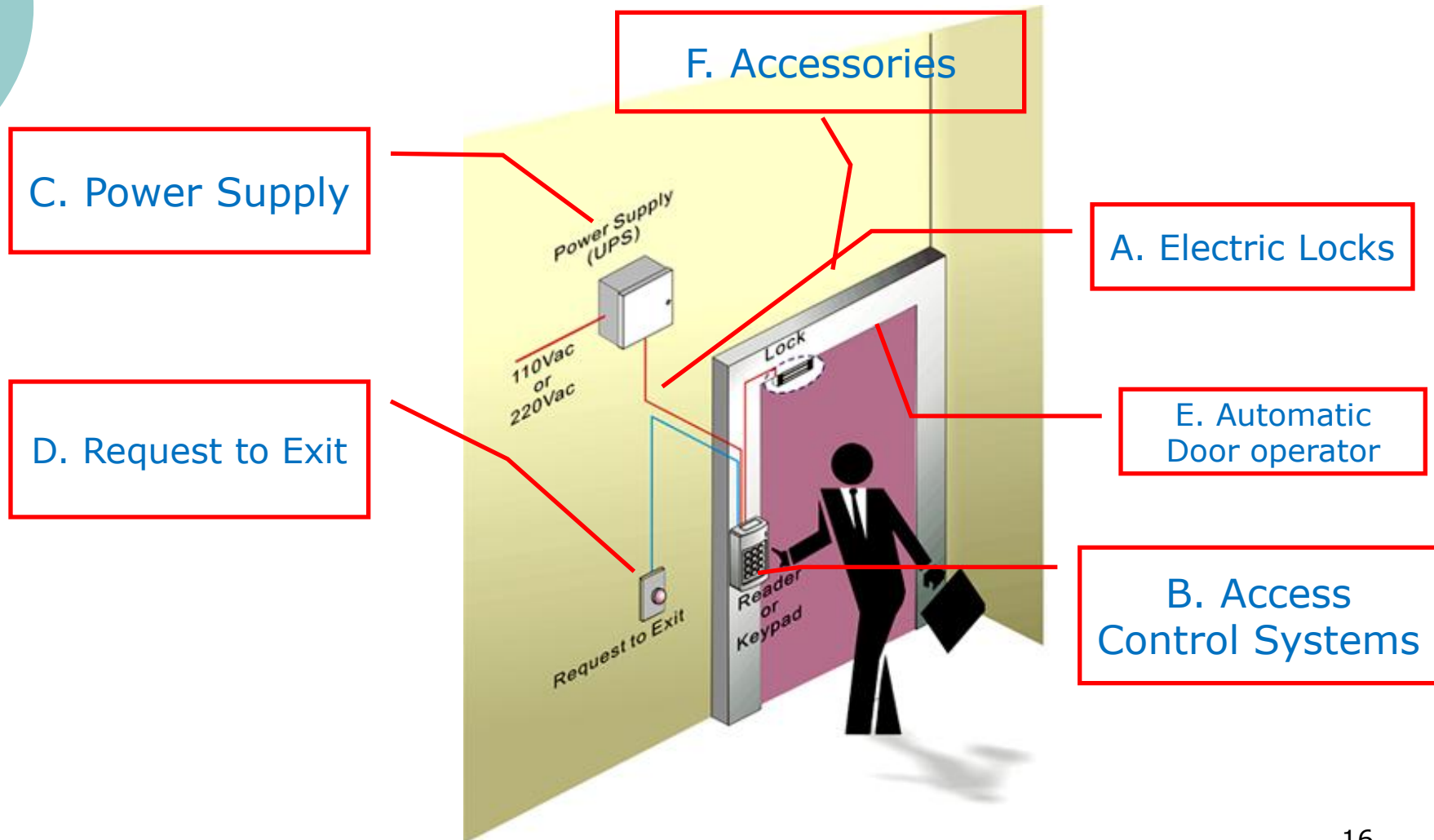
Product & Marketing - Product Overview

A. Electric Locks
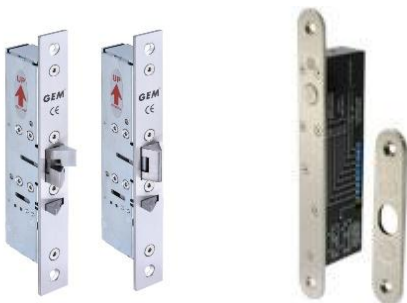
Electromechanical Locks
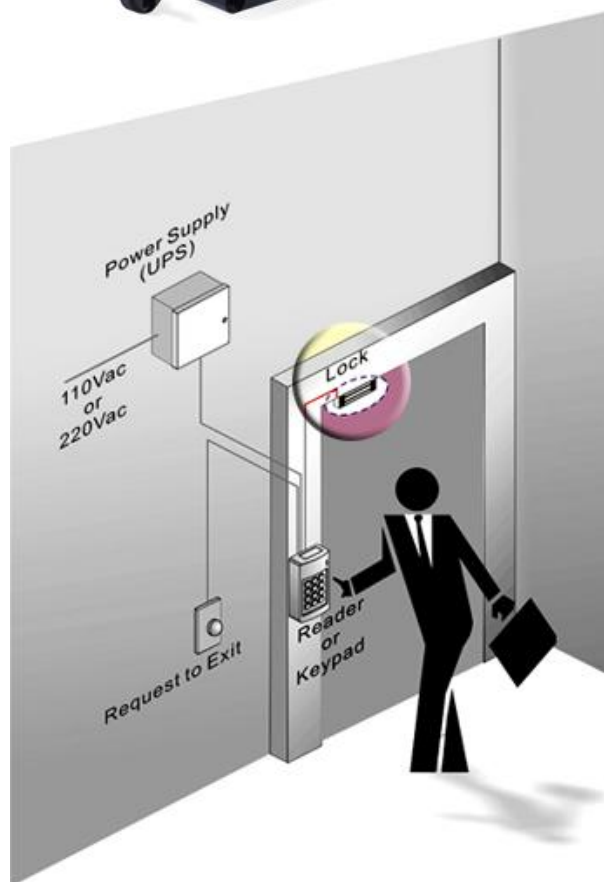
Electric Dropbolt

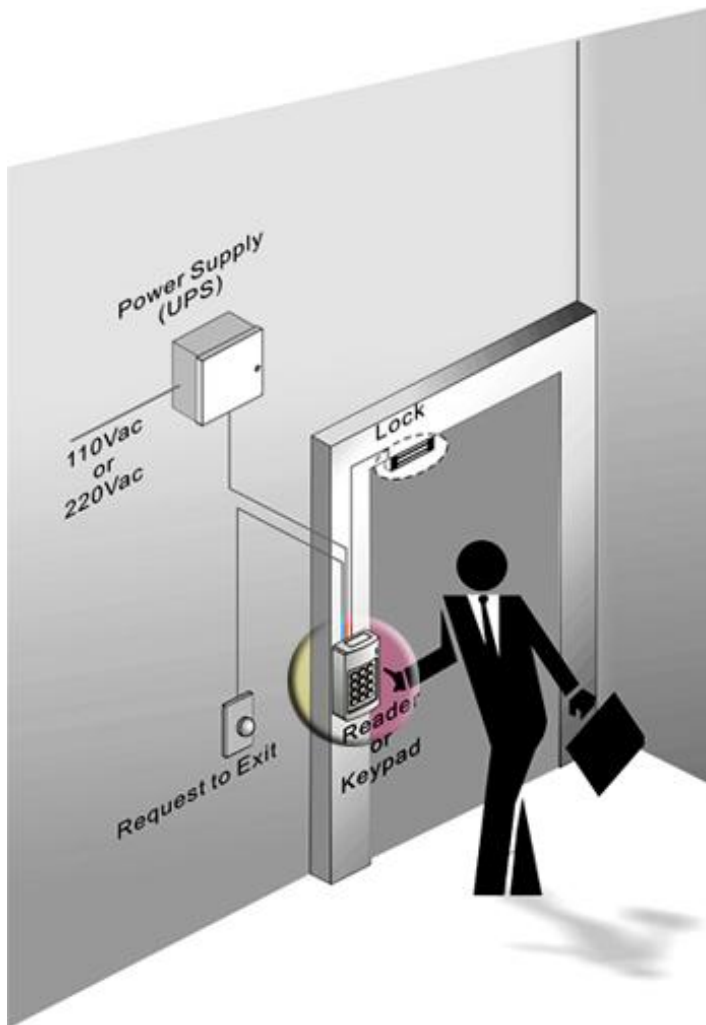Cabinet Locks

Electromagnets

Electromechanical Mortise Locks

Shear Locks

Electric Strikes

Push Bars

Power Supply (UPS)

110Vac or 220Vac

Lock

Reader or Keypad

Request to Exit

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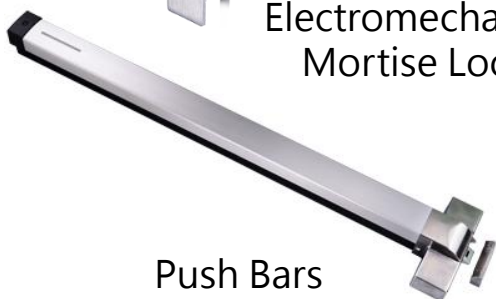
Product & Marketing - Product Overview

B. Access Control Systems

GEM's best-selling "proximity readers" are designed to meet different requirements. We advise you make your selections based on the following considerations.

Product & Marketing - Product Overview

C. Power Supply

We have a broad range of power supply products with regulated voltage and electrics protection designs. These are essential accessories in low voltage configurations. Power supply units are especially important for maintaining the operation of security systems in the events of power outage and an UPS system should always be considered when planning an access control system.

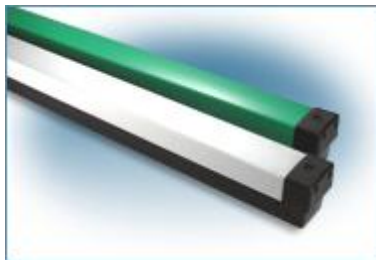19

Product & Marketing - Product Overview

D. Request to Exit
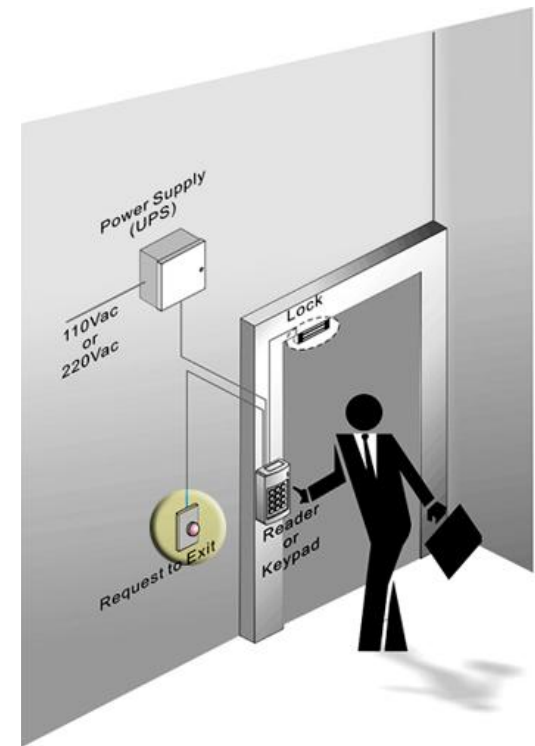
Push Buttons

Infrared REX

Push Bars

Weatherproof
Infrared REX

Wireless Exit Device

Microwave Sensor Switch

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Product & Marketing - Product Overview

E. Automatic Door Operator

GEM automatic door operator is designed for various applications in both residential and commercial settings.

It can be installed in places such as public restrooms, hospitals or care centers to allow easy access for all users.

Product & Marketing - Product Overview

F. Accessories

Emergency Call Point
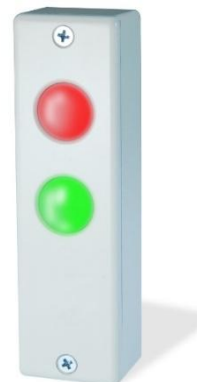

Door Holders

Door Loop

Magnetic Contact

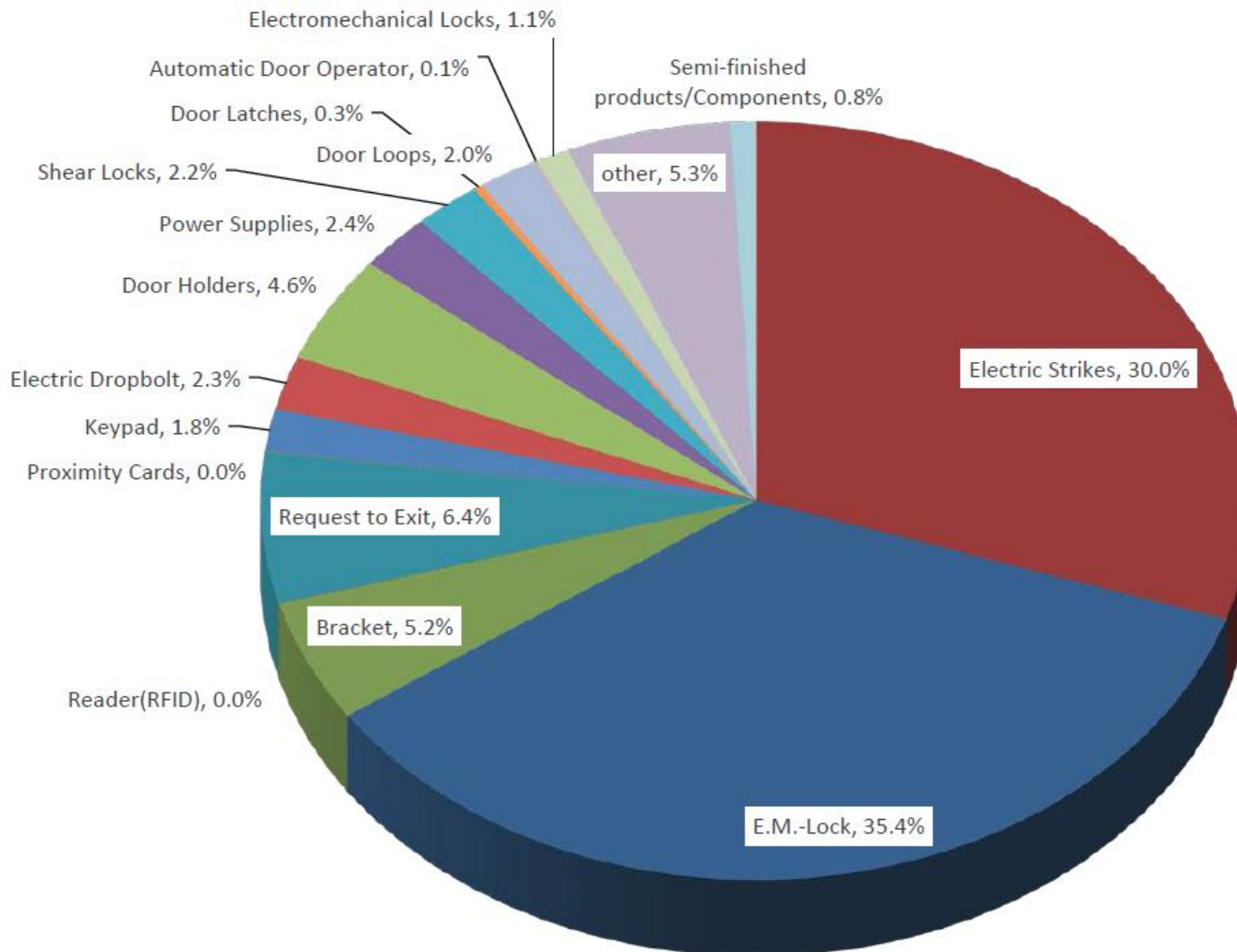Key switch

Door Latch

Indicator Light

Door Control Module

Product & Marketing - Marketing Overview

2024 Product Category and Max. Capacity

Product Category	Max Capacity per Year
E.M.-Lock	110,000~122,000
Electric Strikes	80,000~92,000
Request to Exit	65,000~80,000
Bracket	60,000~100,000
Door Holders	20,000~28,000
Shear Locks	8,500~12,000
Door Loops	60,000~100,000
Electric Dropbolt	8,500~10,000
Electromechanical Locks	5,000~6,600
Power Supplies	28,000~30,000
Reader/Keypad	6,500~8,000
Other	-----

Product & Marketing - Marketing Overview

2024 Sales by Product Category (%)

Electromechanical Locks, 1.1%
Automatic Door Operator, 0.1%
Door Latches, 0.3%
Door Loops, 2.0%
Shear Locks, 2.2%
Power Supplies, 2.4%
Door Holders, 4.6%
Electric Dropbolt, 2.3%
Keypad, 1.8%
Proximity Cards, 0.0%
Request to Exit, 6.4%
Bracket, 5.2%
Reader(RFID), 0.0%
Semi-finished products/Components, 0.8%
other, 5.3%
Electric Strikes, 30.0%
E.M.-Lock, 35.4%

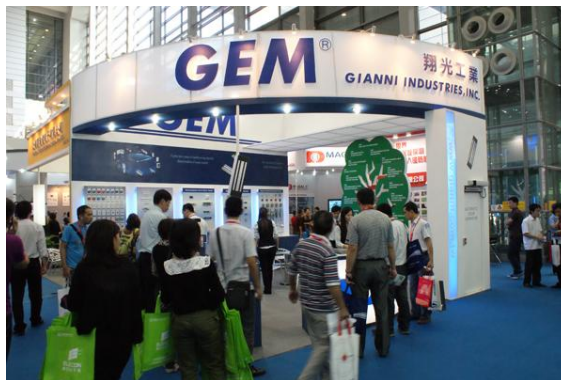# Product & Marketing - Marketing Overview

