

2022

Global Unichip Corporation

GUC 2022 ESG Report



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GUC ESG Policy

In October 2022, GUC established the Net-Zero Committee. Its purpose is not only to respond to the Corporate Governance–Sustainable Development Roadmap, but also to demonstrate to all stakeholders that GUC will not postpone its relevant corporate social responsibilities due to the small scale of the company and lack of a factory, but will in fact take more active actions, set net-zero as the ultimate carbon reduction goal, and declare its intention to SBTi to reduce the company's carbon emissions by 50% by 2030, and achieve net-zero carbon by 2050.

GUC's sustainable policy is: "Pay attention to environmental, social, and corporate governance issues; implement the spirit of common good, and become a part of global sustainable development."

GUC 2022 Annual Performance Highlights

In this report, we will explain the company's corporate social responsibility performance in 2022, and through the compilation of the ESG report, we will transparently and detailedly disclose the company's key information, and respond to issues that stakeholders value, and then introduce the company's sustainable management concept, play a positive cycle of a friendly society. In the post-epidemic era, the global cross-industry demand for semiconductor chips was surge. From the second half of 2022, as major manufacturers adjust production capacity and terminal demand slows down, the market was gradually return to normal, the prosperity is no longer there, and the strength of the operation of the semiconductor industry chain is quite clear. In 2022, GUC's growth momentum was remain unabated, and it is continue to create impressive performance records.

The following are our key performances in 2022:

NTD 24.04 Billion

Consolidated revenue in 2022, a 59% increase from the previous year, a record high

34.7%

Gross margin in 2022, an increase of 0.1 percentage points from 34.6% in the previous year, a record high

NTD 8.08 Billion

4Q22 single-quarter revenue hit a record high

NTD 1.35 Billion

4Q22 single-quarter EPS hit a record high

Seven months in a row

Monthly revenue hit record high (2022/6~2022/12)

18,568 thousand shares

(10/28/2022)
Stock trading volume hits record high

Won the TIRI Annual Best Investor Relations Award

(Corporate and Individual Double Awards)

Complete the 2021 global site GHG inventory and verification

GLink 2.5D

Won the Global Electronics Achievement Award

GLink 3D

GLink 3D IP Won the Asian Golden Award

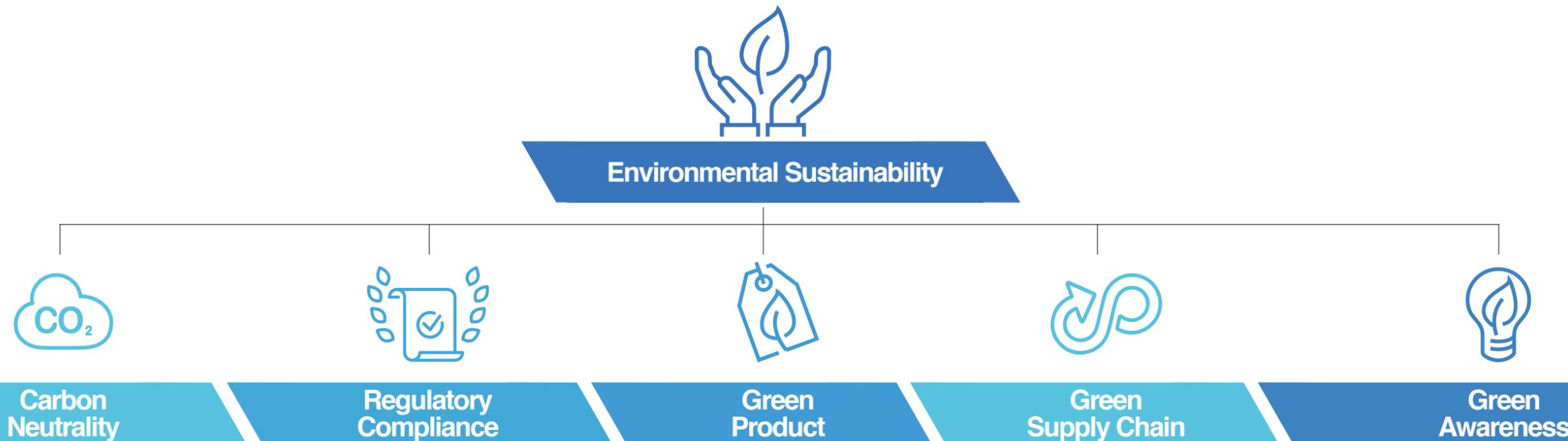
NTD 17.9 Billion

The amount of local procurement in 2022 was account for 94%

237 vendors

GUC uses 100% responsible minerals approved smelters

Five Aspects of Environmental Sustainability



Carbon Neutrality

GUC is gradually moving towards the goal of carbon neutrality in 2050. At present, we have completed the ISO 14064-1 global (including subsidiaries) carbon inventory, and will schedule the SBTi & TCFD tutoring plan in 2023. Through a complete inventory of carbon emissions, To set scientific and feasible carbon reduction targets.

Regulatory Compliance

Now that countries are paying more and more attention to carbon issues, in addition to responding to the Taiwan government's local regulatory progress, we also pay attention to the cognition of relevant foreign regulations at any time, so as to strengthen the cognition of regulations and formulate response plans.

Green Product

From the stage of product design R&D, the 3R green design concept (i.e., reduce, Reuse, and Recycle of raw materials) is implemented. There are also review and related requirements for green procurement, in order to reduce the impact on the environment from raw materials, manufacturing to final disposal. In the future, it is expected to introduce carbon footprint management to minimize carbon emissions.

Green Supply Chain

GUC takes various environmentally friendly actions, and fully uses green materials from product design, and manufacturing to packaging, completely incorporating environment protection awareness to the production and quality management systems.

Green Awareness

In response to green finance and fostering sustainable industries, GUC took the lead in participating in Mega and Yongfeng's green fixed deposits in 2022, investing a total of 270 million yuan to jointly advance towards the goal of sustainability. The installation of solar panels on the top floor of the company is expected to generate approximately 22,000 kWh of green electricity per year in the future, which will not only increase energy self-sufficiency, but also reduce carbon emissions from energy use, and will deeply root green awareness in the hearts of all employees.

The Goal of Sustainable Management



ISO system management

To maintain the existing ISO certification and incorporate it into the new ISO system according to the sustainable policy

1. Comply with ISO 9001 and accept third-party verification
2. GUC passed the ISO 14064-1 greenhouse gas inventory standard and obtained the certificate
3. Comply with the ISO 27001 international standard related to information security and obtain verification in 2021
4. Obtained ISO 13485 medical equipment quality management system certification in 2017

Acquired ISO 9001, ISO 14064, ISO 27001, ISO 13485



Energy management

To save 1% of the total electricity consumption in the previous year every year, and use renewable energy to reduce carbon emissions in the long-term plan

1. Master the energy usage status, obtain the ISO 14064-1 verification statement, and implement energy management in a planned way
2. Continue to promote various energy performance management through energy-saving improvement management solutions such as building lighting and air-conditioning equipment

In 2022, the electricity energy intensity will decrease by 0.0052% from 0.0165% in the previous year



Water resource management

Cooperate with the trade union policy of the park, strengthen water-saving measures during the water-saving period, and record water consumption every day to achieve the goal of saving 10% of water in a single month

1. Set up rainwater recycling system
2. Ensure the proper rate of water equipment, faucets and toilets
3. Continue to promote water-saving measures

In 2022, the electricity energy intensity will decrease by 0.0052% from 0.0165% in the previous year



Waste management

Continuously take the inspection of the raw material supply process and strengthen the internal raw material control mechanism as the long-term goal, and be responsible for the environment in the production process

Through the 3R green design concept of Reduce, Reuse, and Recycle, a large amount of R&D resources and innovative energy-saving technologies are invested in the initial product design stage to reduce the impact on the environment.

In 2022, about 5,500 paper invoices have been saved, carbon emissions have been reduced by about 70kg, and the number of crystal boat boxes has been reduced by 2,400, saving 12,000,000 yuan.



Carbon emission management

Based on 2021, the goal is to reduce carbon emissions by 5% per year, and achieve carbon neutrality by 2050

1. Replacement of LED lighting fixtures in the office and aisle area
2. The uninterruptible power supply equipment is replaced with new ones, and new equipment with high efficiency and low energy consumption is replaced
3. Replace the old ones with new ones, and replace them with new ones with high efficiency and low energy consumption

Promote 24 energy-saving projects in 2022, with an annual energy saving of 216,400 degrees and a reduction of carbon dioxide emissions of 110.15 tCO₂e per year

Goal

Measure

Performance

2022 Performance

Practicing UN SDGs

Global Unichip Corporation is actively involved in industry-academia cooperation in local area and higher education talent cultivation, and treats universities and colleges as important partners. Through industry-academia cooperation, we provide funding to support university laboratories, encourage research in silicon design-related technologies.

GUC continues to hold blood donation activities every year and cooperates with the Hsinchu Visual Impairment Welfare Association to provide visually impaired massage services to employees.

In addition to meet the epidemic prevention needs of GUC employees, we also actively provided epidemic prevention materials to Ukraine.

GUC established a volunteer club in May 2022. After its establishment, it began to actively promote activities such as environmental protection and caring for the vulnerable groups, and internally initiated long-term food donations to the ANDREW Charity Association.

Global Unichip Corporation invests NT\$2.4 million per year to enhance industrial technology and related education systems in cooperation with National Taiwan University, National Yang Ming Chiao Tung University, and National Cheng Kung University's Institute of Electrical and Electronics Research.

In addition to the regular annual industry-academia collaboration programs, GUC has also partnered with TSMC University Shuttle Program and Taiwan Semiconductor Research Institute (TSRI) to establish an advanced process wafer design environment and stimulate innovation in the academia.

GUC supports the United Nations Universal Declaration of Human Rights (UDHR) and related international respect for human rights. The company has established a Human Rights Policy as its highest guiding principle of human rights governance, and has adopted an action plan consistent with the Responsible Business Alliance (RBA). We also adhere to the laws and regulations of each of our global operations, ensuring that each employee is treated fairly and with respect.

GUC responds to the green finance and green deposit products launched by Sinopac Bank and Mega Bank, and the funds will be used to support green lending projects such as green buildings, renewable energy loans, and pollution prevention industries.



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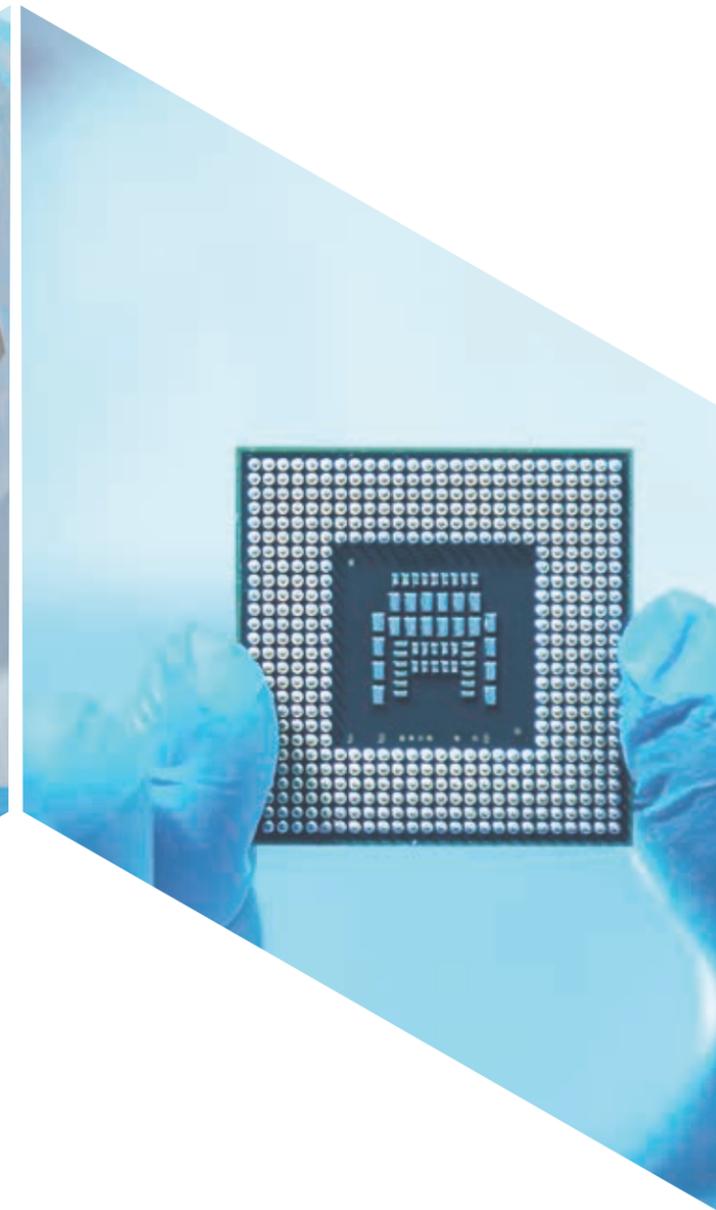
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Appendix



About the report

A Message from the Executive Secretary of the ESG Sustainability Committee



About the report

This is the 11th Sustainability Report issued by GUC. We will continue to publish the reports yearly. There were no material changes in the organizational scale, structure, ownership, or supply chain during the report period. In addition to addressing sustainability issues that concern stakeholders, such as shareholders, employees, customers, suppliers, government agencies, and society, this report has an appropriate disclosure of our implementation of these major issues in our sustainable development process. Considering the sustainable development as our main mission, GLOBAL UNICHIP CORP. (GUC) is dedicated to promoting the practical actions on major aspects, including environmental protection, social participation, and corporate governance. Our response to the Task Force on Climate-related Financial Disclosures (TCFD) and the industrial opportunities and risks in accordance with the Sustainability Accounting Standards Board (SASB) are revealed in this report.

External Initiatives and Verification

This report is prepared according to GRI guidelines specified by the TWSE. We earned the Independent Third Party GRI 2021 & AA1000 Double International Assurance Statement issued by the British Standards Institution (BSI). This report discloses and advocates the Sustainable Development Goals (SDGs) of the United Nations.

Report Period

From January 1, 2022, to December 31, 2022.

Date of the Last Report

2021 CSR Report (May 12, 2021)

Report Cycle

On an annual basis

Report Scope and Boundaries

This report covers the data and activities of GUC's Hsinchu Headquarters, Hsinchu branch, Taipei Office, and Tainan Office in Taiwan only, and does not include our overseas subsidiaries and liaison offices. With regard to the scope of report data, only the consolidated financial statements of GUC covers all entities; social and environmental information covers only Hsinchu HQ.

There are no restatements in this report compared to any information provided in the previous annual report. Furthermore, there are no significant changes of the information in the Report Scope and Boundaries compared to the previous report period. There is no material change in the organizational scale, structure, ownership, or supply chain during the report period.

Reference

This report has been prepared according to the Global Reporting Initiative, Sustainability Reporting Standards (GRI Universal Standards 2021, GRI 2021), and its core selection refers to the General Standard Disclosures and Specific Standard Disclosures for the sustainable development issues and information disclosure of this year. A cross-reference table of the GRI Standards is attached in this report to provide references for each chapter.

The editorial core of this report follows the spirit of GRI, focusing on: impact, materiality, due diligence, and stakeholder engagement. The report also discloses the semiconductor industry's sustainable accounting standards indicators issued by the US Sustainability Accounting Standards Board (SASB), and the International Financial Stability Board's (FSB) Climate-related Financial Disclosure Recommendations (TCFD) information. In addition, we also follow the Taiwan Stock Exchange's "Operational Measures for the Preparation and Submission of Sustainability Reports by Listed Companies" to explain the requirements for the disclosure of sustainability indicators in the semiconductor industry, and to explain climate-related issues in accordance with the provisions of Article 4-1. Information; the above content, please refer to the appendix index.

About images used in this report

This report owns 100% of purchased copyrights to all images and use of certificates of print publication found in this Report.

Verification Criteria and Results

This report, through an internal highest management meeting, was decided to seek assurance from external third parties to enhance the credibility of this report. The British Standards Institution (BSI), a third-party impartial verification agency, was entrusted to perform independent investigations on the disclosed information of this report. The BSI has adopted the AA1000AS v3 (AA1000 Assurance Standards) Type 1 and the Moderate Assurance standard formulated by the global NGO Accountability. The BSI report, states that this report completely covers four major accountability principles: inclusivity, materiality, responsiveness, and impact according to the AA 1000 standard. In the final audit report, the following statement was made: This annual report has fully covered and disclosed sustainability topics, and it is recognizable that the current ESG operation of the Organization has been introduced in regular communication by managerial levels. It is recommended that future implementation follow ESG policy.





A Message from the Executive Secretary of the ESG Sustainability Committee

Although Global Unichip Corporation is a small-scale business and a fabless IC design service company, it is not yet required by the competent authorities to issue a sustainability report; nevertheless, Global Unichip Corporation has been voluntarily preparing and disclosing a sustainability report verified by a third party every year in accordance with the GRI guidelines and AA 1000 AS assurance standards since 2014, even though there is no demand from investors and customers to disclose sustainability information. This is because we believe that Global Unichip Corporation can truly implement the spirit of high ethical standards and sustainability through a self-disciplined and responsible corporate governance system, based on the premise of corporate social responsibility and not limited by laws and regulations.

Although not as well resourced as the benchmark companies, Global Unichip Corporation is still working hard to improve and promote net-zero carbon emissions step by step. In 2022, we completed and presented to the Board of Directors a pathway plan for the company's Sustainable Development 2050 net-zero carbon emissions goal, including a greenhouse gas inventory and a carbon neutral promotion and implementation schedule for the parent company and each subsidiary. In terms of green electricity usage, we have completed the installation of solar panels on the top floor of the company and expect to generate approximately 22,000 kWh of green electricity annually in the future. In terms of sustainable supply chain management, we have achieved 100% compliance with the Global Unichip Corporation Supplier Code of Conduct by Critical tier 1 suppliers and new suppliers, and have added audits of Critical tier 1 suppliers such as continuous operation plans, human rights and labor protection, and occupational safety and health. Socially, we support social good, not only by establishing volunteer clubs, but also by supporting green finance. For example, in 2022, we cooperated with Bank SinoPac and Mega Bank for the green deposit project, hoping that through the innovative approach of green finance, we can generate positive impact and long-term benefits for the environment and society. In terms of the use of funds, apart from considering the monetary return, environmental protection and social justice are also included in the evaluation criteria for responsible corporate investment. Green finance has been incorporated into the company's sustainability strategy, demonstrating the company's determination to promote sustainable development and the concrete realization of social good.

On February 2, 2023, the Board of Directors reviewed our progress on the 2022 ESG and set targets for the 2023 ESG. In addition to expecting to make significant progress on the 2023 ESG assessment, we will also enhance the disclosure of information on TCFD to address the increasingly visible climate related risk hazards. In terms of setting carbon reduction targets, we plan to have the Science-Based Carbon Reduction Target Initiative (SBTi) validate our science-based carbon reduction targets, with a base year of 2021, to limit the Earth's average temperature increase to 1.5 degrees Celsius and to achieve a 50% reduction in greenhouse gas emissions by 2030, with the Board of Directors regularly reviewing the status of implementation. The company's disclosure of financial information has been recognized by the Corporate Governance Review in the past, and in 2022, the company was selected by the Taiwan Investor Relations Association as the best investor relations company for listed large companies. Additionally, we have made every effort to enhance the transparency of our sustainability information in the hope that stakeholders will have a better understanding of our non-financial information regarding sustainability risks and our ability to respond to them. In our 2022 Sustainability Report, we will disclose our carbon emissions, energy efficiency, green supply chain management, labor conditions of employees, and stakeholder rights, as well as the risks and opportunities associated with climate change for TCFD. Moreover, we have addressed the issues of the Sustainability Accounting Standards Board (SASB), and hope to fully disclose the risks and opportunities of our industry in accordance with the SASB indicators in the future, so that investors can clearly understand the sustainability information that will have a significant impact on our company's finances.

The importance of ESG will only increase in the future. Although resources are limited, the determination to promote sustainable development is unlimited. The company's management team has completed an assessment of ESG risks and has formulated a specific plan for promoting sustainable development. We expect all our stakeholders to promote sustainable development together with the most enthusiastic hearts!

Senior Vice President and Head of Corporate Governance and Executive Secretary of the Sustainability Committee

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1 Introduction

1.1 Company Introduction

1.2 Our Belief, Mission, and Vision



1.1 Company Introduction

The operating principles of GLOBAL UNICHIP CORP. (GUC) include economic, environmental, and social issues. To ensure that the rights and responsibilities are balanced between relevant organizations and individuals, GUC recognizes the importance of corporate governance and transparency within organizations. Therefore, this Report reveals the establishment and members of GUC's Governance Committee and ensures that the decisions by the Committee comply with GUC's operating principles. The ultimate targets of implementing corporate governance are to maximize the shareholders' interest and reasonably decide the rights and responsibilities among every shareholder and member of the operating team through supervision of the team and checks and balances. At the same time, GUC expects to be a contributor to the improvement of society, and seeks the maximum interest for its shareholders, employees, customers, suppliers and the government and society.

GUC is the advanced leader in customized application specific integrated circuit (ASIC). GUC's headquarters was established in Hsinchu Science Park in January 1998. It provides complete services of customized IC to meet the demand for unique business and technology from innovative tech companies. GUC's goal is to provide world-class services of advanced IC customization and assist promising IC manufacturers in promoting their leading roles in the market. GUC seeks perfection by providing absolutely great power consumption, speed, quality, yield, and on-time delivery so as to meet customers' demand for IC design services with a fast path, ontime solution to customers' problem, and complete verification successively.

Semiconductor manufacturing and designing in Taiwan can be very specific,, which is beneficial to the development of local design services. GUC's Advanced ASIC Model TM combines professional design, systemic knowledge, and manufacturing resources. It utilizes advanced technologies and embedded CPU design with low power consumption. Moreover, GUC cooperates with Taiwan Semiconductor Manufacturing Co., Ltd. (TSMC) and other package test companies, using key manufacturing technologies to keep developing advanced design platforms of manufacturing process and package test technologies. Therefore, it provides a systemic design solution with high performance to the leading companies in the industry. The design services are based on the concept of one-stop shopping, providing customers with overall SoC solutions from the generation of design concept to product manufacturing in the shortest time. These include all the important services during IC manufacture. Customers can also select different services and delivery methods according to their needs and technologies. These services can not only help lower capital and the technical threshold for medium- or small-size IC design companies, but also assist system manufacturers in the selfdevelopment of customized IC. This will show the difference between software and hardware and shorten the developing process of product design. Thereby, products can enter the market faster and have higher added value.

GUC provides complete technical services for system companies and fabless semiconductor companies for different kind of customers (AI/ML, network, digital consumers, industries, and others) from all over the world (like the United States, China, Japan, South Korea, and Europe). GUC has been publicly listed in Taiwan Stock Exchange Corporation with the ticker symbol 3443.

As the demand for IC increases steeply from global cross industries in the post-pandemic era, all industries are affected by the shortage of IC and the semiconductor supply has become the most eye-catching issue in the world.

Although the Corporation's supply chain is slightly limited, GUC still achieved an excellent business record in 2021 due to the benefits from the accelerated digitalization trend and the eager demand for IC in the market. The consolidated revenue of 2022 was NT\$24.04 billion while the consolidated earnings per share (EPS) was NT\$27.69, since 2021, it has continued to hit record highs.

GUC has stipulated ESG Policy and established ESG Committee combining members from different departments. The Board of Directors assigned Corporate Governance Supervisor cum CFO as the Executive Secretary of the Committee, who will regularly report on the promotion and implementation performance of the sustainable development of the Corporate. The sustainability report will then be verified by a third party and announced on the official website upon the approval from the Board.



1.2 Our Belief, Mission, and Vision

1.2.1 Technical Innovation, Refined Quality, Warm Service

GUC was established in January 1998. In these 25 years. Following the technological war, the supply chain shift and the complexity of high-end process application chip design are both challenges and opportunities that GUC must pay attention to. The company will continue to work with world-class customers and partners to grasp the important opportunities for the growth of the target market. Looking ahead to 2023, we uphold firm belief and are full of confidence in our medium and long-term operational goals.



1.2.2 Creative Future, Sustainable Innovation

Since its establishment, GUC has never stopped moving forward. We exclusively combine advanced technologies, embedded CPU design with low power consumption, and the key manufacturing technology co-developed with TSMC and other package test companies. GUC has years of experience in manufacturing CoWoS-s (silicon interposer) with high bandwidth memory (HBM). The InFo design and its simulation process has been silicon verified with GUC's exclusive

N7 and N5 GLink IP technology. Recently, GUC has utilized 4Gbps HBM2E physical layer, an N5 manufacturing, and controller IP, having CoWoS-R (organic interposer) chip verified. Now GUC owns a complete set of SI verified interface IP and package design which is applicable to all types of TSMC's 2.5D advanced packaging technology. Therefore, GUC can provide customers with the most suitable solution to CPU, GPU, artificial intelligence (AI), high performance computing (HPC), and networking products. GUC keeps improving the design and services of semiconductor manufacturing, assisting customers in IC innovation to make products more advanced, stronger,

and with higher energy efficiency. With such products, we can improve livingquality and realize the sustainable future.

Since its establishment, GUC has never stopped in R&D and innovation. At present, the chiplet architecture using CoWoS and InFO has become the mainstream of infrastructure products. GUC R&D team relies on the close cooperation with important partners to achieve the goal of HBM and GLink IP We have many years of rich experience in the development and mass production of CoWoS products. In order to support customers to take the lead in the field of 2.5D/3D high-end packaging and help them maintain their leading positions in the market, in 2022, GUC continued to firmly demonstrate long-term commitment to provide the most competitive 2.5D comprehensive solutions , including the industry's first silicon-proven HBM3 physical layer and controller, GLink 2.5D and 3D chiplet interface, electrical and thermal simulation, package design, DFT and production test, CoWoS and InFO manufacturing expertise, etc.

In addition, as of the end of 2022, the company has obtained 462 patent rights in various countries, demonstrating the achievements of GUC's active investment in research and development, and more effectively enhancing its core competitiveness.



2 Performing Sustainable Management

- 2.1 ESG Implementation Structure
- 2.2 ESG Management Platform
- 2.3 ESG Key Performance
- 2.4 ESG Management Performance

2.1 ESG Implementation Structure

ESG Implementation Structure



ESG Strategic Approach

- 1. Find out the development goal from the enterprise core value :** GUC examines the value of a business' existence and determines whether the goals are simple enough to be understood and acted on. The goal should be linked with the mission and vision, and the practice should include decision-making, employee behavior, and the relationship with partners and customers, so that all stakeholders (employees, customers, shareholders, etc.) can resonate with the goal, and integrate the goal with the internal Reward systems (including salary and other content) are interconnected.
- 2. Determine the development direction from "stakeholders" and "sustainable development":** ESG is a solution to social problems. The fields and stakeholders involved are complex, but the resources at hand are limited. GUC can only prioritize the problems based on its own capabilities to ensure that resources are spent on the edge and report to the board of directors through the ESG committee to obtain the legitimacy of the development direction.
- 3. Focus on thematic planning details to set measurement standards:** When GUC established the ESG strategy, it has set up relevant committees and formulated action norms and guidelines. On this basis, it has selected important ESG topics; it has drawn up ESG medium and long-term business plans, including vision, goals, KPI settings, and information from ESG, and indirectly explore new business opportunities for enterprises. For risk management, in addition to identifying ESG risks at different levels and establishing a management system, the due diligence required for general cooperation is also included in the scope of ESG risk management.
- 4. Disclosure of ESG performance:** GUC reports on its ESG goals on an annual basis. And aiming at these goals, disclose the performance achieved by the company, and provide for evaluation. The methods of disclosure include the ESG report, and it is also released through the company's official website. The main goal is to enhance the transparency of ESG strategies to increase social influence, and to ensure and enhance corporate value in the competitive market.

2.2 ESG Management Platform

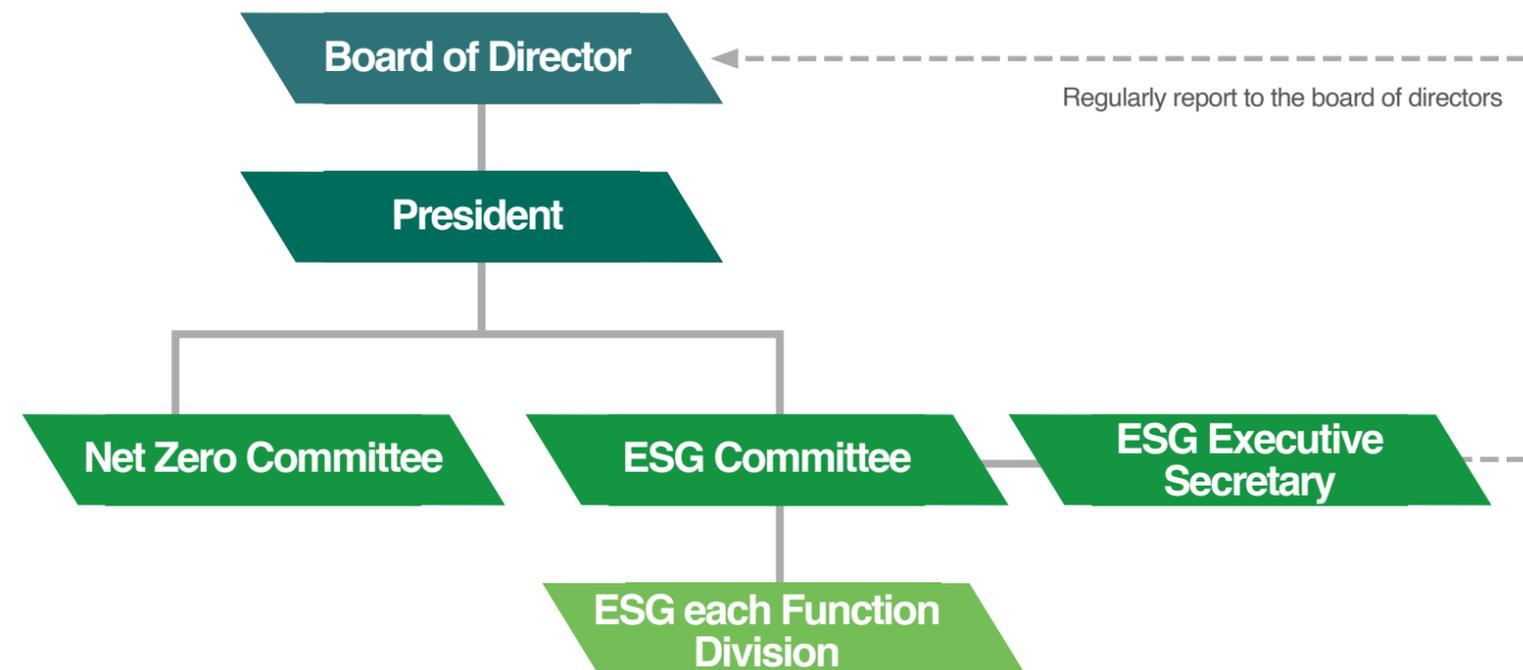
Since GUC was established, in addition to focusing on pursuing the greatest achievements in this industry, our management has committed to and established a management system to ensure that the company and suppliers follow GUC's ESG policy. At the same time, for shareholders, employees, customers, suppliers Establish good interaction and equal treatment with stakeholders such as government, society, etc., and actively implement corporate social responsibilities to realize the concept of ESG management.

CSR (corporate social responsibility) Promoting Committee was founded in 2015 and later renamed to ESG Committee in 2021. GUC's Board of Directors assigned the Executive Secretary of the committee to Daniel Chien, Senior Vice President cum CFO. With the representatives from different relevant departments, such as Human

Resources, Investor Relation, Legal Affairs, Operation, Business, Occupational Safety & Environmental Protection, Financial Accounting, Customer Service, Research & Development, and Design Service; the Committee holds periodical meetings every year to promote relevant activities, reviews the performance of its implementation, and keeps improving. To ensure the ESG Committee works smoothly, the Executive Secretary will regularly report to the Board about the material issues of sustainability and their improvement. The Corporate's performance report of sustainable operation will be verified by the British Standards Institution and publicly announced.

