

GCM Internal Carbon Pricing Policy

To align with the global net-zero transition trend, fulfill corporate social responsibility, and enhance climate risk management capabilities, Great China Metal Industry Co., Ltd. (hereinafter referred to as “the Company”) will implement an Internal Carbon Pricing (ICP) mechanism starting from 2025. This mechanism serves as an important tool for promoting carbon reduction management and optimizing resource allocation. The policy framework is as follows:

I. Policy Objectives

1. Support the Company in achieving greenhouse gas (GHG) reduction and sustainable development goals.
2. Strengthen business units’ economic awareness and decision-making sensitivity regarding the impact of carbon emissions.
3. Gradually integrate carbon costs into investment, operational planning, and procurement decisions.

II. Pricing Principles and Standards

1. In reference to the carbon fee rate announced by Taiwan’s Ministry of Environment on October 21, 2024 (effective January 1, 2025), the Company adopts NTD 300 per metric ton of CO₂e as the basis for its internal carbon pricing.
2. To reflect changes in external carbon markets and government policies, the Company will review and adjust its internal carbon price on a rolling basis.

III. Scope of Application and Implementation Approach

This policy applies to all administrative units and manufacturing sites of the Company and is implemented through the following mechanisms:

(1) Incorporating Carbon Benefits into Investment Evaluation

For new construction projects, capital expenditures, and product development initiatives, carbon emissions will be included as one of the key evaluation factors.

(2) Including Site-Level Emissions in Assessments

Each plant and site shall conduct annual GHG inventories and calculate annual carbon emission costs. These results will be used to evaluate operational performance and carbon reduction achievements across sites. Units with higher carbon costs will be required to undertake special reviews, including technology upgrades, equipment replacement, or increased adoption of renewable energy, to support corporate-wide reduction targets.

(3) Integrating Carbon Costs into Procurement and Price Comparison

When selecting equipment, in addition to energy efficiency, the carbon emission cost shall be included in the total cost assessment.

IV. Application of Low-Carbon Initiatives

1. Facilities or equipment with high carbon costs will be prioritized for improvement. Examples include replacing high-energy-consuming equipment, improving energy efficiency, investing in green energy and energy storage systems, and promoting employee carbon-reduction training or innovation programs.
2. Business units with outstanding carbon performance are encouraged to reinvest their carbon-related savings to continuously strengthen the carbon management system.

V. Governance and Internal Control Mechanisms

1. The Company's major carbon emissions derive primarily from energy consumption, with electricity accounting for approximately 70% of total emissions. Effective energy management is therefore essential for carbon reduction. The Administration Department is responsible for establishing energy management policies to ensure achievement of GHG reduction targets.
2. Based on each site's emissions and the internal carbon pricing mechanism, the Accounting Department will calculate carbon costs and incorporate them into the annual financial report for review, supporting assessment of the year's reduction performance.
3. The Board of Directors and the Sustainability Development Committee shall review the effectiveness of the carbon reduction system and carbon cost execution annually to ensure the effective implementation of corporate sustainability strategies.

VI. Implementation Timeline

Year	Key Milestones
2025	Completion of policy planning, analysis of global and Taiwan trends, and internal communication.
2026	Formal implementation of internal carbon pricing; integration into management reports and investment evaluations.
2027	Enhancement of review mechanisms and incorporation of carbon costs into procurement.