Sale by Location
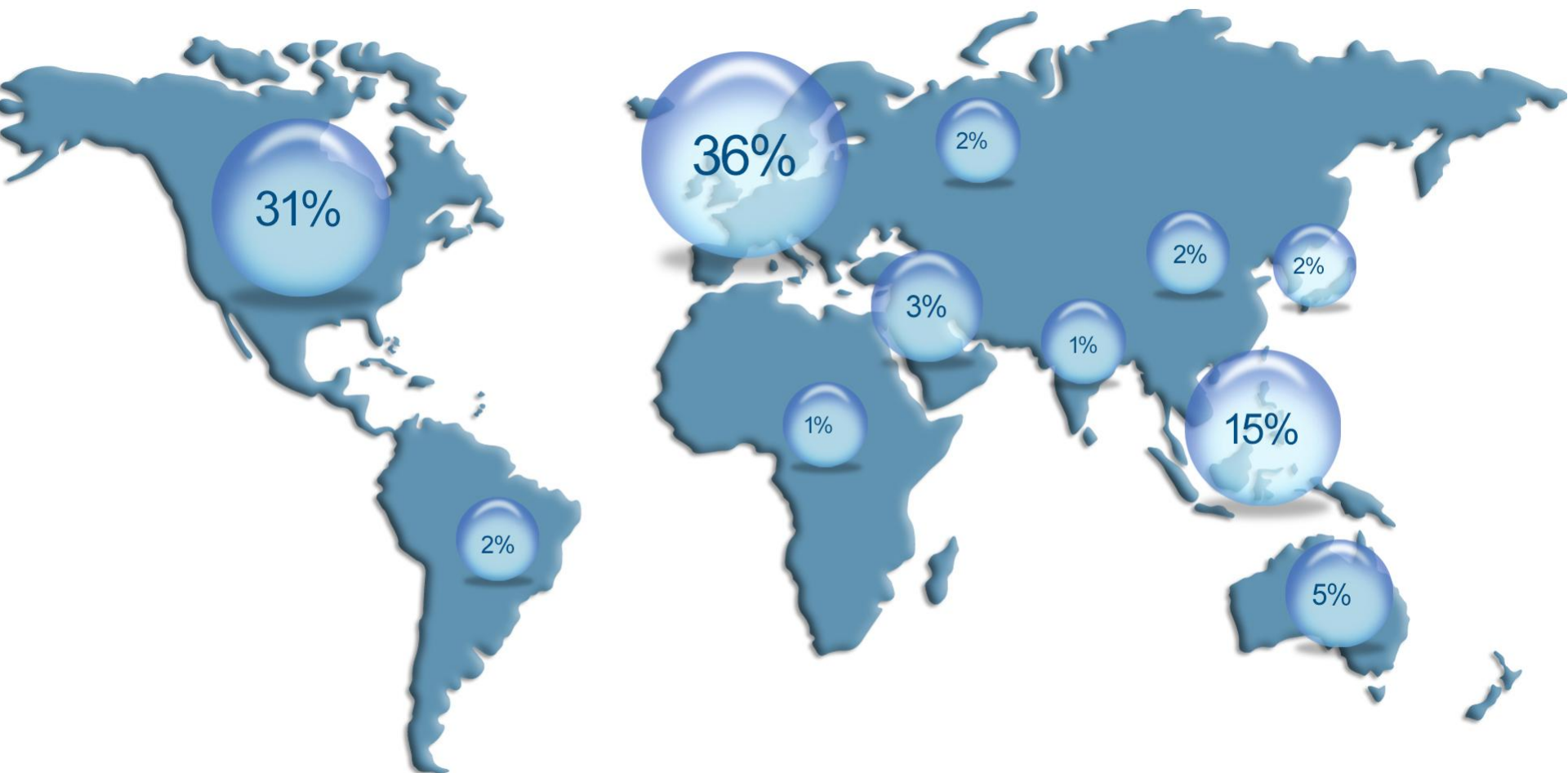
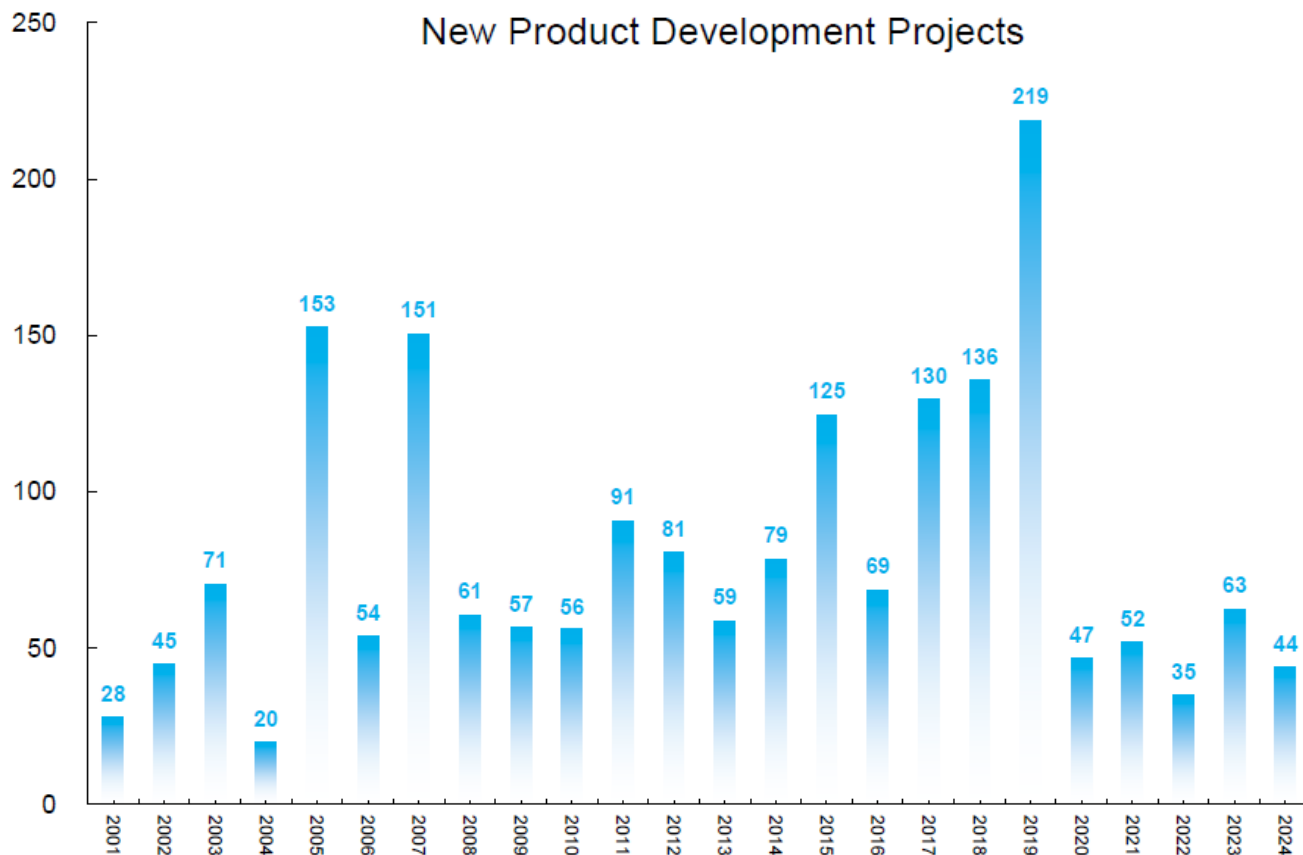# **Product & Marketing** – **Sales & Planning**

Customer Service

We have established a dedicated customer service team to provide immediate and complete service from design support, prototype, trial production and functional testing. We provide the highest level of confidentiality which has won us trust of many of our continual customers.

Product & Marketing – Sales & Planning

GEM Brand vs OEM ODM

Product & Marketing – Sales & Planning
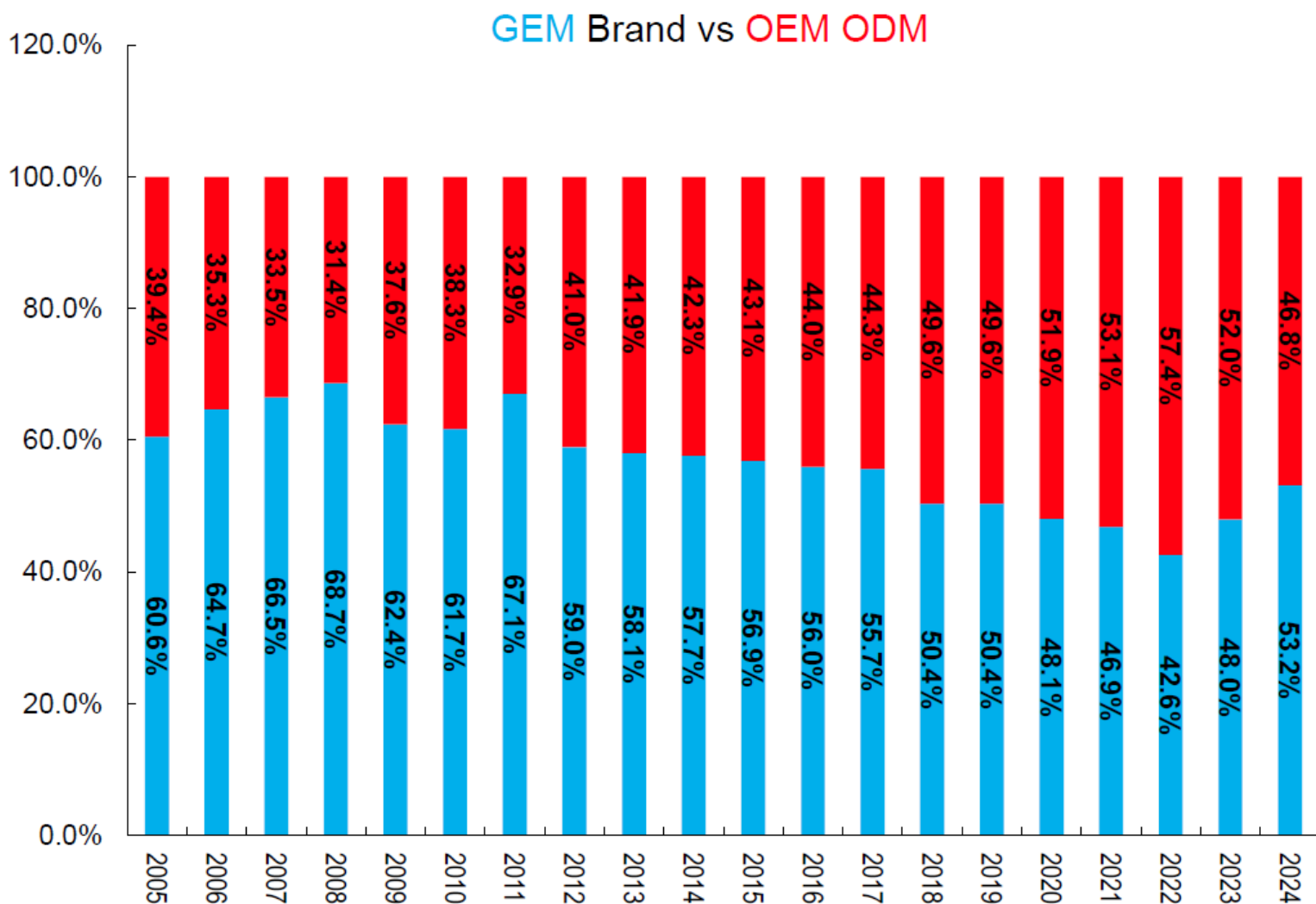
New Product Development Projects

Project Capacities	Under development	Max Capacity per Year	Free Capacity (%)
OEM (Customer Design)	6	15	60%
ODM (Factory Design)	6	25	80%
New Tool Development	26	40	63%
Other	6	---	
Total	44	80	

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Product & Marketing – **Sales & Planning**

| Port / Airport	Container terminal	Distance
container (FCL/LCL) port	Keelung Port	45 Km
container (FCL/LCL) port	Taipei Port	25 Km
airport	Taoyuan Airport	35 Km
airport	Taipei Songshan Airport	20 Km

Payment term: Ex-work, FOB, CFR, FOR, CIF, DAP
Payments currencies: USD, EUR
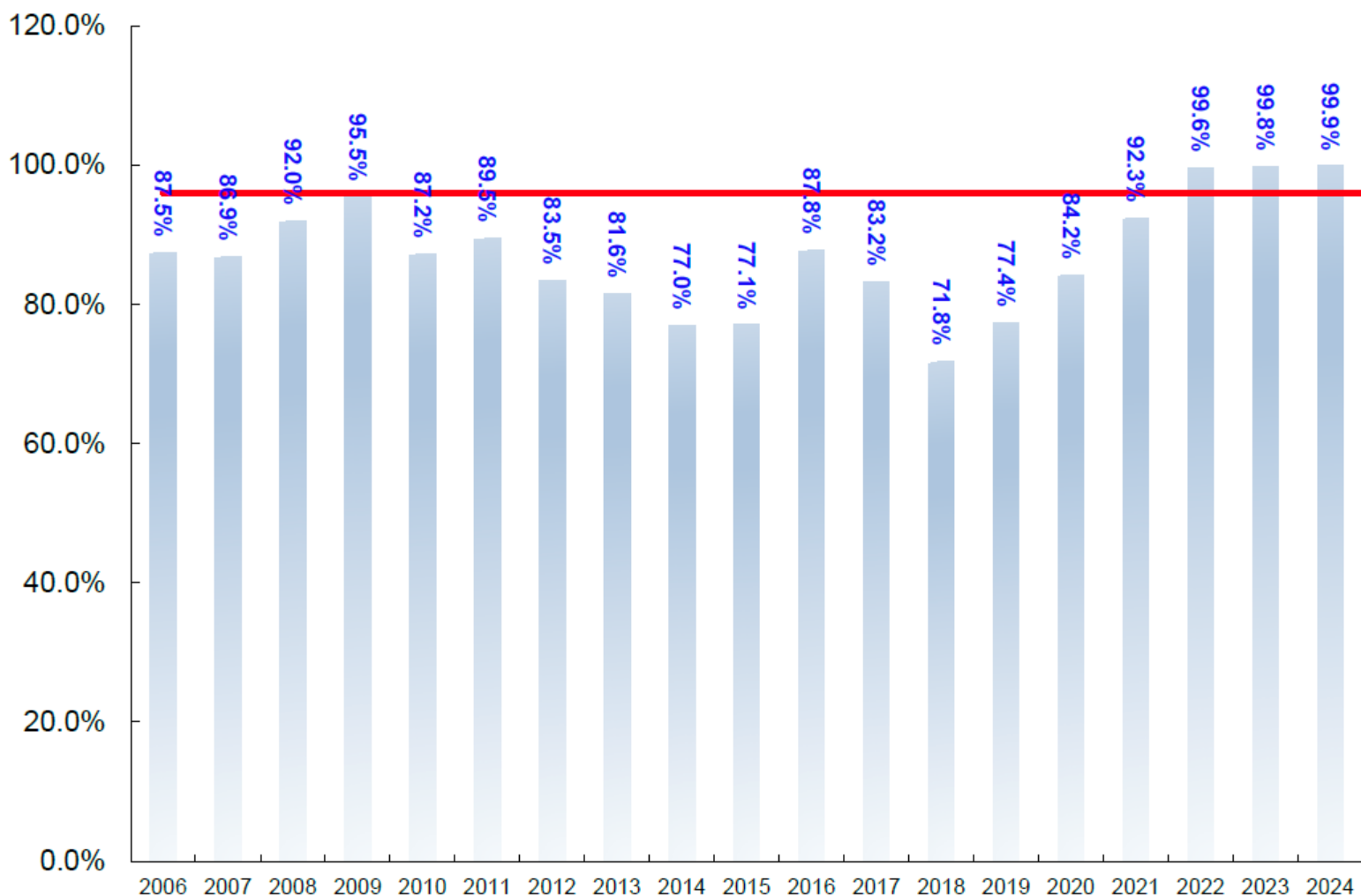Liability Insurance Coverage(commercial insurances): 1 million USD

Product & Marketing – Sales & Planning

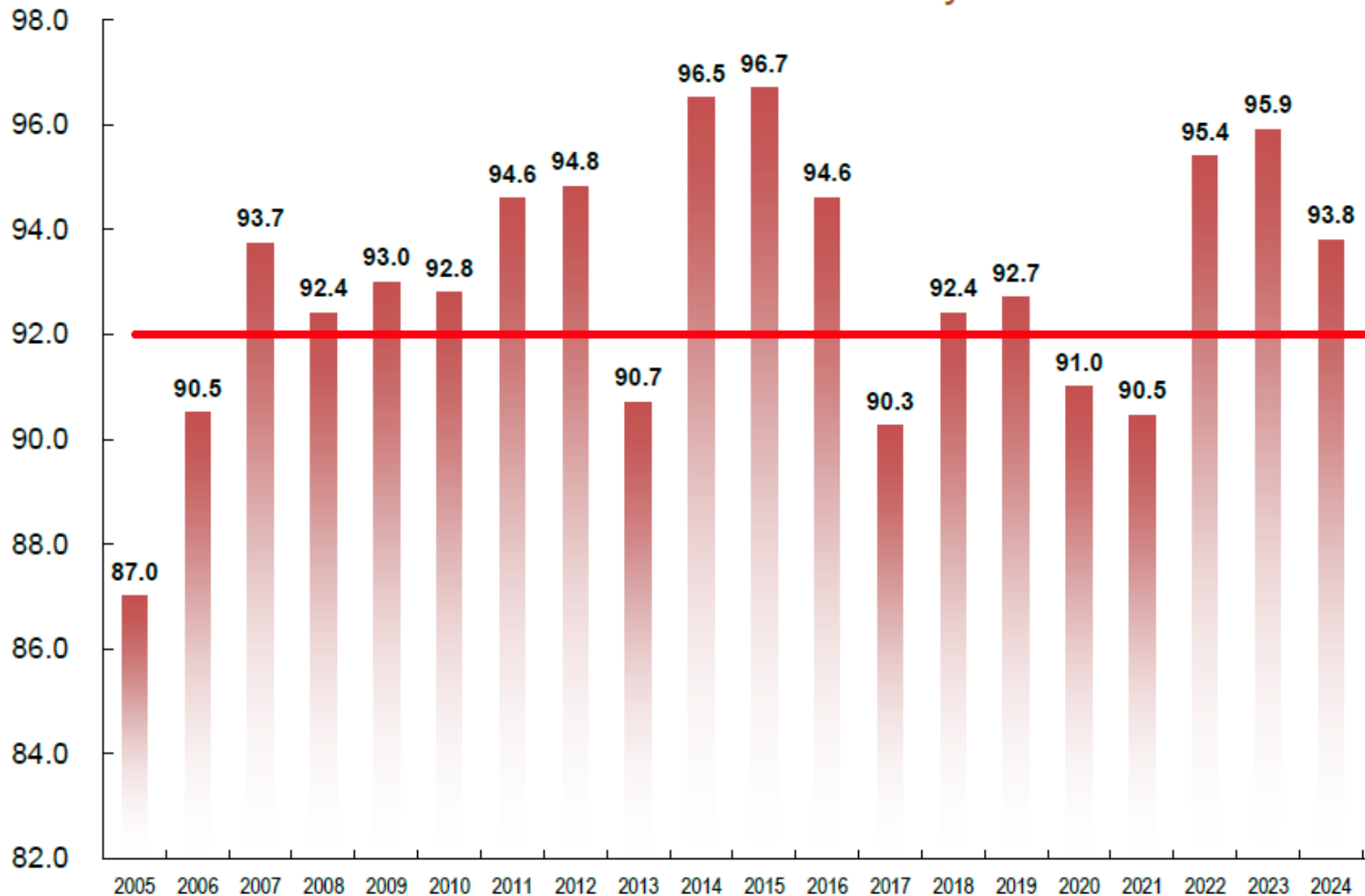2024 Delivery Time Percentage (Average 9.36 days)