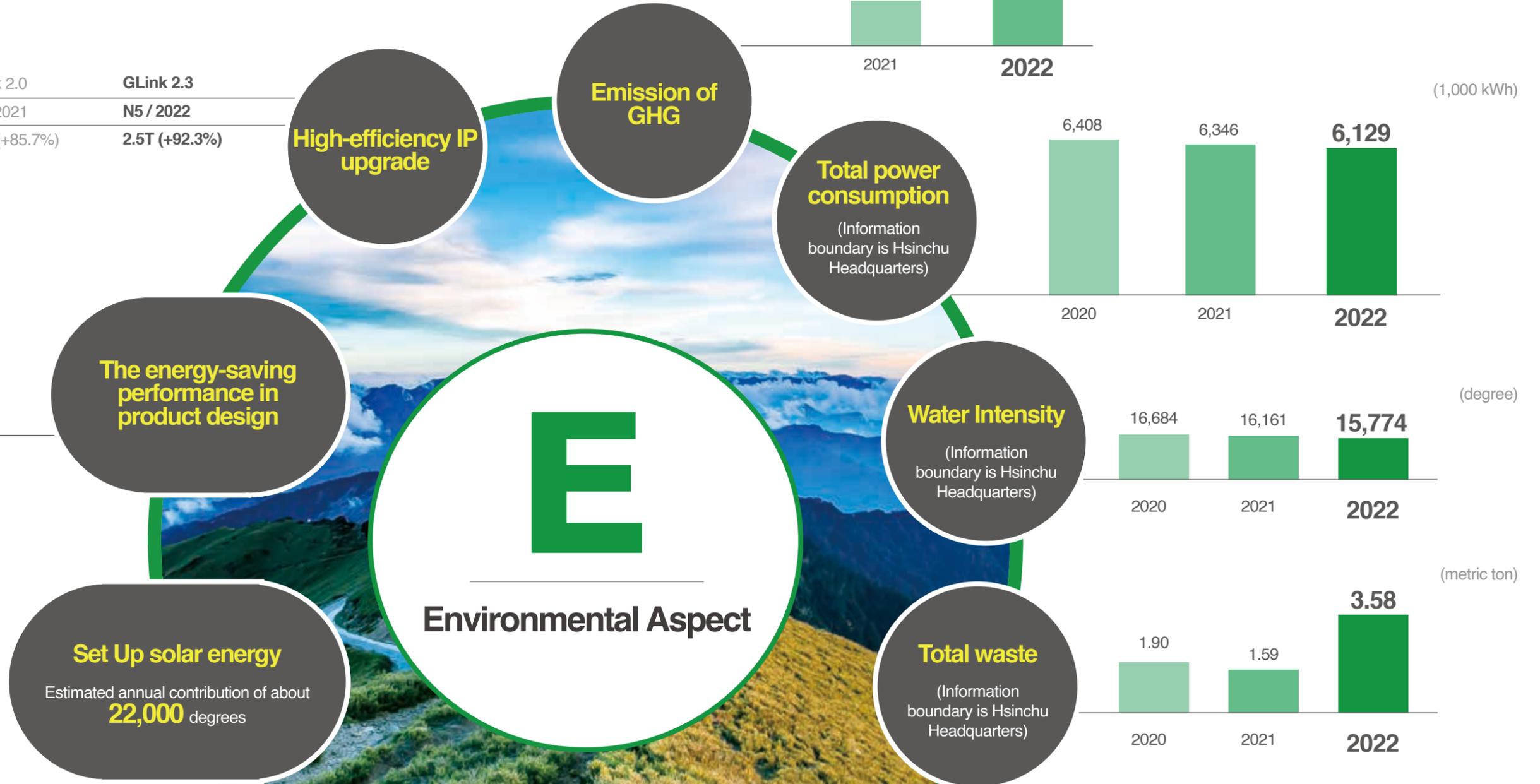
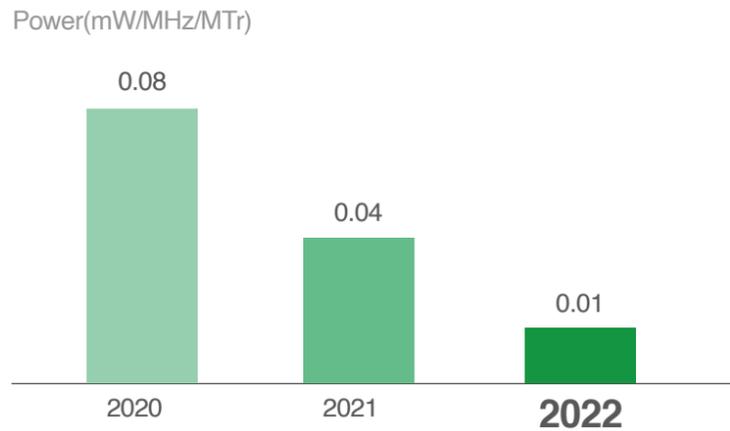
In order to ensure the implementation of the ESG Committee's annual plan goals, we have established a top-down, horizontal series operation model, using the ESG Committee as a cross-departmental communication platform, and the Executive Secretary of the committee will lead the members of each functional organization according to international standards. The sustainable development plan gradually implement strategies and goals, and regularly track the results to achieve sustainable management. And regularly report to the board of directors every year:

1. Identify sustainable issues of concern every year, and formulate strategies and response plans.
2. Report ESG results and goals for the next year every year.
3. Report the progress of ESG improvement on a quarterly basis.



2.3 ESG Key Performance

| GLink | GLink 1.0 | GLink 2.0 | GLink 2.3 |
|------------------------|-----------|---------------|---------------|
| Technology Node / Year | N7 / 2020 | N5 / 2021 | N5 / 2022 |
| Speed (bps/mm) | 0.7T | 1.3T (+85.7%) | 2.5T (+92.3%) |





Note:
 1.The supervisor is the person who has the authority and responsibility of department leadership and management
 2.The number of employees ranges from the global number



2.4 ESG Management Performance

2022 ESG Topics presented to the board of directors

ESG Committee's Executive Secretary has reported sustainable development issues to the Board of Directors on 04/28, 05/19, 07/28 and 10/27 in 2022. The contents are as follows:

- (I) Revision of the Corporate Social Responsibility Best Practice Principles.
- (II) Review and improvement status of sustainable development work in 2022

| | Issues that can be improved | Issues already improved |
|--|---|---|
| E Environmental Sustainability | <ul style="list-style-type: none"> ● Has the Company obtained any environment-related certifications or badges? ● The Company's improvement measures for environmental sustainability <ul style="list-style-type: none"> i. Green procurement ratio ii. Strengthen supplier sustainability audit and guidance iii. Increase customers' environmental sustainability awareness | <ul style="list-style-type: none"> ● The Company has obtained ISO 14064-1 certification for greenhouse gas inventory and verification. ● Guidelines on GUC Supplier Verification. ● Suppliers have been asked to sign the Code of Business Conduct and Ethics, reaching a signing rate of 100%. ● The percentage of local procurement reached 95%. ● Implemented carbon neutrality (net-zero emission) plan. |

| | Issues that can be improved | Issues already improved |
|----------------------------------|--|---|
| S Social Participation | <ul style="list-style-type: none"> ● How have employees been encouraged to engage in social activities? ● Has the Company worked with suppliers to promote social activities? ● Has the Company worked with customers to promote social activities? ● Does the Company invest a certain amount money in social activities each year? | <ul style="list-style-type: none"> ● Increase maternity leave to 12 weeks, to encourage childbearing. ● A volunteer club has been established to help promote social welfare participation. |
| G Corporate Governance | <ul style="list-style-type: none"> ● Has the Company set ESG performance goals for managers? | <ul style="list-style-type: none"> ● Incorporated ESG into managers' KPIs. |

(III) The Company's sustainable development promotion plan and progress report for 2022.

| | Issues that can be improved | Issues already improved |
|--|---|---|
| E Environmental Sustainability | <ul style="list-style-type: none"> ● Add ISO 14001 certification and implementation of greenhouse gas inventory in the GUC Supplier Verification Guidelines. ● Formulate the GUC Supplier Code of Conduct. ● Formulate the Declaration of Non-use Conflict Minerals. ● Formulate the Sustainability Management Questionnaire. ● 2020 Critical tier 1 suppliers audit. ● Conduct planning for carbon neutrality. | <ul style="list-style-type: none"> ● The Guidelines on GUC Supplier Verification has been updated. ● Signing of the GUC Supplier Code of Conduct by Critical tier 1 suppliers and new suppliers has reached 100%. ● Signing of the Declara of Non-use Conflict Minerals by Critical tier 1 suppliers has reaches 100%. ● 100% of Critical tier 1 suppliers have completed the Sustainability Management Questionnaire. ● Business continuity planning, human rights and labor protection, and occupation safety and health have been included within the Critical tier 1 suppliers audit. ● Established the Net-zero Committee. |
| S Social Participation | <ul style="list-style-type: none"> ● With consider toward gender equality, improve the composition of the Board of Directors. ● Launch green deposits / bonds. ● Social welfare and common good. | <ul style="list-style-type: none"> ● Added a female Independent Director at the 2022 shareholders' meeting through by-election. ● Jointly lauched a green deposit of NT\$ 270 million with Bank SinoPac and Mega Bank in 2022. ● Volunteer club organized beach clean up activities. |
| G Corporate Governance | <ul style="list-style-type: none"> ● The consecutive term of Independent Directors should not exceed three terms ; improve composition of Board of Directors. ● Stakeholder communication. | <ul style="list-style-type: none"> ● Two of the Company's Independent Directors who have served for more than three consecutive terms resigned on May 19,2022 ; the Company added two new Independent Direcrors at the 2022 shareholders' meeting, through by-election. ● Taiwan Investor Relations Institute (TIRI) (1) Best Invest or Relations Company (2) Best Investors Relations Professional. |
| ESG | <ul style="list-style-type: none"> ● Rating by ESG evaluation agencies. ● Guidance from the Board of Directors on ESG-related issues. | <ul style="list-style-type: none"> ● Taiwan Corporate Sustainability Awards Committee - Corporate Sustainability Report: Bronze Award. ● On October 27, 2022, the Board of Directors approved establishment of the Strategy Committee, with responsibilities including handling of issues related to sustainable development(ESG). |

(IV) The Company's 2050 net zero-carbon emission goals and pathway planning report for sustainable development.

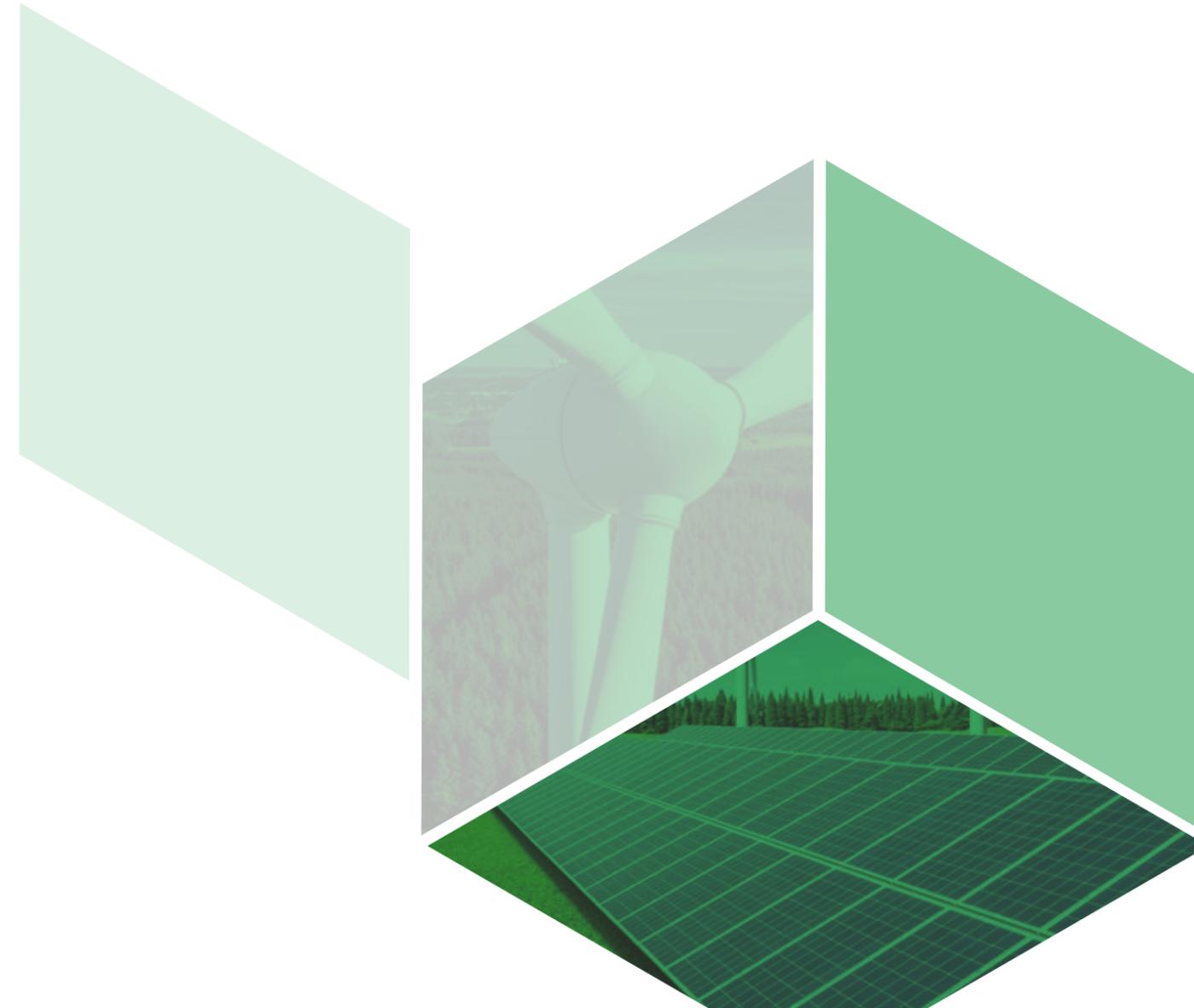
1. Schedule planning for greenhouse gas inventory and verification of the parent company and group (including subsidiaries).
2. Schedule planning for carbon neutrality promotion and implementation.

| 2021 | 2022 | 2024- | 2030 | 2030-2050 | 2050 |
|---|---|--|---|--|--|
| Base Year GHC Inventory Verification | Carbon Mgmt Plan | Achievement Announcement | Carbon Halve Emissions | | Carbon Neutral |
| <ul style="list-style-type: none"> ● GUC HQ GHC inventory has been verified by a third party ISO 14064 | <ul style="list-style-type: none"> ● Submit to the board of directors for GHC inventory and carbon neutral planning ● GUC Subsidiaries GHG inventory has been verifiel by a third party ISO 14064 ● Carbon Neutral Action Plan | <ul style="list-style-type: none"> ● SBTi Certification ● Achieved 6% carbon reduction/ 1% energy saving ● To buy 5% green energy | <ul style="list-style-type: none"> ● Use of renewable energy ● Energy saving planning | <ul style="list-style-type: none"> ● Business Transformation ● New technology and Innovation ● Implement greenhouse gas reduction | <ul style="list-style-type: none"> ● Use of renewable energy ● Energy saving planning ● Purchasing carbon credits (offset technology) |



(III) The Company's sustainable development promotion plan and progress report for 2022.

| ESG Rating | FTSE Russell | DJSI/S&P Global | Corporate Governance Evaluation |
|----------------|--------------|-----------------|---------------------------------|
| 2022 | 4 | 60 | Top 5% |
| 2021 | 3.4 | 42 | 6%~20% |
| 2020 | 1.9 | 27 | Top 5% |
| Best (Range) | 5 (0~5) | 100 (0~100) | Top 5% (0%~100%) |



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Appendix



3 Stakeholders Communication

- 3.1 Stakeholders Communication Procedures
- 3.2 Stakeholder Interaction
- 3.3 Materiality Analysis
- 3.4 Major Theme Changes



3.1 Stakeholders Communication Procedures

GUC is dedicated to achieving sustainable development while also honoring our stakeholders' requests and the expectations of the Company. The Company applies materiality assessment to identify key sustainability issues and types of stakeholders. The assessment helps us understand the sustainability issues that our stakeholders are concerned about, as well as review our implementation outcomes of corporate sustainability. The Committee of Sustainable Development has identified six groups of GUC stakeholders based on the GUC Sustainable Development Best Practice Principles: shareholders, employees, customers, suppliers, government agency, and society. With our long-standing commitment and efforts, we have built transparent, effective, and timely communication channels with our stakeholders to earn their trust and support. Furthermore, representatives from each group constantly communicate with stakeholders in their routine course of business operations, collect questionnaires and feedback, and identify stakeholders' concerns and other issues related to corporate social responsibility. We aim to achieve the following objectives with this report:

- Understanding our stakeholders' concerned topics and continuing to enhance our corporate sustainability performance.
- GUC's objective in pursuing corporate sustainability has always been to earn its stakeholders' trust and support and meet the expectations of various stakeholders.

GUC divides the management process of major issues into three steps: identification, analysis and confirmation:

1. Analysis of the significance of issues of concern: After the questionnaires on major concerns of stakeholders are collected, a communication platform for stakeholders of GUC will be established according to their influence and degree of concern on GUC, and a diverse network of stakeholders will be established through the responsible units of each team. The communication channel summarizes the issues of concern to various stakeholders, considers the concept of sustainable management of GUC, and refers to the theme of GRI 2021, identifies 19 sustainable issues of concern to stakeholders, and according to the issues received carry out a major assessment and analysis of the degree of concern.

2. Stakeholder-related plans: The relevant teams of GUC formulated management policies based on the aforementioned analysis results, incorporate them into their daily work or annual plans, and regularly review and evaluate the effectiveness of the management policies as a strategy for the company to promote sustainable development important basis.

3. Interaction management of stakeholders: GUC has different interaction according to the importance of stakeholders, so as to effectively use company resources and create a win-win relationship of mutual benefit.

After identifying the types of stakeholders, we then screened and consolidated them into 7 major themes from the issues of concern to each stakeholder. GUC collected the opinions of stakeholders through the heads of various departments in 2022, and then hold two supervisory meetings at the headquarters to discuss and integrate stakeholders' ideas and concerns about the company. Mr. Edison Wan, Leadership President and professional advisory group reviewed the GRI Standards indicators, and determined the topics of concern to stakeholders through departmental interviews. After another resolution within the company, the major themes for 2022 were determined, and GUC responded to the topics of concern to stakeholders in 2022 ESG report. Compared with the previous reporting period, major themes and theme boundaries have been slightly adjusted, but there are no major changes.

In addition to the above-mentioned standard procedures, we also set up a special zone for interested parties on the official website to provide contact methods for communication and contact with interested parties. For related issues, if you have any questions, suggestions or even complaints, you can according to the identity of different stakeholders, go to the corresponding "Business Service Zone", "Investor Relations and Shareholder Service Zone", and "Ethics Zone" to find suitable contact methods to maintain smooth and good interaction.



3.2 Stakeholder Interaction

▼ GUC Stakeholders' Concerned Topics, Communication Channels, Frequency, and Specific Procedures

| Stakeholders | Shareholders | Employee | Customers | Supplier | Government Agency | Society |
|-----------------------------------|--|--|--|--|---|---|
| Concerned topics | R&D and innovation, Quality and competitiveness, Sustainable Operations, Corporate Governance, Risk management | Sustainable Operations, Labor relations & remuneration, Labor rights, Occupation safety and health | Climate Change, Environmental policy, Green products and operations, Energy saving expenditure, Responsibility for products, Water resource management | Quality and competitiveness, Suppliers Management, Sustainable Operations, Customers relations | Sustainable Operations, Corporate Governance, Suppliers Management, Code of Business Conduct: anti-corruption and anti-trust, Risk management, Responsibility for products, Labor rights, Occupation safety and health | Green products and operations, Customers relations, Responsibility for products, Water resource management, Social engagement, Labor relations, compensation and benefits |
| Communication Channel & Frequency | General conference of shareholders (Q2/ Annually), ESG Report (Annually), Annual Report (Annually), By phone and e-mail (Periodically), Investor conference (Semi-annually), Financial Report (Quarterly), Participating in investor forums or conferences held by domestic and foreign investment institutions and securities firms (Periodically), Receiving institutional shareholders, domestic and foreign investment institutions and securities firms (Periodically), Releasing information through the Market Operation Post System (MOPS) and the Company's website (Periodically) | Town Hall Meeting (Quarterly), Labor-management meeting (Quarterly), Regular department meeting (weekly/monthly), HR services and questionnaire surveys (Periodically), EFS Service Center (Periodically), Employee Assistance Program (EAP) (Periodically), Employee grievance & whistleblowing mailbox / Ethics / Performance Management Development System (PMD), Proprietary Information Protection (PIP), Unlawful infringement complaint / Major employee grievance and suggestion / employee service mailbox, etc. / Audit Committee mailbox (Periodically), Corporate general announcements (Periodically) | Customer audit (Periodically), Customer meetings (Periodically), Annual technology symposium (Annually), Customer Satisfaction Survey (Annually), Conducting surveys on the industrial environment and social responsibility and implementing improvements as requested by our customers (Periodically), Dedicated e-mail address (Periodically), Timely response to customer complaints (ACSS system) (Periodically) | Supplier information platform (Periodically), Periodic questionnaire surveys (Annually), Supplier Audit (Periodically), Interviews and meetings (Periodically), Public campaign on business integrity (GUC Procedures for Ethical Management and Ethics & Business Code of Conduct) (Periodically) | Financial Report (Annually), Communication with government authorities through associations or labor unions (Periodically), Receiving and submitting official documents (Periodically), Attending industry-government-academia seminar (Periodically), Providing relevant reports or responses as required by government authorities and regulations (Periodically) | Revenue press release (Monthly), Financial/ Business operation report (Quarterly), Releasing Sustainability Report (Annually), Other media and public welfare events (Periodically), Official website and e-mail (Periodically), Participation in disaster relief activities (Periodically), Press release about new technologies and new products (Periodically), Participation in charity activities (Periodically), Participation in questionnaires and surveys (Periodically), Industrial and academic collaboration program (Periodically), Summer Intern Program, Company Visiting Program (Periodically) |
| Communication Outcomes | <ol style="list-style-type: none"> 1. Financial performance: Completing financial statements based on International Financial Accounting Standards, Taiwan-IFRSs, and relevant laws and regulations. Conducted analysis and describing the financial differences of various periods. 2. Business strategy: Highlighting the direction of GUC's medium and long term developments and strategies. 3. Dividend policy: Describing GUC's dividend policy and factors affecting dividend. 4. Corporate governance: Disclosing corporate governance information and interacting with our investors. | <ol style="list-style-type: none"> 1. EFS Service Center and external consultation requests 2. Labor relations, employees' perception on organization identity: Q&A at Town Hall Meeting 3. Anti-discrimination and equal employment: Enforcing supervision through joint efforts of internal audit mechanism and RBA verification unit 4. Attract and retain talent : Providing competitive compensation and benefits 5. Human rights policy: Complying with RBA regulations and the requirements of specific customers, and treating all employees with respect | <ol style="list-style-type: none"> 1. Management of products with hazardous substances: GUC complies with RoHS & REACH regulations 2. Environmental management and pollution control: GUC complies with domestic and foreign environmental protection laws and regulations 3. Customer service and stratification: Collecting feedback from questionnaire surveys and the sales team 4. Handling and tracking status through our customer complaint system | <ol style="list-style-type: none"> 1. Conflict Resources: requesting supplier to declare or sign declarations 2. Code of Business Conduct & Supplier Code of Conduct: Suppliers are required to comply with RBA regulations by declaring or signing declarations. | <ol style="list-style-type: none"> 1. Legal system / pay attention to regulations and compliance, and give timely suggestions and responses through communication channels | <ol style="list-style-type: none"> 1. Proactively participating in charity activities and contributing to the society 2. Talent recruitment: cultivating, training, and developing talents, as well as providing career guidance 3. R&D and innovation: encouraging patent applications with bonus awards 4. Inviting teachers from universities and colleges to provide advice on business sustainability issues. |



▼ Statistics on the number of interactions with investors and the number of people over the years

| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------|-------|------|------|-------|-------|
| Meetings | 181 | 127 | 81 | 82 | 124 |
| Attendance | 1,158 | 860 | 749 | 971 | 1,647 |
| Average attendance per meeting | 6.40 | 6.77 | 9.25 | 11.84 | 13.28 |

Note: From 2020, meeting methods include physical and video conferences.

3.3 Materiality Analysis

Materiality analysis is an important policy for GUC in compiling sustainability reports, formulating long-term sustainability goals and communicating with stakeholders. Follow the GRI Universal Standards 2021 and the AA 1000 Accountability Principle (AA1000 Accountability Principle: 2018) to establish a methodology for materiality analysis, and refer to the concerns of stakeholders and the perspectives of GUC sustainable management to identify specific material ESG issues. From 2022, GUC observed the changing trend of ESG issues and track the progress of long-term sustainable goals, collected and responded to feedback and suggestions from stakeholders through multiple communication channels, and at the same time, the company's ESG committee will continue to promote ESG strategies and commitments.

Assessing Operational Impact

For the 19 sustainable issues that have been prioritized for the attention survey of stakeholders, and then through the "Majority Assessment Questionnaire for Sustainable Issues", 11 senior managers (position) of each department are invited to the severity topics (scale, scope), possibility of occurrence, risk of human rights violations and other aspects of each issue will be assessed in a more detailed and standardized manner (return rate of the questionnaire reaches 75%).

Identify Materiality

After performing equal weight analysis on the results of the "Questionnaire on Issues Concerned by Stakeholders" and "Materiality Assessment Questionnaire on Sustainable Issues", sort them according to their quantitative values, and set threshold standards for major themes; Seven overarching themes were identified.

Review Major Themes

Invite external consultants to jointly review the suitability of major themes and threshold standards, and confirm that there are no omissions or deficiencies in the major themes that should be reported first, so as to ensure their completeness, inclusiveness and macroscopicity, and the degree of consistency with the company's sustainable development strategy.

Validation Major Themes

The seven major themes identified by GUC in 2022, after being approved by the ESG Committee and reported to the Board of Directors, are disclosed in this report one by one. The impact of each major theme, as well as the company's corresponding policies, commitments, management actions, indicators and goals.



▼ List of major themes and the degree of value chain impact

| Order | Major Themes | Meaning and Importance to GUC | Value Chain Shock | | | Addressing GRI major themes |
|-------|--|--|---|--|---|--|
| | | | Upstream EDA&IP Vendor | GUC | Downstream Wafer Manufacturing · Package & Testing | |
| 1 | Climate Change | The intensification of global warming and the frequent occurrence of extreme climate disasters have caused significant economic losses to many countries and enterprises. In order to mitigate the risk impact of climate change, GUC in addition to internally promoting various environmental protection, energy saving and carbon reduction measures, increasing the proportion of green energy, etc., we also published green products to increase the adaptability and resilience to the impact of climate change. | Increased operating costs | Increased operating costs and supply chain breaking shock | Increased operating costs and supply chain breaking shock | 5.2 Climate Change Response Strategies |
| 2 | Suppliers Management | In order to meet customer needs, reduce production costs, and improve operational efficiency, GUC has established a stable and sound supplier system through supplier selection and supplier certification, and provided incentive mechanisms and communication channels to achieve a common quality concept. Be able to maintain long-term good cooperative relations with supply chain partners and strive for a sustainable supply chain. | Product competition, quality improvement | Management efficiency and audit performance | Product competition, quality improvement | 4.6 Responsible Procurement |
| 3 | Research & Development and Innovation | In order to meet the unique business and technical needs of today's innovative technology companies, GUC seeks innovation and changes to create new value for the industry or market. At the same time, shaping an innovative corporate culture can not only increase the added value of products, but also seek the greatest benefits for our stakeholders and become an upward force to improve society together. | Continue to increase R&D investment in technological innovation | Continue to increase R&D investment in technological innovation | Continue to increase R&D investment in technological innovation | 4.4 Innovative management |
| 4 | Quality and Competitiveness | With the rapid advancement of science and technology and the shortening of product life cycle, the risk of industrial operation has also increased. In order to provide world-class advanced customized IC services, GUC actively pursues innovative and excellent R&D technology and excellent product quality. In addition to helping customers create higher added value for products, it can also reduce market risks and enhance industry Competitiveness. | Product competition, quality improvement | Management efficiency and incentives for R&D talents | Product competition, quality improvement | 4.6.3 Quality management |
| 5 | Green Energy Policies and Achievements | GUC has built a safe, stable, efficient, and clean energy supply and demand system to create sustainable value under the balance of energy use, environmental sustainability, and green economic development. GUC has set up solar energy in 2022 to increase the proportion of energy independence, and expects to achieve Net Zero in 2050. | To do GHG inventory and verification | Continue to invest in green energy investment plans | To do GHG inventory and verification | 5.1 Key Results and Strategies |
| 6 | Sustainable Operation | In order to meet the economic development elements required by the current market, GUC pursues sustainable energy development. We actively examine the impact of our products and services on society, the environment and the economy, and continue to improve and pursue sustainability. | Commitment to cooperate with GUC's ESG policy | Continuing to publish ESG reports to report the effectiveness | Commitment to cooperate with GUC's ESG policy | 2. Sustainable Operations |
| 7 | Corporate Governance | In order to improve the company's performance, protect the rights and interests of shareholders, and take into account the interests of other stakeholders, GUC continues to devote itself to improving the powers and responsibilities of the board of directors, and implements financial disclosure and internal audits, and strengthens the integrity of the governance to ensure that the company will face any challenges in the future. It can effectively adjust to the impact of various forms of risk and operate sustainably. | Commitment to Cooperate with GUC's Code of Practice on Corporate Governance | Corporate Governance Evaluation Results, Corporate Governance Index Constituent Stocks | Commitment to Cooperate with GUC's Code of Practice on Corporate Governance | 4. Corporate Governance |



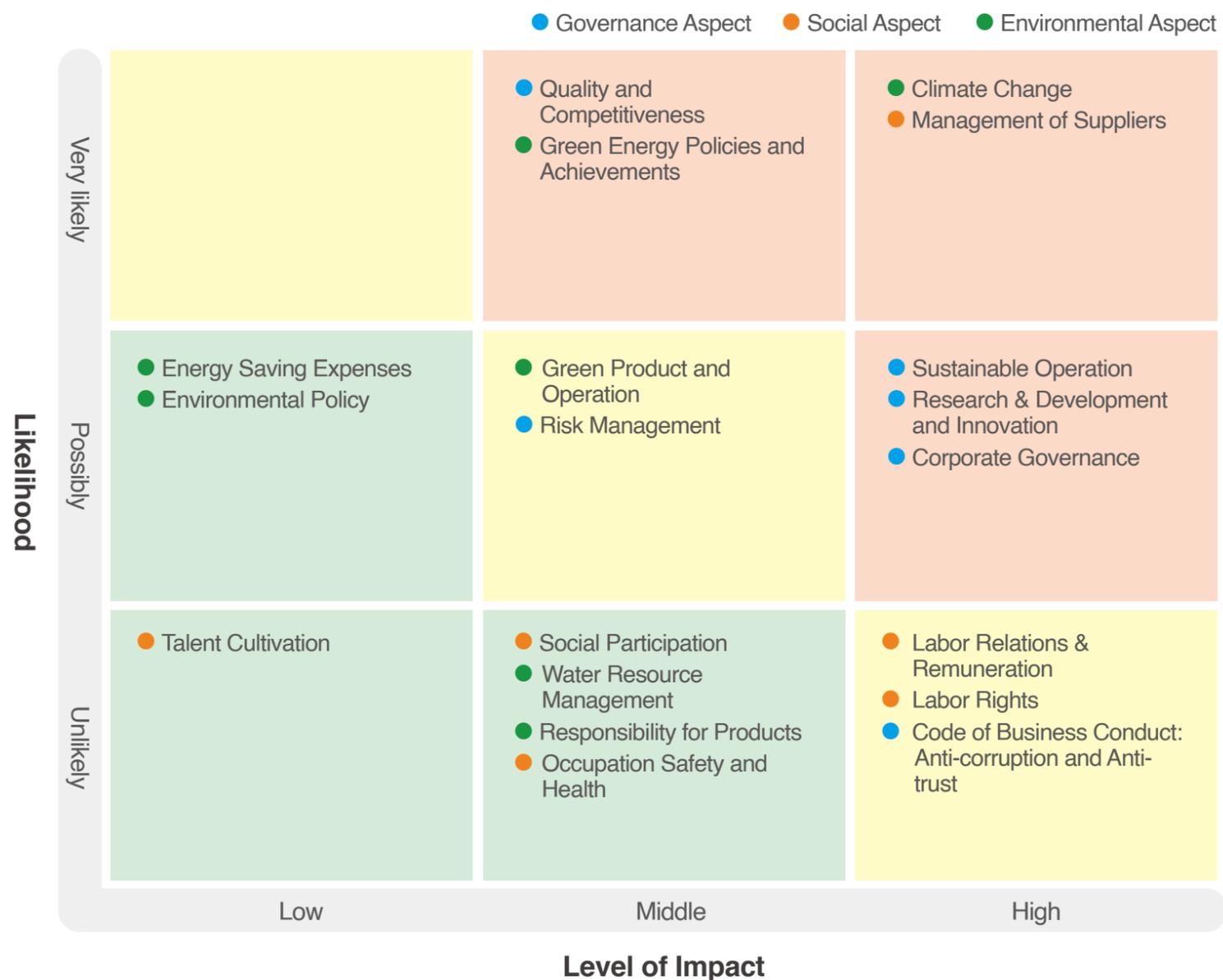
Material Issues, Impact Range, and Involvement Level

● Direct Impact ○ Impact Trigger ▲ Commercial Impact

| Order | Material themes | Importance of Operation | Internal | | External Stakeholders | | | |
|-------|--|---|-----------|--------------|-----------------------|---------|-------------|---------|
| | | | Employees | Shareholders | Customers | Vendors | Authorities | Society |
| 1 | Climate Change. | The aggravation of global warming and frequent extreme natural disasters damage many countries and corporates economically. To ease the impacts from the climate change, GUC internally promotes environment protecting measures which save energy and reduce carbon emission. Moreover, we externally launch green products having adjustability and toughness against climate change. | ○ | ○ | ▲ | ▲ | ● | ● |
| 2 | Management of Suppliers | To meet the demand from customers, decrease manufacturing cost, and increase operating performance, GUC established a stable and thorough supplier system through methods like supplier selection and supplier verification. In addition, it provides an encouragement mechanism and communicating channels to share the same quality concept and expects to make long-term cooperation with suppliers to contribute to sustainable supply chain. | | ● | ▲ | ● | ○ | ○ |
| 3 | Research & Development and Innovation | To meet the exclusive business and technical demand from innovative tech companies, GUC proactively implements innovation and transformation to create value for the industry and market. We also make our own innovative business culture. It not only increases the added value of products, but also seeks the greatest interest for our stakeholders. Thus, we can move forward to become a helping force for society. | ● | ○ | ▲ | ● | ○ | |
| 4 | Quality and Competitiveness | Technologies progress quickly while the life circle of products decreases, which increases the operation risks of the industry. In order to provide world-class advanced IC customization services, GUC actively pursues innovative R&D technologies and excellent quality of products. This can assist customers in making higher added value for products, decrease market risks, and increase industrial competitiveness. | ○ | ● | ▲ | ▲ | ○ | |
| 5 | Green Energy Policies and Achievements | GUC has built a safe, stable, efficient, and clean energy supply and demand system to create sustainable value under the balance of energy use, environmental sustainability, and green economic development. GUC has also set up solar energy in 2022 to increase the proportion of energy independence, and expects to achieve Net Zero in 2050. | ○ | ○ | ▲ | ● | ● | ○ |
| 6 | Sustainable Operation | In order to meet the economic development elements required by the current market, GUC pursues sustainable energy development. We actively examine the impact of our products and services on society, the environment and the economy, and continue to improve and pursue sustainability. | ● | ● | ▲ | ▲ | ○ | ○ |
| 7 | Corporate Governance | To increase the performance and protect the rights and interest of shareholders and other stakeholders, GUC keeps balancing the power and responsibilities of the Board, implementing financial disclosure and internal audit, and strengthening the faith of corporate governance of management team to ensure that the Company will be able to efficiently adjust to any kind of impact in the future and retain sustainability. | ● | ● | ▲ | ▲ | ○ | ○ |



Matrix Diagram of Material Themes



▼ GUC's Management of major themes in 2022

| Major Themes | Climate Change |
|----------------------------------|---|
| Addressing GRI major themes | GRI 201-2 |
| Addressing SDGs | SDG 13 |
| Policy or Commitment | In response to climate anomalies, formulate contingency plans to reduce the company's and suppliers' greenhouse gas emissions. Actively plan various environmental protection, energy saving and carbon reduction measures, reduce greenhouse gas emissions, increase the use of green energy, etc., to mitigate the operational impact of climate change and create a better and safer environment for the next generation. |
| Indicators and Targets | <p>Short-term Target: Formulate energy-saving and carbon-reduction policies to reduce carbon emissions by 6% per year</p> <p>Medium-term Target: To pay attention to domestic and foreign laws and regulations, and combine carbon inventory and SBTi to set a stable and feasible carbon reduction target</p> <p>Long-term Target: To respond to the global carbon reduction trend and gradually achieve Net Zero by 2050</p> |
| Effectiveness Tracking Mechanism | <ul style="list-style-type: none"> ● Based on 2021, the target is to reduce carbon emissions by 6% per year ● Establish and plan energy-saving strategies and actions step by step. At the same time, future target KPIs including the reduction of greenhouse gas, water, electricity and other energy resources were set for 2025. ● Whether the carbon footprint of goods exported from Taiwan complies with European and American standards. ● The amount invested in energy conservation investment projects in 2022 is NT\$4.03 million. ● Continue to develop the N5/3 (5/3nm) design process to guide customers to use the N5/3 process with better power efficiency in the future and contribute to the overall energy consumption. |
| Annual Actions and Measures | <ol style="list-style-type: none"> (1) First of all, we must achieve green R&D design and green production, and all realize zero carbon production - no pollution to the environment, no use of harmful materials, and improved resource utilization. (2) Build a solar photovoltaic system from 2022, and contribute to the reduction of global warming and environmental pollution through the planning and setting of green energy equipment. (3) Through relevant marketing activities, establish a green image of the enterprise, guide consumers to re-identify brand value, promote the promotion and sales of green products, and expand the capacity of the green market. |



Major Themes | **Research & Development and Innovation**

Addressing GRI major themes | GRI 201-1

Addressing SDGs | SDG 9

Policy or Commitment | Develop core IPs to become a leader in IC design service company

Indicators and Targets | Keep up with the latest IP specifications and correspond to the latest TSMC advanced manufacturing process and advance packaging and testing technology.