- 8~14 days, 22.2%
- 15~21 days, 7.1%
- 22~28 days, 4.8%
- ≧29 days, 7.8%
- ≦7 days, 58.1%
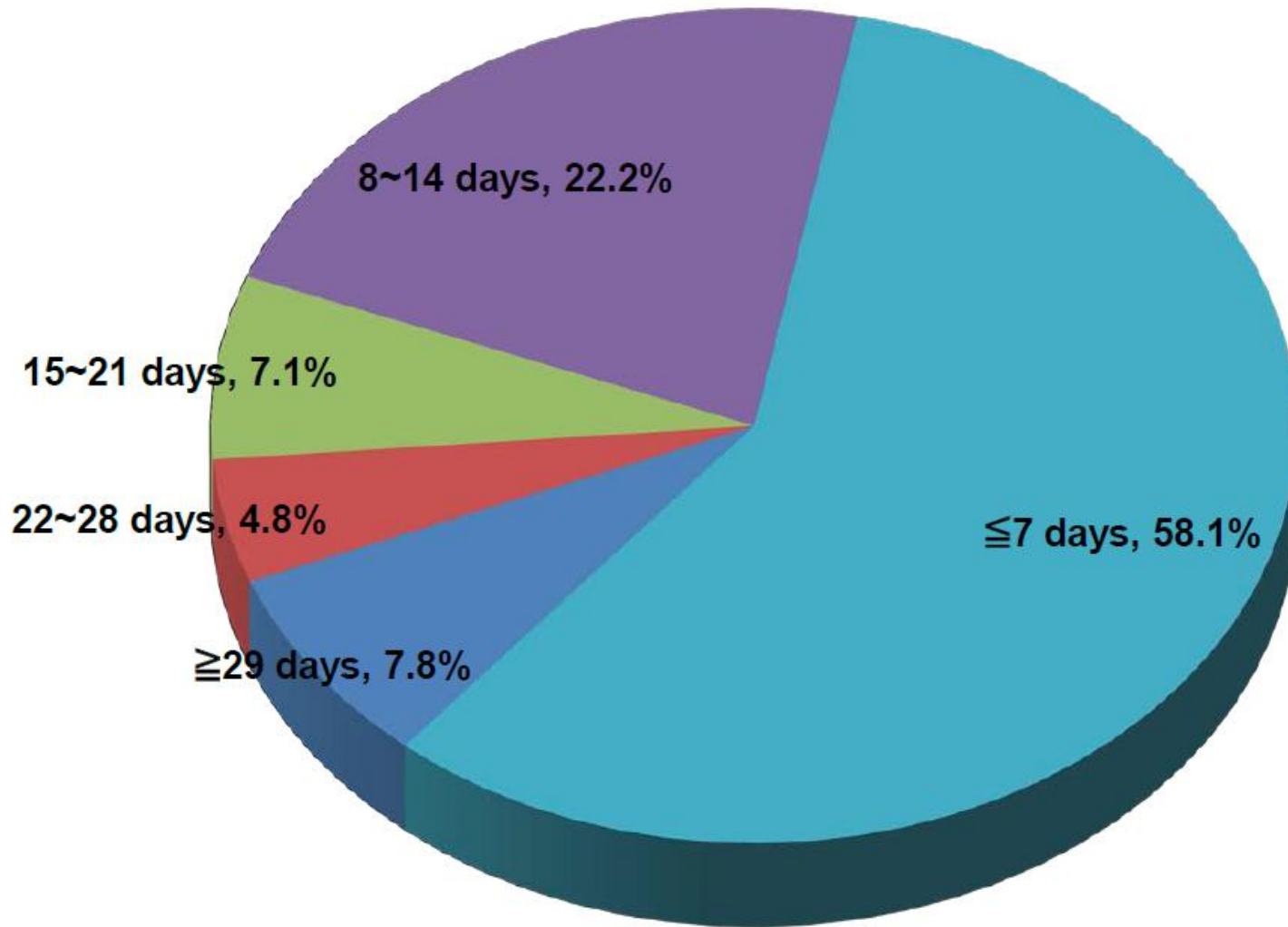
Product & Marketing – Sales & Planning

On-Time Delivery Rate

Product & Marketing – Sales & Planning

Customer Satisfaction Survey

Products & Marketing –
Supply Chain Management

Sustainable partners – Supplier types

Volume / Risk	High	Low
High	**Strategic Supplier** Product quality, cost and delivery is crucial (e.g. aluminum and alloy)	**Key Suppliers** Provide non-standard parts, with a low homogeneity and often customized or with special requirements. (e.g. injection parts)
Low	**Leverage Supplier** Supply standard parts with high homogeneity. Multiple source with similar products and little differences (e.g. screws, hardware, electrical parts)	**General Supplier** Parts that are not directly used in finished products but auxiliary materials, such as grinding oil, solder, tin oil, wipers, etc.

Products & Marketing –
Supply Chain Management
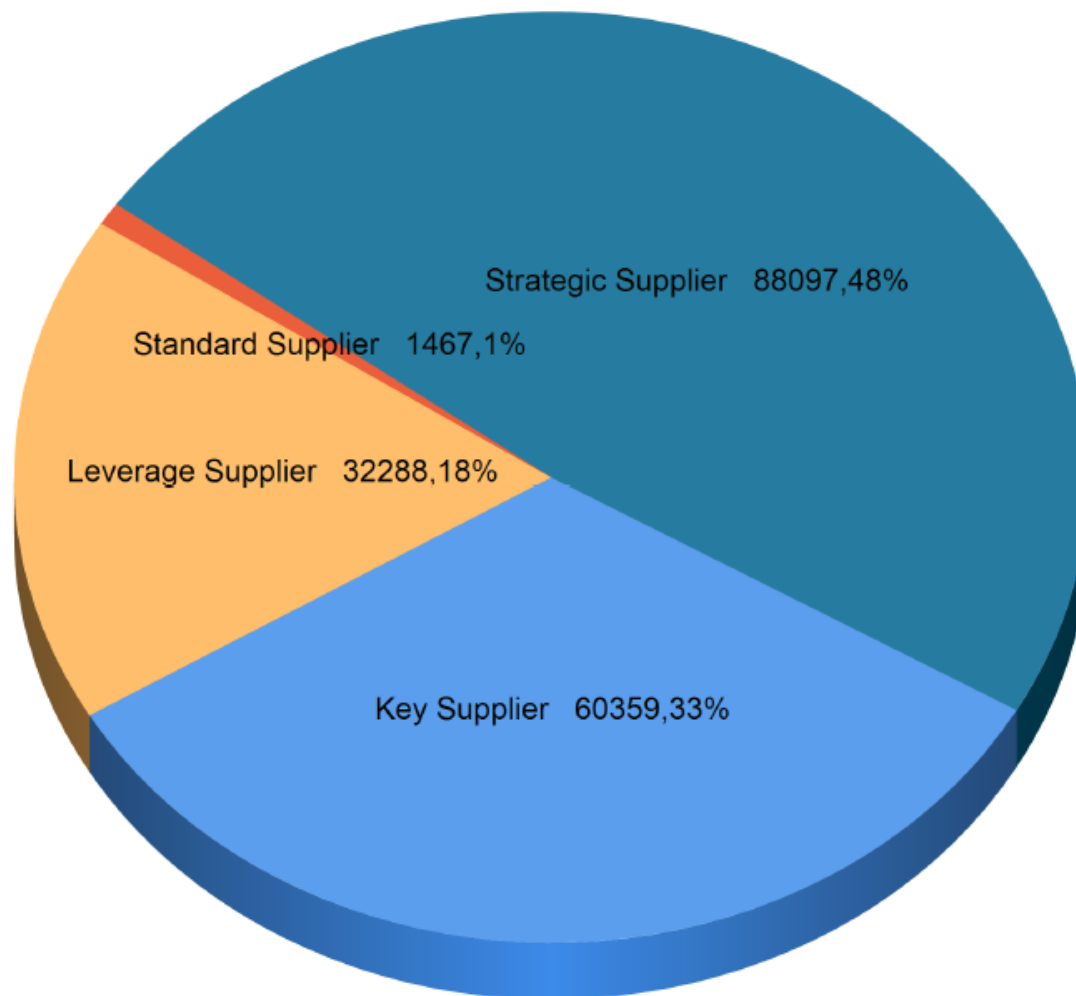
Suppliers Analysis

2024 Supplier by Total Count

Leverage Supplier   100, 64.1%

Standard Supplier   15, 9.62%

Strategic Supplier   11, 7.05%

Key Supplier   30, 19.23%
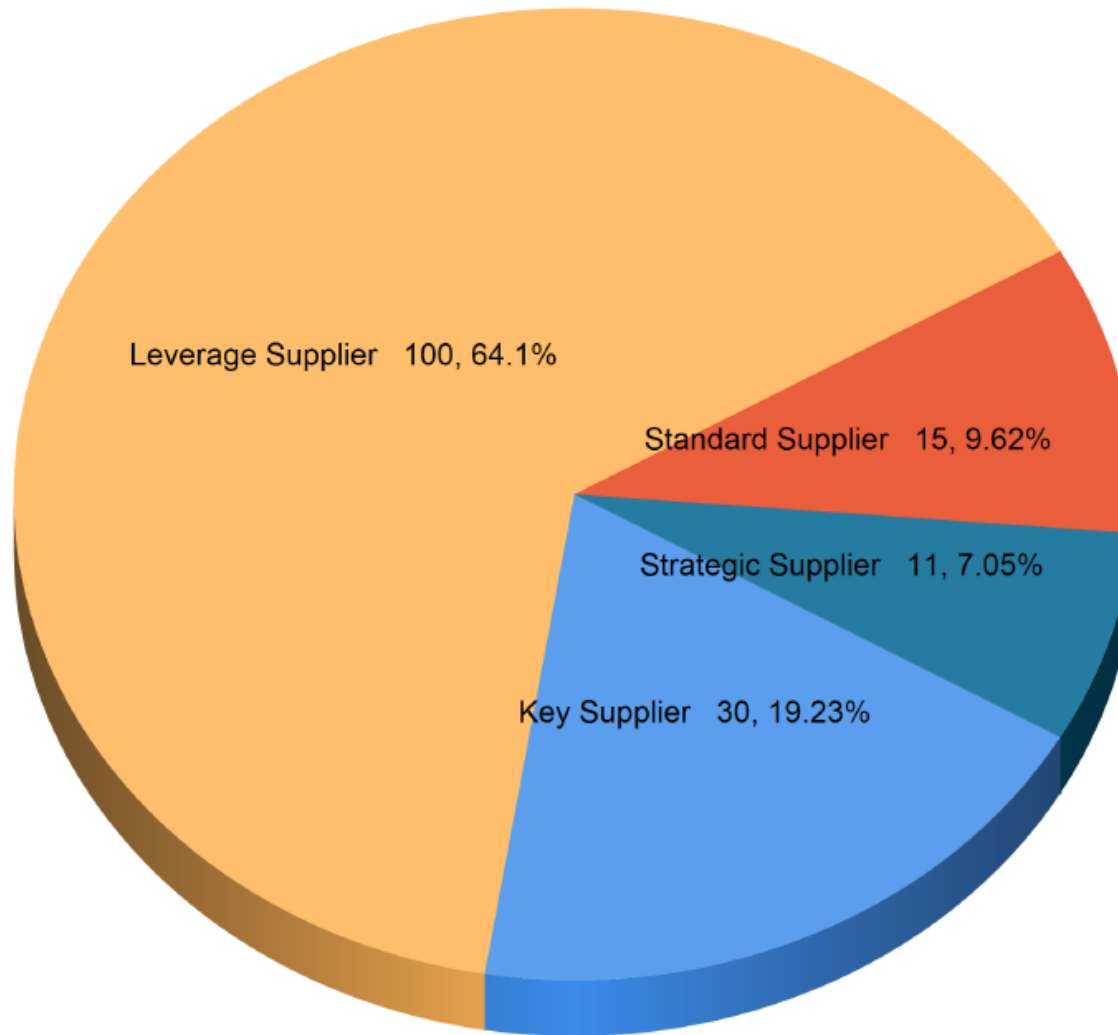
Products & Marketing –
Supply Chain Management

Suppliers Analysis

Supplier by purchase amount in 2024
(Unit: Ten thousand NTD)

Strategic Supplier 88097,48%

Standard Supplier 1467,1%

Leverage Supplier 32288,18%

Key Supplier 60359,33%

Products & Marketing –
Supply Chain Management

Newly Qualified Suppliers
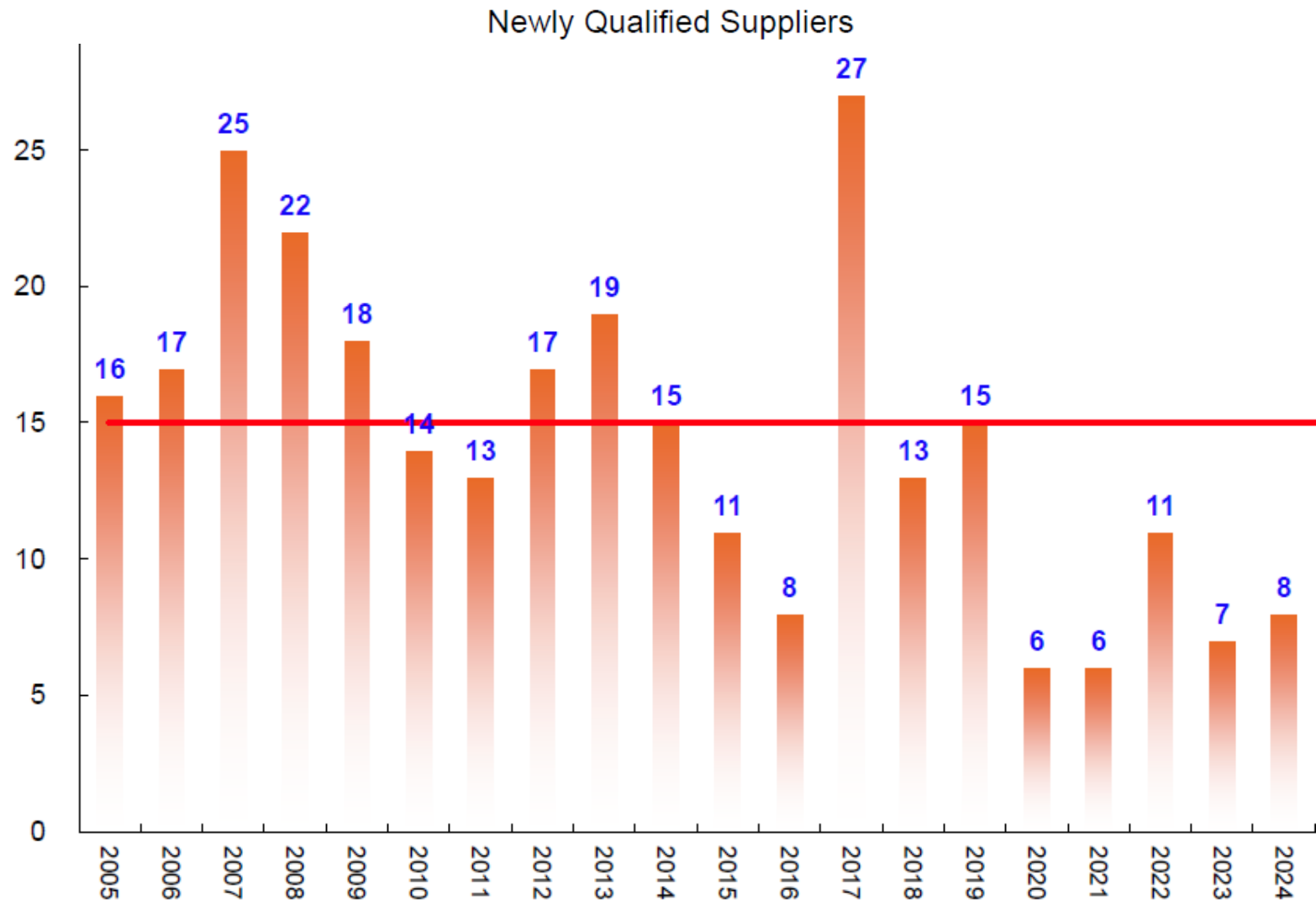
GEM Competitiveness – Quality Management

ISO 9001 Standard

ISO 9001 quality management system effectively raises the production and quality control with a set of guidelines and approach.

IECQ QC 080000

QC 080000 is an international IECQ technical specification for hazardous substance process management. We acquired inspection equipment to examine and verify the accuracy of the raw material document provided by our suppliers.

ISO 45001(OHSAS 18001)

Accreditation for Occupational Health and Safety Management System. We implemented this standard in 2009 to ensure workplace safety and minimize workplace hazards and potential accidents.

ISO 14064-1

In pursuant of greenhouse gas and emission trading and building the foundation for the calculating carbon footprint of our products.
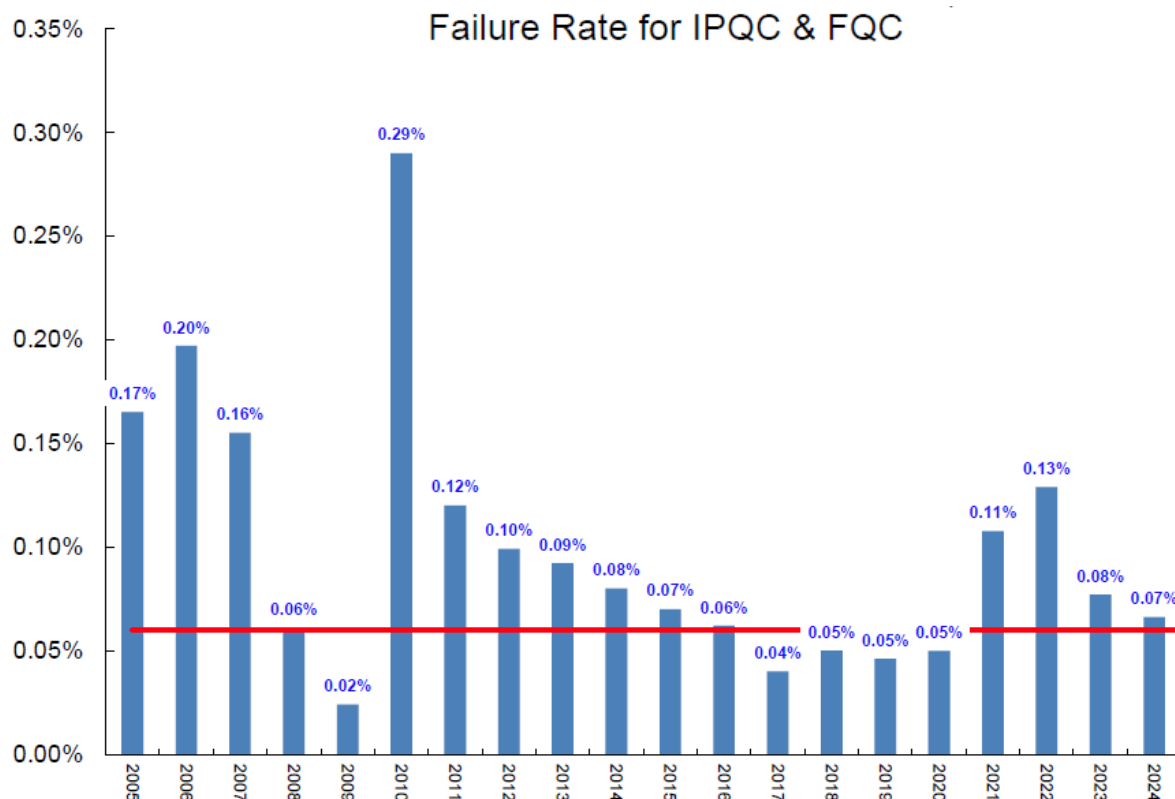
GEM Competitiveness – Quality Management

Certificates	Date	Certified By	Valid till
ISO 9001	2002 March	ARES	01/2027
QC 080000	2006 October	ARES	02/2026
ISO 45001 (OHSAS 18001)	2009 December	ARES	12/2025
ISO 14064-1	2011 October	BUREAU VERITAS	---

GEM Competitiveness – Quality Management

Product Quality

Quality is the most important shared goal by every employee. To ensure product quality and reduce the possibility of product return and recalls, the R&D team factor in processes set forth by the ISO 9001 standard during design and development phase and conduct a series of verification tests, as well as establishing capabilities to carry out failure analysis and chemical and materials analysis.

Failure Rate for IPQC & FQC

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GEM Competitiveness – Quality Management

Error Proofing Devices

Equipment which employs optical, mechanical, electrical, pneumatic or hydraulic principles to sense, signal or prevent potential error occurrence and achieve 100% error proofing. Methods which we currently implement include the following:

Aluminum Housing Semi-Automatic Assembling
Pneumatic device that automatically filters out bad screws.

Automatic Epoxy Potting System
We have designed an automatic glue potting system for electromagnetic lock production for precise glue quantity and temperature. When the lock is subsequently processed, quality can still be guaranteed.
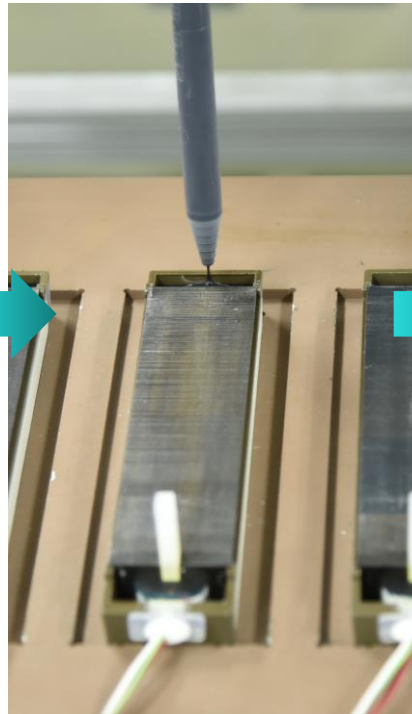

Robotic Arm
To improve production efficiency and processing precision, we also introduce a robotic arm to grind the surface of the electromagnetic lock. Personnel can also be protected from a polluted workplace where dust is often produced.

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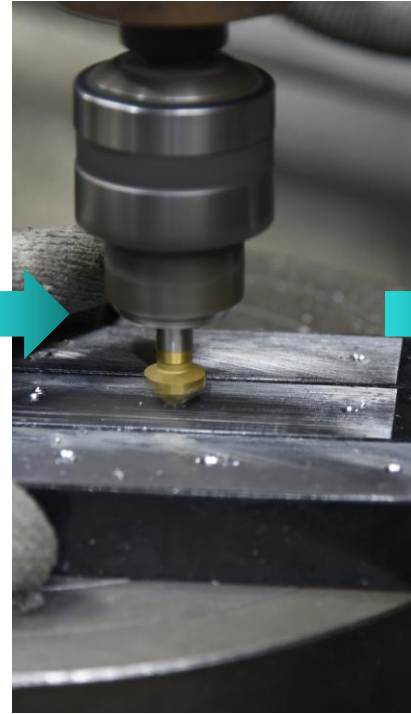# GEM Competitiveness – Quality Management

Production Process of Main Product (Electromagnets)
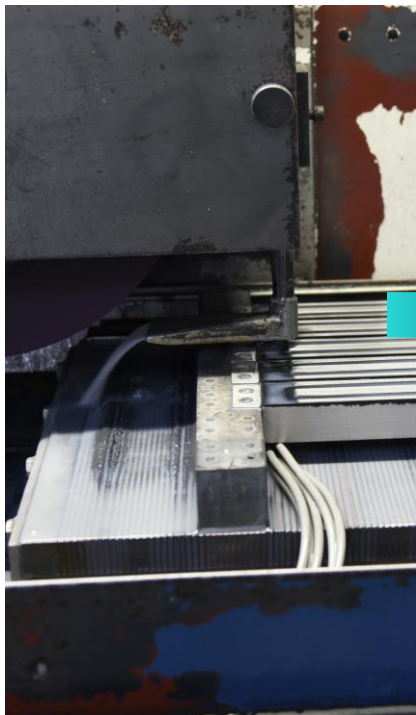

Coil winding
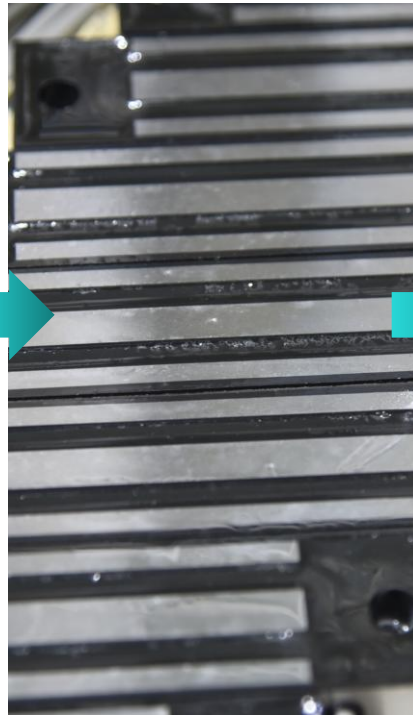
Epoxy potting

Drilling/Tapping

CNC machining

GEM Competitiveness – Quality Management

Production Process of Main Product (Electromagnets)



Surface grinding

Plating/Polishing

Laser engraving /Printing trademark

Assembling/ Packaging

GEM Competitiveness – Equipment and R&D

GEM is dedicated to designing and manufacturing an extensive range of reliable locks and hardware of high quality. We continuously strive to deliver innovative products to our customers. The following is how we have improved production, quality control, and standards in recent years.
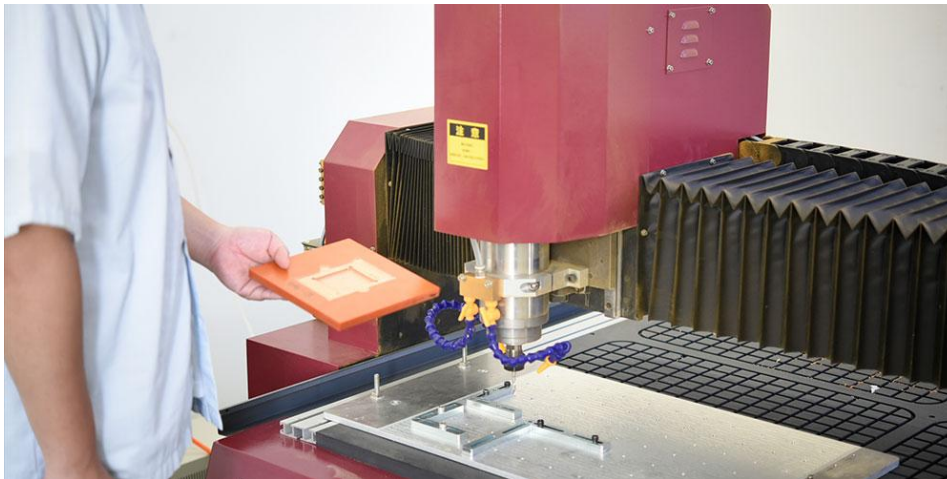
In 2017, a CNC engraving machine was instituted to design production jigs.
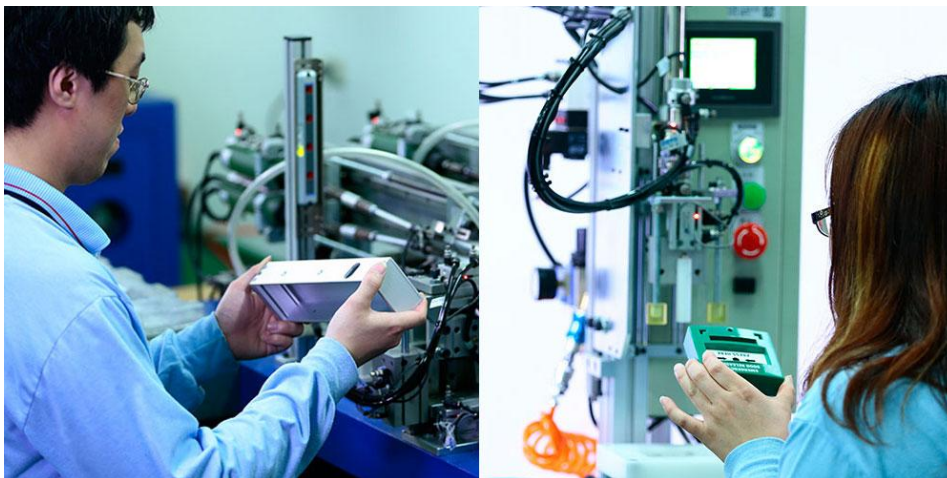
Production line engineers develop an assembly machine for access control products. This semi-automatic operation has improved production efficiency and quality as well as reducing labor intensity
The left picture shows personnel assembling the electromagnetic lock with aluminum housing and call points.

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GEM Competitiveness – Equipment and R&D

In accordance with RoHS and other environmental laws, we introduced the QC080000 Hazardous Substance Process Management System in 2006 and added an X-Ray analysis machine (HORIBA XGT-1000WR) in 2017 to inspect hazardous substances for high-risk materials.

Product endurance testing helps us understand the life time and impact on the products under different environmental factors.

The left picture shows cycle tests for electric strikes. The middle and right pictures show the inspecting instrument used to test if the electric dropbolt still functions below the temperature of -40℃.

GEM Competitiveness – Equipment and R&D
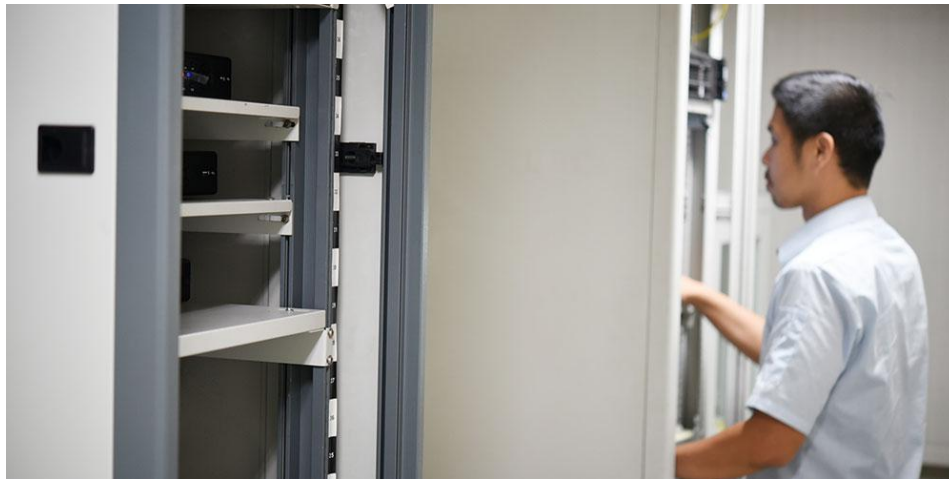
Information management is an essential tool for any companies. Our ERP system, monitoring system, access control system, and database are instituted independently. The picture shows information management personnel maintaining information security.

GEM establishes production information database, information including orders and data analysis, QC engineering diagrams, manufacturing SOP procedure, and packaging diagrams. Through intranet, production personnel can look up information immediately. The picture shows that packaging personnel inspect goods during the FQC process.

GEM Competitiveness – Equipment and R&D
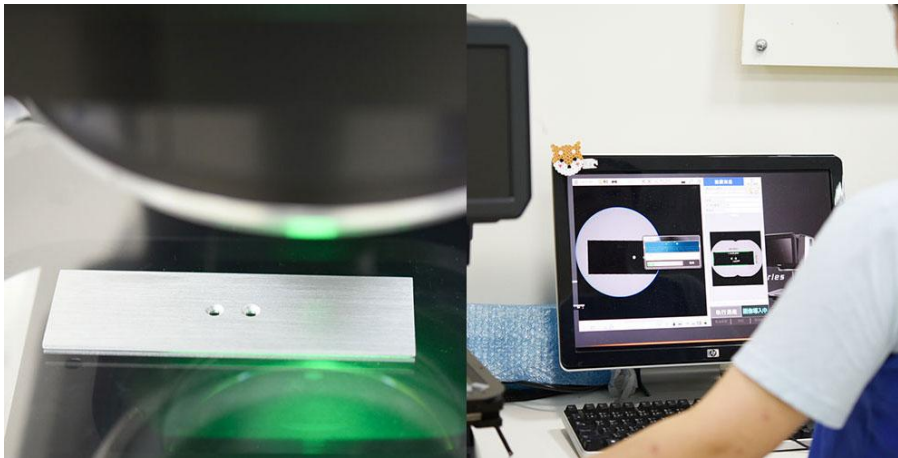
At the end of 2017, the IQC division of Quality Control Department introduced the image measuring instrument (KEYNCE, IM-7000 Series) to precisely inspect the materials from suppliers.

For electromagnetic locking devices, holding force is the most significant measurement index. We continually improve holding force using an advanced testing equipment to inspect if electromagnetic products have met standards.