Effectiveness Tracking Mechanism |

- A new generation of 8.4~8.6G high-bandwidth memory (HBM3), GUC has completed the 5nm process silicon intellectual property (IP) verification in 2022. At a transfer rate of up to 8.4Gbps, the power consumption is only 3.96 watts. And in January 2023, the 3nm process design will be finalized. Based on the process evolution and the efforts of R&D personnel, it is expected to increase the speed to 8.6Gbps, and at the same time reduce the power consumption to 3.51 watts, a reduction of about 11.4%, assisting customers in developing functions more powerful and at the same time more energy-efficient products.

Annual Actions and Measures |

- The amount of investment related to research and development is NT\$3.29 billion in 2022.
- Combined with TSMC InFO/CoWoS packaging technology, GUC has proposed the 3rd-generation chip interconnection IP "GLink 2.3" in 5nm. The silicon has been verified in 4Q22 and is ready to provide customers with complete multi-chip interconnect solutions, and received 2022 ASPENCORE (EE Times) World Electronics Achievement Awards-EDA/IP/Software of the year.
- GUC completed the tape-out of 5nm and 6nm GLink-3D IP testchip for 3D SoIC in 2Q21, and received EE Awards Asia 2022 "Best IP/Processor."
- GUC has successfully enabled the mass production of HBM2/2E/3 with CoWoS for 6 different customers with their large SoC design. The configuration ranges from 2 to 8 HBM memory dies, and the main applications are AI and HPC.
- GUC's 5nm HBM3 8.4G (PHY & Controller) has been successfully taped out in 1Q22, silicon proven in 4Q22, and adopted by several customers.

Annual Actions and Measures

- In combination of TSMC latest CoWoS-S and CoWoS-R packaging technology, GUC taped out world's 1st 7nm HBM3 CoWoS platform in 2Q21, including HBM3 7.2G, GLink, and 112G SerDes IP. The solution was already silicon proven in 2Q22.
- GUC successfully developed customer optical ASIC chip for datacenter communication in 7nm and 16nm, which integrated 28G/56G SerDes, and have been validated by customer in 4Q22 and expected to enter production in 2023.
- GUC has successfully provided 6nm ASIC design service for a leading HPC customer in 2022, which will tape out in 2Q23 and enter production in 2024.
- Adopting TSMC advanced process solution, GUC has succeeded to integrate multiple customers' AI/HPC SoCs with 2.5D packaging technology for hyperscale data center applications, and had several customers successfully into mass production. Looking forward, 5nm HPC customer will tape out in 1Q23 and enter production in 2024.
- GUC has collaborated with a 5G leading company on analog front-end (AFE) IP in 12nm, which supports both mmWave and sub-6GHz bands. The design has been silicon proven and adopted by a leading customer. The SoC has been silicon proven and ready for mass production.
- GUC's industry-leading ultra-low-power design solution has been proven to significantly reduce AI SoC chip power consumption for edge computing, successfully enabling customers into mass production.
- Following a hyperscale data center AI chip customer and a renowned consumer electronics chip customer mass productions in 2020, GUC's industry-leading spec-in service has successfully assisted networking customer to complete SoC design and system bring up. The SoC went into production in early 2022.
- GUC early adopted TSMC 3nm technology, completed N3E design flow and verification in 4Q22, and expected to tape out HBM3 and GLink IP for meeting customer's product design need in 2023.



| Major Themes | | Management of Suppliers |
|----------------------------------|--|--|
| Addressing GRI major themes | | GRI 204/GRI 308/GRI 414 |
| Addressing SDGs | | SDG 17 |
| Policy or Commitment | | Construct a supply chain that meets RBA requirements Commit to maintaining long-term cooperative relationships with domestic and foreign suppliers to jointly establish a stable and sustainable supply chain. Establish an effective incentive mechanism, good communication channels and a common concept of quality. |
| Indicators and Targets | | <p>Short-term Target: To obtain products or services that meet the quality and quantity requirements of the enterprise at the lowest cost.</p> <p>Medium-term Target: To ensure that suppliers provide the best quality service and timely delivery.</p> <p>Long-term Target: Develop and maintain good supplier relationship, develop potential suppliers.</p> |
| Effectiveness Tracking Mechanism | | <ul style="list-style-type: none"> Establish a supplier evaluation system through supplier selection procedures and supplier certification methods. |
| Annual Actions and Measures | | <ul style="list-style-type: none"> Supplier information platform. Irregular supplier audit. Unscheduled interviews and meetings. Regular questionnaire survey. Publicity of professional ethics (GUC integrity management operating procedures and professional ethics). Conflict Minerals / require suppliers to declare or sign. Professional Ethics and Supplier Code of Conduct / require suppliers to abide by the relevant regulations of RBA, and declare or sign. |

| Major Themes | | Quality and Competitiveness |
|----------------------------------|--|---|
| Addressing GRI major themes | | Self-determined |
| Addressing SDGs | | n/a |
| Policy or Commitment | | <ul style="list-style-type: none"> Formulate the company's technology development plan, and complete the reliability verification work at the design stage. Carry out comprehensive continuous improvement activities and internalize quality culture. |
| Indicators and Targets | | <p>Short-term Target: Continuously propose incentives such as bonuses and public praise for improvement activities.</p> <p>Medium-term Target: To promote "customized quality service" to help customers gain market opportunities and strengthen competitiveness with excellent and reliable product quality.</p> <p>Long-term Target: The competitiveness of customers is the driving force of GUC, and we are committed to becoming a long-term important partner that customers trust and rely on for success.</p> |
| Effectiveness Tracking Mechanism | | <ul style="list-style-type: none"> Corporate image, service quality, and customer satisfaction are all important indicators that affect a company's competitiveness. |
| Annual Actions and Measures | | <ul style="list-style-type: none"> GUC has a quality management policy. Ensure the effective implementation of the quality management system and achieve the quality objectives and requirements of the quality management system. Ensure that the integrity of the quality management system can still be maintained when the quality management system changes the plan. Continuously propose improvement activities. |



| Major Themes | Green Energy Policies and Achievements |
|----------------------------------|--|
| Addressing GRI major themes | GRI 302/GRI 305 |
| Addressing SDGs | SDG 13 |
| Policy or Commitment | <ul style="list-style-type: none"> The energy used by GUC is mainly used for factory affairs and office equipment, and the energy is mainly purchased electricity. In order to reduce greenhouse gas emissions, GUC has set energy-saving and carbon-reduction targets, and has taken more actions to mitigate climate change. GUC focuses on green innovative design and green office promotion, continuously improves employees' green awareness and promotes specific planning. |
| Indicators and Targets | <p>Short-term Target: Self-built solar photovoltaic facilities to increase energy self-production rate</p> <p>Medium-term Target: To seize green energy industries such as solar energy and self-driving cars.</p> <p>Long-term Target: To increase the ratio of self-produced energy year by year and reduce operating costs.</p> |
| Effectiveness Tracking Mechanism | <ul style="list-style-type: none"> Promote energy-saving and carbon-reduction measures in the factory area and offices, and let employees spontaneously start energy-saving activities through education, policy and regulation, and contribute to the global environment together. |
| Annual Actions and Measures | <ul style="list-style-type: none"> After 2022, the annual solar power generation will generate 21,776 kWh (equal to 78.4GJ), reducing carbon dioxide emissions by 11.08 tCO₂e / year. |

| Major Themes | Sustainable Operation |
|----------------------------------|--|
| Addressing GRI major themes | GRI 201 |
| Addressing SDGs | SDG 12 |
| Policy or Commitment | <p>With the intensification of climate change and changes in the global political and economic situation, only by incorporating ESG factors and risk scenarios into the assessment and constantly re-examining through the internal control process can the company be resilient to cope with unknown challenges. Continuously improve corporate performance through the spirit of circular quality management (PDCA), and become the world's leading IP and ASIC supplier.</p> |
| Indicators and Targets | <p>Short-term Target: To implement corporate governance and treat stakeholders equally, and fulfill social responsibilities.</p> <p>Medium-term Target: Committed to environmental protection and public welfare activities, and also combined with the 17 SDGs of the United Nations Sustainable Development Goals.</p> <p>Long-term Target: To formulate a work plan and effectively implement the vision and mission of sustainable development of GUC.</p> |
| Effectiveness Tracking Mechanism | <ul style="list-style-type: none"> The board of director plays the role of supervision and guidance. Every year, the executive secretary of ESG committee reports to the board of directors the current year's implementation results and future work plans. |
| Annual Actions and Measures | <ul style="list-style-type: none"> The board of director adopted the "Code of Practice for Sustainable Development" as the guiding principle for long-term promotion of ESG. Hold regular meetings every year and report to the board of director. Hold regular education and training every year, and explain key ESG strategies and implementation methods to colleagues, so as to encourage all employees to implement the vision of sustainable management of the enterprise. |



Major Themes Corporate Governance

Addressing GRI major themes GRI 405-1

Addressing SDGs n/a

Policy or Commitment
According to the corporate governance roadmap schedule, establish an effective corporate governance structure, strengthen the functions of the board of directors, improve information transparency, strengthen communication with stakeholders, conform to international norms, guide due diligence, and effectively play the functions of various functional committees. Continue to implement the equal treatment of all stakeholders and become a gifted company of corporate governance in Taiwan stocks. Management is committed to establishing a management system and ensuring that the company follows the Code of Practice on Corporate Governance for continuous improvement.

Indicators and Targets
To ensure the maximization of shareholders' interests and continue to maintain the constituent stocks of the Taiwan Corporate Governance Index.

Effectiveness Tracking Mechanism
● Participate in corporate governance evaluation.

Annual Actions and Measures

- The Audit Committee, Compensation Committee and other functional committees are set up under the board of director.
- Establish a dedicated corporate governance office.
- There is no gender difference in basic salary, and professionalism and experience are used as evaluation criteria.
- Set up a full-function division for corporate integrity management and regularly report the implementation results to the board of director.

3.4 Major Theme Changes

In 2022, our assessment of major subject areas was not only refer to GRI' s sustainable issues, but also refer to the disclosure items required by the SASB guidelines for the company' s industry. And in line with GUC's net-zero goal, we have raised the priority of topics related to climate change. To enable stakeholders to better understand GUC's goals and practices.

▼ **Changes in major themes of GUC in 2022**

| 2021 major themes | 2022 major themes | Change situation | Change Description |
|---------------------------------------|--|------------------|---|
| Research & Development and Innovation | Climate Change | ↑ | |
| Quality and Competitiveness | Management of Suppliers | ↑ | GUC attaches great importance to the impact of climate change on all human beings. Therefore, the company regards net zero as the primary goal to be achieved in 2050. This year, we added a major theme of "Green Energy Policy and Achievements" and improved the requirements of "Supplier Management". Cooperate with more suppliers to create a sustainable future together. |
| Climate Change | Research & Development and Innovation | ↓ | |
| Sustainable Operation | Quality and Competitiveness | ↓ | |
| Management of Suppliers | Green Energy Policies and Achievements | New | |
| Customer Relation Maintenance | Sustainable Operation | ↓ | |
| Corporate Governance | Corporate Governance | No change | |



4 Corporate Governance

- 4.1 Efficient Governance System
- 4.2 Financial Performance
- 4.3 Board Functions and Strategies
- 4.4 Management of Innovation
- 4.5 Customer Relationship Management
- 4.6 Responsible Procurement
- 4.7 Risk Management

4.1 Efficient Governance System

In response to ESG promotion and management, we have established a Sustainability Committee in accordance with the Global Unichip Corporation Code of Practice on Sustainable Development, which is composed of interdepartmental staff and chaired by the Board of Directors. To learn more about the corporate governance structure and the business practices of each department, please visit our official website (https://www.guc-asic.com/zh-tw/investor_financial/annual) to download and read the 2022 Annual Report.

4.2 Financial Performance

4.2.1 Financial Performance

Global Unichip Corporation's 2022 consolidated net operating revenue was NT\$24.040 billion, a 59% increase over the previous year's revenue of NT\$15.108 billion; net income after tax was NT\$3.710 billion, a 154% increase over the previous year; and earnings per share were NT\$27.69, a 154% increase over the previous year's NT\$10.90, and significantly higher than the annual growth rate of revenue.

Gross margin for 2022 was 34.7%, up from 34.6% in the previous year, primarily due to higher gross margins and a higher proportion of revenue from the Turnkey business; operating profit margin increased to 17.1%, compared to 11.1% in the previous year, primarily due to operating expenses growing at a significantly lower rate than revenue growth. The net income margin for 2022 was 15.4%, an increase of 5.7 percentage points from 9.7% in the previous year.

▼ Global Unichip Corporation's latest annual production volume (in thousands of units; NT\$ thousands)

| Main Products | Year 2020 | | Year 2021 | | Year 2022 | |
|---------------------------|----------------|------------------|----------------|------------------|----------------|-------------------|
| | Production | Amount | Production | Amount | Production | Amount |
| ASIC and Wafer Products | 166,213 | 5,591,090 | 176,489 | 4,712,990 | 221,629 | 12,625,874 |
| Commissioned Design (NRE) | - | 2,971,329 | - | 2,654,621 | - | 4,088,945 |
| Other | - | 10,650 | - | 38,458 | - | 71,771 |
| Total | 166,213 | 8,573,069 | 176,489 | 7,406,069 | 221,629 | 16,786,589 |





▼ Operating Performance Statistics for the past five years (Unit: NT\$ million)

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------|----------------------------------|--------|--------|--------|--------|---------------|
| Direct economic value generated | Revenue | 13,460 | 10,710 | 13,569 | 15,108 | 24,040 |
| | Cost | 9,443 | 7,180 | 9,499 | 9878 | 15,705 |
| | Camp tax | 159 | 150 | 152 | 281 | 635 |
| Economic value of distribution | Directors' Remuneration | 14 | 5 | 12 | 28 | 45 |
| | Employee Bonus - Cash | 153 | 75 | 134 | 272 | 668 |
| | Employee Bonuses - Bonuses | 153 | 75 | 134 | 272 | 668 |
| | Dividends to shareholders - cash | 670 | 670 | 670 | 938 | 1,876 |
| Economic Value of Retention | | 318 | -37 | 180 | 522 | 1,840 |

Notes:
1. Retained economic value = direct economic value generated - economic value distributed
2. NT\$270 million in green investments in 2022

Mega Bank's first green deposit : Global Unichip Corporation contributed NT\$70 million

"We support the United Nations' Sustainable Development Goals (SDGs) and continue to focus on green industry-related issues through the operation of the Sustainable Development Council," said Mr. Dai Shangyi, General Manager of Global Unichip Corporation. "In addition to voluntarily issuing third-party verified sustainability reports, we have planned short-, medium- and long-term implementation plans for the 2050 net-zero emissions target. At the same time, we encourage our colleagues to actively participate in social welfare, and to implement the concept of taking from society and using it for society. We are glad to have this opportunity to cooperate with Mega Bank on green deposit, and hope to create sustainable corporate value and achieve social benefits through green finance."

Sustainable Finance: Bank SinoPac Launches Green Deposit
The first fixed deposit was made in cooperation with Global Unichip Corporation, a TSMC group company.

Global Unichip Corporation's president, Mr. Dai Shangyi, said, "In addition to voluntarily issuing third-party verified sustainability reports, we are also actively promoting greenhouse gas emission verification (ISO 14064-1) and are a member of the Responsible Business Alliance (RBA) in terms of supplier management. We have also planned short-, medium- and long-term implementation plans for the 2050 net-zero emissions target. We are pleased to have this opportunity to work with Bank SinoPac on green deposits and hope to pursue a sustainable future for our company through innovative approaches to green finance."

4.2.2 Technology Development Status

Global Unichip Corporation's small chip architectures using CoWoS and InFO have become mainstream in infrastructure products, and the Global Unichip Corporation R&D team, working closely with key partners, has extensive experience in the development of HBM and GLink IP and the mass production of CoWoS products. To support our customers in gaining a head start in 2.5D/3D high-end packaging while helping them maintain their market leadership, Global Unichip Corporation continued to firmly demonstrate our long-term commitment to provide the most competitive 2.5D total solutions in 2022, including the industry's first silicon certified HBM3 solid layer and controller, GLink 2.5D and 3D small chip interfaces, electrical and thermal simulation, package design, DFT and production testing, CoWoS and InFO fabrication expertise, and more.

Moreover, by the end of 2022, the Company obtained 462 patents from various countries, demonstrating Global Unichip Corporation's active investment in research and development, which has effectively enhanced its core competency.



1

Global Unichip Corporation combined with TSMC's InFO/CoWoS packaging technology to launch the third generation 5nm chip interconnect IP "GLink 2.3", which has completed silicon validation in the fourth quarter of 2022 and can provide customers with a complete multi-chip interconnect solution, and won the 2022 ASPENCORE (EE Times) Global Electronic Achievement Award for "EDA/IP/Software of the year" .

2

Global Unichip Corporation finalized 5nm and 6nm GLink-3D IP Validated Chip Design for 3D SoICs in Q2 2021, and received "Best IP/Processor" at EE Awards Asia 2022.

3

Global Unichip Corporation has already mass-produced HBM2/2E/3 and CoWoS ultra-large SoCs for six customers, successfully integrating 2 to 8 HBM memories for AI and HPC applications.

4

Global Unichip Corporation has successfully finalized the 5nm HBM3 8.4G (PHY & Controller) design in Q1 2022, completed silicon validation in Q4 2022, and it has been adopted by several customers.

5

Global Unichip Corporation leads the industry with its HBM3 CoWoS platform, validating the N7 HBM3 7.2G, GLink and 112G SerDes IP, combined with TSMC's latest CoWoS-S and CoWoS-R packaging technologies, and completing silicon validation in the second quarter of 2022.

6

Global Unichip Corporation has successfully developed customer 7nm and 16nm workstation-class optical communication chips with integrated 28G/56G high-speed SerDes for ultra-large data centers, and will complete customer validation in Q4 2022 and is expected to enter mass production in 2023.

7

Global Unichip Corporation has successfully designed ASICs for 6nm high performance computing customers in 2022. The product is expected to be finalized in the second quarter of 2023 and enter volume production in 2024.

8

Global Unichip Corporation is using TSMC's advanced manufacturing process to integrate AI/HPC chips and 2.5D packaging technology for large scale cloud data centers, and has been helping several customers enter mass production. The 5nm high performance computing customers are expected to finalize their designs in the first quarter of 2023 and enter mass production in 2024.

9

Global Unichip Corporation has partnered with leading 5G vendors on 12nm high-speed analog front-end IP supporting millimeter wave (mmWave) and sub-6G bands, which have been silicon validated and adopted by customers and assisted them to enter mass production.

10

Global Unichip Corporation provides ultra-low power design services solutions that significantly reduce the power consumption required for AI SoCs to meet the ultra-low power requirements of edge computing and help customers move smoothly into mass production.

11

Global Unichip Corporation provides industry-leading spec-in services. After assisting mega data center AI chip customers and well-known consumer electronics customers to enter mass production in 2019, Global Unichip Corporation has assisted network chip customers to complete chip design and validation in 2021, and has entered mass production in 2022.

12

Global Unichip Corporation is leading the industry in 3nm development and will complete the development of the 3nm enhanced design flow in Q4 2022, with HBM3 and GLink IP designs expected to be finalized in January 2023 to meet customer product design needs.

2022 Technology Development Success and Innovation Achievements





Future research and development plans and estimated investment in research and development

In response to future growth, we will continue to invest R&D resources in optimizing our 5nm and 3nm design flow, and continue to develop our high-speed interface chip interconnection IP "GLink", HBM PHY & Controller, SerDes, PCIe, High-speedADC, TCAM, etc. (CIPRD: update IP). We expect to invest approximately NT\$1.3 billion in R&D over the next two years, and the related plans are as follows: (DS: add N3, revise N5, remove N6I; CIPRD: update IP plan).

| Recent Annual Plans | Current Progress | Completion Time |
|--|--|--|
| 3nm HBM3 controller & PHY development | Test chip design finalized in January 2023 | Silicon certification completed in Q4 2023 |
| 3nm PLL, THM, Process Monitor R&D | Test chip design finalized by Q3 2023 | Silicon certification completed in Q2 2024 |
| 3nm Chip Interconnect IP "GLink2.3" PHY Development | Test chip design finalized in January 2023 | Silicon certification completed in Q4 2023 |
| 3nm UCle IP | Test chip design finalized in September 2023 | Silicon certification completed in Q3 2024 |
| 6nm and 5nm chip interconnection IP "GLink-3D" PHY development | Test chip design finalized | Silicon certification completed in Q1 2023 |
| 3nm design process development | N3 V0.9 has completed testing wafer silicon verification | N3E v1.0 process completed in H1 2023 |
| 4nm Design Process Development | Completed N4P v1.0 PPA benchmark | N4P v1.0 design process completed in h1 2023 |
| 2.5D/3D advanced packaging design process | CoWoS -S design process completed | InFO Design Process completed in Q1 2023 |
| | | CoWoS-L Design Process completed in h1 2024 WoW, DoD 3D SolC design flow completed in H2 2023 |
| 3nm HBM3 controller & PHY development | Test chip design finalized in January 2023 | Silicon certification completed in Q4 2023 |
| 3nm PLL, THM, Process Monitor R&D | Test chip design finalized by Q3 2023 | Silicon certification completed in Q2 2024 |

4.3 Board Functions and Strategies

4.3.1 Functions of the Board of Directors

In order to strengthen corporate governance and promote the sound development of the Board of Directors' composition and structure, Article 20 of the Company's Corporate Governance Code stipulates that the Board of Directors as a whole should possess the following competencies: 1. business judgment, 2. accounting and financial analysis skills, 3. management skills, 4. crisis management skills, 5. industry knowledge, 6. international market perspective, 7. leadership skills, 8. decision-making skills.

The current Board of Directors of the Company consists of nine directors, of which five are independent directors of the Company, more than half are aged 50 or above, 89% are men and 11% are women. The Board of Directors is independent. The Company's Board of Directors has diverse and complementary capabilities across industry sectors, and each has industry experience and related skills, such as legal, finance and accounting, industry, marketing and research and development, technology, business management, professional skills and industry experience, and in addition to professional capabilities, a female director is also guaranteed. The implementation of the Company's policy on diversity of board members by individual directors is as follows:

The Company's goals for future diversity of board members include, but are not limited to, the following two broad criteria:

1. Basic criteria and values: gender, age, nationality and culture, etc. The Company will elect one female independent director at the ninth annual shareholders' meeting in 2022 (R.O.C. 111). In the future, the Company will retain at least one female director and aim to have one-third of its board members be women. Additionally, we will make a balanced plan in terms of age requirements.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.



▼ Global Unichip Corporation 2022 Board of Directors

| Name of Director | Diversified Core Items | Nationality | Gender | Term of office | Employee Status | Age | Operation Management Business Judgment | Property and Accounting | Crisis Management | Industry Knowledge | International Market View | Leadership and Decision Making |
|------------------|------------------------|----------------------------|--------|----------------|-----------------|-----|--|-------------------------|-------------------|--------------------|---------------------------|--------------------------------|
| | | | | | | | | | | | | |
| F.C. Tseng | | Republic of China (Taiwan) | Male | 7 | No | 78 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Sean Tai | | Republic of China (Taiwan) | Male | 1 | Yes | 58 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Cliff Hou | | Republic of China (Taiwan) | Male | 5 | No | 61 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Wendell Huang | | Republic of China (Taiwan) | Male | 2 | No | 61 | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Wen-Yeu Wang | | Republic of China (Taiwan) | Male | 5 | No | 67 | ✓ | | ✓ | | ✓ | ✓ |
| Peter Wu | | Republic of China (Taiwan) | Male | 4 | No | 72 | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Kenneth Kin | | Republic of China (Taiwan) | Male | 2 | No | 76 | ✓ | | ✓ | ✓ | ✓ | ✓ |
| Jesse Ding | | Republic of China (Taiwan) | Male | 1 | No | 69 | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Jennifer Huang | | Republic of China (Taiwan) | Female | 1 | No | 58 | ✓ | ✓ | ✓ | | ✓ | ✓ |

▼ Global Unichip Corporation 2022 Board of Directors Continuing Education Program and Total Hours

| Job Title | Name | Progress Date | Organizer | Course Name | Advanced Hours |
|-----------------------|----------------|---------------|--|--|------------------------------------|
| Chairman of the Board | F.C. Tseng | 04/28/2022 | Chinese Corporate Governance Association | Creating a New Sustainable Routine | 3 |
| | | 12/13/2022 | | Risks and Opportunities of Climate Change | 3 |
| Director | Cliff Hou | 04/28/2022 | Securities and Futures Market Development Foundation | Creating a New Sustainable Routine | 3 |
| | | 10/28/2022 | | Analysis of corporate financial information and its use for decision making | 3 |
| Director | Sean Tai | 04/28/2022 | Chinese Corporate Governance Association | Creating a New Sustainable Routine | 3 |
| | | 11/04/2022 | | Corporate M&A practices and case studies | 3 |
| Director | Wendell Huang | 10/18/2022 | Accounting Research and Development Foundation | Explanation of the concept of "Disclosure of climate-related information" of ISSB S2 standard | 3 |
| | | 10/19/2022 | | Preparation of TCFD report: main reference points | 3 |
| Independent Director | Jennifer Huang | 05/13/2022 | Chinese Corporate Governance Association | Prevention of insider trading | 3 |
| | | 09/06/2022 | | The real value created by circular and low carbon innovation - A look at circular economy and governance | 3 |
| | | 10/25/2022 | | Interpretation of Important Corporate Governance Rulings: Directors' Responsibilities as the Core | 3 |
| | | 11/15/2022 | | Analysis of Management Rights Competition and Prevention Strategies | 3 |
| Independent Director | Wen-Yeu Wang | 01/26/2022 | Kaiji Securities Co. | Financial consumer protection and fair treatment for senior/vulnerable groups | 2 |
| | | 04/28/2022 | | Chinese Corporate Governance Association | Creating a New Sustainable Routine |
| Independent Director | Jennifer Huang | 12/22/2022 | Directors' Association | Origins, Prevention and Liability of Directors in Management Disputes | 1 |



| Job Title | Name | Progress Date | Organizer | Course Name | Advanced Hours |
|----------------------|--|----------------------|--|---|--|
| Independent Director | Jesse Ding | 02/22/2022 | Chinese Corporate Governance Association | ESG-related legal issues to be considered by the Board of Directors | 3 |
| | | 03/19/2022 | Taiwan Institute of Directors | Rebooting in the New Reality - Seeing the New Digital Taiwan | 3 |
| | | 05/04/2022 | Accounting Research and Development Foundation | ESG and TCFD Practice Analysis for Construction Industry | 3 |
| | | 05/17/2022 | Association for Corporate Governance and Sustainable Development | Analysis of the dispute over the management rights of the company and legal disputes | 3 |
| | | 08/18/2022 | Aetna Commercial Bank | Board of Directors Auditing Seminar | 1 |
| | | 10/07/2022 | Association for Corporate Governance and Sustainable Development | Invalidation and revocation of shareholders' meeting resolutions | 3 |
| | | 11/02/2022 | Securities and Futures Market Development Foundation | Blockchain Applications and Development - From Bitcoin to Meta-Universe | 3 |
| | | 11/03/2022 | Economic Times | Financial Management Trends Forum - Revitalize your money and make it bigger | 3.5 |
| | | 11/04/2022 | Aetna Commercial Bank | Anti-Money Laundering and Anti-Counterfeiting and Fairness Training for Directors and Executives | 1 |
| | | Independent Director | Peter Wu | 04/28/2022 | Chinese Corporate Governance Association |
| 05/06/2022 | Securities and Futures Market Development Foundation | | | Carbon Management Trends and Solutions for Moving Towards Net Zero Emissions | 3 |
| 05/06/2022 | Foundation | | | ESG Governance from Knowing to Doing | 3 |
| 06/09/2022 | | | | Smart Money Opportunities and Risks for Businesses in the Metaverse | 3 |
| 07/29/2022 | Chinese Corporate Governance Association | | | The latest development of international and domestic taxation and the trend of law revision (above) | 3 |
| 07/29/2022 | | | | The latest development of international and domestic taxation and the trend of law revision (below) | 3 |

| Job Title | Name | Progress Date | Organizer | Course Name | Advanced Hours |
|----------------------|-------------|---------------|--|---|----------------|
| Independent Director | Kenneth Kin | 04/28/2022 | Chinese Corporate Governance Association | Creating a New Sustainable Routine | 3 |
| | | 07/29/2022 | | The latest development of international and domestic taxation and the trend of law revision (above) | 3 |
| | | 07/29/2022 | | The latest development of international and domestic taxation and the trend of law revision (below) | 3 |
| | | 12/13/2022 | | Risks and Opportunities of Climate Change | 3 |

4.3.2 Nomination Selection

In order to implement the policy of diversifying the composition of the Board of Directors to enhance the overall performance of the Company, and in response to the proposal of the Code of Governance Practices for Listed Companies that the term of independent directors should not exceed three consecutive terms, the Company intends to gradually improve the composition of the Board of Directors.

Two independent directors, Mr. Benson Liu and Mr. Chein-Wei Jen, who have served for more than three consecutive terms, submitted their resignation letters on January 14, 2022 and resigned as independent directors of the Company effective May 19, 2022. The Board of Directors meeting was held on January 26, 2022, at which the candidates for independent director were approved by the Board of Directors, and two new independent directors were elected at the 2022 Annual General Meeting. After the by-election, the Company will have three (more than half) independent directors with at least three consecutive terms, and at least one female director to ensure diversity. The directors must have professional backgrounds including technology, law, finance and accounting, and management-related experience, and be recommended as candidates by industry professionals.

The Audit Committee, the Compensation Committee, and the Strategy Committee have been authorized by the Board of Directors to assist the Board of Directors in carrying out its oversight responsibilities, and it is expected that the functions of the Nomination Committee will be incorporated into the Compensation Committee in 2023. The constitution of each committee is approved by the Board of Directors, and the chairman of each committee reports regularly to the Board of Directors on its deliberations and resolutions.