GEM Competitiveness – Equipment and R&D
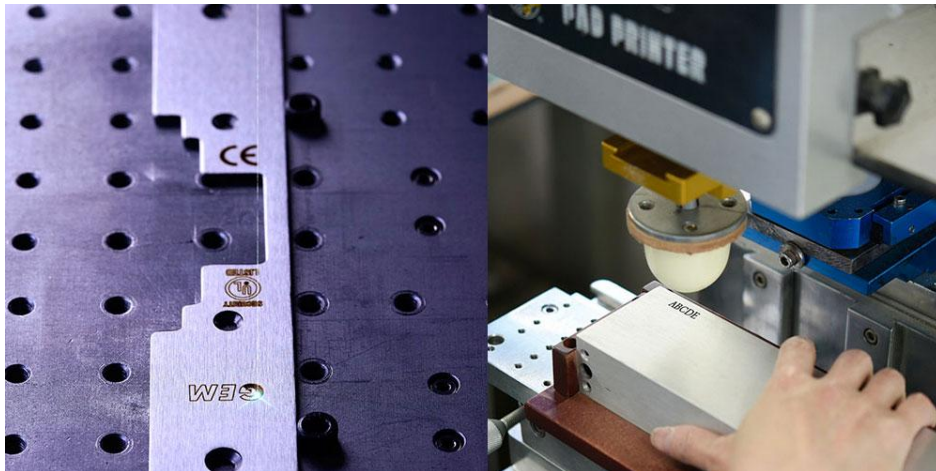
To provide better customized services, we have a laser engraving machine as well a label printer to meet our customers' requirements.
The left picture shown with Laser Engraving Machine / Label Printing Machine.
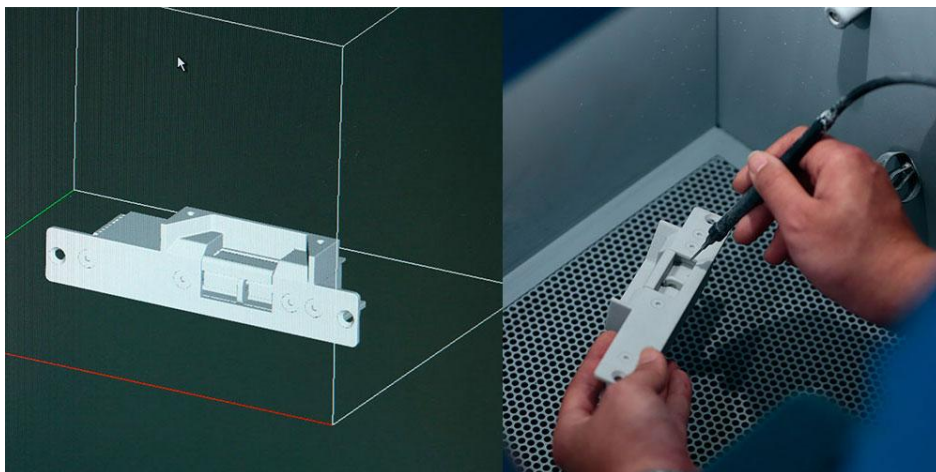
In 2017, a 3D printer was introduced for our products to enhance development and further establish close ties with ODM clients.

GEM Competitiveness – Equipment and R&D
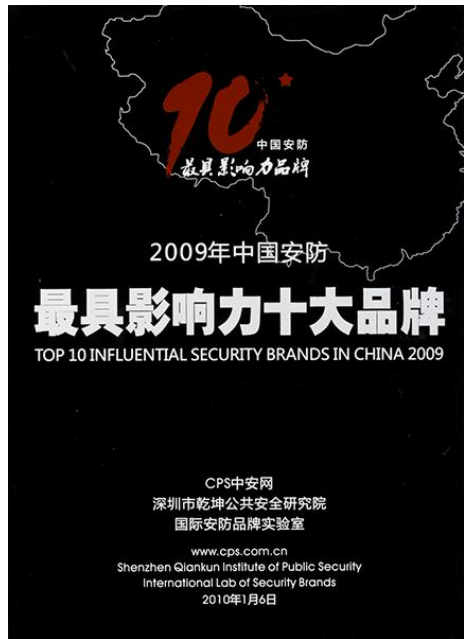
Product Performance
Ranked among China's top ten most influential security brands.

Laboratory Standards
The only UL certified laboratory in Taiwan (for UL294/UL1034 witness test data program)

GEM Competitiveness – Certifications and IP

We have received CE, UL and many other certifications on a number of products as well as patents from over 20 different countries including the US, Germany, Australia, France and China (43 patents worldwide currently). We help advocate and raise security standards for our distributors and OEM customers.

GEM Competitiveness – Certifications and IP

Cumulative worldwide product safety certificates
(Cumulative counts/CE certificates/Other countries/Other certificates)

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GEM Competitiveness – Certifications and IP

Cumulative counts of worldwide patents
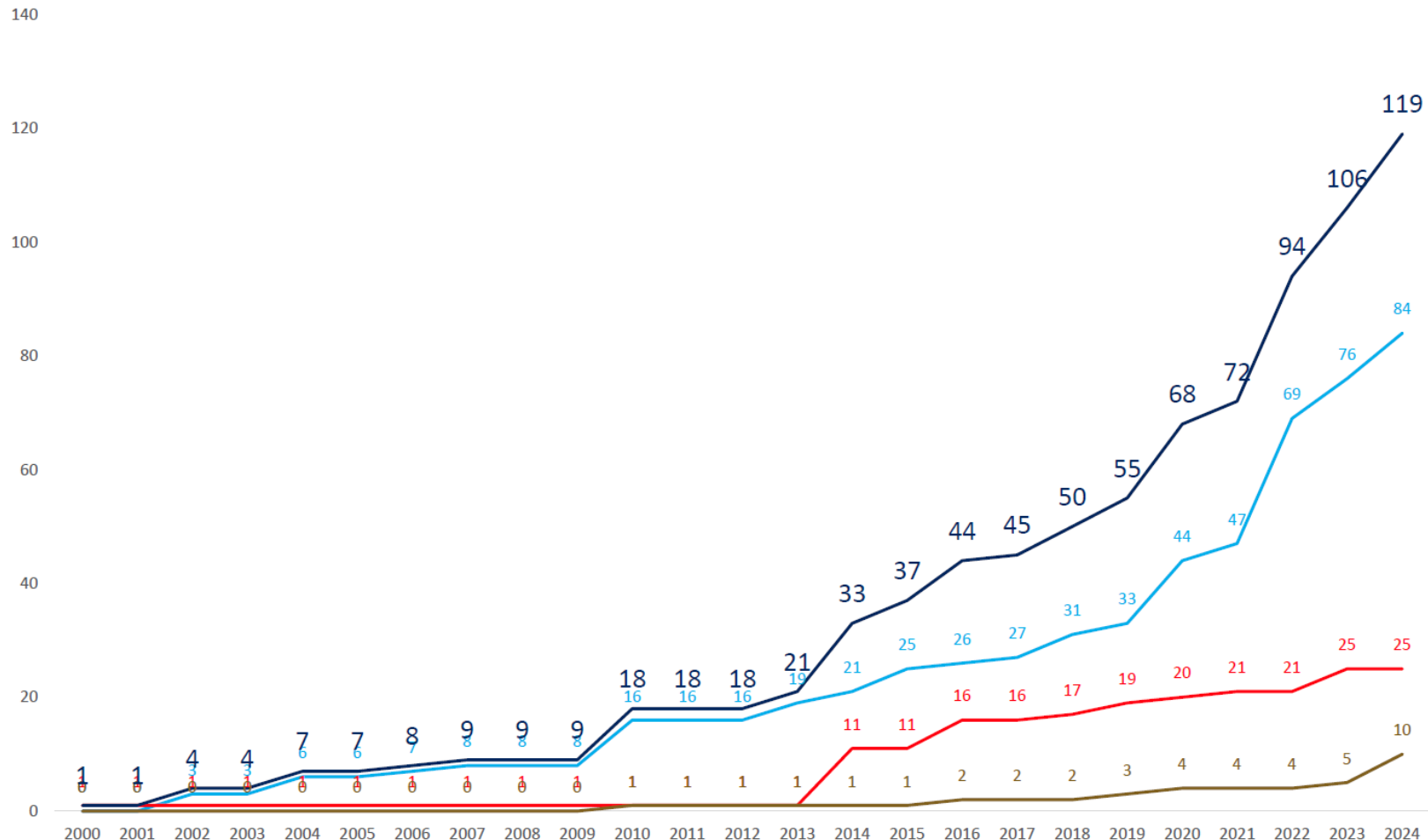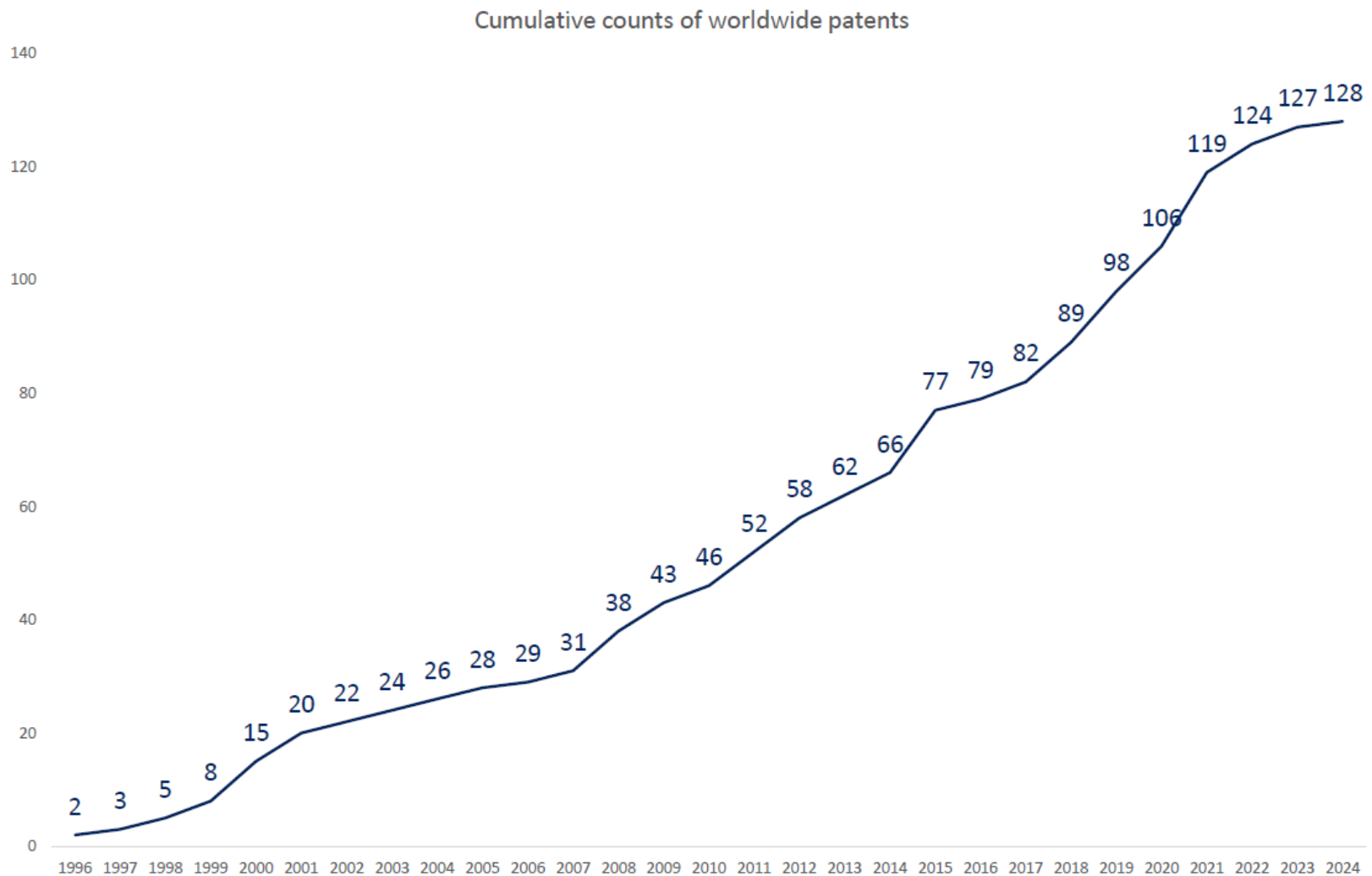
GEM Competitiveness -ACCESS Prospect

We understand our position in the competitive access control industry. With the analysis of external environment and internal resources, we have set up our goal, business direction and strategies and further designed an overall plan. We will go to the next stage called "**ACCESS**" (**A**utomation, **C**ustomization, **C**ompliance, **E**lectronics, **S**peed, and **S**ustainability).

GEM Competitiveness -ACCESS Prospect

 Automation

 Electronics

 Customization

 Speed

 Compliance

 Sustainability

ESGP Analysis
(Social Responsibility and Sustainable Development)

We focus on social responsibilities and sustainable development. With management councils integrating internal functional departments, the company handles these issues concerning employees, customers, suppliers, government and related parties. By working plans and budget planning, we aim to systematically and effectively realize our corporate social responsibilities and missions.
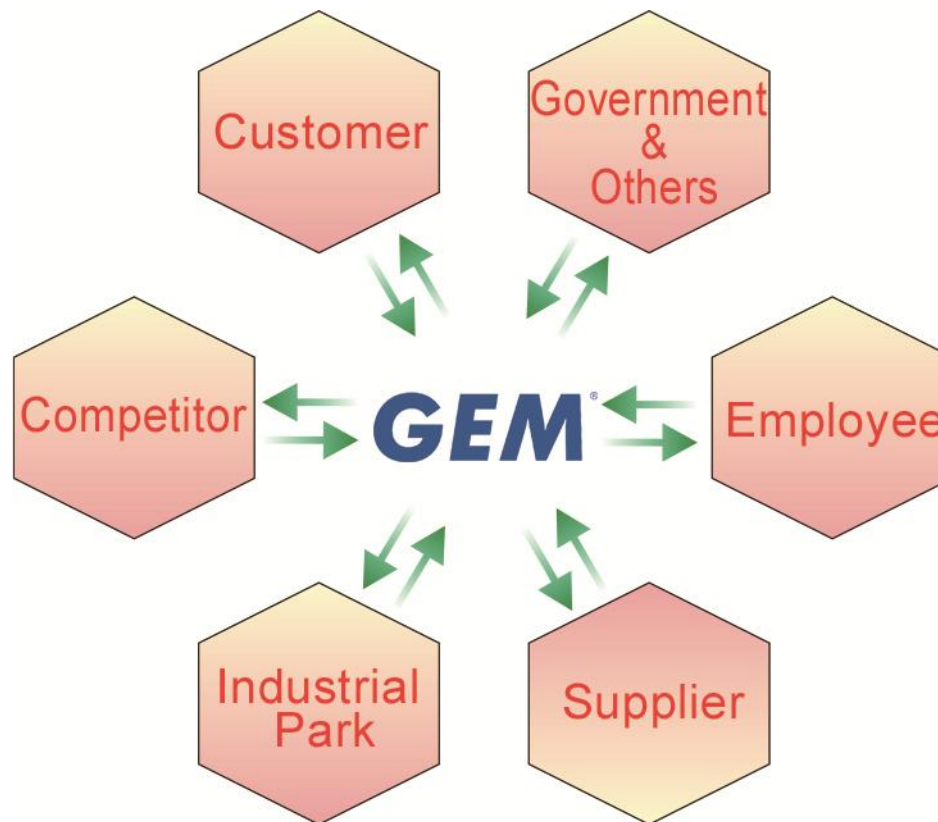
ESGP Analysis
(Social Responsibility and Sustainable Development)

Environment

Social

Governance

Promise

Social responsibility and sustainable development covers a broad area，Specifically we focuses on the ESP aspects. E for Environment, S for Social and G for Governance and P for Promises.

ESGP Analysis - Policies & Guidelines

Energy Policy and Carbon Emission Target:

Policy	Guidance	Remark
Regulatory Compliance	• Green Products Regulations • Labor Rights and Regulations • Occupational Safety • Environmental Regulations	In accordance with QC080000 and ISO 45001
Energy & Waste Conservation	• Reduce energy consumption • Reduce water consumption • Reduce drain sewage • No waste contamination events	Please refer to 'Energy Policy and Carbon Emission' (next slide)
Friendly Workplace	• Employee relations and communications • Gender equality and sexual harassment prevention • Workplace health and safety measures • Anti-bully care and prevention	Quarterly labor meetings Quarterly workplace safety meetings Employee health and workplace safety prevention procedures
Sustainable Development	• Sustainable innovation • Sustainable management • Sustainable partnership • Friendly to the environment	R&D equipment investment/ IP & Certifications Product performance (New product count, new customers count) Finance/HR risk management Supply chain breadth and depth management

ESGP Analysis – Sustainable Development

Environmental Sustainability – Green Energy and Reduction of Carbon Footprint

Reducing carbon emission has always been one of the goals we pursue in sustainable management. In October 2011, we passed the ISO 14064-1 verification process in quantifying and reporting total carbon emission. In 2022, we conducted another analysis to quantify our total carbon emission. Based on a set of internationally recognised methods, our total carbon emission in 2022 was 177t-CO_2e. The advisory team recommended GEM to adopt a carbon reduction target of -1.5%/year, in order to achieve our goal of 85% carbon reduction and a net zero goal by 2050.

We will continue to move forward and be in line with the world's carbon reduction trend and complete carbon footprint certification in the near future.

ESGP Analysis – Environmental Protection

GEM Green House Gas Emissions

- Scope 1 Direct GHG emissions (CO2 tons)
- Scope 2 Indirect GHG emissions (CO2 tons)
- Total GHG emissions (CO2 tons)

Year	Scope 1	Scope 2	Total
2010	9.390	119.720	129.110
2011	16.838	119.434	136.272
2012	16.986	122.254	139.240
2013	17.025	125.254	142.279
2014	17.569	129.365	146.934
2015	18.214	135.245	153.459
2016	19.365	139.254	158.619
2017	19.785	138.254	158.039
2018	21.235	142.565	163.800
2019	20.458	146.258	166.716
2020	22.523	148.256	170.779
2021	21.365	152.214	173.579
2022	20.674	156.521	177.195
2023	31.807	147.235	179.042
2024	30.157	149.496	179.653

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ESGP Analysis – Environmental Protection

GEM Green House Gas Inventory/ Reduction Target

Legend:
- Total GHG emissions (CO2 tons)
- Total GHG Reduction Target (-1.5% per year)

Bar values:
- 2022: 177.195
- 2023: 179.042
- 2024: 179.653

Reduction target line values: 177.2, 174.5, 171.9, 169.3, 166.8, 164.3, 161.8, 159.4, 157.0

ESGP Analysis – Environmental Protection

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ESGP Analysis – Environmental Protection

Proof of no contamination:

This certificate is to certify that Gianni Industries, Inc. does not violate any environmental regulations and has not received any warnings from the local authorities.

證　明　書

茲證明（翔光工業股份有限公司）（地址：23678 新北市土城區中興路 13 號））自 107 年 7 月 1 日至 109 年 2 月 29 日止日止違反各項環保法規（如環評、空、水、廢、毒、噪音、土壤地下水、海洋等）遭環保主管機關處分次數為 2 次以內，處分總次數為 4 次以內，且未發生重大糾紛事件，特此證明。

此　致

翔光工業股份有限公司

出具證明者：新北市政府環境保護局

局　長：程　大　維

註一：本證明乙式 3 份，2 份提出申請時形式要件審查用，1 份受理申請單位留存。

註二：本證明文件僅供申請無環保違規證明用。

中　華　民　國　109 年 3 月 4 日

ESGP Analysis – Environmental Protection

Green Products

With an increasing emphasis for sustainable manufacturing, environmental protection has become an important focus for all involved in the supply chain. As a leading global manufacturer of access control hardware, our responsibility is to ensure that the company adheres to environmental laws and maximizes product sustainability.

ESGP Analysis – Environmental Protection

Green Products Management System

RoHS (Restriction of the use of Certain Hazardous substance in Electrical and Electronic Equipment) is a regulation which took effect on July 1, 2006 to manage the recycling and waste disposal of hazardous substance in electronic products that enters the EU Market.

WEEE (Waste Electronic and Electrical Equipment) Directive is a legislation from European Union that encourages and regulates the collection, reuse, recycling, and recovery of waste electrical and electrical equipment with an aim to achieve recycling rate of 50-75%. GEM monitors and calculates our recycling rate using our ERP system.
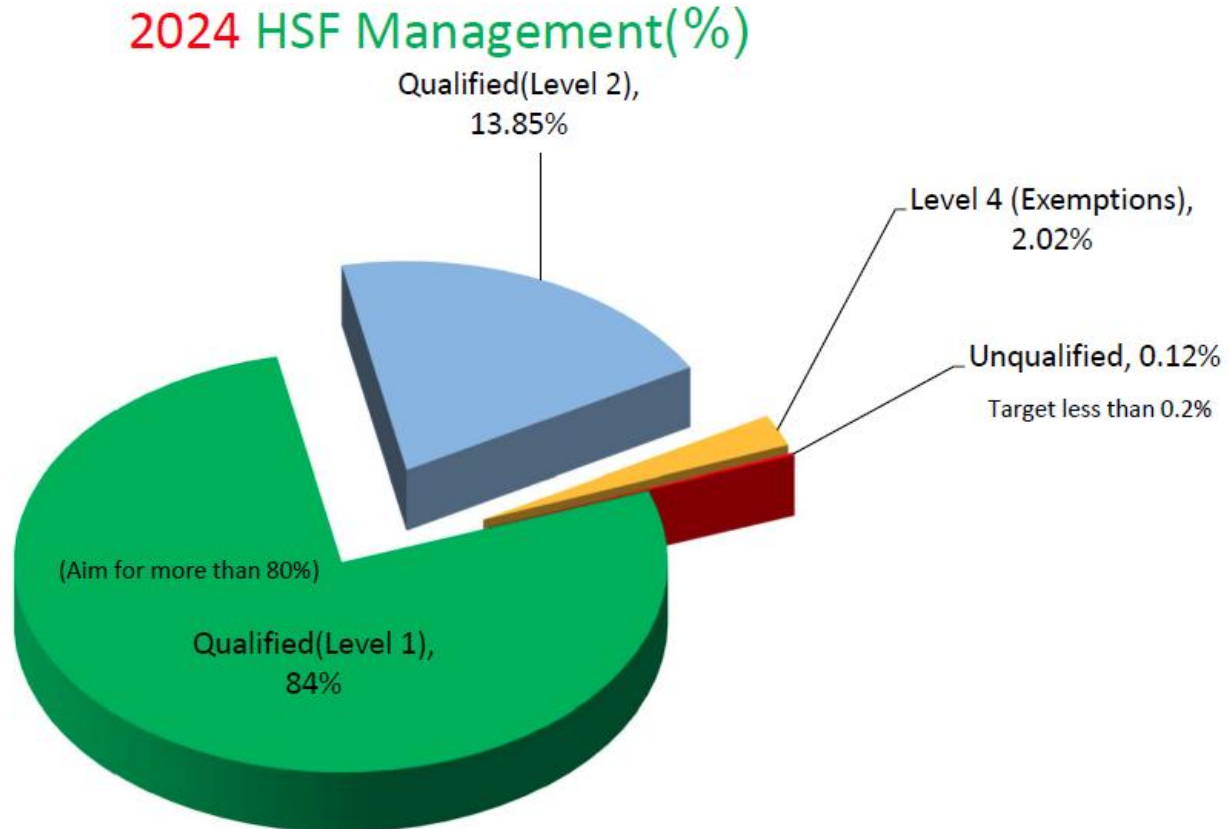
REACH is a European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with Registration, Evaluation, Authorization and Restriction of Chemical substances.

ESGP Analysis – Sustainable Development

Environmental Sustainability – HSF Management

Under QC 080000 management system, GEM is actively reducing raw materials which do not comply to HSF management. All level 3 materials will be replaced by 2025

2024 HSF Management(%)

Qualified(Level 2), 13.85%

Level 4 (Exemptions), 2.02%

Unqualified, 0.12%
Target less than 0.2%

(Aim for more than 80%)

Qualified(Level 1), 84%

ESGP Analysis – Social Responsibilities

Honesty and Integrity

With the most rigorous attitude, we systematically implement business ethics and anti-corruption in accordance with these six principles and practice the core value of "honesty and integrity".
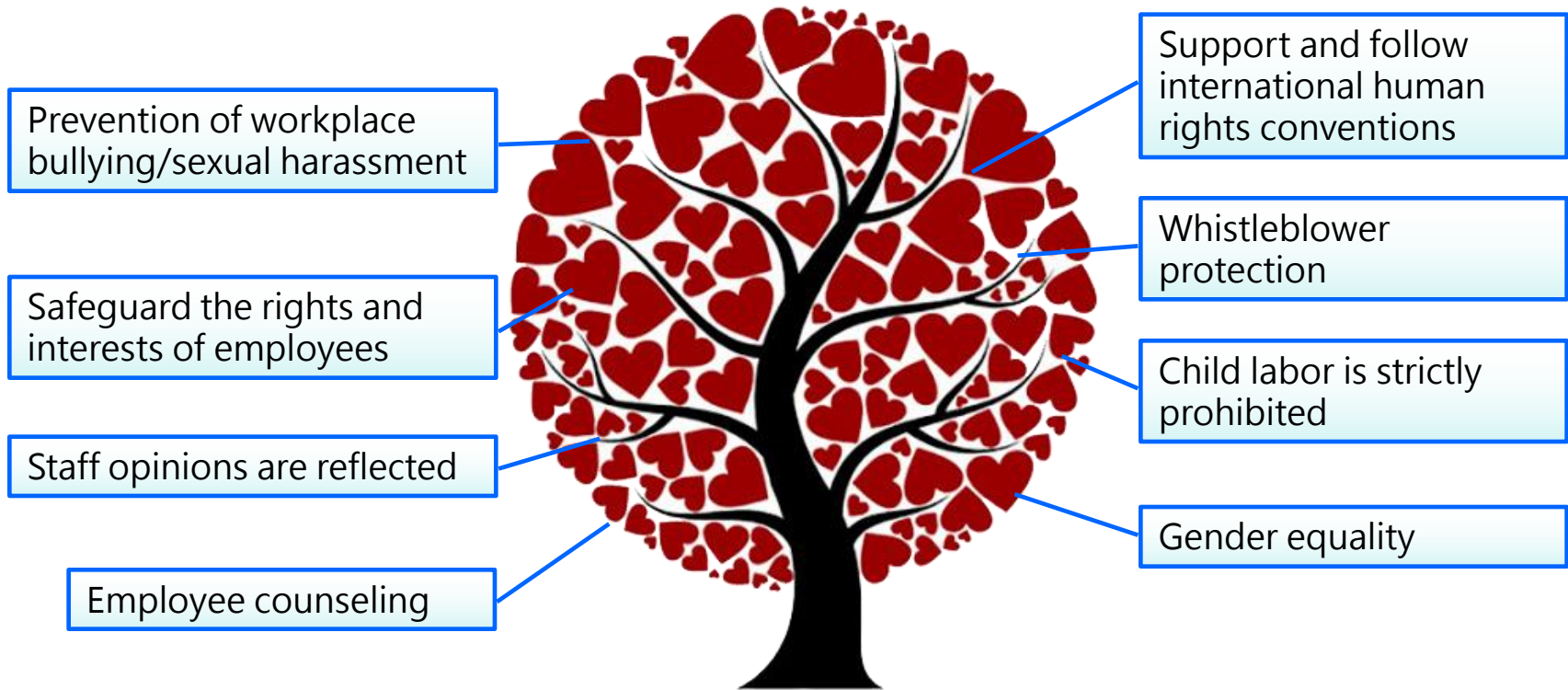

- 《Human Resources Management – Honesty Resolution》is the foundation to our core value to practice "integrity and honesty'

- 《Employee statement on Anti-Corruption》further detail our zero tolerance policy for corruption.

- Staff can report through the "Personnel Team Mailbox" and "Employee Opinion List." anonymously.

- At the annual internal audits of various departments, review colleagues' implementation of the ethical standards and report the results to the management committee.

- "Gianni Industrial Supplier Evaluation Report (Corporate Social Responsibility)." requires suppliers to sign 《 Supplier Agreement 》 to commit to compliance.

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ESGP Analysis – Social Responsibilities

Respect employee rights and create a harmonious workplace

We deem protection of human rights as a priority while adhering to the company's core values. We protect our employees' rights following international norms and standards

Prevention of workplace bullying/sexual harassment

Safeguard the rights and interests of employees

Staff opinions are reflected

Employee counseling

Support and follow international human rights conventions

Whistleblower protection

Child labor is strictly prohibited

Gender equality

ESGP Analysis – Social Responsibilities

Friendly workplace Employee benefits

Our HR system emphasis on improving productivity and efficiency of employees through continuous contribution and growth. We commit to a quality work environment for our employees, including a competitive compensation package, fulfilling work and a well established management scheme. Through effective communication between managers and staff we encourage our employees to develop personally and professionally.

- Scholarship for employees 'children
- Birthday gift
- Festive gift
- Staff travel
- Wedding gift
- Performance review and bonus
- Recognition of outstanding staff

ESGP Analysis – Social Responsibilities

Occupational safety and health awareness activities

Employee first aid training

Fire drill twice a year

Employee health station

Installed AED equipment on site

ESGP Analysis – Social Responsibilities

Charitable Activities

Donated an ambulance to a care home

Donation to care home center

Employees participating in blood donation event

Donating funds to provide lunch to school children in remote areas

ESGP Analysis – Social Responsibilities

Charitable Activities

GEM CEO Johnny Chang actively participated in charitable events as a member of the Lions Club. He was recognized by various local organizations for his services to the local districts.

ESGP Analysis – Sustainable Development

We believe that the sustainable operation of the enterprise is built on a sound strategy and management system. Our long term goal is to reward and give back sustainably to all stakeholders such as employees, customers, suppliers and the general public.

- **Sustainable Innovation**
  - ✓ Investing in R&D equipment
  - ✓ Patents and certifications
  - ✓ Sales from new products
  - ✓ Business development
- **Sustainable Management**
  - ✓ Financial risk analysis
  - ✓ Human resources
- **Sustainable Partnership**
  - ✓ Connected supply chain
  - ✓ Breadth and depth of supply chain
- **Friendly to the Environment**
  - ✓ HSF management
 - ✓ Green energy and carbon reduction

ESGP Analysis – Sustainable Development

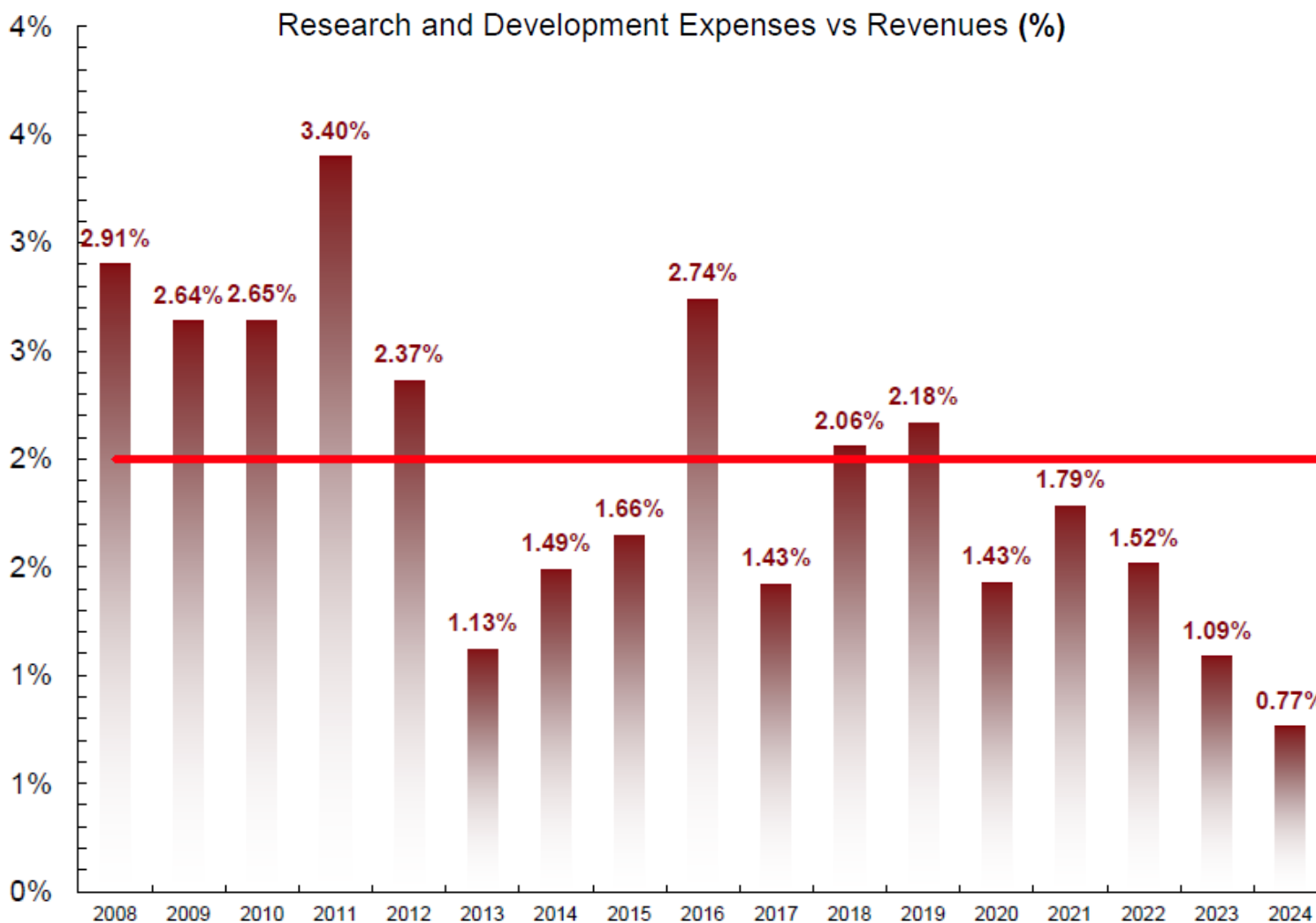## Sustainable Innovation – Investing in R&D Equipment