4.3.3 Performance Evaluation

Global Unichip Corporation is committed to a high degree of self-discipline to achieve its corporate governance objectives, to strengthen the functions of the Board of Directors, to protect the rights of shareholders, to enhance the transparency of information, to pay attention to the impact of environmental and social issues on the Company, and to ensure the sustainable operation of the Company. Under this principle, the Company voluntarily advanced the establishment of a corporate governance director to assist the Board of Directors in 2020.

In order to implement corporate governance, enhance the functions of the Company's Board of Directors, and establish performance targets to strengthen the efficiency of the Board of Directors' operations, the Company has formulated and adopted the "Board of Directors' Performance Evaluation Regulations", which are implemented annually by the Board of Directors, functional committees (including the Audit Committee, the Remuneration Committee...) The Board of Directors' performance evaluation indexes include six categories, such as "participation in the Company's operation", "improving the quality of the Board of Directors' decisions", and "annual sustainable performance and achievement of strategic goals". The Board of Directors and the Functional Committee's self-assessment and self-evaluation of the Board members in 2022 were completed in the fourth quarter and will be submitted to the Board of Directors in January 2023.

In 2022, the Board of Directors and the internal performance evaluation of the Board members achieved an assessment rating of "Excellent", and the Board of Directors has been operating well in terms of improving the quality of decision making and the level of participation of the Directors in the Company's operation.

In addition to the internal self-evaluation, the Company regularly engages an external evaluation organization every three years to evaluate the performance of the Board of Directors. In 2022, the Company will again engage an external independent evaluation organization, the Chinese Corporate Governance Association, to perform the relevant operations. The evaluation report also recommends that the Company should renew the Board of Directors in phases to take into account the trend of concurrent supervision and experience transfer. It was also recommended that the Company may establish a nomination committee at an appropriate time, or include the function of selection, cultivation and succession selection in the terms of reference of the Compensation Committee to demonstrate its commitment to corporate governance. The Company intends to incorporate the selection, nurturing and succession functions into the terms of reference of the Compensation Committee.

4.3.4 Critical Event Communication

The Company established a Strategic Committee in 2022; the first Strategic Committee was formed by five independent directors for the period from October 27, 2022 to May 13, 2023. The first Strategic Committee was held on December 1, 2022, to discuss the future business strategies and directions, and all members attended the meeting. The Committee gave a lot of suggestions and guidance to the management of the company on the operational direction presented, and requested that management implement the strategic direction of company strategy --> business strategy --> functional department strategy on what to do (or not to do) in the future. Why to do (not to do)? How to do it? Develop actionable and measurable milestones for each functional department to form a complete functional strategy cycle. At the first Strategic Committee meeting, it was agreed that meetings should be held at least twice per year, and management, experts, and others may be invited to attend and provide information within its terms of reference. The Committee's terms of reference are to plan and direct the Company's growth strategy (including short-, medium-, and long-term goals and strategies), major investments and acquisitions, ESG-related issues, risk management issues, and other important strategic issues.

Moreover, the independent directors have direct communication channels with the internal auditors and certified public accountants, and the communication is good. The head of internal audits reports to the Audit Committee and interacts with the independent directors in accordance with the annual audit plan and the actual implementation of the audit. The accountant also attends the quarterly audit committee meetings and communicates and interacts with the independent directors regarding the review or audit of financial reports, or financial, tax, or internal control related issues. Significant communications and interactions between the independent directors and the chief financial officer, chief accounting officer, chief internal auditor, and certified public accountant at the Audit Committee are recorded in the minutes of the Audit Committee meetings.

Please refer to the Company's annual report for a description of other key material events related to communication at the highest level of governance.

4.3.5 Integrity in Business

In order to promote integrity and ethical practices and to ensure compliance with laws and regulations, Global Unichip Corporation has established an internal code of ethics, "Integrity Procedures and Code of Ethics" in accordance with the national "Code of Conduct for Listed Companies", with the Human Resources Department as the unit responsible for training and managing other departments. Our employees, supervisors at all levels, and members of the Board of Directors are required to conduct themselves in a manner consistent with the quality of workplace behavior and ethics. We have also established a Supplier Code of Conduct for our suppliers to understand and follow.

Global Unichip Corporation provides internal and external reporting channels to hear from internal and external sources and to protect the interests of stakeholders and the company. All reports received by Global Unichip Corporation are properly documented, investigated confidentially, and followed up with improvement measures.



The Company conducts annual education and training for all employees on integrity management, including courses on protection of confidential information, integrity management procedures, code of ethics, prohibition of insider trading, and code of conduct for responsible business alliance. The completion rate for each course is 100% annually. For new hires, we also have orientation and training programs to educate and inform all new hires of important company policies and conflict of interest avoidance information, and to prohibit employees from using their position or status to seek personal gain that may result in improper benefits to the related personnel or the company.

Corporate Governance Specialized Department

On July 30, 2020, the Board of Directors appointed Mr. Pei-Lun Chien, Senior Vice President and Chief Financial Officer of the Company, as the Head of Corporate Governance; and a total of seven members from the Finance Division, Legal Affairs Division, Internal Audit Division, and Human Resources Division as the Corporate Governance Working Group. The team also assists the Board of Directors to strengthen its functions and to protect the rights and interests of stakeholders and treat shareholders equally.

Corporate Integrity Management Specialized Department

The Company is committed to the highest standards of openness, integrity and accountability, and to the development of its business by actively implementing its corporate social responsibility, ensuring corporate ethics, and operating with integrity in compliance with governmental laws and regulations and business ethics. In this regard, the Company has established the "Operating Procedures and Code of Ethics for Integrity Management" and the "Complaint and Whistleblowing Rules", and has actively set up confidential channels for interested parties such as customers, shareholders, government agencies, society, academic research institutions, suppliers, and employees of the Company (e.g., business partners, suppliers, and members of the public) to file complaints about violations of the law (e.g., fraud), dishonest acts (e.g., corruption or bribery), or actual or potential violations of law and/or Company policy.

The Board of Directors supervises the relevant operations through a whistleblower mailbox. The Company has also set up a Irregular Business Conduct Reporting on its official website (<https://www1.guc-asic.com:8443/guc/>), which is available in both English and Chinese. The Human Resources Department is also responsible for collecting and disclosing information.



In addition to requiring employees to comply with the code of ethical conduct, suppliers are also required to comply externally, and suppliers are required to sign the “Global Unichip Corporation Third Party Code of Ethics Pledge” . We have completed 100% corruption risk assessments at our operations.

Participating Associations and Members

Global Unichip Corporation actively participates in industry associations and societies, and looks forward to contributing to the industry and society by joining associations or societies as a member.

| | |
|---|------------|
| Public Association | Membership |
| Taiwan Semiconductor Industry Association | Membership |
| Science Park Association | Membership |
| Chinese Corporate Governance Association | Membership |
| Hsinchu City Business Managers Association | Membership |
| Accounting Research and Development Foundation | Membership |
| Hsinchu City Nurses Association | Membership |
| The Institute of Internal Auditors - Chinese Taiwan | Membership |
| Computer Audit Association | Membership |

Circumvention of Interest

▼ Members of the Company's Board of Directors

| Title | First Name | Shareholding | Currently holding concurrent positions in the Company and other companies |
|-----------------------|----------------|--------------|---|
| Chairman of the Board | F.C. Tseng | 0 shares | Director of TSMC Corporation, Chairman of TSMC (China) Corporation, Vice Chairman of Vanguard International Semiconductor Corp. |
| Directors | Sean Tai | 0 shares | Our General Manager |
| Directors | Wendell Huang | 0 shares | Vice President and Chief Financial Officer and Spokesperson of TSMC, Director/Supervisor/President of TSMC's subsidiaries |
| Directors | Cliff Hou | 0 shares | Senior Vice President of TSMC's European and Asian operations, Director/President of TSMC's subsidiaries |
| Independent Director | Wen-Yeu Wang | 0 shares | Convenor of International Association of Comparative Law (IACL) Taiwan Chapter, Independent Director and Member of Salary and Compensation Committee of Nedec Superpix Technology Co. |
| Independent Director | Peter Wu | 0 shares | Honorary Retired Chair Professor of National Chiao Tung University, Founder of National Chiao Tung University Medical Electronics Translation Research Center, Independent Director and Member of Salary and Compensation Committee of United Microelectronics Corporation, Independent Director and Member of Salary and Compensation Committee of Tongjia Technology Corporation, Independent Director and Member of Salary and Compensation Committee of Powerchip Semiconductor Manufacturing Corporation, Chairman and Chief Technology Officer of Crystal Technology Co. Director of Amazing Technology Co. |
| Independent Director | Kenneth Kin | 0 shares | Advisor and Honorary Chair Professor, National Tsing Hua University, Department of Economics, National Tsing Hua University, Independent Director and Member of Salary and Compensation Committee, Li-Wang Electronics Co. |
| Independent Director | Jesse Ding | 0 shares | Chairman of Aetna Bank, Independent Director and Member of Salary and Compensation Committee of Darwin Engineering Co. |
| Independent Director | Jennifer Huang | 0 shares | Honorary Chairman of Venture Capital Association, Chairman and CEO of Hutchison Venture Group, President Council for Cornell Women, Director of Taiwan Women Directors Association |

Note: Please refer to the Company's annual report for a detailed description of other matters related to the disclosure of conflicts of interest by interested parties.

Legal Compliance

To ensure that all employees are aware of the issues of compliance, the company provides internal education and training and resources to promote compliance. For example, the Personal Information Protection Act and the Trade Secrets Act are taught through a variety of channels and are required to be attended by management and associates; e-learning is used to require all associates to learn and comply with the Integrity Management Procedures and Code of Ethics and the Electronics Industry Alliance Code of Conduct. Global Unichip Corporation's management team continues to pay close attention to any domestic or foreign policies and laws that affect the company's finances and operations, and has established compliance procedures that are coordinated and reviewed by the Legal Department. In 2022, Global Unichip Corporation had no significant monetary or other non-monetary penalties for non-compliance in economic, environmental, or social categories. We were also in compliance with the Fair Trade Act and were not subject to legal proceedings involving anticompetitive, antitrust or monopolistic practices. Each of our operations is conducted in compliance with domestic and foreign laws and regulations as the basis for our ability to continue operating. Additionally, we review our performance against each of the three compliance indicators required to be disclosed by the GRI Standards.

Compliance with environmental laws and regulations: In 2022, there were no significant fines imposed for violations of environmental laws and regulations, and no sanctions other than fines. There were no environmental impact complaints filed, handled or resolved by the formal complaint mechanism.

Social Compliance: There were no significant fines imposed in 2022 for violations of laws and regulations, and zero sanctions other than fines for social issues such as financial reporting, workplace discrimination, or corruption. The number of human rights complaints filed, processed, and resolved by formal complaint mechanisms was also zero.

Compliance with product sales regulations: No significant fines were imposed in 2022 for violations of laws and regulations related to the provision and use of products and services in connection with the product sales process.

In 2022

- No incidents of corruption in 2022.
- In 2022, there were no complaints regarding the violation of customer privacy or customer information.
- During 2022, there were no violations of regulatory and voluntary guidelines related to marketing, including advertising, promotion and sponsorship.
- No sales of disputed products occurred during 2022.
- In 2022, there were no violations of the laws and regulations and voluntary regulations on information labeling of products and services.
- In 2022, there were no violations of regulatory and voluntary guidelines regarding the health and safety impacts of products and services over their life cycle.





4.4 Management of Innovation

4.4.1 Performance of Innovative R&D

Wafer Products ASIC Design Services

Global Unichip Corporation's primary business is to provide Application-Specific Integrated Circuit (ASIC) design services to meet the market demand for complete wafer design, fabrication, packaging, and testing services.

ASIC and wafer products:

We provide customers with complete services from design to wafer fabrication, packaging and testing.

NRE (Non-Recurring Engineering):

NRE provides the circuit design components database and various silicon properties required for product design, and the circuit diagram for the photomask set, and commissions the foundry to produce the photomask, wafers, cutting, and packaging. Our engineers do the product testing and then hand over the samples to the customer for trial production.

MPW (Multiple-Project Wafer): We provide low-cost and time-efficient wafer validation services by integrating different customers' designs and sharing the manufacturing cost of the same set of photomasks and the same batch of wafers (Engineer Run), so that design engineers can achieve low-cost and fast validation with advanced process technology before mass production. This allows the design engineers to use advanced process technology to achieve low-cost and rapid pilot production verification before mass production.

Intellectual Property (IP): An IC design that has been designed and validated to be reusable and have specific functions. With the advancement of IC manufacturing technology, multi-functional chips and even SoCs have become the mainstream of IC design, and Reusable IP can reduce customers' investment in design duplication and design resources.

Global Unichip Corporation introduced a high-capacity emulator to speed up SoC hardware development and verification (over 700 times faster than workstation emulation) and to enable early software/firmware development and verification, reducing time-to-market.

Provide Advanced Custom ICs (Advanced ASIC Services)

The supply chain of the semiconductor industry can be divided into four major groups, including design, manufacturing, packaging, and testing, depending on the upstream, midstream, and downstream. The design flow of a chip is not only about hardware design, but also requires the assistance of design software and high automation integration to design high efficiency low power consumption chips in the smallest nanometer size. In response to the rapid changes in the semiconductor industry and the ever-changing needs of our customers, our Advanced ASIC Services framework provides customers with the flexibility to choose to enter the semiconductor design chain at any stage from "product concept, specification, development, verification, production, to final product".

Advanced ASIC Services consists of three cores:

- 1. IP Solution:** Help customers reduce design time cost and SoC development risk to meet their customized IC needs.
- 2. Chip Implementation:** We work closely with TSMC and have a high level of information mastery in advanced manufacturing processes. We are able to establish early knowledge of advanced process technologies, shorten the time for customers to enter advanced manufacturing processes, and help customers to quickly enter mass production, improve yields, and strengthen market competitiveness. To provide the advanced ASIC services that meet the needs of today's innovative technology companies with fast-entry features and the ability to solve customer problems in a timely and successful manner, we chose to support our customers' critical needs with Cadence's Voltus and ANSYS' RedHawk-SC solutions, which can efficiently execute designs over one billion nodes in size and complete full-chip designs in two days. The RedHawk-SC solution from Voltus and ANSYS efficiently executes over a billion node size designs and completes systems-on-chip (SoC) power integrity and reliability verification within two days.

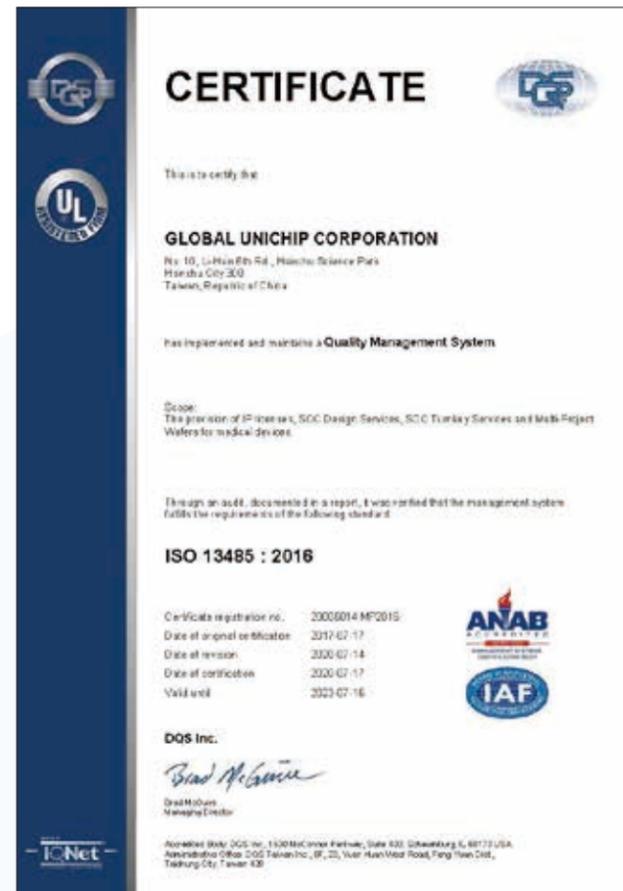


3. ASIC Manufacturing: Global Unichip Corporation provides professional and high quality manufacturing services to customers by partnering with world-class foundries, package and test houses, and other support suppliers to minimize barriers to entry and technical risks, shorten time-to-market and time-to-volume, and ensure high quality, high yield, and on-time delivery; allowing our customers to accurately invest their valuable resources in their core competencies.

In order to focus on a sustainable future and respond to the United Nations SDGs Goal 3: "Ensure and promote healthy life and well-being of all age groups", GUC has independently obtained the ISO 13485 quality management system certification to ensure that it has medical chip design and effective mechanism. We cooperate with customers to design custom ASIC ICs, assist the medical device market to launch products that meet regulations and market requirements, and then improve medical technology to benefit the people.

4.4.2 Continued Investment in Innovative Research and Development

In addition to the development of advanced processes such as 7nm, 6nm, 5nm, and 3nm, ultra-high speed interface chip interconnect IP "Glink" , HBM2/2E/3Controller and PHY, 28G/32G SerDes, PCIe Gen3/4/5, and high speed ADC/DAC, our company continues with develop key components such as Power Management Solution, Clock Generator, etc. to interface to higher-end processes. We have also established an R&D team to develop our own memory IP (TCAM, SRAM), custom standard cells, and a rich library of our own IP to provide customers with more complete solutions (CIPRD edited 3nm). Global Unichip Corporation completed the 5nm process silicon IP validation for the next generation of 8.4-8.6G High Bandwidth Memory (HBM3) in 2022. The power consumption is only 3.96 watts at transmission speeds up to 8.4Gbps. In January 2023, Global Unichip will finalize the 3nm process design, which is expected to increase the speed to 8.6Gbps and reduce power consumption to 3.51W, a reduction of 11.4%, based on process evolution and the efforts of R&D staff, helping customers develop more powerful and energy-efficient products.



4.5 Customer Relationship Management

4.5.1 Customer Service and Satisfaction

In terms of customer relationship and communication planning, Global Unichip Corporation aims to establish a seamless cooperative relationship through regular and irregular meetings and visits, as well as quarterly and monthly performance reviews or audits, in order to achieve consistent and cooperative results in the short-, medium- and long-term development goals and social responsibility planning of both parties. To serve our customers nearby, we have set up customer service offices in six regions, including Taiwan (our headquarters), China, Japan, Korea, the United States, and Europe, and set up a dedicated service window to provide support to both sides on planning and implementing policies related to environmental management, social responsibility, hazardous substance control, conflict minerals, and ISO 9001 compliance. We not only accept third-party verification to provide necessary and sufficient information immediately to meet the needs of downstream customers and public authorities, but also cooperate with our customers' CSR programs to implement the necessary activities, investigations, confirmations, audits, and related data collection.

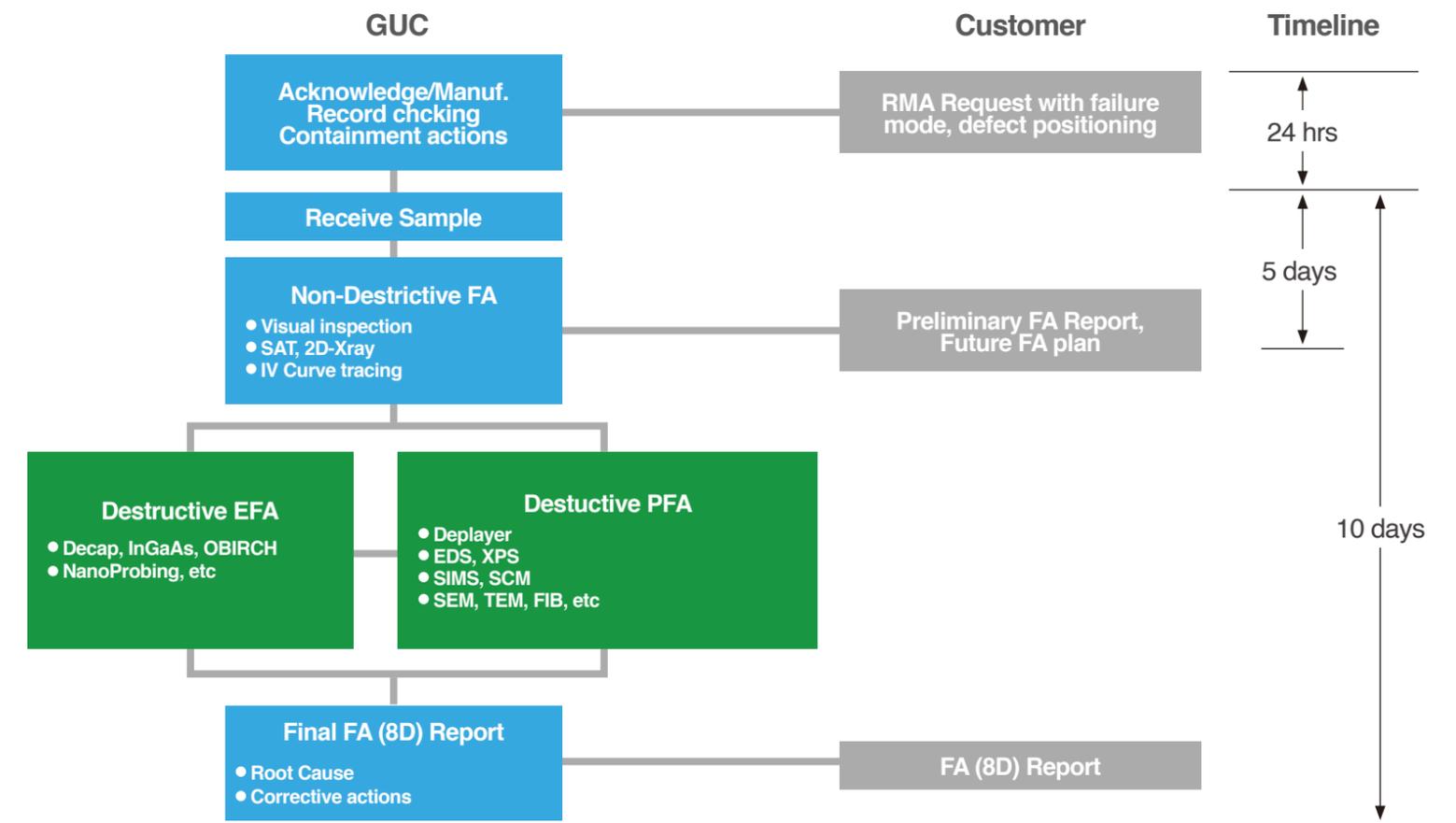
In order to confirm customer satisfaction with Global Unichip Corporation's service quality, Global Unichip Corporation conducts customer satisfaction surveys in the first quarter of each year or at the completion of a project. Global Unichip Corporation's customer satisfaction team not only tracks the specific responses from customers, but also identifies the problems through precise data analysis and reports them to the senior management as a guideline for the medium- and long-term operation plan.

▼ Taiwan Headquarters in Hsinchu City



The customer satisfaction survey for the past five years to 2022 has received a response rate of 80%, and those who are "satisfied" with Global Unichip Corporation have exceeded 90% for the past five years, with a rate of 95% in 2022. This shows that Global Unichip Corporation continues to improve its customer service performance to achieve customer satisfaction despite the evolution of technology and increasing business competition. In the 2022 customer satisfaction survey, a total of 28 customers left compliments such as "immediate response", "proactive in dealing with problems", "reliable supply chain protection system", "professional technical team", and "reliable technology and service", which is the greatest encouragement to Global Unichip Corporation.

For customer complaints, we have established a "Customer Complaint Management Procedure", which requires the relevant departments to reply to customers within 24 hours after receiving a customer complaint. We achieved an on-time response rate of 90% in 2022.



4.6 Responsible Procurement

4.6.1 Green Supply Chain

Climate change and global warming are contemporary global issues that have an impact on people, the ecology, and the global environment. Therefore, we manage and respond to these issues, promote and implement the “implementation of planning to save energy and resources, reduce greenhouse gas emissions” and “waste reduction management” to fulfill our corporate social responsibility, enhance our overall corporate image, reduce our operating costs, and ensure sustainable business development.

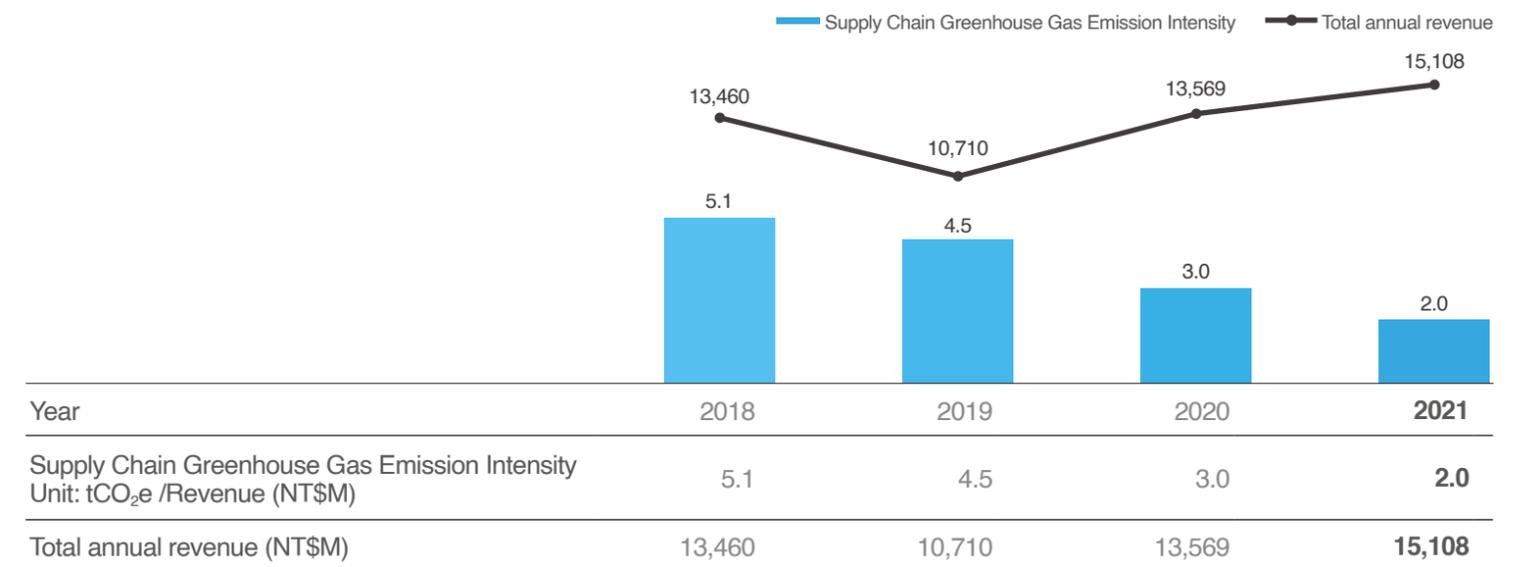
We have a plan to implement environmentally friendly and sustainable management principles through our management system. We have not only internalized the Responsible Business Alliance (RBA) Code of Conduct, but also established a Responsible Business Alliance (RBA) Committee, which is directly under the Operations Management Committee. The RBA Committee meets regularly to evaluate and implement the Code of Conduct.

Through the operations of the Environmental Safety Department and the RBA Committee, we strive to decrease our reliance on natural resources and reduce environmental pollution. Quantitative statistical disclosure of environmental information allows us to record the use of purchased electricity, renewable energy, water, and raw materials. This long-term record and disclosure of information allows us to review, year by year, whether we are on track to achieve our stated goals for being environmentally friendly. Moreover, we are taking action to reduce natural resource consumption in response to climate change, including the integration of industry improvements in product energy efficiency, green supply chain management, raw material and waste management, product packaging reduction and recycling, cloud-based offices, reduction of CO₂ concentration at our operations, and energy efficiency.

Value Chain Greenhouse Gas Emissions

As the issue of global climate change continues to escalate, GUC is actively paying attention to the greenhouse gas emissions and related management in supply chain, and has adopted with taking action. When conducting an inventory of greenhouse gas emissions, GUC pays attention to the emissions of products, and have implemented verification measures to cooperate with the supply chain to carry out actions. Products use laser marking instead of ink printing to propose specific measures for reduction and improvement. In the future, GUC will continue to play our role Influencing suppliers to reduce their greenhouse gas emissions and will help create a green and sustainable supply chain.

Value chain greenhouse gas emission intensity





Biodiversity Commitment and No Deforestation

Global Unichip Corporation has set the “Biodiversity Commitment” as a performance indicator and target for the company and its Critical tier 1 suppliers as part of its responsible action for ecological resources conservation. Our aim is to enhance the positive impact of biodiversity in the overall value chain and encourage suppliers to assess the biodiversity risk of their operating sites to reduce negative environmental impacts and the potential for biodiversity damage, and to pursue zero-deforestation best practices.

Through the Biodiversity Commitment Survey, the following commitments to protect ecological resources are required of the first-order critical tier 1 suppliers :

- Commitment to not operate on or near important biodiversity sites in the future.
- In the event of deforestation in existing operations or in the products and services provided, undertake to compensate for the restoration of forest land and to terminate any form of future development.
- Undertake to operate and provide products and services in compliance with zero deforestation standards and to monitor compliance with regulations through the operation of internal environmental management systems.
- If the area around the existing operation is identified as a biodiversity area, undertake to propose mitigation measures (including avoidance, mitigation, restoration, compensation).
- Conducting regular ecological surveys and impact assessments around operational sites.
- Work with external partners and meet this commitment.

4.6.2 Supplier Sustainability Management

Supplier Sustainability Management Principles

We strive to promote environmentally sustainable development and lead by example in protecting the environment by complying with third-party verification and regulations, and we also extend this principle to our suppliers so that we can grow steadily with environmental sustainability in mind. We require our suppliers to act in accordance with the supplier compliance guidelines established by Global Unichip Corporation to improve labor, human rights, safety and

health, environmental protection, business ethics and management system performance, and to continuously reduce the risk of business interruption.

| | | |
|-----------------------|---|--|
| Objective | Short-term | <ul style="list-style-type: none"> • Work with Tier 1 Critical Supply Chain to reduce greenhouse gas emissions • 100% signatory code of conduct for Tier 1 Critical Suppliers by 2022 (based on RBA specifications) |
| | Medium to long term | To respond to domestic and international green and carbon reduction initiatives, to exert influence on suppliers, and to take stock of suppliers' greenhouse gas emissions and management measures |
| How to Manage | Responsibility | <ul style="list-style-type: none"> • Authority: Operations Department • External Responsibility: Cooperating suppliers |
| | Resources | The Vice President of Operations is the commander. In addition to the direct staff of the responsible unit, the Human Resources Department and the Employee Facility Services Department will also send staff to assist in the auditing needs. |
| | Communication Pipeline | Monthly meetings with suppliers to exchange ideas |
| | Evaluation Mechanism | <ul style="list-style-type: none"> • Vendor ESG risk assessment results • Field audit ratio • Vendor response ratio |
| Specific achievements | <ul style="list-style-type: none"> • Supplier Social Responsibility Assessment (CSR) 2022 : Audit all Critical tier 1 suppliers to achieve Level B or higher, and conduct counseling and communication • Conflict Minerals: Ensure that suppliers provide products from reliable sources Local purchases will account for 94% of the total purchases in 2022 and amount to NT\$17.9 billion • Global Unichip Corporation will set targets and include them in the annual supplier CSR assessment, with continuous communication and encouragement to guide suppliers to continuously Improvements | |

As a global leader in IC design services, we have introduced a series of green and energy conservation activities to our direct suppliers to avoid environmental pollution caused by raw materials or components. As of 2022, of the 54 suppliers of Global Unichip Corporation, more than 90% have obtained ISO 14001 environmental management system certification or QC 080000 hazardous material process management system, and 100% of the six critical tier 1 suppliers have obtained ISO 14001 environmental standard certification. In addition to ISO 9001, Global Unichip Corporation incorporated ISO 14001 certification into its supplier selection criteria in 2022.

Global Unichip Corporation's main product is wafers, and its main supplier is Taiwan Semiconductor Manufacturing Corporation (TSMC). TSMC is also our largest shareholder and has a long-standing relationship with us, so we have a stable supply of raw materials. In addition, Global Unichip Corporation also cooperates with other suppliers. The wafers and packaging materials from our suppliers must comply with EU RoHS Directive 2011/65/EU and 2015/863 (which bans four additional substances; DEHP, BBP, DBP, DIBP) and the new EU chemical policy (Registration, Evaluation, Authorization, and Restriction of Chemical substances [REACH]). Global Unichip Corporation extends the green policy and concept to the whole supply chain. All new suppliers must meet Global Unichip Corporation's RBA requirements and sign a declaration of compliance to become a qualified supplier after passing the audit. 100% of Global Unichip Corporation's critical tier 1 suppliers have signed a declaration of non-use of hazardous substances, and 100% of the new suppliers have also signed the declaration. We had no significant actual or potential negative environmental impacts from our supply chain during the reporting period.

Global Unichip Corporation also requires suppliers to use recycled materials and reduce the use of consumables, both in the factory and in transit. For example, reusing plastic trays for IC products, or using reusable packaging materials such as anti-static "black boxes" to transport products during production to reduce the use of cardboard boxes. Through close cooperation upstream and downstream of the supply chain, Global Unichip Corporation has taken various environmentally friendly actions and adopted green materials in all aspects of product design, manufacturing, and packaging, and has fully integrated environmental awareness into its production and quality management systems.

Foundry

▼ List of IC Industry Chain Suppliers



Wafer Sort



Foundry



Wafer Sort



Package



Final Test



Reliability

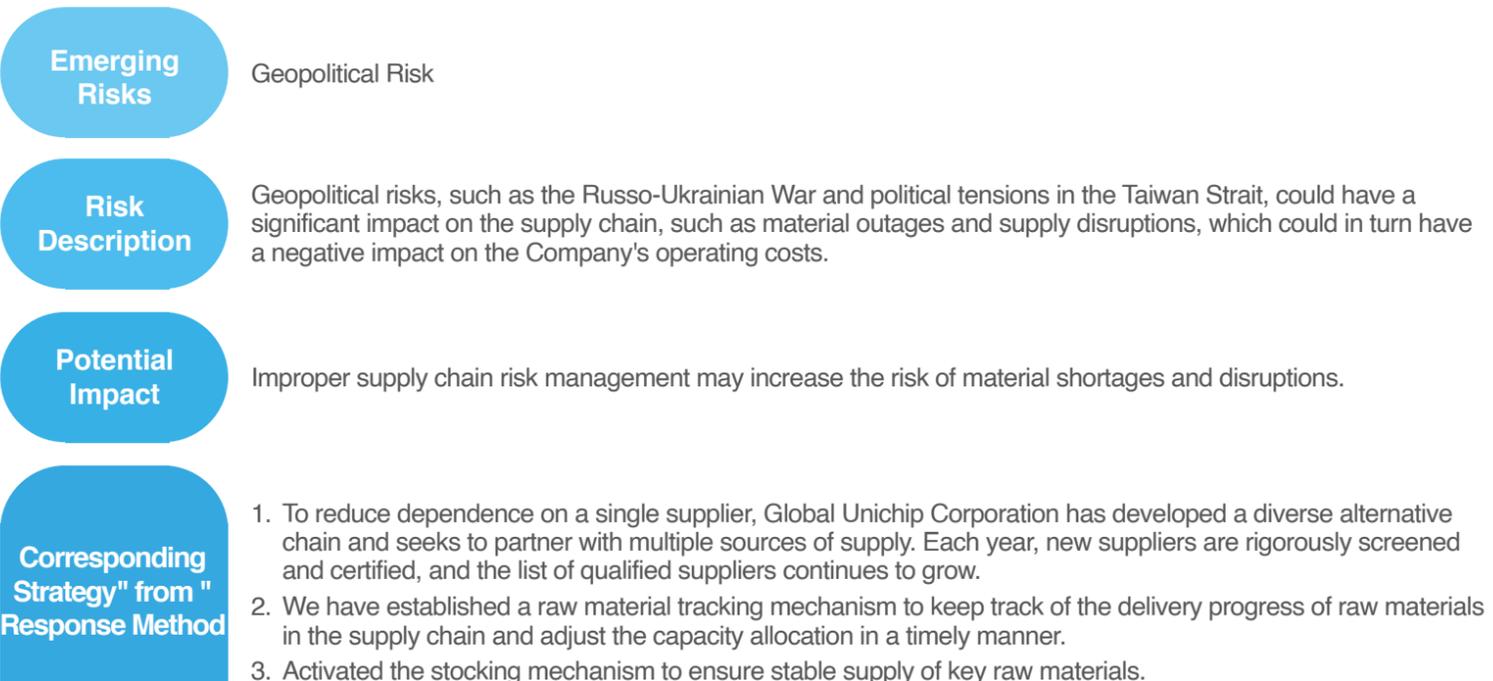


RBA SAQ Risk Assessment

GUC is a member of the Responsible Business Alliance (RBA). The risk of GUC is assessed through the RBAOnline platform to prevent potential risks from occurring. In 2022, the RBA SAQ indicated that the risk was low. In addition to the internal self-inspection mechanism, GUC regularly requires critical tier 1 suppliers to conduct Self-Assessment Questionnaires (SAQs) to evaluate their performance on sustainability. GUC continued to guide suppliers to effectively implement the sustainable supply chain management.

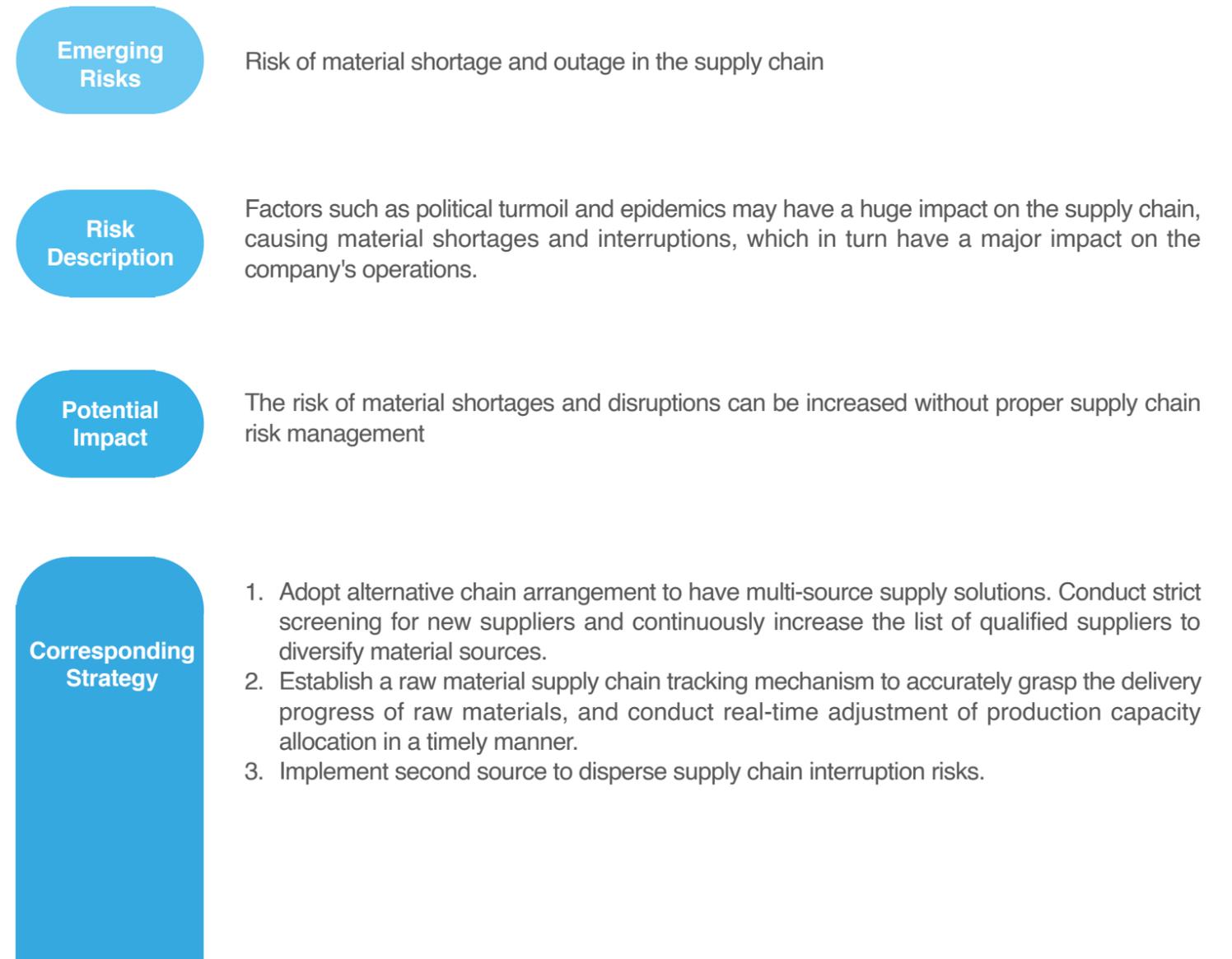
Supply Chain Emerging Risk Identification

In response to the supply chain risk assessment and management, Global Unichip Corporation has initiated a diversified alternative chain layout and a stockpile mechanism to continuously diversify risks and avoid material outages and shortages due to political and pandemic factors, which help to continuously enhance Global Unichip Corporation's control over the supply chain.



Risk Assessment and Management of Key Raw Materials

In order to meet the challenges of supply chain risk assessment and management, GUC has implemented multiple alternative supply chain arrangement, and launched a material preparation mechanism to continuously disperse risks, so as to avoid the impact of political, epidemic and other factors on material shortages and disruptions in the supply chain. Meanwhile, GUC continues to strengthen supply chain control to ensure the supply chain stability.





Supply Chain Sustainability Management

Global Unichip Corporation conducts risk assessments of suppliers on a regular basis each year to confirm the risk level of our partner suppliers. Suppliers are required to pass engineering assessments and system audits, especially for Critical tier 1 suppliers. In addition to regular QBR reviews on quality, delivery, service, technical support, information interaction, etc., ESG sustainability issues are also added to assess each supplier's risk level. If a supplier's risk assessment level is D, the supplier is classified as a "high-risk supplier" and is required to have countermeasures and follow-up control and review.

The annual audits of key critical tier 1 suppliers were conducted in accordance with the regulations, and the survey results all reached the level of B (Good) or above.

▼ Suppliers Audits - Regular Evaluation Operation

| Category | Major Audit Deficiencies | Key Improvement Results |
|-----------------|---|--|
| Supplier audits | 1. To be cleaned FOSB, to be discarded package, and to be used package are grouped together with no labeling / no management. | 1. The supplier has marked the classification and labeling clearly to avoid cross-contamination and risk of grabbing the wrong item. |
| | 2. EOL is defined as notifying the customer 6 months in advance; this does not conform with GUC definition for J-STD 048 compliance (notification 12 months in advance). | 2. The supplier has made corrections according to the GUC specification. |
| | 3. Some suppliers are not using green energy or renewable energy. | 3. The supplier has included this issue in its 2023 plan, and reconfirmed the improvement results when auditing in 2023. |
| | 4. The whole foot operation must be performed by "dedicated whole foot staff", but there is no focus on whole foot personnel certification, so we can not ensure that the quality of the whole foot is in line with the requirements. | 4. The supplier has completed the development of the whole foot personnel certification qualification. |

▼ 2022 Key Performance and Strategy in Supply Chain Management

| Major Issues | Strategy Actions | KPI | 2022 goals | Status | 2022 Performance | 2023 goals | Medium and long term goals |
|--------------------------|---|---|------------|----------|------------------|------------|----------------------------|
| Sustainable Supply Chain | Ensure that suppliers follow the promise of GUC e-procurement and supply chain development, enhance the resilience of the supply chain, pay attention to labor rights, safety and health, environmental protection, business ethics and management system performance, and continuously reduce the risk of business interruption. | Responsible Minerals Strategy Sourcing, ensure suppliers are using Conflict-Free material through CMRT & CRT, Conflict Minerals Compliant Suppliers (%) | 100% | Achieved | 100% | 100% | 2024 : 100% 2025 : 100% |
| | | Signing of RBA Code of Conduct in tier 1 suppliers (%) | 100% | Achieved | 100% | 100% | 2024 : 100% 2025 : 100% |
| | | Critical tier 1 suppliers conduct risk assessment (%) | 100% | Achieved | 100% | 100% | 2024 : 100% 2025 : 100% |
| | Improve the core capabilities and sustainable influence of local suppliers, actively establish cooperation with critical local suppliers, protect the rights and interests of local laborers, and strive to reduce carbon emissions generated by material transportation. | Local Supply Chain Optimization, promoted economic development via local procurement, percentage of Localization (%) | 80% | Achieved | 94% | 80% | 2024 : 80% 2025 : 80% |



▼ **Supplier Audit and Evaluation System**

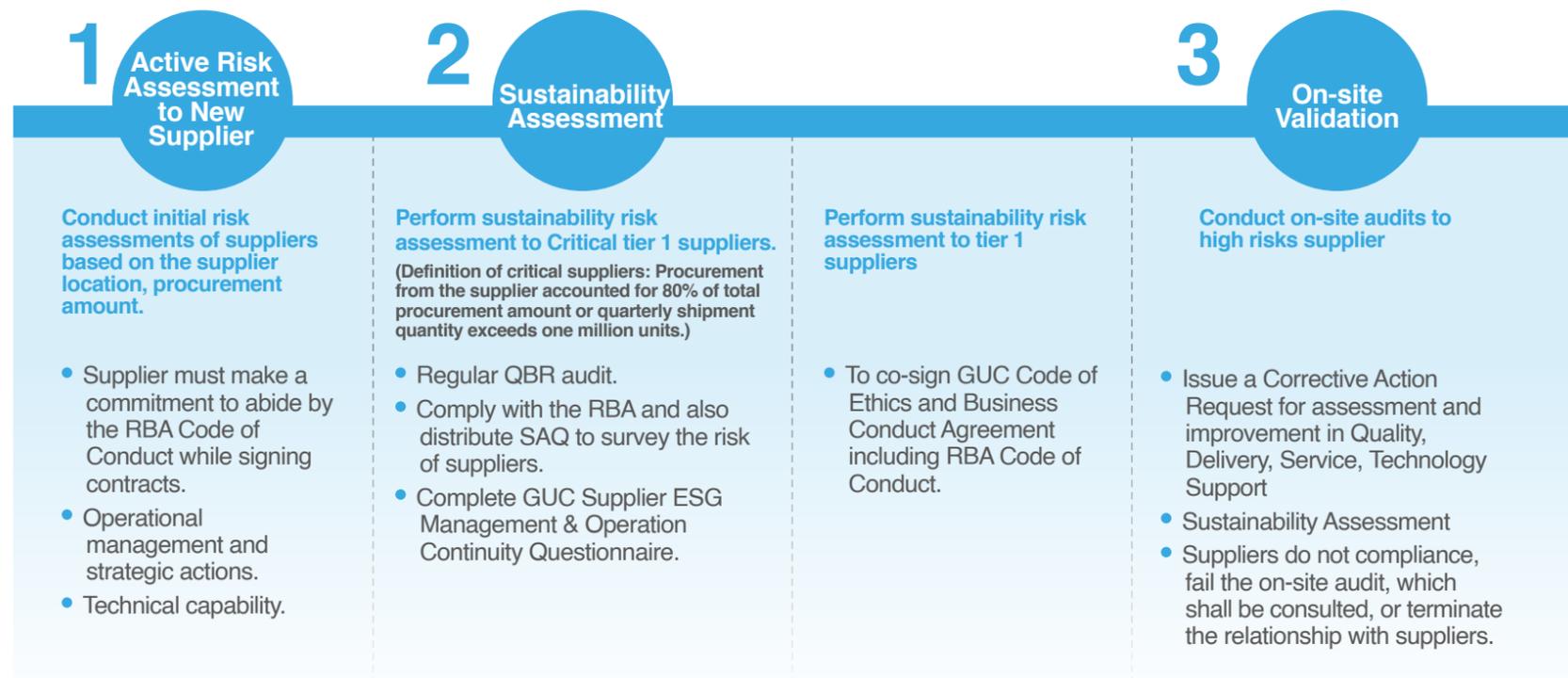
| Grade | Score | Levels | Handling |
|-------|-------|-----------|---|
| A | ≥ 90 | Excellent | Can be adjusted to audit once every two years |
| B | 80-89 | Good | Annual audits and coaching |
| C | 70-79 | Normal | Annual auditing and requesting suppliers to improve by the deadline |
| D | <70 | Bad | The quality management department and the relevant departments will discuss whether to continue to use this supplier, and if it is necessary to continue to use it, the supplier will be asked to make improvements immediately. If there is no demand, the qualified supplier qualification will be cancelled. |

Supplier Identification

To manage the sustainability risk of suppliers consistently, GUC adopted measures to verify supplier's annual procurement value & demand, suppliers are classified into tier 1 suppliers & Critical tier 1 suppliers and the definition of Critical tier 1 suppliers as follows : (1) Top 80% of total procurement amount. (2) or quarterly shipment quantity exceeds one million units. Meanwhile, GUC has expanded the scope of sustainability risk management to tier 1 suppliers & Critical tier 1 suppliers. As of December 2022, We also performed sustainability risk assessment to 6 Critical tier 1 suppliers, response rate reached 100%

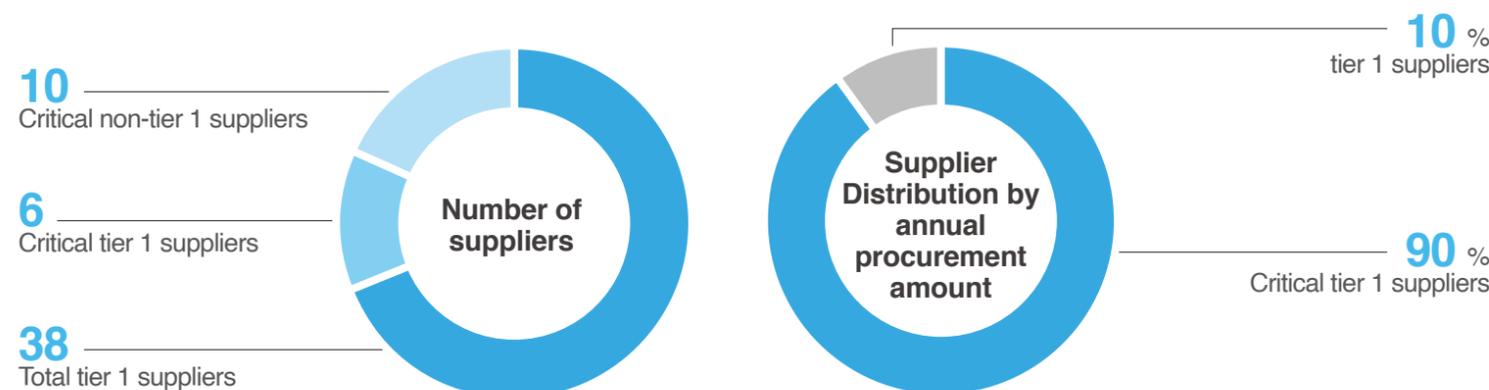
Considering the various risks that might occur during operation, GUC shall follow up on the risk status of these suppliers and perform further risk control, additionally, the critical non-tier 1 suppliers were identified as required, and the definition of critical non-tier 1 suppliers is (note 1).

Note 1: Supply to more than two tier 1 suppliers or the supplier who transact through agents.



▼ **2022 Total number of Suppliers and Supplier Distribution by annual procurement amount**

| Type of Supplier | Number of suppliers | Supplier Distribution by annual procurement amount | Percentage of suppliers that have already signed RBA Code of Conduct |
|-------------------------------|---------------------|--|--|
| Total tier 1 suppliers | 38 | 10% | 100% |
| Critical tier 1 suppliers | 6 | 90% | 100% |
| Critical non-tier 1 suppliers | 10 | - | 100% |



Supplier Sustainability Risk Assessment to Critical tier 1 suppliers

The survey results of 2022 Supplier Sustainability Risk Assessment have all reached the level of B (Good) or above, no high risk as level D in the record, survey results as follows.

▼ Survey and Evaluation of Supply Chain Sustainability Risks - Results of Critical tier 1 suppliers

| Supplier | RBA Responsible Business Alliance Code of Conduct | ISO 14001 Environmental Management System | ISO 14064-1 Greenhouse Gas Verification Standard | ISO 50001 Energy Management System | IECQ QC 080000 Hazardous Substance Process Management System | ISO 22301 Business Continuity Management System | ISO 45001 Occupational Safety and Health Management System |
|-----------|---|---|--|------------------------------------|--|---|--|
| Foundry A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OSAT A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OSAT B | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OSAT C | ✓ | ✓ | ✗ | ✗ | ✓ | ✗ | ✓ |
| OSAT D | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| OSAT E | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Note : The flag marked in red is the goal of 2023.

▼ Five Strategies for GUC Supply Chain Management



▼ Supplier Sustainability Management Approach:





Global Unichip Corporation invites its Critical tier 1 suppliers partners to work together on the vision of sustainability with a particular focus on the Global Unichip Corporation Supplier Code of Conduct, the Non-Use of Conflict Minerals Pledge, the Supplier ESG Sustainability Management & Risk Assessment Questionnaire, among other important issues. In 2022, we completed the first phase of the survey and 100% of critical tier 1 suppliers signed, indicating their full support the RBA requirements, and pledging that they will not use conflict minerals among other commitments and goals.

The Global Unichip Corporation sustainability team identified the following 12 topics and included them in the "Supplier ESG Sustainability Management & Risk Assessment Questionnaire" with reference to the development trends of sustainability issues, to further enhance the resilience of the supply chain through various management processes such as audits/investigations/improvement measures, to strengthen the cooperation for mutual benefit, and to create sustainability.

ESG Audit program with 12 Sustainable Supply Chain Risk Control Themes

| 12 Sustainable Supply Chain Risk Control Themes | Annual Inspection Survey Project |
|---|--|
| Sustainability Management | <ul style="list-style-type: none"> Dept./ Org. set up for sustainability management Whether the company publishes a CSR report or sustainability report ? Respond to the carbon disclosure project (CDP) |
| Operation Sustainability | <ul style="list-style-type: none"> Certification on business Sustainability management system and within the validity period. Any emergency response plan for the identified risk assessment of the business Sustainability Whether there has been no threat to operations event. |
| Operation Sustainability Risk Management | <ul style="list-style-type: none"> Risk management policy Anti-corruption policy & the internal annual training and self-evaluation system. Policy on information security management Whether there have been no penalty cases for violating relevant laws and regulations in the past 3 years? (e.g. violate Company Act or Securities Exchange Act, etc.) (excluding environmental, health and safety and labor rights and interests events) |
| Supply Chain Sustainability Management | <ul style="list-style-type: none"> Was the ESG regarded as one of the selection conditions when selecting suppliers ? Supplier code of conduct or related regulations The procedure to identify the risk of supplier's ESG Audit about supplier's ESG management performance Supplier is required to improve on the audit findings Has there been no supplier/supply chain disruptions? |

| 12 Sustainable Supply Chain Risk Control Themes | Annual Inspection Survey Project |
|---|---|
| Conflict Minerals | <ul style="list-style-type: none"> Conflict Minerals Compliance, CMRT(Conflict Minerals Reporting Template) & CRT(Cobalt Reporting Template) survey. |
| Environmental management | <ul style="list-style-type: none"> Whether the organization is certified by ISO 14001 or related environmental management system and within the validity period? whether there has been no penalty for violating environmental protection laws and regulations? |
| Greenhouse Gas (GHG)/ Energy Management | <ul style="list-style-type: none"> Whether the organization is certified by ISO 14001 or related environmental management system and within the validity period? The greenhouse gas Scope 1 emissions (unit: tCO₂e) in the most recent year The Scope 3 emissions (unit: tCO₂e) in the previous year The annual carbon reduction goal and related carbon reduction action. Whether the company has passed the energy management system verification (ISO 50001) and within the validity period ? The manufacturing plant or R&D center related to the product has used green power or renewable energy (including Self-Consumption and purchasing). |
| Water Management | <ul style="list-style-type: none"> The place of operation located in the Low-Medium (OVERALL WATER RISK)ref1 area Any execution on water recycle Any goals about the reduction of water consumption Any control before the effluent was discharged? (e.g. classification, monitoring, control and disposal). |
| Hazardous Substance Process Management | <ul style="list-style-type: none"> Any certification on Hazardous Substance Process Management? (IECQ QC 080000) and within the validity period. Any training on Hazardous Substance Process Management. Practice on materials recycle. Waste reduction target for the year Are vendors for the waste disposal with legal license? |
| Human Rights | <ul style="list-style-type: none"> Procedure about human rights risk assessment/due diligence. Any anti discrimination policy ? (including: gender, race, religion, etc.) Provisions on prohibition of child labor. Policies/regulations to protect young workers. Policies/regulations on prohibition of forced labor Policies/regulations on freedom of association. Assessment on the Salient human rights issue Any assessment on the vulnerable groups (Such as women, minorities, persons with disabilities, indigenous people, etc.) Human rights annual training. |



12 Sustainable Supply Chain Risk Control Themes

Annual Inspection Survey Project

Labor

- Whether to pay the minimum basic wage in compliance with local government laws and regulations?
- Any communication or anonymous complaint channel for workers.
- Clearly communicate with employees about labor rights and regulations.
- Has there been no penalty action for labor or human rights violations?

Occupational Health and Safety Management

- Any certification on occupational health and system management? (Such as: ISO 45001).
- Whether there has been no occupational Injury and Illness?
- Has there been no penalty of more than US \$10,000 for labor health and safety violations ?

To enable suppliers to understand and gradually implement corporate sustainability, we have developed the "Global Unichip Corporation Supplier Code of Conduct" and conducted a survey and among all major suppliers, with 100% signing. The Code of Conduct contains the rules and requirements of the Responsible Business Alliance Code of Conduct (RBA Code of Conduct). Suppliers are required to commit to comply with the social responsibility requirements presented within the RBA Code of Conduct.

Supplier Social Responsibility Requirements

Global Unichip Corporation regularly audits the suppliers we work with under the following three codes. If we find any violations of environmental regulations, we will issue a warning and impose a deadline for improvement and will terminate our partnership with repeat offenders or serious cases.

- Global Unichip Corporation Responsible Business Alliance (RBA) Code of Conduct
- Global Unichip Corporation Hazardous Substance Restriction
- Global Unichip Corporation Supplier Certification Program

Global Unichip Corporation ESG Sustainability Education and Training

Sustainable talent is an important part of the company's future core competitiveness. We hope to enhance the ESG mindset of all employees at Global Unichip Corporation through various forms of educational training and encourage

employees to combine the concept of sustainability with technology expertise to create a positive cycle of sustainability and business performance. We also provide a variety of volunteer activities for our employees to participate in sustainability issues on a regular basis, to enhance ESG thinking, and to work with our employees toward sustainable development. Global Unichip Corporation was pleased to invite Dr. Kai-Rui Huang, Professor and Director of the Department of Finance and Cooperative Management at National Taipei University, to give a lecture on supply chain management to colleagues on December 6, 2022. Besides analyzing world trends and practical cases, Professor Huang has also received industry-wide recognition for his work.

Supply Chain Cooperation and Exchange

In December 2022, Global Unichip Corporation held the "Supplier ESG Improvement Program Forum" , inviting critical tier 1 suppliers partners to join the event. By organizing this forum, the company explained the vision and mission of Global Unichip Corporation's annual ESG policy as well as its execution policy, which focuses on green production, the Global Unichip Corporation Supplier Code of Conduct, energy conservation and carbon reduction, and other multi-faceted goals. We also encouraged our suppliers to join hands with Global Unichip Corporation in the commitment of sustainability issues through on-site face-to-face communication and discussion, to create social value and fulfill our commitment to sustainability.

GUC ESG Sustainable Education Training



Supplier ESG Improvement Program Forum



4.6.3 Quality Management

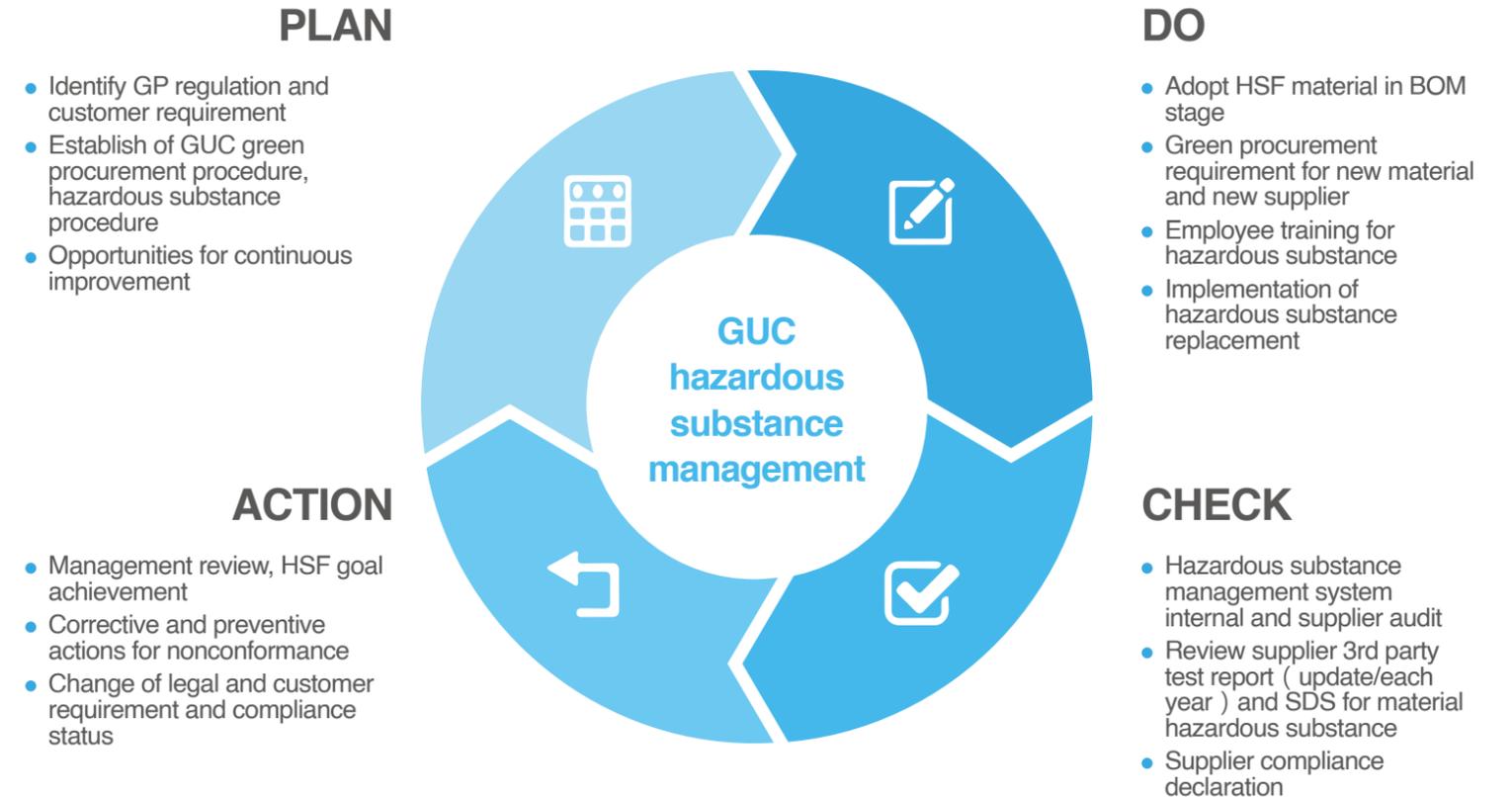
Quality and Competitiveness

Global Unichip Corporation encourages all employees to provide customers with high quality design services, silicon intellectual property, and competitive products in the spirit of innovation and continuous improvement, and is committed to listening to our customers and building a trustworthy and mutually beneficial partnership with them. Through the spirit of PDCA quality management, we ensure the effective execution of our quality management system, continuously improve our corporate performance, and strive to become the world's leading IP and ASIC supplier.



Global Unichip Corporation has implemented a PDCA management process for green substance management to address regulatory risks. By surveying suppliers, we propose improvements and work with members of our supply chain to reduce the use of hazardous substances. These efforts are aimed at improving the competitiveness of Global Unichip Corporation's products in advance of international regulatory trends.

▼ GUC material hazardous substance management



Product Design and Life Cycle Control

Green IC Design

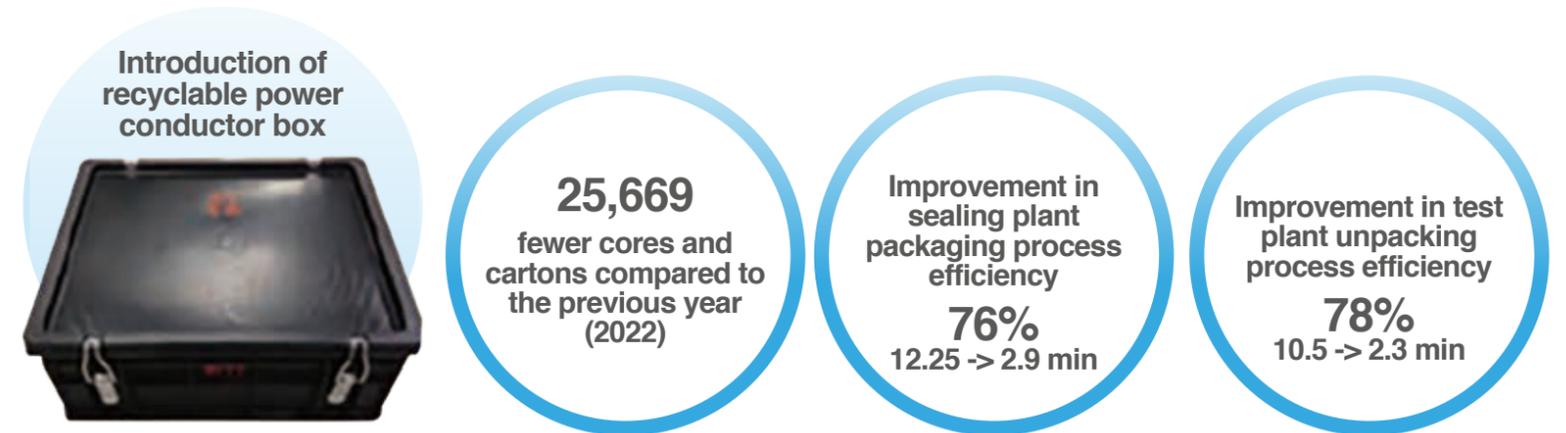
We select materials that comply with international regulations and meet our customers' requirements for green materials. The new or revised standards in 2022 included the U.S. TSCA Persistent, Bioaccumulative and Toxic (PBT) substances, and France Decree 2020-105, which regulates the use of mineral oil, etc. We are actively seeking alternative materials and do not use prohibited hazardous substances in our products.