Innovation is key to stay ahead of the market. To ensure that our customers maintain a competitive edge, we constantly develop new product concepts and better engineering techniques to improve the quality of our products.
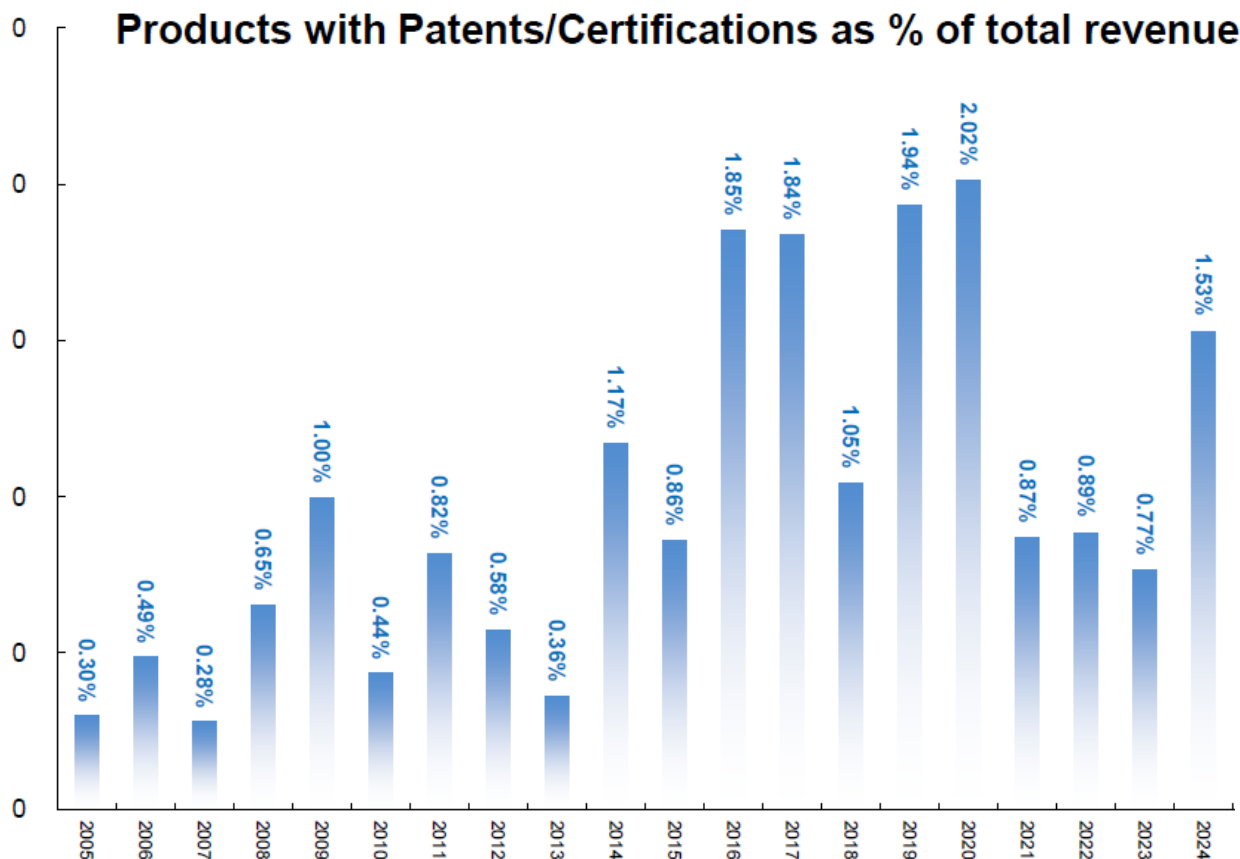
ESGP Analysis – Sustainable Development
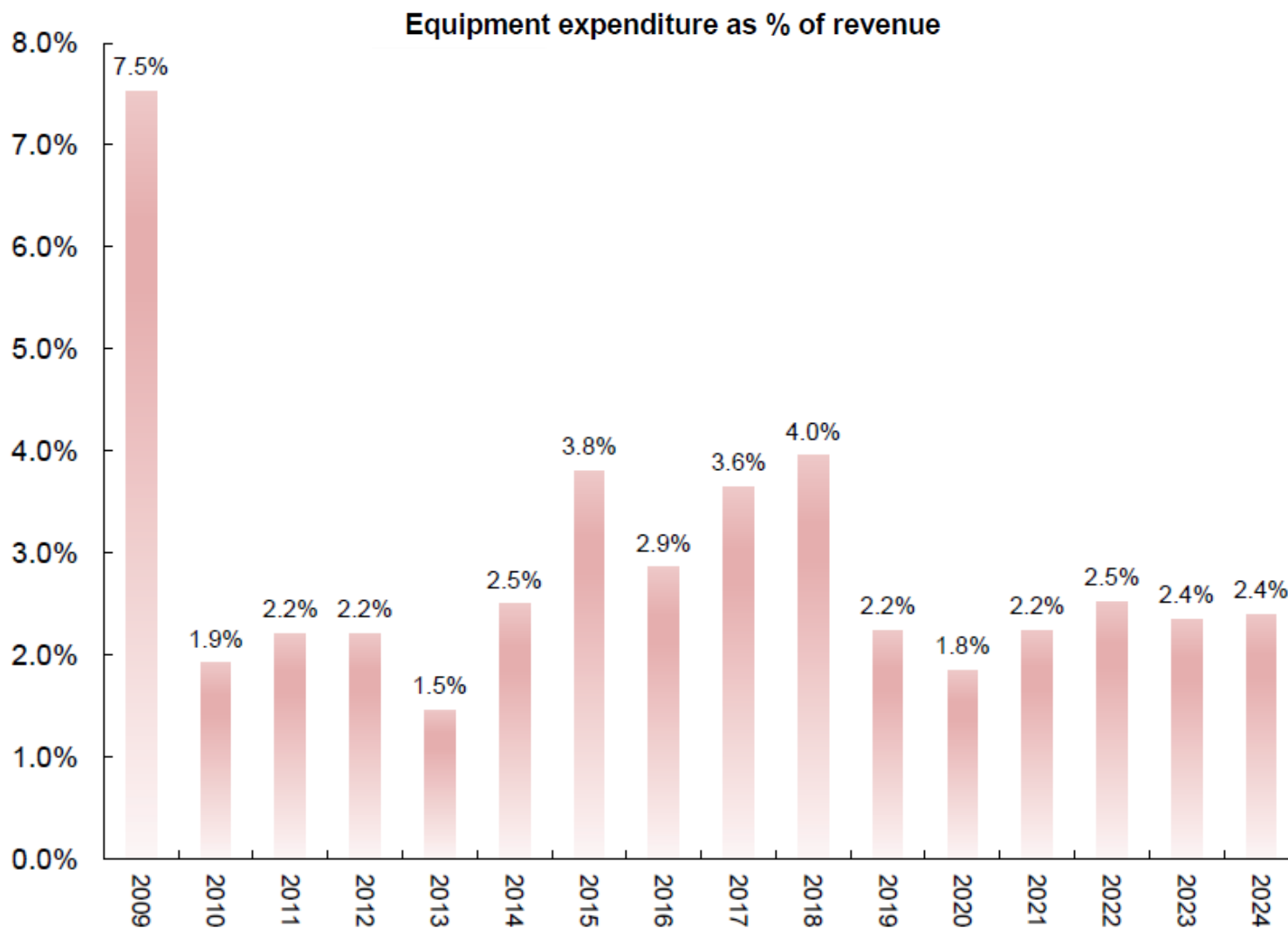
Equipment expenditure as % of revenue
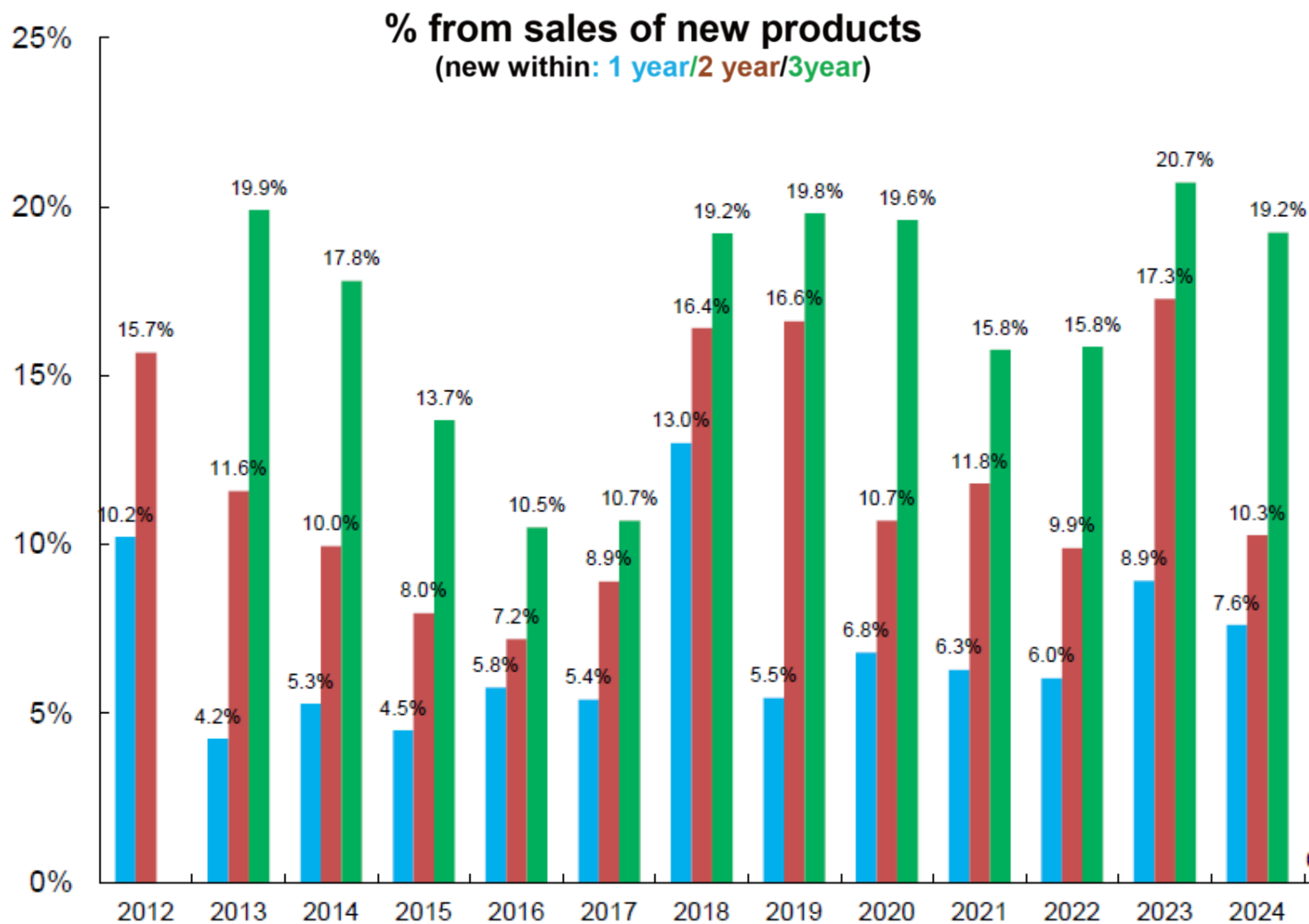
ESGP Analysis – Sustainable Development

Sustainable Innovation – Patents and Certifications

GEM is dedicated to manufacturing products that enhance life safety and protect personal property. To gain a competitive advantage in the market, we design products that meet certifications and standards set by internationally recognized agencies specializing in product safety and performance.

Products with Patents/Certifications as % of total revenue

Year	%
2005	0.30%
2006	0.49%
2007	0.28%
2008	0.65%
2009	1.00%
2010	0.44%
2011	0.82%
2012	0.58%
2013	0.36%
2014	1.17%
2015	0.86%
2016	1.85%
2017	1.84%
2018	1.05%
2019	1.94%
2020	2.02%
2021	0.87%
2022	0.89%
2023	0.77%
2024	1.53%

75

ESGP Analysis – Sustainable Development

Sustainable Innovation – Sales Performance from New Products

% from sales of new products
(new within: 1 year/2 year/3year)
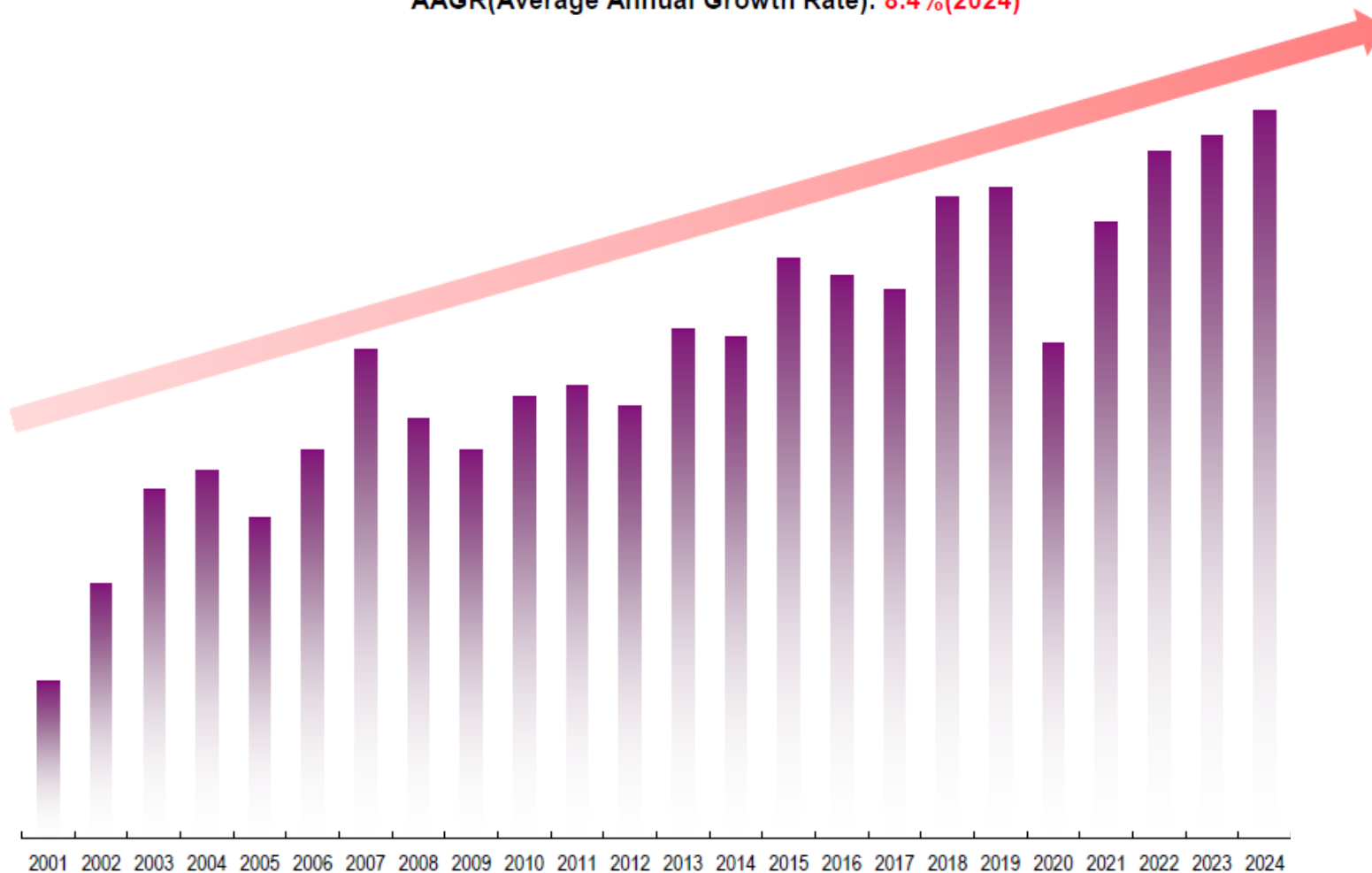
ESGP Analysis – Sustainable Development

Sustainable Innovation – Business Development

We are actively developing new emerging markets to spread our market share across the globe. We also actively monitor the product trends in the market to ensure our products are in line with the market.

Percentage of Sales Revenue from Top Customers
(Top 10/11-20/Others)
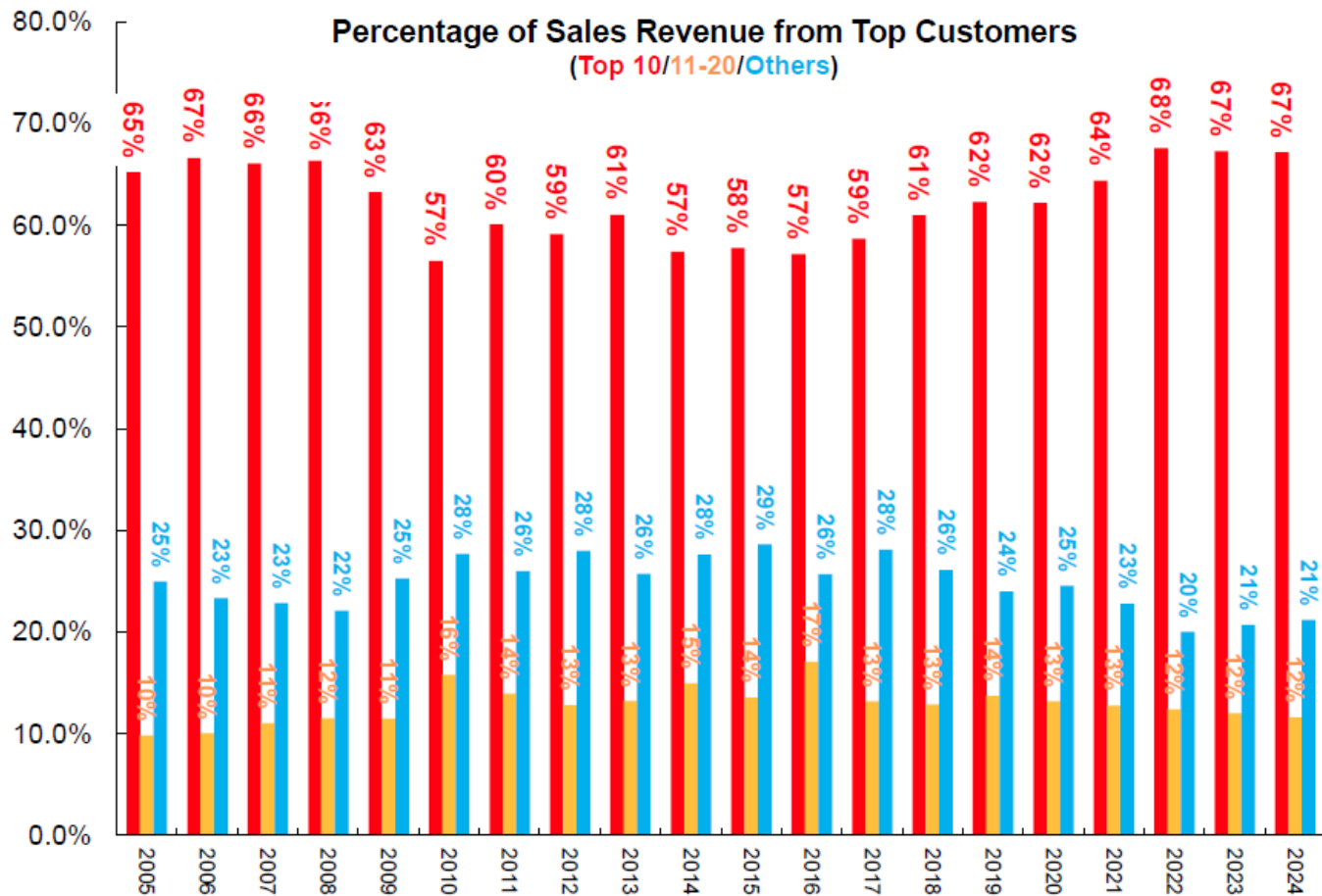
ESGP Analysis – Sustainable Development

GEM's Annual Revenue
AAGR(Average Annual Growth Rate): 8.4%(2024)

2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

ESGP Analysis – Sustainable Development

Sustainable Management – Financial Risk Management

Financial risk analysis is based on the monthly financial statement index of the following eight items, and ranked wit the following risk levels as a reference for financial operations.

Risk level

- Well
- General
- Mild
- Serious
- Unacceptable

- ●Credit : Revenue
- ●Overdue amount
- ●Inventory : Revenue
- ●Inventory turnover
- ●Cost management (profitability)
- ●Forex risk
- ●Debt ratio
- ●Short/long term ability to service debt

ESGP Analysis – Sustainable Development

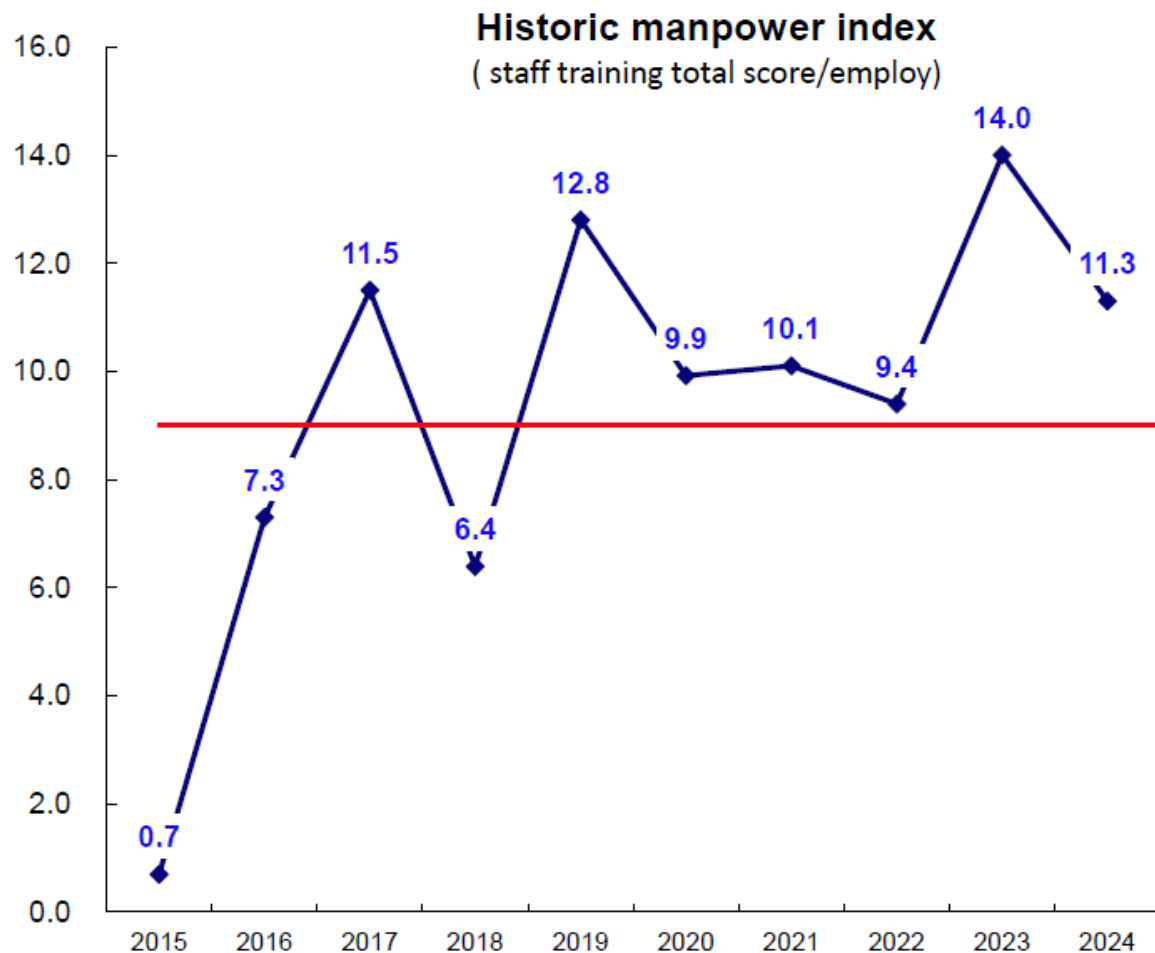## Sustainable Management – Human Resources

Human resource is one of our most important asset. Our recruitment process moves with the changing needs within our industry and retaining great talents has become one of our main focuses.

Historic employee turnover
(New; Left; Turnover rate)

80
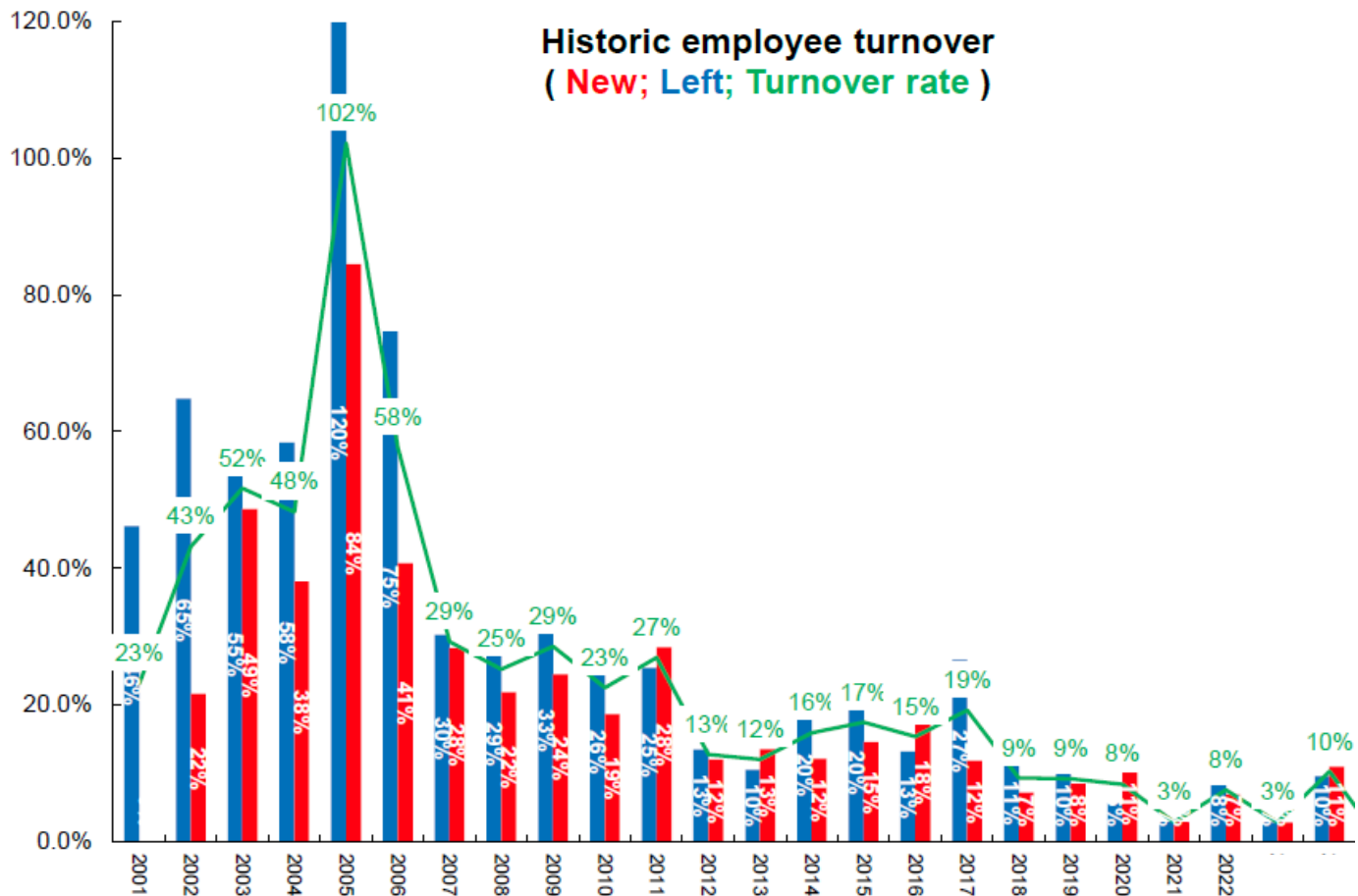
ESGP Analysis – Sustainable Development

Sustainable Management – Human Resources

In addition to the annual vocational training, we allocate budget for our employees to participate in external programs to improve professional skills. 。

Historic manpower index
(staff training total score/employ)

ESGP Analysis – Sustainable Development

Sustainable Management – Human Resources

We attach a great importance to the value of our employees. Using the Human Resource Index (HRI) analysis method, we develop a quantitative index system to identify our investment focus in human resources. We survey employee satisfaction with the following aspects to ensure we have a true grasp of development and management.

Quantify index
- Employee turnover
- Training and development
- Employee skills (manpower index)
- Staff performance
- Succession Talent Planning (Staff Generation Training Program)
- Recruitment efficiency

Employee satisfaction survey
- Employee participation
- Employee-employer relations
- Employee self-growth
- Communication effectiveness
- Employee satisfaction (compensation/management/system)
- Employee's trust towards the management team

ESGP Analysis – Sustainable Development

Expanding the breadth and depth of our supply chain

Minimalizing risk of material outage is our main goal in supply chain management. Since covid-19 outbreak in 2020, it has become more crucial than before to strengthen our relationship and communication with suppliers. Beside several indicators and assessments, we strategize to strength our supply chain both vertically and horizontally.

### Deepen the vertical supply chain with the QCDS approach

- Q: Quality
- C: Cost
- D: Delivery
- S: Safety

Broaden source of suppliers

- **Strategic Suppliers**: Strengthen common interests and take measures that help develop relations with the suppliers. Support strategic alliances for mutual development in the long term.
- **Key Suppliers**: Promote the development of technical and management skills. Establish a long term mutual learning model.
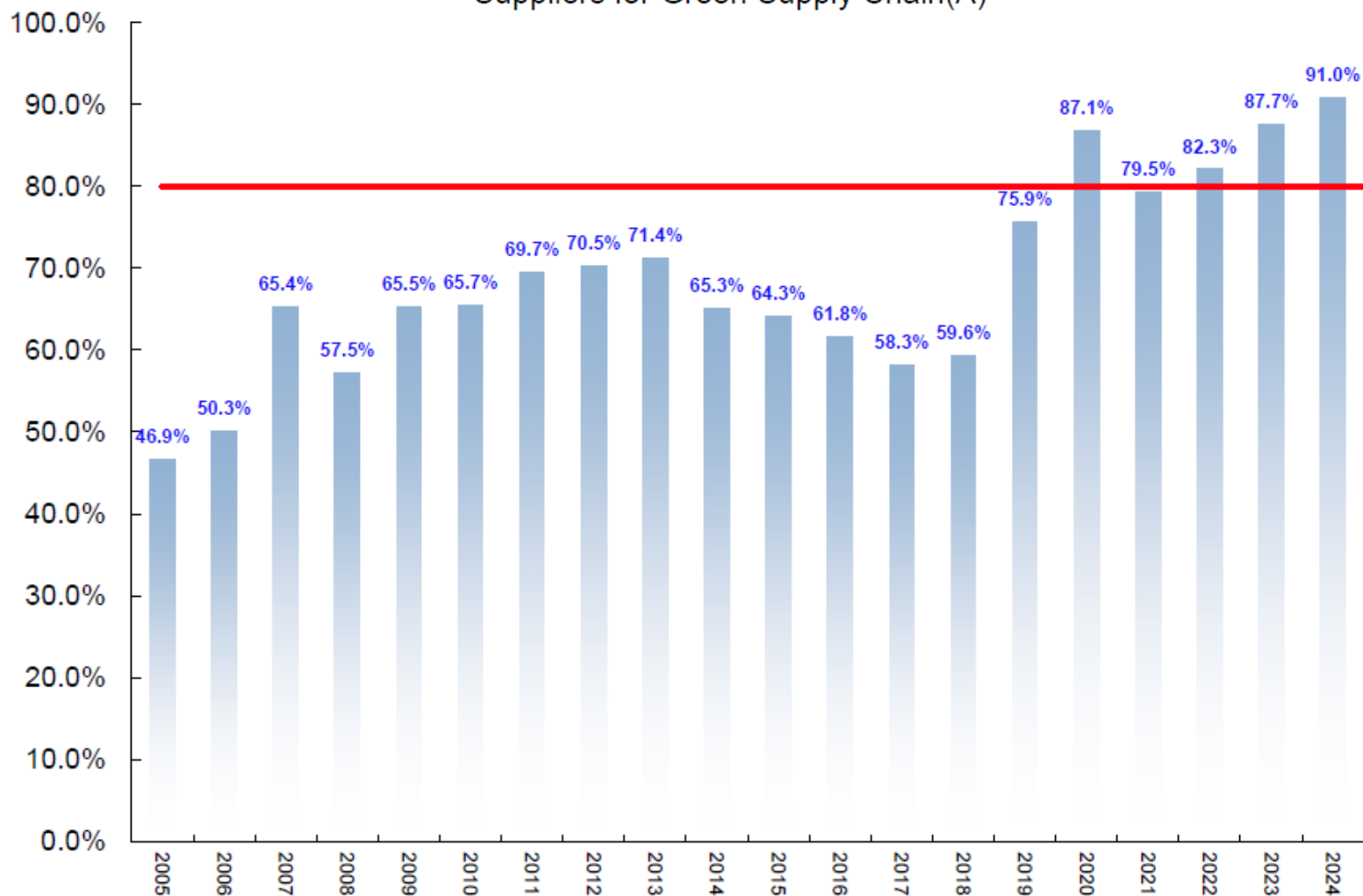- **Leverage Suppliers**: Having multiple sources of secondary materials suppliers and other backup means.

83
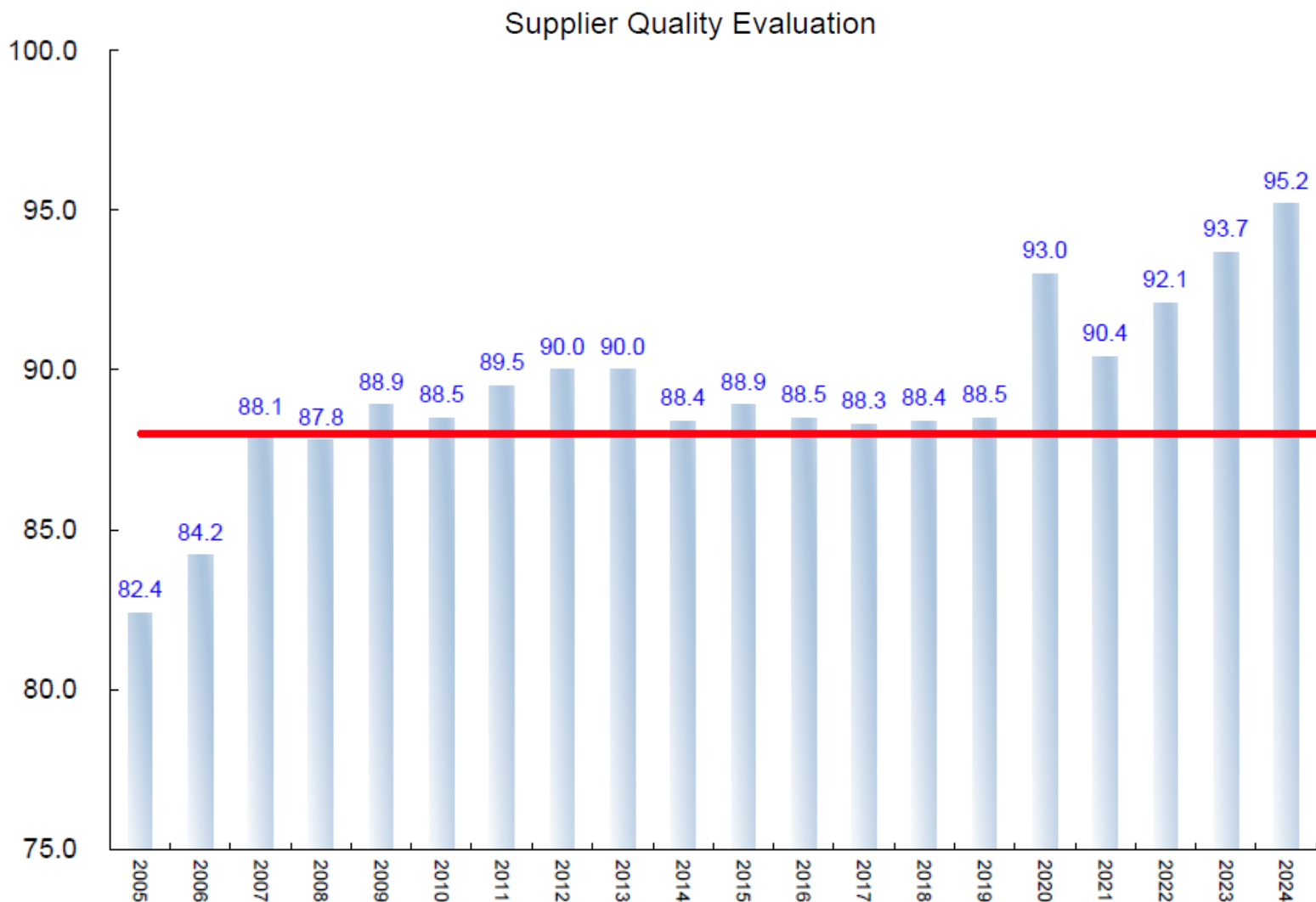
ESGP Analysis – Sustainable Development

Suppliers for Green Supply Chain(A)

ESGP Analysis – Sustainable Development

Building a connected supply chain

Establish a supply chain with a mutual goal and improve on our management system. Through internationally recognized management programs (such as ISO 900, IECQ QC 080000 and AEO, Authorized Economic Operator) high-quality enterprise safety supply chain system), and its requirements to expand on a circle of quality supply chain community.

Ending Notes

At Gianni Industries, Inc. we believe the social responsibility of enterprises is to 'create a better society'. Besides improving our competitiveness in our own professional fields of access control, we strive to work harder in the economics, environment and society fronts. We know there is no limits in sustainable movement, and we always remind ourselves to seek the best possible outcome for our employees, customers and suppliers.

Thank you for your time.

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