We also include HSF reduction in our supplier audits and evaluate the results of the implementation to create green products in parallel with our supplier partners to ensure the safety and health of our employees and to avoid polluting the environment.

- 1. Global Unichip Corporation has introduced green design from the product lifecycle design and development stage as a specific action:** Bisphenol A (BPA) is harmful to human health and causes environmental pollution. Although there are no restrictions on the shipment of products containing BPA in the European Union, Global Unichip Corporation is ahead of its peers in the strictest control to protect the health of customers and consumers and is more spontaneous than the EU regulations. Since 2018, all new products to be introduced contain 100% BPA-free substrates and key components to achieve sustainable management.
- 2. To reduce environmental pollution and energy consumption, Global Unichip Corporation is also concerned about the health of our supply chain partners:** The pad printing ink thinner used for printing on the production line originally contained formaldehyde, and to reduce the environmental hazards and health risks, the company has gradually switched from pad printing to laser stamping since 2020. The proportion of shipments made by laser stamping increased from 87% in 2021 to 95% in 2022. The environmental impact of material use was reduced, and the benefits included the amount of ink saved and the energy saved by the equipment. This translated into an annual greenhouse gas reduction of 13,145 kg in CO2e and 9 kg of volatile organic compounds (VOCs). We will continue to increase the percentage of laser stamping of our products to protect the safety of the industrial supply chain and the health of our supply chain partners.
- 3. Lead (Pb), a harmful substance commonly found in electronic products, is toxic to reproduction and is also a carcinogen, which is harmful to human health.** In 2018, the company began introducing Pb-free bumps, and in 2022, in advance of the international regulatory trend, we achieved completely Pd-free bumps throughout our product line.
- 4. Green IC production requirements for product restrictions on hazardous substances:** The U.S. Environmental Protection Agency Toxic Substances Control Act (TSCA) is a new international regulation affecting five PBT substances (decabromodiphenyl ether DecaBDE, decabromodiphenyl ether DecaBDE, pentachlorobutadiene [hexachlorobutadiene], hexachlorobutadiene, 2,4,6-tris[tert-butyl] phenol) that have specific persistent, bioaccumulative, and toxic attributes. In order to reduce their environmental hazards and health risks, we control them in advance to comply with international regulatory trends and customers' requirements for restricted substances in products .

- 5. Green IC production requirements for hazardous substances in packaging materials:** The new France Decree 2020-105 regulates mineral oil substances, Mineral Oil Aromatic Hydrocarbons (MOAH), and Mineral Oil Saturated Hydrocarbons (MOSH), which are carcinogenic; and bioaccumulative in ink packaging materials. We are currently guiding eight suppliers to actively implement improvement plans to comply with international regulatory trends and to protect customer health.
- 6. Introduction of recycled boxes:** Taking into consideration the environmental impact of the disposal of packaging materials, recycled boxes are to be used in place of single-use cartons to reduce waste. GUC has changed the packing process from using the original one-use cardboard boxes to use recycled, environmentally-friendly boxes. Additionally, the packaging process from the packaging plant to the testing plant has been simplified to improve the efficiency of the packaging process, including economizing the packing process for large boxes to reduce operating time.





4.7 Risk Management

4.7.1 Risk Management Framework

The Company's Risk Management Policy was approved by the Board of Directors in 2010 as the Company's highest guiding principle for risk management. Each management department regularly evaluates and reviews the risk issues and reports the evaluation results to the Operation Management Risk Committee; the general manager then compiles any major risk issues and reports them to the Board of Directors on a regular basis.

In the process of operation and management, the Company will prevent and control the risks that may occur and formulate relevant early warning measures. We also conduct risk assessments related to the Company's operations in accordance with the materiality principle as a reference for the Company's risk management and operational strategies to effectively identify, measure, and control the Company's various risks and to control the risks arising from business activities within an acceptable range.

Global Unichip Corporation has established an Audit Committee, a Compensation Committee, and an Operations Management Committee, as well as a Risk Management Policy. Each management department regularly evaluates and reviews risk issues, and the general manager compiles and reports significant risk issues to the Board of Directors on a regular basis. In the process of operation and management, we will prevent and control possible risks and formulate relevant early warning measures. The following is a more detailed description of our risk management practices.

Risk Management Related Units

Audit Committee

The Audit Committee's primary responsibility is to perform corporate risk management. The Audit Committee is composed of five independent directors elected by the shareholders' meeting and meets at least quarterly to review the fair presentation of the Company's financial statements; the selection, independence, and performance of the certified public accountants; the effective implementation of the Company's internal controls; the Company's

compliance with relevant laws and regulations; and the control of the Company's existing or potential risks.

Salary Compensation Committee

The Compensation Committee evaluates and reviews the compensation and employee contribution rates for the senior management team. The Committee has established a table entitled "Total Compensation of Directors, General Managers, and Assistant General Managers as a Percentage of Net Income After Tax of Individual or Group Financial Reports". Please refer to page 37 of the Company's Annual Report 2022 (pending annual report update). The Committee evaluates and reviews the reasonableness of the salaries and bonuses of the management team with respect to their individual capabilities, contributions to the Company, and performance to ensure that the overall compensation system is balanced and appropriate for the interests of all stakeholders, and is effective in attracting and retaining talent. The annual compensation of directors includes: directors' remuneration, salaries, and bonuses (the latter two only cover part-time employees). Senior managers' remuneration includes salaries, bonuses, and severance payments, etc., and is regularly disclosed in the Company's annual report (in future, a link to the corresponding paragraph in the annual report can be included). The Committee includes independent directors to provide objective and diversified views and opinions, and meets at least four times a year to review and ensure the competitiveness and reasonableness of salary and compensation.

Operations Management Committee

Regular meetings are held once a week to review the implementation of the company's business strategies and the achievement of operational goals. These meetings are chaired by the General Manager, who receives reports compiled by the business department and production management department. Potential risks that may affect the operation plan are evaluated and countermeasures are provided, which are then compiled and presented to the Board of Directors by the chairman of the Operations Management Committee.

Risk Management

- Intellectual Property Management Program
- Information Security Risks
- Contractual Risks
- Product Quality and Competitiveness Risks
- Emergency Response to Climate Change and Environmental Risk Management
- Operational Risks



Operations Management Committee

The Operations Management Committee meets regularly twice a month. Each department not only reports on the implementation of the operation plan, but also reports on the risk control of the related duties, and evaluates the potential risks and provides countermeasures. In case of significant risks affecting the operation plan, the Chairman of the Operations Management Committee will compile the relevant information and present it to the Board of Directors.

Operation in 2022

1. Each division of the Company has reported the risk control status of relevant functions to the Operation Management Committee in accordance with the annual plan.
2. At the Board of Directors' Meeting on January 26, 2022, the General Manager of the Company reported on the Company's long-term plans and the significant potential risks and how to address them.
3. The Company's management team reported on the Company's information security risk management, contract risk management policy, and intellectual property management plan at the Board of Directors meeting on October 27, 2022.

4.7.2 Risk management methods

In order to identify, manage, and operate risks, Global Unichip Corporation has established the "Risk Management Policy", the "Regulations for Supervision of Subsidiaries", the "Statement of an Internal Control System", and the "Regulations for Transactions involving Group Companies, Specified Companies, and Related Parties" to establish a risk control mechanism with related companies. In addition, we have established the "Operating Procedures and Code of Ethics for Integrity" to prohibit insiders from trading marketable securities using information which is not available to the general public.

In terms of enhancing employee harmony and corporate atmosphere, the "Global Unichip Corporation Grievance Policy" was established to protect the legal rights of employees, develop good labor relations, and develop a comprehensive management system. The "Global Unichip Corporation Whistleblower Policy" has been established to clearly establish the channels and investigation procedures of the Company and to protect the legitimate rights and interests of the Company.

In the area of data security and information protection, the Proprietary Information Protection (PIP) policy defines the procedures and regulations for the protection of the Company's confidential information. The PIP policy is designed to protect the best interests of the Company, its shareholders, employees, customers, and suppliers by ensuring that the Company's trade secrets and related confidential information of Global Unichip Corporation are properly controlled and not publicly disclosed.

4.7.3 Social risk assessment (anti-corruption)

The Company is committed to the highest standards of openness, integrity, and accountability in compliance with governmental laws and regulations and business ethics, and pledges to actively implement its corporate social responsibility policy, ensure corporate ethics, and conduct business with integrity. In this regard, the Company has established the "Operating Procedures and Code of Ethics for Integrity in Business" and the "Grievance Policy and Reporting Procedures".

The establishment of this Grievance Policy/Procedure is to effectively manage the internal and external ethical grievance and whistleblowing channels to ensure the implementation of the Company's aforementioned commitment to honest management and to ensure the legitimate rights and interests of the grievances(whistleblowers). We have also actively established a confidential channel for stakeholders (such as business partners, suppliers, and members of the public), such as customers, shareholders, government agencies, the community, suppliers, and employees of the Company, to file a grievance about fraud, unethical behavior (such as corruption or bribery), and actual or potential violations of laws and/or Company policies. This grievance channel is used by the Investigation Committee to regularly respond to complainants on the progress of their cases, and is regularly tracked and controlled by the Senior Management Meeting.

At least once a year, our company conducts education and training on integrity management for managers and all employees. For new employees, we provide training and orientation during new employee training, and the completion rate of such training has consistently been maintained at 100%.

Grievance (Whistleblowing) Process

Employee Grievance (Whistleblowing) Process



Stakeholder Grievance (Whistleblowing) process



Please refer to the following table for the data related to the reports received and surveys conducted from 2020 to 2022.

Integrity Management Procedures and Code of Ethics Complaint Channel

| | 2020 | 2021 | 2022 |
|--|--|------|------------|
| Independent Director Mailbox (Audit Committee) | 1 | 0 | 0 |
| Major Employee Grievance / Whistleblowing (Not Classified) | 2 | 2 | (Note 1) 4 |
| Ethics Reporting System or Other Channels | Sexual Harassment | 0 | 0 |
| | Unlawful Infringement Complaint | 0 | 0 |
| | Confidential Information Protection Control Procedures | 0 | 0 |
| Investigated Cases | 2 | 2 | (Note 2) 0 |

Note 1: A named case was filed in the internal complaint box, and it was not counted because it was not a major violation of the Code of Ethics and Integrity, and the case was withdrawn by the party involved. If an anonymous case is filed through the internal complaint box, and it is from a case that was already closed in the previous year, it will not be counted.

Note 2: An anonymous case was filed under the ethics reporting system and accepted directly by the Chairman of the Audit Committee. The case could not be processed for the time being because the accusations did not amount to a material breach of the Code of Ethics and Integrity, and the information was insufficient and anonymous. Two anonymous email reports were closed on grounds that the accusations did not constitute a significant breach of the Code of Ethics and Integrity. Reports made anonymously by regular mail are not accepted because the accusations typically do not constitute a violation of the Code of Ethics and Integrity and do not provide specific evidence and information.

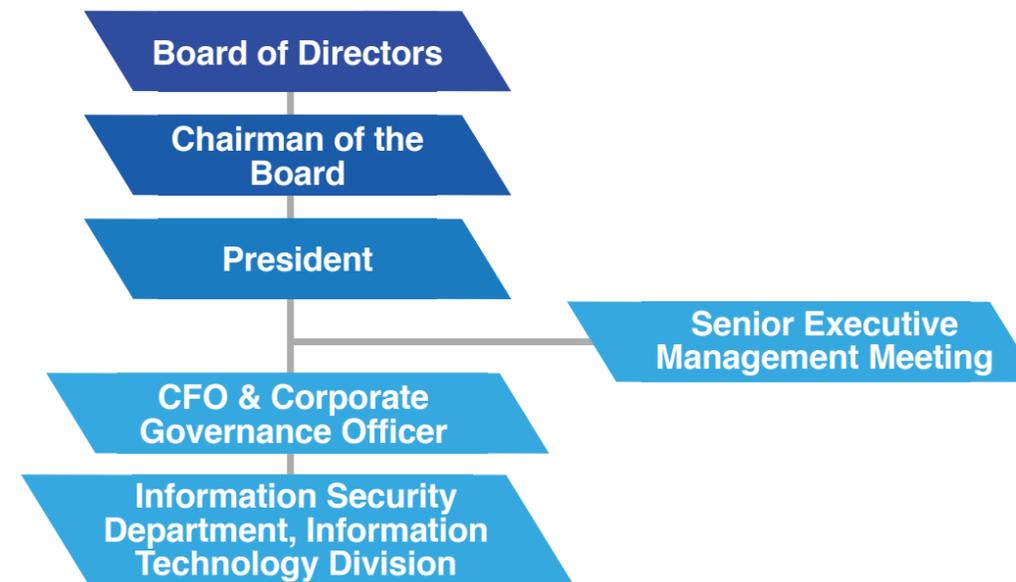
4.7.4 Information Security Management

Global Unichip Corporation's information security vision is to build a tight and effective information security defense network based on consistency in information security governance, and to become a company with outstanding performance in information security governance maturity. The Information Security Department coordinates information security systems and compliance, and promotes the implementation of related operations, such as the establishment of information security management regulations that meet regulatory and customer needs, the full implementation of a consensus on information security awareness among all employees, and the protection of confidentiality, integrity, availability, and legal compliance of company and customer information. We pledge to continuously improve information security awareness and professional competence.

Through the use of technology, we can identify information security risks and weaknesses and strengthen them effectively. We will construct a perfect governance system and comprehensive information security protection capability, and at the same time cultivate a strong awareness of information security among our employees.

Information Security Organization

Information Security Governance Organization Chart



Information Security Committee

The "Information Security Committee" is responsible for implementing the information security management plan, as well as establishing and maintaining the information security management system. The Director of Information Security oversees the implementation of company-wide information security operations and the effectiveness of information security risk management mechanisms, and reports to the Chief Financial Officer & Head of Governance. The Director of Information Security is responsible for the effectiveness of information security management operations and systems for the overall information security management organization and must report results to senior management meetings on a quarterly basis and to the Board of Directors on an annual basis. The "Information Security Representative Meeting" is held annually to review information security development plans, implementation results, and to communicate relevant information, security policies, and implementation points.

Proprietary Information Protection (PIP) Committee

The PIP Committee is composed of representatives appointed by each department head of the company (including global subsidiaries) and meets quarterly at the assistant general manager level to discuss, establish, audit, and promote the confidential information management business of the company. Global Unichip Corporation understands that the protection of confidential information is critical to maintaining the company's competitive advantage, both now and in the future, and has established the "Proprietary Information Protection (PIP)" policy, which defines the procedures and regulations for the protection of confidential information, and controls the company's trade secrets and related confidential information that has not been publicly disclosed by Global Unichip Corporation to ensure the best interests of the company, shareholders, employees, customers and suppliers.

Global Unichip Corporation's confidential information protection is based on the management cycle of Plan-Do-Check-Action (PDCA) to continuously strengthen the ability to protect confidential information, and enhance the alertness of personnel to protect confidential information, and reduce the risk of confidential information leakage. In addition to making content related to confidential information control a mandatory training course for new employees, all employees are required to undergo refresher training every year in order to continuously strengthen and enhance their awareness of information security. We will implement employee education and training to improve employees' awareness of and ability to protect information security, and promote the concept of confidential information and compliance through daily work on various occasions.

| PIP Training | 2020 | 2021 | 2022 |
|----------------------------------|------|------|------|
| Total Employee Count (Per Year) | 773 | 757 | 759 |
| Percentage of training completed | 100% | 100% | 100% |

Regular quarterly audits are conducted to ensure the implementation of the company's confidential information protection measures. For PIP violations, sanctions and necessary corrective measures have been taken, corresponding to the cause and impact of the violations, and continuous education and training are provided. Historical PIP violations are listed in the table below. The total number of breaches in which employees did not comply with the confidential information protection procedures was 0.13% of employees in 2022.

| PIP Violation Status | 2020 | 2021 | 2022 |
|---|------|------|------|
| Number of Employee Violations | 2 | 6 | 1 |
| Number of Violations by External Vendors. | 0 | 0 | 0 |

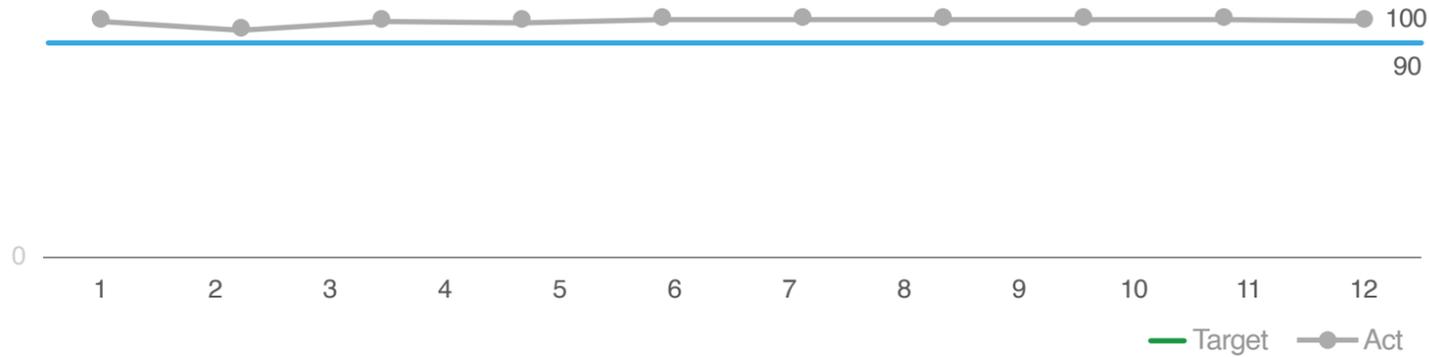
Information Security Risk Management Framework Responses

Strengthened information security defense capability and maturity assessment

The Company conducts regular information security system tests and enhancements, and continues to conduct continuous operational contingency drills. We've established a network security incident response plan with corresponding notification and recovery actions. Additionally, we will conduct risk analysis through objective results and threat information verified by third parties to further strengthen our information security management system.

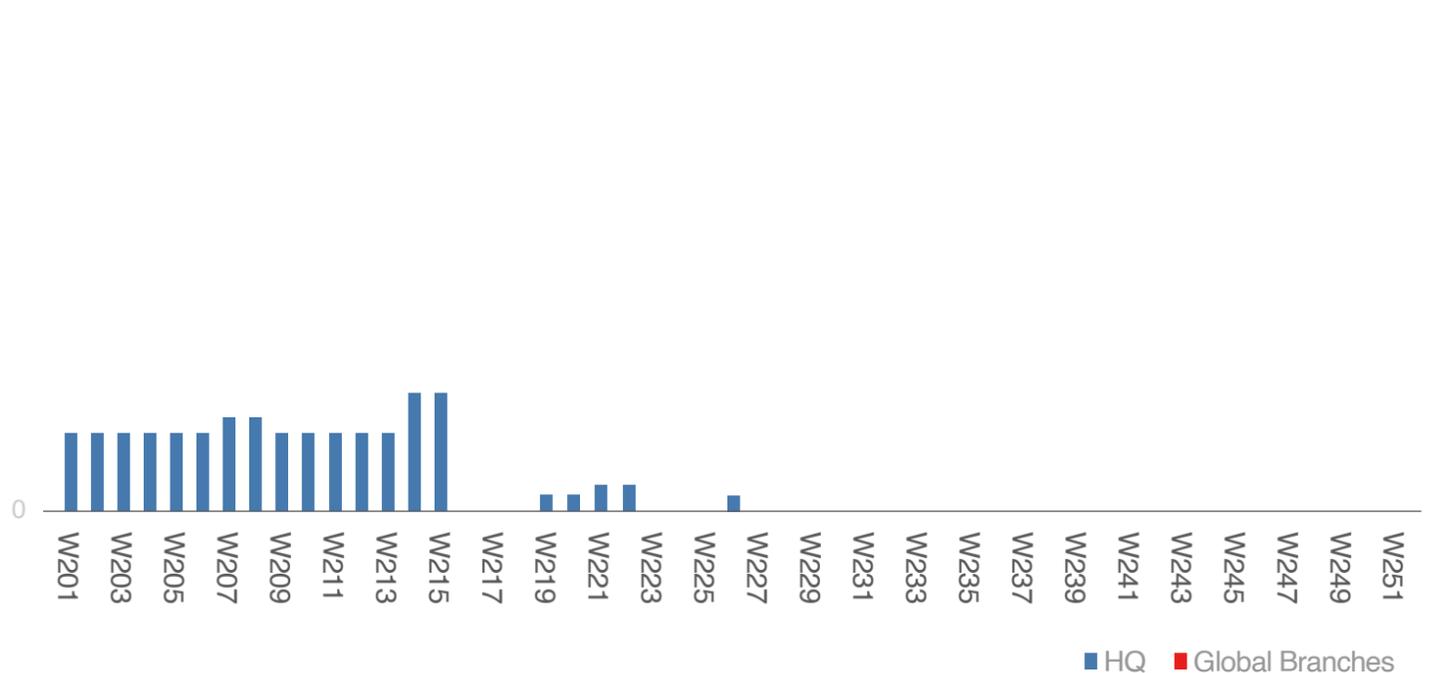


▼ Security Scorecard



The frequency of external vulnerability scanning has increased from once a month to the current once a week, and once a high-risk vulnerability is found, it can be fixed within a week, and the implementation results are listed below.

▼ Remaining Vulnerabilities



2. Refine information security management procedures



Global Unichip Corporation received ISO 27001 certification for international standards for information security in 2021, and passed the ISO 27001 review in 2022 through continuous improvement via annual review operations. In response to the official publication of the ISO/IEC 27001:2022 standard by the International Organization for Standardization (ISO) on October 25, 2022, we are also preparing for the ISMS conversion and expect to complete the new version in 2024.



4.7.5 Intellectual Property Rights Management

Our company has adopted a strategy that combines the key objectives of operational development with the protection of intellectual property rights. For specific developed SIPs, such as CoWoS, HBM and G-Link, our patent engineers regularly review the R&D and design process and results with the relevant R&D personnel. After evaluating the feasibility of patent applications, we actively pursue patent applications for cases with patent layout value and continue to track the progress of related proposals. Over the past two years, the Company has been conducting patent applications for specific SIP projects, which not only strengthen the Company's competitive advantage in specific fields, but also implement "patenting of SIP projects/IC products" to achieve the goal of "patent protection for SIP projects/IC products". The management of the correlation between proprietary intellectual property and SIP, such as the patent technology inventory, can also be used as the basis for valuing the Company's proprietary intellectual property. As of December 31, 2022, the number of patents granted to our company in Taiwan, the PRC, and the U.S. for the past five years was 246, and the total number of patents under review in the aforementioned countries was 144. The chief legal officer reports to the Board of Directors at least once a year on the implementation of the intellectual property management plan.

Additionally, the Company has been promoting a management plan related to intellectual property rights since 2000 and established the "Regulations on Intellectual Property Rights Management" in 2016.

4.7.6 Tax Risks

The Company has established the following tax policies to properly manage the Group's tax risks and to apply for applicable tax incentives in the spirit of tax regulations in order to enhance the Company's tax benefits. The tax policy has been approved by the Board of Directors, and the responsible unit has been tasked with its implementation and reporting to the management to ensure the effective operation of the tax management mechanism.

Tax Policy

- Compliance with the tax regulations and the spirit of the legislation of the places where Group subsidiaries operate
- Non-transfer of profits generated by group subsidiaries from countries with high tax rates to countries with low tax rates
- Not to use a tax structure without commercial substance for tax avoidance purposes or to use tax havens for tax planning purposes

- Related party transactions are based on conventional trading principles and follow internationally recognized transfer pricing standards published by the Organization for Economic Cooperation and Development (OECD).
- Approval and changes in tax policies are subject to the approval of the Board of Directors

Tax Risk Management and Governance

Tax risk management is included in the annual risk management report of the Company's Finance and Accounting Department, which is regularly reported to the General Manager by the head of the Finance and Accounting Department.

The CFO of the Company has the ultimate responsibility for tax administration. The day-to-day tax administration and management is delegated to a tax professional under the supervision of the Accounting Officer. The Accounting Officer is required to report to the Company's Audit Committee whether there are significant tax regulations affecting the Company. An external professional organization is appointed to provide tax advisory services to enhance the quality of tax decisions made by the Company.

Furthermore, in order to keep the Board of Directors informed of the Company's tax information, the Chief Financial Officer reported to the Board of Directors on the impact of the Company's tax policy, tax base erosion, and profit shifting action plan 13 (BEP Action 13) on the Company in 2017, and reported on the Company's 2021 income tax payments, statutory/effective tax rates, and the application of rental tax incentives in 2022. All tax returns were completed on time in 2022 and no tax violations or administrative bailouts occurred.

Organizational Structure and Main Business Items

The parent company in Taiwan is the Company's main operating body, which performs core business functions and is the Company's operational headquarters, responsible for making operational decisions and overseeing management, with the main business items including ASIC design and mass production turnkey management services. In addition, the Company has established subsidiaries in the U.S., Japan, China, Korea, and Europe in order to provide services to customers around the world and to meet their requirements in a timely manner. The aforementioned subsidiaries are entrusted by the parent company in Taiwan to provide product design, technical support, and consulting services to the Company's customers in their respective countries. Therefore, the Company and its subsidiaries are not located in countries with relatively low taxes or tax havens and are engaged in business activities with commercial substance.



▼ Consolidated Individual Tax Information for Fiscal Year 2022

| Company Name | Main Operating Activities | | Number of Staff | Revenue | Pre-Tax Profit/Loss | Income Tax Fees | Income Tax Payments (Estimated) |
|--------------|---|------|-----------------|------------|---------------------|-----------------|---------------------------------|
| GUC | ASIC design and mass production turnkey management services | 2022 | 697 | 23,995,308 | 4,321,985 | 611,543 | 591,484 |
| | | 2021 | 653 | 14,983,822 | 1,711,977 | 251,828 | 217,382 |
| GUC-NA | Product consulting, design and technical support services | 2022 | 18 | 246,643 | 15,032 | 5,855 | 6,296 |
| | | 2021 | 25 | 231,011 | 14,571 | 6,296 | 6,062 |
| GUC-JP | Product consulting, design and technical support services | 2022 | 31 | 255,248 | 16,491 | 5,094 | 5,229 |
| | | 2021 | 26 | 231,397 | 15,471 | 4,749 | 4,460 |
| GUC-CN | Product consulting, design and technical support services | 2022 | 31 | 110,241 | 9,782 | 1,827 | 1,896 |
| | | 2021 | 23 | 87,990 | 6,082 | 1,460 | 1,357 |
| GUC-NJ | Product consulting, design and technical support services | 2022 | 59 | 953,104 | 102,693 | 9,676 | 8,852 |
| | | 2021 | 63 | 762,299 | 134,939 | 16,443 | 16,020 |
| GUC-EU | Product consulting, design and technical support services | 2022 | 4 | 30,045 | 1,753 | 288 | 239 |
| | | 2021 | 5 | 32,439 | 1,883 | 331 | 230 |
| GUC-KR | Product consulting, design and technical support services | 2022 | 1 | 7,270 | 448 | 49 | 52 |
| | | 2021 | 1 | 7,147 | 436 | 48 | 46 |

Note: The exchange rate for income, pre-tax profit, and income tax fees is the average of the current purchase/sale rate at Bank of Taiwan for each month in 2022; the exchange rate for income tax payments is the average of the purchase/sale rate of Bank of Taiwan as of December 30, 2022.

▼ Effective Tax Rate and Cash Tax Rate

| Company Name | 2021 | | 2022 (Estimated) | |
|--------------|------------------------|-------------------|------------------------|-------------------|
| | Effective tax rate (%) | Cash tax rate (%) | Effective tax rate (%) | Cash tax rate (%) |
| GUC | 14.71 | 12.70 | 14.15 | 13.69 |
| GUC-NA | 43.21 | 41.60 | 38.95 | 41.88 |
| GUC-JP | 30.70 | 28.83 | 30.89 | 31.71 |
| GUC-CN | 24.01 | 22.31 | 18.68 | 19.38 |
| GUC-NJ | 12.19 | 11.87 | 9.42 | 8.62 |
| GUC-EU | 17.58 | 12.21 | 16.43 | 13.63 |
| GUC-KR | 11.01 | 10.55 | 10.94 | 11.61 |

The effective tax rates for the Company and GUC-NJ in 2022 were 14.15% and 9.42%, respectively, and the cash tax rates were 13.69% and 8.62%, respectively, both of which were lower than the average effective tax rate of 15.90% and the average cash tax rate of 14.12% for the "semiconductor and semiconductor equipment" industry published by SAM CSA Companion. They were also lower than the statutory tax rates of 20% and 25% for the major operating locations in the Republic of China and Mainland China, respectively, due to the Company's entitlement to investment tax credits for research and development expenditures under the Industrial Innovation Ordinance. GUC-NJ, on the other hand, was entitled to a preferential income tax rate of 15% because it applied the policy of deducting R&D expenses and was qualified as a technologically advanced enterprise.



5 Environmental Protection and Energy Conservation

- 5.1 Key Results and Strategies
- 5.2 Climate Change Response Strategies
- 5.3 Carbon Management and Net Zero Commitment
- 5.4 Energy Management
- 5.5 Water Resources Management
- 5.6 Waste Management
- 5.7 Green Products
- 5.8 Environmental Management

5.1 Key Results and Strategies

In accordance with the principles of safety and comfort, environmental protection, energy conservation, and carbon reduction, we choose equipment with high energy efficiency and energy-saving design, and actively promote various energy reduction measures, strengthen the concept of energy conservation, and promote the reuse of resources in order to effectively use resources and achieve the goal of energy conservation and carbon reduction.

Key Results for 2022

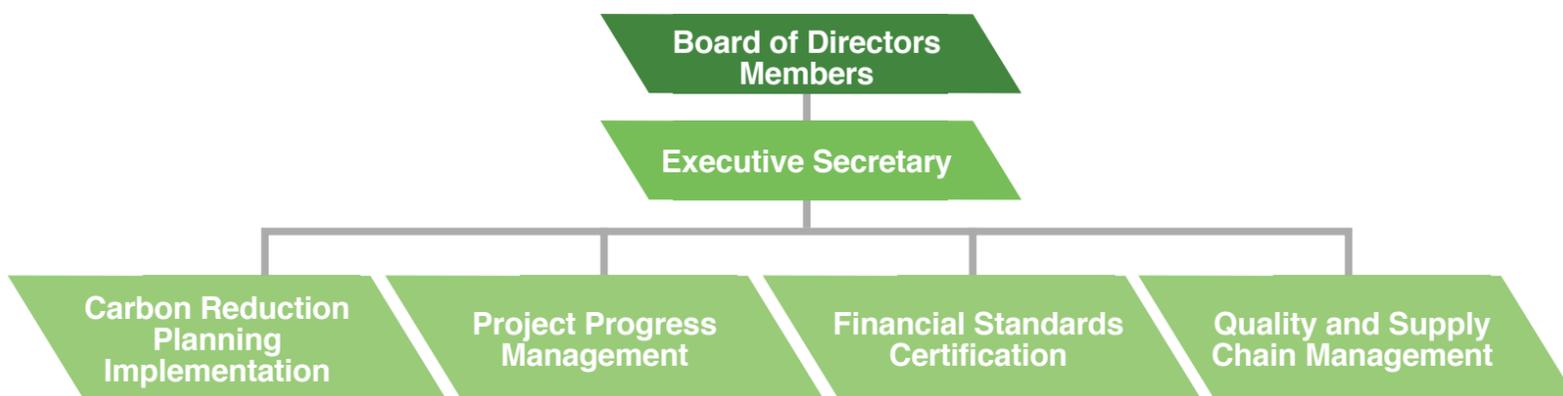
| 2022/3 | 2022/6 | 2022/10 | 2022/10 | 2022/1~12 |
|---|--|--|---|---|
| GUC Taiwan Greenhouse Gas Emissions Inventory (passed SGS inspection) | Establishment of Net-Zero Committee | GUC Global Stronghold Greenhouse Gas Inventory (passed SGS inspection) | Built 11.8 KW solar panels on the top floor of the headquarters, generating 21,776 kWh of electricity per year and reducing 11.08 tC2e per year. | Purchase of Green Office Supplies and implementation of Waste and Plastic Reduction Initiatives |

Short-, Medium-, and Long-term Strategic Approaches

| Strategic Approach | Commitment | KPI | 2022 Goals and Performance | | Medium- and Long-Term Goals | | |
|--|--|---|---|------------------------------------|-----------------------------|---------------------|---------------------|
| Environmental Protection and Energy Conservation | Energy and Carbon Reduction to Reduce the Risk of Climate Change | Carbon Management and Net Zero Commitment | Goal: carbon reduction 1% | ✓ Actual achievement: 1.7% | 2023 : 4.8% | 2024 : 9.6% | 2025 : 14.4% |
| | | Energy Management | Target: 1% reduction in energy consumption | ✓ Actual achievement: 1.5% | 2023 : 1% | 2024 : 1% | 2025 : 1% |
| | | Renewable Energy | Target: 0.3% renewable energy use (self-built and self-use) | ✓ Actual achievement: 0.35% | 2023 : 4% or more | 2024 : 8% or more | 2025 : 12% or more |
| | | Water Resources Management | Objective: 1% reduction in water source consumption | ✓ Actual achievement: 2.3% | 2023 : 1% | 2024 : 1% | 2025 : 1% |
| | | Environmental Management | Objective: 0 violations of laws and regulations | ✓ Actual achievement: 0 violations | 2023 : 0 violations | 2024 : 0 violations | 2025 : 0 violations |
| | | Waste Management | Objective: 0 violations of laws and regulations | ✓ Actual achievement: 0 violations | 2023 : 0 violations | 2024 : 0 violations | 2025 : 0 violations |

5.2 Climate Change Response Strategies

5.2.1 Management Framework for Climate Change Net-Zero Committee Management Framework



The Company established a Net-Zero committee in 2022, with the President as the Chairman to coordinate related matters. The main duties of the committee are as follows:

1. Determine the detailed schedule of each project, including TCFD and SBTi counseling planning.
2. Develop human resources training, strategic objectives, control mechanism, internal verification and external validation planning, greenhouse gas inventory and report planning content, etc.
3. Assist the Board of Directors to supervise and control the milestones.

5.2.2 Climate Change Response

Risks and Opportunities of Climate Change

Global Unichip Corporation has developed a voluntary climate related financial disclosure proposal based on the Task Force on Climate-related Financial Disclosures (TCFD) framework in order to gather decision-supporting and forward-looking information on the risks and opportunities associated with the organization's transition to a low carbon economy. The Company has developed a set of consistent voluntary climate related financial disclosure recommendations based on the TCFD framework to help companies identify significant organizational risks and more accurately assess climate related risks and opportunities.

TCFD Core Elements

| Core Elements | Global Unichip Corporation Climate In Response Measures |
|----------------------------|---|
| Governance | Global Unichip Corporation's ESG Committee is responsible for exploring climate change issues and identifying the potential impact of each issue on the organization, both internally and externally, including climate change risk identification and assessment and climate impact response strategies. The Executive Secretary of the Chain reports to the Board of Directors on the response to climate change risks, and the Board of Directors reviews the response strategy and provides instructions Chain. |
| Strategy | In order to provide users with more convenient and energy-saving product applications, Global Unichip Corporation has been providing more energy-saving and environmentally friendly design and research and development services from the source, and comprehensively improving the operation mode and quality of artificial intelligence products in new forms of life, work, and learning. Through continuous performance demonstration, management mechanism promotion, and system establishment, and even combining environmental protection cooperation between society and enterprises, we will gradually achieve the short-, medium-, and long-term goals of climate change adaptation. Global Unichip Corporation will develop a climate change policy as the company's top guiding principle for climate change adaptation. |
| Risk Management | In order to assess whether the products and services that we continue to operate pose significant environmental impacts or risks, Global Unichip Corporation participates in the "Climate Change Risk and Opportunity Assessment Working Group" through relevant departments. The working group regularly conducts organizational risk assessments and uses the results as the basis for policy formulation and targeting. The overall assessment results are reported to the Sustainability Committee for the development of adaptation and mitigation measures for the top three risks. |
| Metrics and Targets | Global Unichip Corporation has been actively improving its own and customers' energy and resource efficiency in order to reduce environmental impact, and has drawn up medium- and long-term plans for climate change. In addition to waste reduction and water saving goals, the Company has established a plan for carbon reduction. The relevant emissions data were checked for greenhouse gasses in accordance with the Greenhouse Gas Protocol and the ISO 14064 Standard, and a third party was commissioned to conduct data verification. The target was to reduce carbon emissions by 1% per year by 2021. Additionally, starting in 2021, we gradually established and planned energy-saving strategies and actions. At the same time, we set future target KPI's that include greenhouse gas, water, electricity and other energy resources reduction by 2025. |



▼ Climate Change Risk Assessment Procedures

| Climate Data Collection | Evaluation Methods | Evaluate Related Operations | Evaluate Related Operations | Improvement and Tracking |
|--|--|---|---|---|
| The Intergovernmental Panel on Climate Change (IPCC) Climate Change Assessment Report and the Government Downscaling Simulation Report identify potential physical hazards due to climate change and conduct climate modeling data collection and updates. | Global Unichip Corporation performs climate related risk and opportunity identification based on TCFD, which is a cross-sectoral assessment of climate change risk-response measures and defines possible risks and opportunities. | The relevant departments will develop adaptation and mitigation measures for the top three risks; develop a roadmap for green design services to meet the market demand for low carbon, and enhance the competitive advantage and toughness of green design services. | The evaluation results will be confirmed by the Sustainable Development Committee and reported to the Board of Directors. | We review changes in policies, regulations, technologies, markets, and goodwill with respect to transformation risks and opportunities every year; and revisit transformation risks, physical risks and opportunities every three to five years when the IPCC climate scenario is updated, and the assessment results are revised on a rolling basis. |

▼ Climate Related Risks and Opportunities Matrix

- Policy and Regulatory Risks
- Technical Risk
- Market Risk
- Reputational Risk
- Short-Term Risk
- Long-Term Risk
- Climate-related Opportunities

| | | | | |
|-------------|------------|----------|-------------|-------------|
| High | | | 1 | |
| Medium-high | | 1 2 2 | 1 3 | |
| Medium | 1 4 5 | 2 2 1 6 | 3 3 | |
| Medium-low | | 4 1 7 | 2 3 | 1 |
| Low | 5 | | | |
| | Impossible | Unlikely | Likely | Very likely |
| | | | Very likely | Definitely |

▼ Financial Impact of Climate-Related Risks and Response Measures

| Risk | Potential Impact / Impact Timeline | Initiatives and Opportunities in 2022 | Financial Impact Number | |
|---------------------|-------------------------------------|---|---|---|
| Transformation Risk | Policy and Regulatory Risks (Green) | <ol style="list-style-type: none"> 1 Higher operating costs due to carbon fee/tax (short-term risk) 2 Customer green energy requirements, research and development of new technology costs increase (medium-term risk) 3 Increase in cost for compliance and raw material parts costs, raising operating costs (medium-term risk) 4 Loss of revenue due to write-off and early retirement of existing assets as a result of policy changes (long-term risk) 5 Decrease in revenue due to increased costs resulting from cost for compliance or lower demand for products and services (medium-term risk) | <ul style="list-style-type: none"> • Self-built solar power facilities • ISO 14064-1 greenhouse gas emission verification • Stepping into green energy industries such as solar energy and self-driving cars • Compared to existing 3G/4G, 5G wireless services provided more than 10 times the transmission performance and support a variety of applications • It can meet the low latency and high bandwidth transmission requirements of various emerging applications such as AI, AR/VR, 8K video and car networking • Global Unichip Corporation continued to deploy advanced node design platform solutions and 2.5D and 3D advanced packaging technologies to achieve high performance, low latency, and low power requirements • Use of green energy, including the use of solar panels, heat pump systems and other lowpollution energy and equipment • Promoted 24 energy-saving projects and managed to save 216,400 kWh of electricity | <ul style="list-style-type: none"> • In order to achieve the 50% carbon reduction target by 2050 compared to 2021 (base year), the cost of additional green power purchased from 2023 to 2030 will increase by approximately NT\$21 million compared to the cost of gray energy • Upgrading or replacing existing assets with more energy-efficient assets cost approximately \$NT7.57 million from 2020 to 2022, and an additional NT\$3.19 million is expected to be invested in 2023 |



| Risk | Potential Impact / Impact Timeline | Initiatives and Opportunities in 2022 | Financial Impact Number | |
|---------------------|------------------------------------|---|--|--|
| Transformation Risk | Technical Risks | <ul style="list-style-type: none"> 1 Capital investment in technology development and R&D expenditure on new and alternative technologies (medium-term risk) 2 Technology development failure, resulting in increased costs (medium-term risk) 3 The cost of adopting/ establishing new practices and processes (medium-term risk) | <ul style="list-style-type: none"> We continued to strengthen the design implementation technology of our existing mature process, and successfully provided design services to two international solar customers and introduced them into mass production. To meet future growth, GUC continued to invest R&D resources to optimize 7 nm and 5 nm design flows and continue to develop high-speed interface SerDes, PCIe, LPDDR/DDR Controller & PHY, HBM Controller & PHY, TCAM and High-speed ADC technologies. | <ul style="list-style-type: none"> In response to future growth, we continued to invest R&D resources to optimize our 7 nm, 6 nm, 5 nm, and 3 nm design flows, and continued to develop our high-speed interface chip interconnect IP "Glink", UCle, HBM PHY & Controller, high speed ADC and TCAM, etc. We expect to invest over NT\$1.3 billion in R&D over the next two years. |
| | Market Risks | <ul style="list-style-type: none"> 1 Decline in demand for products and services (medium-term risk) 2 Possible cost loss due to market uncertainty (medium-term risk) | <ul style="list-style-type: none"> Continued to enhance the green competitiveness of our products through sustainable product design, focusing on three main directions: improving energy efficiency, recyclability and reducing harmful substances. Continued development of the N5/3 (5/3 nm) design flow will guide customers to use more power efficient N5/3 processes in the future, contributing to overall energy consumption. | <ul style="list-style-type: none"> The market for high-end packaging and testing needs is developing and the uncertainty in the market is not so great as to cause cost loss, but at most to affect revenue estimates. |
| | Reputation Risks | <ul style="list-style-type: none"> 1 Failure to develop energy-saving technologies or measures may result in revenue loss if customers or consumers use the competitor's products. | <ul style="list-style-type: none"> Autonomous supply of some green energy for the purchase of a solar version in 2022. | <ul style="list-style-type: none"> The amount invested in energy efficiency investment projects in 2022 was NT\$2.89 million. |

| Risk | Potential Impact / Impact Timeline | Initiatives and Opportunities in 2022 | Financial Impact Number | |
|-------------|------------------------------------|--|--|---|
| Entity Risk | Immediate Risks | <ul style="list-style-type: none"> 1 Daily reduction of water supply (short-term risk) 2 Lower revenue due to lower production capacity (e.g., line shutdown, transportation difficulties, supply chain disruption) (short-term risk) 3 Employee workforce is affected resulting in lower revenue and higher costs (e.g. health, safety, absenteeism) | <ul style="list-style-type: none"> Autonomous Water Saving Water use in 2022 was 387 degrees less than in 2021, a 0.041% decrease in water intensity. | <ul style="list-style-type: none"> Saved about NT\$12,000 on water bills. |
| | Long-term Risks | <ul style="list-style-type: none"> 1 Unstable room temperature may affect the life of instruments and equipment, leading to early retirement and write-off of existing assets and higher infrastructure costs (long-term risk) | <ul style="list-style-type: none"> We obtained the ISO 14064- 1 certification statement to grasp the energy use status and implement energy management in a planned manner. Implementation of air conditioning measures to reduce building temperatures. | <ul style="list-style-type: none"> Upgrading or replacing existing assets with more energyefficient assets cost approximately NT\$7.57 million from 2020 to 2022, and an additional NT\$3.19 million is expected to be invested in 2023. |



▼ Financial Impacts of Climate-related Opportunities and Responses

| Risk | Potential Impact / Impact Timeline | Initiatives and Opportunities for 2022 | Financial Impact Number |
|------------------------------|---|---|---|
| Resource Efficiency | <ul style="list-style-type: none"> Reduce operating costs (e.g., by acquiring solar resources or reducing costs through recycling) Increase the value of fixed assets (e.g., high performance green buildings) Facilitate employee workforce management and planning (e.g., improve health and safety, employee satisfaction) and reduce labor costs | <ul style="list-style-type: none"> Adopting a waste reduction strategy, we continued to reduce waste generation at the source through separation and promotion of reduction, and at the same time, prioritized reuse to increase the efficiency of resource recycling. Continuously promoted energy performance management through energysaving improvement management programs for building lighting and air conditioning equipment. | <ul style="list-style-type: none"> Please refer to "5.6.2 Waste Recovery and Reduction Effectiveness" for details of waste reduction effectiveness. Upgrading or replacing existing assets with more energyefficient assets cost approximately NT\$7.57 million from 2020 to 2022, and an additional NT\$3.19 million is expected to be invested in 2023. |
| Sources of Energy | <ul style="list-style-type: none"> Reduced operating costs (e.g., energy costs through solar energy) | <ul style="list-style-type: none"> Continuous use of green energy, including the use of solar panels, heat pump systems and other low-pollution energy and equipment. Implemented energy-saving improvement plans and measures for lighting and airconditioning equipment to create a low-carbon life. Obtained a green certificate. | <ul style="list-style-type: none"> In order to achieve the 50% carbon reduction target by 2050 compared to 2021 (base year), the cost of additional green power purchased from 2023 to 2030 will increase by approximately NT\$21 million compared to the cost of gray energy. |
| Products and Services | <ul style="list-style-type: none"> Increase revenue by designing low carbon products and services Meeting customers' needs for climate adaptation through new solutions to drive revenue growth | <ul style="list-style-type: none"> Stepped into green energy industries such as solar energy and self-driving cars. Development of AI, high-speed computing and logic self-testing technologies to provide design services for electric self-driving vehicle industry. | <ul style="list-style-type: none"> Revenue from sales to customers of solar energy products in 2022 was approximately NT\$594 million. |

| Risk | Potential Impact / Impact Timeline | Initiatives and Opportunities for 2022 | Financial Impact Number |
|--------------------------|--|---|---|
| Market | <ul style="list-style-type: none"> Capture new and emerging markets (e.g., cooperation with government, public institutions, hospitals) to increase revenue | <ul style="list-style-type: none"> In response to government investment in key manufacturers The market for 5G was a major step forward. Compared to existing 3G/4G, 5G wireless services can provide more than 10 times the transmission performance. Capture AI market applications. The AI ASICs were tailored to the specific functions required by customers, offering performance advantages over general-purpose chips (ASSPs). Met the low latency and high bandwidth transmission requirements of various emerging applications, such as AI, AR/VR, 8K video and car networking. | <ul style="list-style-type: none"> In response to future growth, we will continue to invest R&D resources to optimize our 7 nm, 6 nm, 5 nm, and 3 nm design flows, and continue to develop our high-speed interface chip interconnect IP "Glink", UCle, HBM PHY & Controller, high speed ADC and TCAM, etc. We expect to invest over NT\$1.3 billion in R&D in the next two years. |
| Sources of Energy | <ul style="list-style-type: none"> Increase market valuation through resilient planning (e.g., infrastructure, land, buildings) | <ul style="list-style-type: none"> Solar power systems were planned to mitigate the risk of power supply constraints and to provide companies with resilience to the risks of climate change. | <ul style="list-style-type: none"> In 2023, we plan to build a solar power installation with an estimated expenditure of NT\$7 million. |

5.3 Carbon Management and Net Zero Commitment

5.3.1 Inventory of Net-zero Program

Global Unichip Corporation is concerned about environmental and ecological sustainability and has conducted its own GHG inventory and management since 2019; conducted an inventory in accordance with ISO 14064-1 and undergo external verification since 2021, and made a specific commitment in 2022 to the goal of carbon neutrality/net zero by 2050 and the disclosure of its future carbon footprint. 2021 is the benchmark year for GHG inventory and management for Global Unichip Corporation.

The total GHG emissions from Hsinchu headquarters in 2022 was 4371.2 tCO₂e. The main source of GHG emissions in 2022 was purchased electricity (Scope 2), accounting for 95.2% of the overall emissions, while the rest was emissions from stationary sources (diesel fuel from emergency generators), mobile sources (gasoline from buses), and fugitive sources (refrigerants, fire extinguishers) (Scope 1); GUC is a pure office without a process production line, so there was no process emission source.

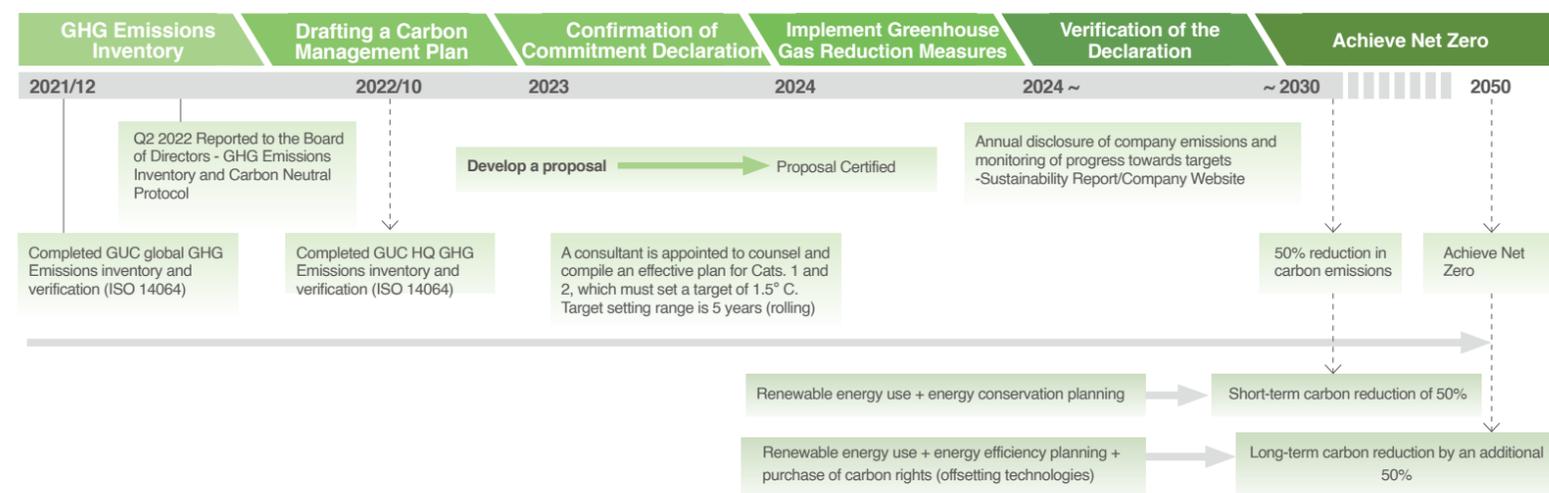
The direct emissions from Scope 1 are 121.4 tCO₂e/year, accounting for 0.028% of the overall emissions, all of which are required for employees to live (business vehicles, refrigerators, water fountains, air conditioning, etc.). Global Unichip Corporation is interested in reducing such energy consumption and greenhouse gas emissions, but due to technical constraints, there is no suitable alternative. We will continue to investigate related technologies to pursue greenhouse gas reduction.

7 GHG Emissions Statistics for GUC Scope 1, 2022

| | CO ₂ | CH ₄ | N ₂ O | HFCs | PFCs | SF ₆ | NF ₃ | Total volume |
|--|-----------------|-----------------|------------------|---------|--------|-----------------|-----------------|--------------|
| Emission equivalents (tCO ₂ e / year) | 2.9834 | 0.0294 | 0.0921 | 118.315 | 0.0000 | 0.0000 | 0.0000 | 121.4198 |
| Percentage of gases (%) | 2.46% | 0.02% | 0.08% | 97.44% | 0.00% | 0.00% | 0.00% | 100% |

Note: The global warming potential (GWP) value is quoted from the IPCC 2021 Sixth Assessment Report, and the emission coefficient data source is the Executive Yuan Environmental Protection Administration's Greenhouse Gas Emission Coefficient Management Table 6.0.4.

5.3.2 Management of the Net-zero Program



GHG Emission Reduction Action

Specific Measures for Sustainable Energy Conservation

Energy Conservation Guideline

- Encourage taking the stairs more often to reduce elevator electricity usage.
- Turn off the lights, air conditioning and projector in the conference room after the meeting.
- Turn off the computer and switch off the screen when you leave work.
- Turn off the lights in the office area during lunch break.
- The public corridor area by the window utilizes natural lighting, and some areas are constructed skylight cover as the ceiling.
- Energy and water saving slogans are posted on proper spots.

5.4 Energy Management

Time Control Management

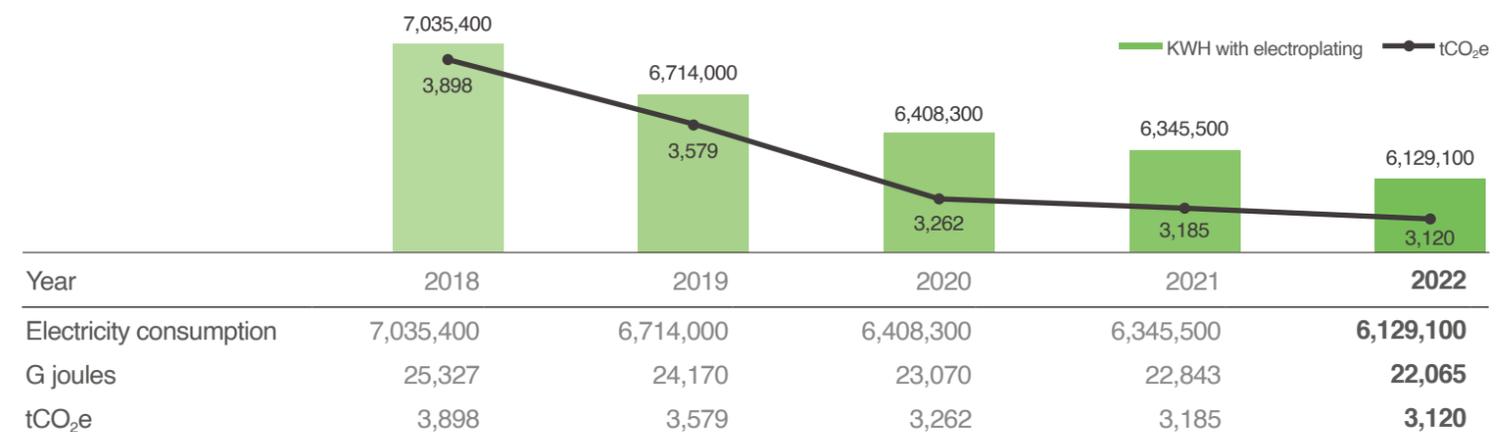
- The water dispenser is managed by an electronic timer, which controls the dispenser to disinfect water during off-peak hours, reducing electricity consumption during peak hours.
- Fresh air intake, toilet ventilation and exhaust, open office area, and cubicle office air conditioning are set separately.
- Time control management to reduce air conditioning loss and unnecessary electricity consumption.
- SCADA controls the equipment to start and stop at necessary times to save energy and reduce energy consumption.
- Shorten the operation time of the parking lot exhaust fan, and do not turn it on during the rest of the day except for the commuting period.
- The start and stop time of the escape staircase fire fighting positive pressure fan is electronically controlled to reduce the use of electricity.
- Parking lot lights are turned off half of them during non-working hours.
- The escape staircase has natural light through windows and is equipped with lighting time control settings.

Performance Maintenance

- Choose home appliances such as air conditioners and refrigerators that comply with the energy-saving label.
- Regular maintenance of air conditioners to maintain high efficiency.
- Set the chilled water temperature of the main unit above 8° C.
- The recommended indoor temperature for air conditioning is 26° C, taking into account different levels of sunlight and heat load, and appropriate installation of curtains and heat-insulating film.
- Determine the cooling fan of each cooling tower unit according to the return water temperature, and install an control valve for heat dissipation.
- Reduce energy consumption by using high efficiency energy-saving lamps and natural light.
- Office lighting with electronic high-efficiency lighting fixtures and lamps.

In response to the impact of climate change, reducing energy consumption and greenhouse gas emissions has become an issue of concern for companies pursuing sustainable operations today. Global Unichip Corporation's energy use is mainly for facility and office equipment, and the main source of energy is purchased electricity (Scope 2). In order to reduce greenhouse gas emissions, the company has set up energy saving and carbon reduction targets to take more actions to mitigate climate change. Global Unichip Corporation is a professional IC design company and its main source of energy use is purchased electricity (provided by Taiwan Power Company's grid), which accounted for 100% of the total energy consumption and used 6,129,100 KWH in 2022. Therefore, Global Unichip Corporation is focused on green innovative design and green office promotion, and continues to raise employees' green awareness and conducts following actions, improving the efficiency of plant equipment, replacing old equipment, and reducing energy consumption by optimizing plant equipment. We also promote energy saving and carbon reduction measures in our factories and offices, and through education and policy regulation, employees will voluntarily undertake energy conservation activities to contribute to the global environment.

▼ Global Unichip Corporation's Electricity Consumption (Scope 2) and Greenhouse Gas Emissions Statistics for the Past Five Years



Note 1. The coefficient of electricity carbon emission in 2018 was 0.533 tCO₂e/kWh; the coefficient of electricity carbon emission in 2019 was 0.509 tCO₂e/kWh; the coefficient of electricity carbon emission in 2020 was 0.502 tCO₂e/kWh; the coefficient of electricity carbon emission in 2021 was 0.509 tCO₂e/kWh; the coefficient of electricity carbon emission in 2022 has not been announced, so the coefficient of electricity carbon emission from FY2021 was used, and the 2022 calculation based on the coefficient of carbon emission for electricity from 2021 was 0.509 tCO₂e/kWh.

Note 2. 1 degree (Kwh) = 0.0036 G joules

Note 3. Carbon emissions from electricity consumption = (kWh consumption x current year's electricity emission factor)/1,000

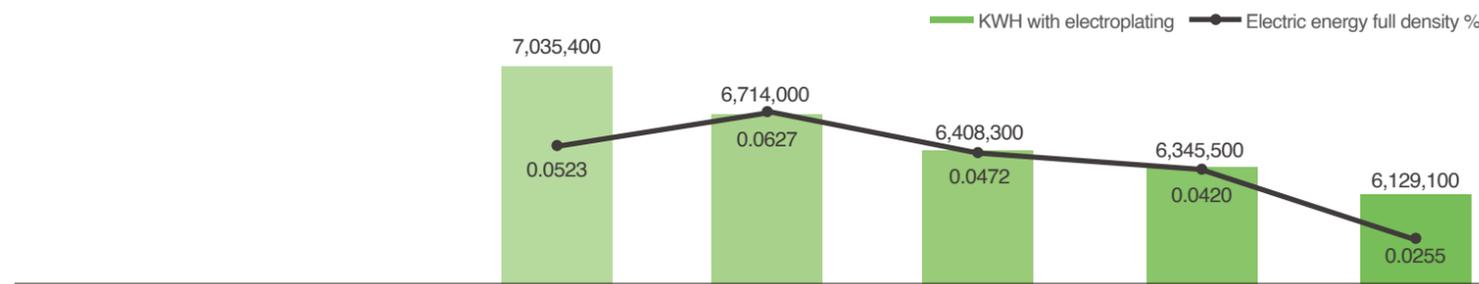
Note 4. According to GRI Standards, in units of CO₂ tCO₂e.

Note 5. Greenhouse gases are aggregated for the operation control method.

Energy Intensity

Electricity energy intensity in 2022 was 0.0255%, a decrease of 0.0165% from the previous year (0.0420% in the previous year) and a 3% decrease in energy use (216,400 kWh).

▼ Global Unichip Corporation Energy Intensity Statistics for the Past Five Years



| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|
| Annual Revenue (NT\$ million) | 13,459 | 10,710 | 13,569 | 15,107 | 24,040 |
| Annual Electricity Usage (kWh) | 7,035,400 | 6,714,000 | 6,408,300 | 6,345,500 | 6,129,100 |
| Electricity and Energy Intensity (%) | 0.0523 | 0.0627 | 0.0472 | 0.0420 | 0.0255 |

Note: Energy intensity calculation formula: Annual electricity usage / Annual revenue

5.4.1 Energy-saving Accomplishments

In 2022, the total number of investment projects for energy conservation measures was 24, and the amount of investment was NT\$4.06 million. The 24 projects saved 216,400 kWh of electricity and reduced about 110.15 tons of carbon dioxide, and the main energy conservation plans were implemented with the following reference:

| Measures | Performance | Scope |
|---|---|---------|
| Energy saving replacement for office lighting | Annual energy conservation of 8,126 kWh (equivalent to 29.3 GJ), with replacement completed in June; reducing CO ₂ emissions by 2.07 metric tCO ₂ e/year in 2022. | Scope 2 |

| Measures | Performance | Scope |
|--|---|---------|
| Ice and water mainframe with additional inverter energy conservation | Annual energy conservations of 135,009 kWh (equivalent to 486 GJ), were completed in November; reducing CO ₂ emissions by 5.73 tCO ₂ e/year in 2022 | Scope 2 |
| Replaced the old air compressor with a new one, and replaced it with new equipment with high efficiency and low energy consumption | Annual energy conservations of 113,131 kWh (equivalent to 407.3 GJ), with replacement completed in September, reducing CO ₂ emissions by 14.4 metric tCO ₂ e/year in 2022 | Scope 2 |

Note 1: 1 kWh (degrees) = 3,600,000 Joule (joules) Global Unichip Corporation also participated in ITRI's High Efficiency Motor Application Promotion Project and received a NT\$200,000 energy conservation grant to replace its air compressors.

Note 2: This table uses the 2021 Electricity Emission Factor standard, which produces 0.509 kilograms of carbon dioxide equivalent for every 1 kWh of electricity.

Note 3: In 2022, Global Unichip Corporation plans to pledged carbon neutrality by 2050, conducted a GHG inventory and set 2021 as the base year.

▼ Replacement of Energy-saving Lighting Fixtures in the Office, with Attention to the Evenness of the Light Source





Energy Conservation and Carbon Reduction Program

The company will continue to move toward energy conservation with an estimated total investment of more than NT\$4.06 million and set short-, medium- and long-term goals as follows:

Strategic Objectives

| 2022 Implementation Status | Short-Term Goals for 2023 | Medium-Term Goals (1-3 years) | Long-Term Goals (3-5 years) | GRI |
|--|--|---|---|---|
| <ul style="list-style-type: none"> The TCFD framework was used to identify the company's climate risks and opportunities, and to formulate the direction and measures to address them. Executed the greenhouse gas inventory program for the GUC Group's global locations and resulted in GHG data to 7505.6 tCO₂e. The Net-Zero committee was established by declaring net zero emissions. GUC Group improved energy conservation (ice and water mainframe with new inverter, air compressor replacement, and energy-saving lighting replacement), saving 216,400 kWh of electricity and reducing 110.15 tCO₂e of carbon per year The self-built solar power system generated 1,775.7 kWh of electricity and reduces carbon by 11.08 tCO₂e per year. Continuous disclosure information on water usage and waste. | <ul style="list-style-type: none"> Use of climate change risk management tools to facilitate quantitative financial impact assessment. Continuous inventory of GUC global locations ISO14064-1 and third party (SGS) verification. Complete the SBTi target setting. Carbon reduction target of 6% of total GUC Group emissions Continuously promote energy-saving measures and achieve a reduction in electricity consumption of more than 1% in 2023. Complete the application for the Hsinchu Headquarters Renewable Energy Certificate. Hsinchu headquarters will pass the ISO 14001 environmental management system certification in 2023. | <ul style="list-style-type: none"> Continuously promote energy-saving measures to save at least 1% of electricity each year. Hsinchu Headquarters 2024 ISO5001 Energy Management System Validated Continuously evaluate and revise energy efficiency measures and carbon reduction targets. Green energy procurement contract and start using renewable energy in 2023. | <ul style="list-style-type: none"> Increase the amount of renewable energy procured year by year in 2025. Renewable energy use rate, 2030 target to RE30 Reduce greenhouse gas emissions by 50% by 2030. | <p>201</p> <p>302</p> <p>305</p> <p>306</p> |

5.4.2 Renewable Energy Inputs

Purchase of Green Power - Solar Power

As a member of the global village, GUC is committed to reducing carbon emissions and using sustainable energy. In 2022, GUC built a solar photovoltaic system to contribute to the reduction of global warming and environmental pollution through the planning and installation of green energy facilities.

| Place | Solar Photovoltaic System Capacity | Performance |
|---|------------------------------------|--|
| Rooftop of Hsinchu Headquarter Building | 11.8 KW | Generates 21,776 kWh (equivalent to 78.4 GJ) of electricity per year, reducing CO ₂ emissions by 11.08 tCO ₂ e /year |

▼ Solar Photovoltaic System

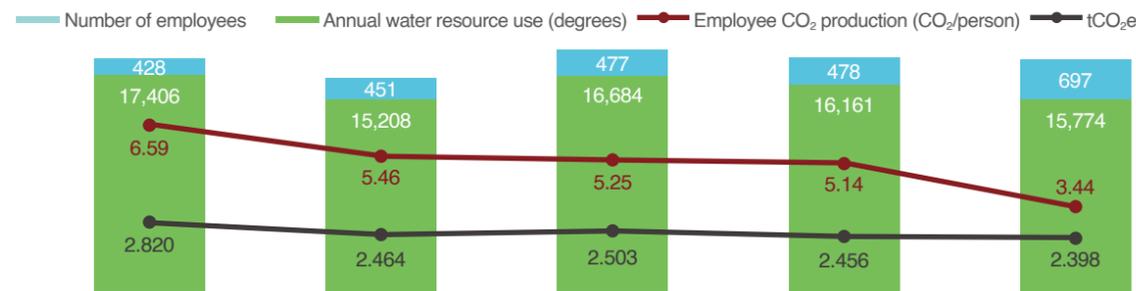


5.5 Water Resources Management

5.5.1 Assessment of Water Resources Risk

Global Unichip Corporation's main water source is 100% from the Taiwan Water Company. We do not use groundwater, surface water, rainwater, or other water sources, and have no negative impact on the surrounding environment or water quality. Water consumption is mainly for air conditioning and domestic use by employees (including drinking, washing, and cleaning surrounding environments), and we keep long-term records of water consumption statistics to monitor our use of local water resources and calculate carbon dioxide equivalents based on these records. By implementing water conservation measures, water use in 2022 was reduced by 387 M³ compared to 2021, representing a 0.041% reduction in water intensity. The amount of carbon dioxide equivalent generated per employee from water use is also decreasing every year. Domestic wastewater is also discharged legally through the sewer. In 2022, no pollution occurred and there was no significant impact on environmental water sources.

Global Unichip Corporation's Water Withdrawal and Greenhouse Gas Emission Statistics for the Past Five Years



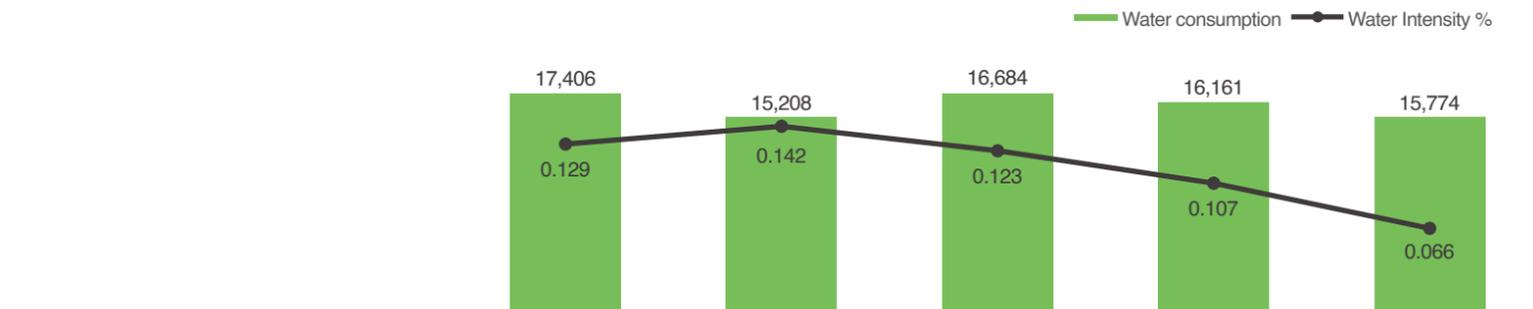
| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------------|--------|--------|--------|--------|---------------|
| Water intake (degrees) | 17,406 | 15,208 | 16,684 | 16,161 | 15,774 |
| tCO ₂ e | 2.820 | 2.464 | 2.503 | 2.456 | 2.398 |
| KgCO ₂ e/per employee | 6.59 | 5.46 | 5.25 | 5.14 | 3.44 |

Note 1: Taiwan Water Company announced the emission coefficient of water consumption in 2022, which is estimated to produce 0.152 kg of carbon dioxide equivalent per unit of water.
Note 2: According to GRI Standards, the unit is tCO₂e.

Water Consumption Intensity

In addition to tracking the total water usage, GUC also aims to truly understand our water consumption by monitoring our water intensity. In 2022, our water intensity was 0.066%, representing a 0.041% decrease from the previous year (0.107%).

Global Unichip Corporation's Water Intensity Statistics for the Past Five Years



| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|--------|--------|--------|---------------|
| Annual Revenue (NT\$ million) | 13,459 | 10,710 | 13,569 | 15,107 | 24,040 |
| Annual Use of Water Resources (Degrees) | 17,406 | 15,208 | 16,684 | 16,161 | 15,774 |
| Water Intensity (%) | 0.129 | 0.142 | 0.123 | 0.107 | 0.066 |

Note: Water intensity: Annual water use/annual revenue

In 2022, all of GUC' wastewater was domestic sewage, with a discharge volume of 15,774 million liters. The discharge of wastewater met the management standards by the Hsinchu Science Park.



5.5.2 Effectiveness of Water Saving and Use of Recycled Water

In order to truly save the earth's precious water resources, Global Unichip Corporation has developed and implemented the following measures to sustainably conserve water, reducing water use by 387 M³ in 2022 compared to 2021, and reducing water intensity by 0.041%.

Water saving measures:

1. Reduce the drainage of air conditioning cooling water tower to reduce air conditioning water consumption.
2. Reduce the water discharge from the faucet to reduce the consumption of domestic water.

More Measures :

1. Set up rainwater recycling system to water landscape plants and trees.
2. Ensure the proper rate of automatic sensor faucets in toilets, and control the amount of water discharged from the faucets to save water and increase levels of sanitation.
3. Ensure the proper rate of two-stage water-saving toilets in toilets, and control the water source without leakage.
4. Strengthen the regular inspection of water facilities to improve the rate of proper operation and repair the damage in time.
5. Strengthen water saving measures during the water saving period in accordance with the policy of the science park association, and keep daily water consumption records to achieve the goal of 10% water savings in a month.
6. Continuously promote water conservation measures and post water saving slogans to remind employees to develop water saving habits.

5.6 Waste Management

5.6.1 Waste Management and Regulation

Global Unichip Corporation continues to reduce the environmental impact of its operations, including the transportation of products, other commodities, raw materials, and employee traffic, in accordance with the principles of sustainable business operations. In 2022, Global Unichip Corporation did not violate any environmental regulations and did not receive any formal complaints from stakeholders regarding environmental impact. Global Unichip Corporation will continue to conduct audits of the raw material supply process and strengthen its internal raw material control mechanism as a long-term goal to prevent the infiltration of conflict metals into the production process in order to protect the rights of stakeholders and to be environmentally responsible in the production process. Global Unichip Corporation's electronic raw material supply and waste control systems are in compliance with international environmental regulations and customer requirements. We are a signatory to and advocate for the following environmental policies and regulations established by outside organizations:

- Deceleration of Non-Use of Conflict Minerals
- EU RoHS Compliance
- EU PFOS Directive
- EU New Chemical Policy (Registration, Evaluation, Authorization & Restriction of Chemicals, REACH)
- Regulations on the Restriction of Hazardous Substances in Electrical and Electronic Products (China RoHS Compliance)

5.6.2 Waste Recycling and Reduction Accomplishment

Global Unichip Corporation recognizes the concept of green production and responsible manufacturing, and adopts a product lifecycle management approach by examining the factors related to environmental impacts at each stage of product design, from manufacturing to final disposal, and investing significant R&D resources and innovative energy-saving technologies. The 3R green design concept of Reduce, Reuse, and Recycle is incorporated into the initial product design.



The services we provide include parts and intangible design/IP services. Packaging materials include cartons, cushion foam, wafer carrier boxes, and wafer carrier trays. Additionally, all products are outsourced, and suppliers are required to use qualified recycled packaging materials.

Global Unichip Corporation's Waste Disposal in the Past Five Years

Global Unichip Corporation is a custom IC design-service company, responsible for the design and sales of chips, and does not manufacture, package, or test them. The hazardous waste disclosed in the report is not generated from the manufacturing process, but mainly from the samples of wafers provided by the vendor for testing. The resulting defective ICs are sent to a waste disposal vendor that has received the Environmental Protection Agency's (EPA) Class A rating for disposal plants and has obtained the ISO 14001 and ISO 9001 system certifications and other international environmental safety and health management system certifications for garbage disposal.

| Year | Hazardous business waste (unit: metric tons) | | General business waste (unit: metric tons) | | |
|-------------------|--|--|--|--|--|
| | Waste IC | Paper | Iron | Plastics | Waste PC |
| 2018 | 0.975 | 14.813 | 0.456 | 0.411 | 0 |
| 2019 | 0.227 | 1.473 | 0.074 | 0.109 | 0 |
| 2020 | 1.07 | 0.69 | 0.06 | 0.08 | 0 |
| 2021 | 1.062 | 0.52 | 0 | 0.01 | 0 |
| 2022 | 1.036 | 1.532 | 1.008 | 0 | 0 |
| Total | 4.37 | 19.028 | 1.598 | 0.61 | 0 |
| Processing Method | Entrusted Removal (Recyclers recycle and reuse) |

Notes:
 1. The entrusted removal companies are all citizen-operated waste removal and treatment organizations that are permitted by the competent authorities to remove and treat such waste, and there has been no violation of the laws and regulations from 2017 to 2022.
 2. GUC hazardous business waste is entrusted to the removal company approved by the competent authority, and 100% of hazardous business waste is recycled and treated.

Product and Activity Reduction and Recycling

We provide environmentally friendly cutlery to newcomers after on-boarding to reduce the use of disposable bamboo chopsticks, thereby reducing waste generation; at the same time, we use recycled tableware in the staff cafeteria to reduce waste generation.



5.7 Green Products

5.7.1 Green Design

Global Unichip Corporation has developed an energy estimation process for System-on-Chip (SoC) design that generates wafer energy consumption data at the time of flow. It provides energy consumption models for design engineers to optimize chip energy consumption in the design process, control overall chip energy consumption, and provide customers with the best power consumption solution in package design.

Scilicon IP Aspect

We continue to develop high end process 7 nm, 6 nm, 5 nm and 3 nm silicon including super high speed interface chip interconnect IP "Glink", HBM2E/3 Controller and PHY, 28G/32G SerDes, PCIe Gen3/4 and other components. In addition to high-speed ADC/DAC, we have also established R&D teams to develop our own memory IP (TCAM, SRAM), customized standard cells, and a rich library of our own IP and library to provide customers with more complete solutions.

High-bandwidth Memory IP HBM2E/3 IP

Global Unichip Corporation has combined TSMC's latest CoWoS-S technology with TSMC's 3.6Gbps High Bandwidth Memory (HBM2E) physical layer/controller for silicon intellectual property (IP) validation. By using the patented architecture and advanced process features, power consumption was reduced from 1.8 watts for 7 nm silicon IP validation in 2020 to 1.2 watts for 5 nm validation in 2021, a significant reduction of approximately 33.3%.

In 2022, Global Unichip Corporation completed 5 nm silicon IP validation for the next generation of 8.4-8.6G High Bandwidth Memory (HBM3). With a transmission speed of up to 8.4 Gbps, the power consumption is only 3.96 watts. The 3nm process design will be finalized next year, in January 2023. Based on the process evolution and the efforts of R&D staff, this is expected to increase the speed to 8.6 Gbps and reduce the power consumption to 3.51 watts, a reduction of about 11.4%. These upgrades will help customers develop more powerful and energy-efficient products.

| HBM2E | N7 / 2020 | N5 / 2021 | HBM2E | N5 / 2022 | N3 / 2023 |
|-----------------------|-----------|---------------|-----------------------|-----------|---------------|
| Speed (bps) | 3.6G | 3.6G (+0%) | Speed (bps) | 8.4G | 8.6G (+2.4%) |
| Power consumption (W) | 1.8W | 1.2W (-33.3%) | Power consumption (W) | 3.96 | 3.51 (-11.4%) |

Ultra-high Speed Interface Chip Interconnection IP GLink 2.5D

Global Unichip Corporation successfully integrated TSMC's InFO packaging technology to validate the first generation 7 nm GLink 1.0 ultra-high speed interface chip interconnection (IP) in 2020. The second generation 5 nm GLink 2.0 IP was validated in Q3 2021. With an 85.7% increase in transfer speed and only a 20% increase in power consumption, it enables customers to significantly reduce energy consumption with the same performance requirements. In the same year, GLink 2.3, a 5nm chip interconnection IP, was finalized and as then silicon proven in Q3 2022. The test results showed a 92.3% improvement in performance at the same power consumption level, resulting in mass inquiries and usage among several different customers. Global Unichip Corporation's GLink product was awarded "The Promising Product" in the first 2022 EE Awards - Asia Gold Award for its outstanding development technology and forward-looking specifications.

| GLink 2.5D | GLink 1.0 | GLink 2.0 | GLink 2.3 |
|----------------------------|-----------|----------------|----------------|
| Process / Year | N7 / 2020 | N5 / 2021 | N5 / 2022 |
| Speed (bps/mm) | 0.7 T | 1.3 T (+85.7%) | 2.5 T (+92.3%) |
| Power consumption (pJ/bit) | 0.25 | 0.30 (+20%) | 0.30 (+0%) |



Low Power TCAM Entity Silicon Smart IP

Global Unichip Corporation continues to develop and successfully validate 5 nm TCAM, which reduces power consumption by more than 15% compared to 7 nm, and adds LVTLL version to further reduce leakage current by 60%. Moreover, the optimized design offers different character partitioning options for better area and speed balance, e.g., 6% to 10% speed reduction for 25% to 30% smaller area, which significantly contributes to the power and area competitiveness of customer chips.

Glink-3D Chip Stacking Interface IP

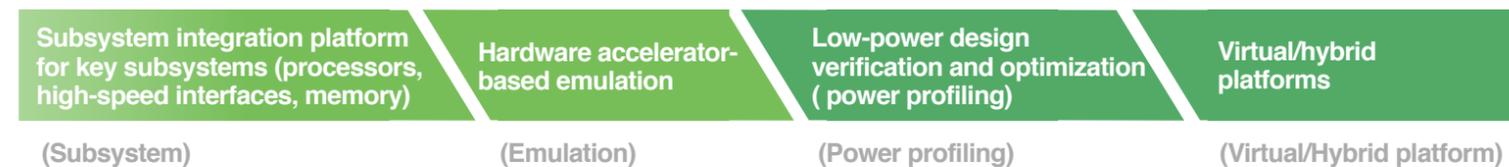
In April 2021, Global Unichip Corporation successfully developed high-speed die-on-die interface Master PHY and Slave PHY IP integrated in TSMC's first SoIC test chip. This advanced technology is used for inter-chip data transfer control, realizing the advantage of small chip yield with 3Dfabric and significantly reducing the difficulty of timing convergence for high-speed designs (5.0 Gbps). Its built-in self-test circuitry enables cross-chip signal verification and includes a backup TSV (Through-Silicon Via) and repair mechanism to improve post-stack yields. This is the industry's first IP to support 3D lcs, and the 5 nm + 6 nm stacked wafer has been successfully verified. In Q1 2023, the Company will obtain a packaged wafer to perform complete electrical measurements. In 2022, the product was recognized as the Best IP of the Year at the EE Awards Asia Gold Awards.

Single-chip (SoC)

As technology enters the era of Internet, wireless communication, smartphones, Internet of Things, automotive electronics, and high-performance computing with artificial intelligence, system-on-chip (SoC) that integrates more functions has become the mainstream trend in IC design. However, the complexity of highly integrated designs and the design timeline, cost, and specifications resulting from advanced manufacturing processes are inevitable challenges.

To help customers achieve their market goals, SoCRD continues to refine design integration and validation techniques to shorten project execution time and achieve optimal power/performance/cost solutions. These include:

SoC/IP Constructor (unicoRn)



Since 2021, SoCRD has completed the 16 nm Automotive and 12 nm 5G Networking chips, along with 7 nm Metaverse chip in 2022. By 2023, we will further complete the 5 nm Datacenter AI chip.

Over the years, the company has leveraged its increased R&D capacity and industry-leading design integration verification process. According to the results of the project, it can effectively shorten lead time by 30-50%, perform critical debugging tasks at the early stage of design integration, save 30-50% of the resources for extensive functional simulation and verification debugging at the later stage, and optimize the chip specifications according to the process evolution. This includes 20-30% performance improvement, 15-20% power reduction, and 20-30% chip area reduction.

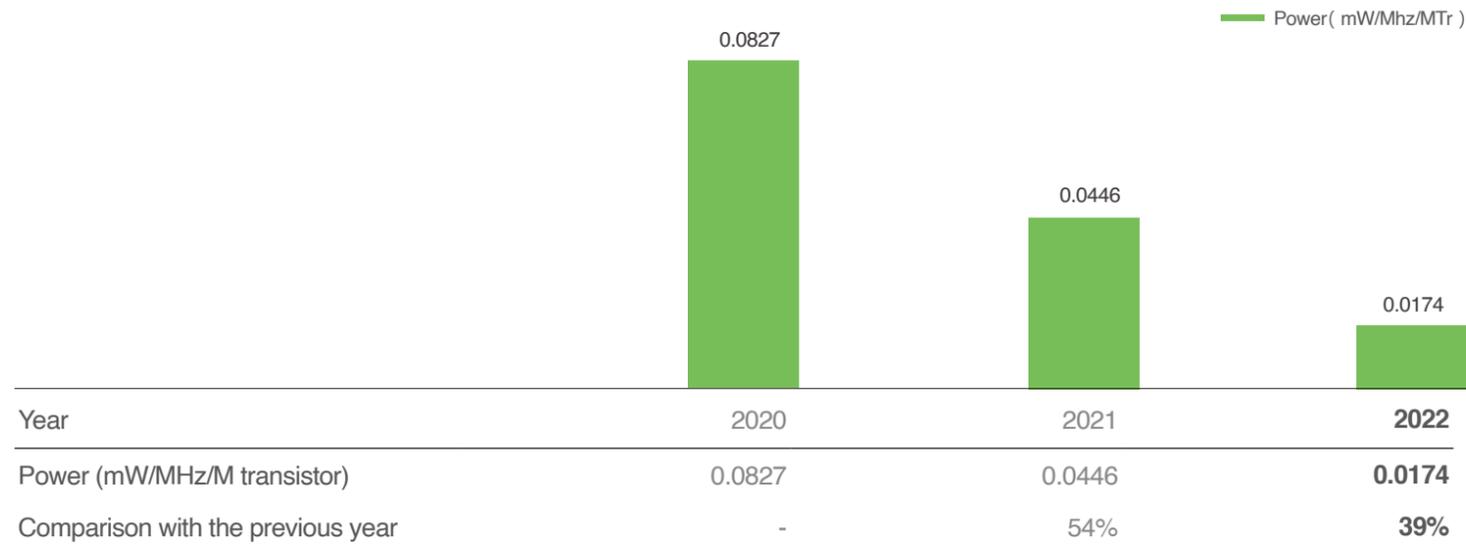
In the future, SoCRD will continue to work on advanced design integration and verification technologies based on this green design concept to optimize the resources required for system-on-a-chip and contribute to the advanced semiconductor field.

| Year | 2021 | 2022 | 2023 |
|--------------------------------|-------|-------|--------------|
| Technology node | N16 | N7 | N5 |
| Gate Count (Million) | 27.4 | 13 | 5,000 |
| Die size (mm ²) | 30.7 | 7.7 | 632.1 |
| Power consumption (W) | 4.8 | 1.5 | 200 |
| Power consumption / gate count | 0.175 | 0.115 | 0.040 |

Design Services

We continue to refine our design process with advanced technology. In addition to continuing to guide customers to use more energy-efficient advanced processes, we will provide N7/N5 low voltage standard cell models in 2022, allowing customers to use low voltage technology to optimize power consumption and performance at the early stage of design development. We have also introduced Cadence mixed placer and Synopsys Freeform placer into our advanced low power design flow. In addition to saving labor, we can also save 3-10% in power efficiency by integrating process evolution and using various low-power design technologies. Global Unichip Corporation's design services over the past three years have continued to reduce the average power consumption per million equivalent transistors, and Global Unichip Corporation is making a strong technical impact on the environment.

▼ Power Efficiency



5.7.2 Green Procurement

Global Unichip Corporation adheres to the principle of green procurement, and has established comprehensive supplier due diligence and hazardous substance management. Through the Raw Material Procurement Regulations, we ensure that our products comply with international labor and human rights and environmental management substance regulations, and confirm that our suppliers meet various requirements for environmental protection, safety, and health.

Raw Material Procurement Specifications

- Global Unichip Corporation Responsible Business Alliance (RBA) Code of Conduct
- Global Unichip Corporation Hazardous Substance Restriction
- Global Unichip Corporation Supplier Certification Program

Green Raw Materials

Global Unichip Corporation's main product is wafers, and its main supplier is Taiwan Semiconductor Manufacturing Corporation (TSMC). TSMC is also our largest shareholder and has a long-standing relationship with us, so we have a stable supply of raw materials. Additionally, Global Unichip Corporation cooperates with other suppliers. The wafers and packaging materials from our suppliers must comply with EU RoHS Directive 2011/65/EU and 2015/863 (which banned 4 additional substances: DEHP, BBP, DBP, DIBP) and the new EU chemical policy (Registration, Evaluation, Authorization, and Restriction of Chemical Substances [REACH]). Global Unichip Corporation extends the green policy and concept to the whole supply chain. All new product suppliers must meet Global Unichip Corporation RBA requirements and sign a declaration of compliance. After compliance review and approval, suppliers may become qualified.

100% of Global Unichip Corporation's Critical tier 1 suppliers have signed the Declaration of Non-Use of Hazardous Substances, and 100% of new suppliers have signed the Declaration. We have not experienced any significant actual or potential negative environmental impact from our supply chain during the reporting period.



Global Unichip Corporation also requires suppliers to use recycled materials and reduce the use of consumables, both in the factory and in transit. For example, reusing plastic trays for IC products, or using reusable packaging materials such as anti-static “black boxes” to transport products during production to reduce the use of cardboard boxes. Through close cooperation up and down the supply chain, we are working together to promote social responsibility and global citizenship in the industry. Global Unichip Corporation has taken various environmentally friendly actions and adopted green materials in all aspects of product design, manufacturing, and packaging, and has fully integrated environmental awareness into its production and quality management systems.

Green Purchasing Initiative

100% of Global Unichip Corporation's paper is certified by PEFC, an international non-profit, non-governmental organization based in Switzerland that promotes sustainable forest management through certification by an independent third-party organization. By purchasing paper that meets this certification, Global Unichip Corporation supports forest conservation and echoes the SDG 15 “Terrestrial Ecology Conservation” initiative.

Global Unichip Corporation is committed to promoting electronic invoicing to replace traditional paper invoices and to improve the efficiency of major suppliers' invoicing operations, resulting in significant savings in paper invoicing. In 2022, we saved about 5,500 paper invoices and reduced carbon emissions by 70 kgCO₂e, continuing to move towards paperlessness.

Note: Each invoice is calculated based on 2 sheets of A4 paper, and the carbon reduction is calculated based on the Carbon Footprint Information Website of the Environmental Protection Administration, Executive Yuan, Taiwan, which is 3.2 kg CO₂e per pack of 500 sheets of A4 paper.

Implementing Green Procurement in the Field

Global Unichip Corporation cares about local economic development and considers timely and local procurement. We are committed to reducing transportation costs, reducing carbon emissions from material transportation, and upholding the principle of local procurement. In 2022, we placed orders for more than NT\$17.9 billion of procurement in Taiwan.

At the same time, we are actively working with suppliers to set targets for water, electricity, waste, and carbon reduction to enhance the sustainable development of the local supply chain.

Strengthen Supply Chain Resilience - Develop International Production Strategies

Due to various factors such as accelerated climate change and rising international political tensions, GUC has been expanding its overseas production base, including Japan, Korea, Philippines, and China, considering the resilience of the supply chain and responding to market changes quickly. As a result, the ratio of local procurement decreased slightly in 2022, but the Company continued to maintain a reasonable proportion of local procurement.

▼ Global Unichip Corporation's Five Year Local Procurement Data

| | Local raw material purchases (Unit: NT\$ million) | Total raw material purchases (Unit: NT\$ million) | Percentage of raw materials purchased locally |
|-------------|--|--|--|
| 2018 | 8,959 | 8,965 | 99.9% |
| 2019 | 7,496 | 7,531 | 99.5% |
| 2020 | 9,615 | 9,744 | 98.7% |
| 2021 | 11,850 | 12,078 | 98.1% |
| 2022 | 17,911 | 19,050 | 94.0% |



5.8 Environmental Management

5.8.1 Compliance with Environmental Regulations

Regarding environmental regulations, in 2022, GUC had no violation of environmental laws and regulations resulting in significant fines or sanctions.

The company also had zero incidents of formal complaints, processing, and resolution of environmental issues.

5.8.2 Environmental Protection Expenses

GUC is a professional IC design service company and has no manufacturing process and therefore no environmental protection expenses.



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Appendix



6 Employee Relations and Social Engagement

- 6.1 Key Results and Strategies
- 6.2 Inclusive Workplace
- 6.3 Human Rights Protection
- 6.4 Social Engagement



6.1 Key Results and Strategies

Global Unichip Corporation upholds the core values of sustainable development of people and society, implements a culture of diversity and inclusion, and strives to create an open management model that attracts and retains talent from diverse backgrounds and expertise. We provide excellent compensation and benefits; ongoing learning; and a safe, healthy, and enjoyable work environment where all employees can take pride in being a Global Unichip Corporation employee.

| | | |
|--|---|--|
| Total number of employees: 851 | Percentage of reinstatements after unpaid parental leave for raising children: 100% | Average learning hours growth rate: 69% |
| Employee growth rate: 6.8% | Percentage of foreign employees in Taiwan: 1% | Increase in number of physical classes: 300% |
| Percentage of female managers at all levels: 13.8% | Compensation rank out of 74 semiconductor firms in the industry: 20th | Inventory completion rate of key positions: 100% |
| Monthly turnover rate for all employees: 1.1% | Participation rate of Employee Stock Ownership Trust: 88.1% | GUC voluntary service launched: May 2022 |

| Strategy | Commitment | KPI | 2022 Goals and Performance | Medium- and Long-term Goals |
|--------------------------|---|--|---|---|
| Inclusive Workplace | Create a high-quality work environment and a competitive compensation policy to attract outstanding talents and enhance employer brand. | Offer Acceptance Rate | Target: 72% Actual: 74% | 2023 : 76% 2024 : 78% 2025 : 80% |
| | | Performance Appraisal Completion Rate | Target:100% Actual:100% | 2023 : 100% 2024 : 100% 2025 : 100% |
| | | Average Salary of Engineers | Target: Top 25% of the semiconductor industry Actual: Top 24% | 2023: Top 25% 2024: Top 25% 2025: Top 25% |
| | | Key Talent Retention Rate | Target: 95% Actual: 98% | 2023: >96% 2024: >96% 2025: >96% |
| | | Turnover Rate | Target: <15% Actual: 13.4% | 2023: <13% 2024: <12.5% 2025: <12.5% |
| Occupational Injury Case | Target: 0 cases Actual: 0 cases | 2023:0 cases 2024:0 cases 2025:0 cases | | |

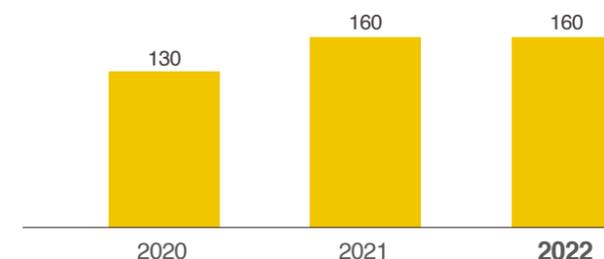


6.2 Inclusive Workplace

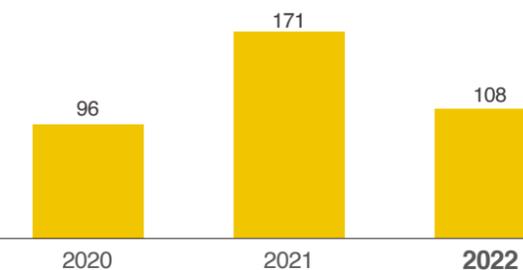
6.2.1 Diversity Talent and Competitive Total Rewards

Global Unichip Corporation continually invests and strengthen our system to attract the candidates and retentive internal key talents. Due to the strategy on pay policy and talents development, we did improve the competitiveness and decrease the turnover rate in 2022. By providing attractive total rewards, we mitigated the impact from talent lose to insure the competition of operations.

▼ Number of New Hires



▼ Number of Termination



Provide a Diverse and Competitive Overall Compensation Package

Global Unichip Corporation is committed to creating a diverse, equitable, and inclusive workplace environment with a gender-neutral compensation and incentive system. Additionally, Global Unichip Corporation is committed to caring for its employees and has established a competitive salary policy, with standard salaries for entry-level personnel (starting at the level of engineers with no experience) in all major operating locations being significantly higher than the local statutory minimum salary.

| Strategic Approach | Commitment | KPI | 2022 Goals and Performance | | Medium- and Long-term Goals |
|-------------------------|---|--|--|-----------------------------|--|
| Human Rights Protection | Adhering to the company's human rights policy; eliminating all discrimination, harassment, and bullying; and implementing the Code of Conduct of the Responsible Business Alliance | Course Completion Rate of New Employees | Target: 100% | ✔ Actual: 100% | 2023 : 100% 2024 : 100% 2025 : 100% |
| | | Annual Human Rights Course Completion Rate for All Employees | Target: 100% | ✔ Actual: 100% | 2023 : 100% 2024 : 100% 2025 : 100% |
| | | Human Rights Violation Cases | Target: 0 cases | ✔ Actual: 0 cases | 2023: 0 cases 2024: 0 cases 2025: 0 cases |
| Social Engagement | We are committed to investing in environmental conservation, helping the vulnerable groups, and supporting cultural industries and education so that our whole society can live and work together for good. | Participation in Public Welfare/ Environmental Activities | Target: 2 activities in Q3-Q4 | ✔ Achievement: 3 activities | 2023: 6 times/year 2024: 6 times/year 2025: 6 times/year |
| | | Nurturing Young Students | Target: 20 students | ✔ Actual: 33 students | 2023:25 students 2024:25 students 2025:25 students |
| | | Arts and Culture Promotion | ✘ Planning phase in 2022; implementation slated for 2023 | | 2023: Sponsor at least one arts and culture group 2024: Sponsor at least one arts and culture group 2025: Sponsor at least one arts and culture group |



▼ **Ratio of Standard Salary to Local Minimum Salary for Junior Staff**

| Main Operating Locations | Taiwan | Shanghai | Nanjing | Japan | United States |
|--|----------------|----------------|----------------|----------------|----------------|
| Ratio of standard salary of junior staff to local minimum salary | 1.5 to 3 times | 4.5 to 6 times | 3 to 4.5 times | 1.5 to 3 times | 1.5 to 3 times |

Leave Policy: Provide More PTO Than Industry Average

Global Unichip Corporation cares greatly about employees' health and well-being. GUC develops welfare-related policies based on labor laws and regulations. Moreover, we implement the leave policy which provides more PTO than industry average and labor laws including additional seven (7) days floating leave per year, and fifteen (15) days paid sick leave. Employees can apply for leave of absence in accordance with the law. They may also apply for reduced working hours for childcare to meet their family care needs.

▼ **Leave and Attendance Policy Revised January 2022 Provides More PTO than Industry Average and Labor Laws.**

| Superior to Statutory Leave | Content |
|---|--|
| Floating Leave | Additional 7 days of floating leave throughout the year |
| Sick Leave | 15 days of full-paid sick leave and 15 days of half-paid sick leave throughout the year |
| Maternity Leave | Extension of paid maternity leave from the statutory 8 weeks to 12 weeks |
| Paternity Examination and Paternity Leave | Statutory leave for paternity examination and paternity leave (available within one year from 7 days before receiving Maternal Health Booklet) is extended from 7 days to 10 days. |

Benefit Plan and Pension

The pension for employees includes a defined benefit plan in accordance with the Labor Standards Act of Taiwan and a defined contribution plan in accordance with the Labor Pension Act of Taiwan and local practices overseas. In addition to the pension contributions required by law, the Company also conducts annual actuarial calculations of pension contributions through professional accounting consultants to ensure that the full contribution amount is made, to protect employees' rights and interests when they apply for retirement in the future.

| | | 2022 Pension Provision Status |
|--------------------------|---|---|
| Benefit Plan | <ul style="list-style-type: none"> In Taiwan, according to the Labor Standards Act, pension is calculated based on the average salary of the last six months before retirement, according to the employee's seniority of service. The amount of pension contributions shall be deposited by the Labor Pension Fund Supervisory Committee in the name of the Committee into a special account at the Bank of Taiwan. | <ul style="list-style-type: none"> In Taiwan, Global Unichip Corp. contributes 2% of employees' monthly salary to the employee retirement reserve. In Taiwan, the fair value of Global Unichip Corp. was NT\$50,459,990 in 2022. In accordance with the above regulations, Global Unichip Corp. recognized an expense of NT\$1,151,000 in 2022 and recorded an accrued pension liability of NT\$27,287,000 at the end of 2022 for amounts that are legally required to be provided in the future. |
| Contribution Plan | <ul style="list-style-type: none"> In Taiwan regarding to the Labor Pension Act, pensions are contributed to the individual accounts of the Bureau of Labor Insurance. Global Unichip Corporation also contributes pension that comply with local regulations for employee of overseas subsidiaries. | <ul style="list-style-type: none"> In Taiwan, Global Unichip Corp. contributes 6% of employees' salary to the pension fund. The pension funds contributed by Global Unichip across the world were recognized of NT\$68,207,100 in 2022. |

Benefit Plan Enhancement

| | | |
|-------------------------------------|--|--|
| Enhancement of Benefit Plans | <ul style="list-style-type: none"> Employee Stock Ownership Trust Enhance financial literacy of employees and strengthen financial management knowledge education Group Insurance | <ul style="list-style-type: none"> Since 2011, the Company has launched an employee stock ownership trust stock purchase plan in which employees contribute 8% of their salaries to the Company and 80% of their monthly contributions to purchase the Company's stock. In 2022, the participation rate was 88.1%. Increase employee knowledge of personal financial management by providing relevant resources for counseling and assistance. Enhance the structure and source of retirement funds through group annuity insurance or specific insurance products. |
|-------------------------------------|--|--|



Equal Opportunity Regarding Total Rewards

The Company's compensation and benefits system does not treat employees unfairly based on their gender, religion, race, nationality, or political affiliation. The promotion of employees is based on the academic experience of the personnel required for the job. Starting salaries are the same for both male and female employees in the same position, are subject to annual salary adjustments and promotions based on performance, and are paid accordingly. We provide ample room for the development of talent in the organization. We support female employees to develop their personal expertise and grow continuously.

Total Compensation Ratio of General Manager and Employees

Executive compensation is considered by the Compensation Committee and approved by the Board of Directors in accordance with the spirit of corporate governance. The total compensation of the general manager and the total compensation of the employees and the adjustment multiplier for the past three years are shown in the table below:

| | Increase/decrease in total compensation of General Manager compared to the previous year | Increase/decrease in median total compensation of other employees compared to the previous year | Total compensation multiplier for General Manager and other employees | Adjustment multiplier for General Manager and other employees |
|-------------|--|---|---|---|
| 2020 | -36% | -3% | 6~7 times | 12~13 times |
| 2021 | 22% | 9% | 7~8 times | 2~3 times |
| 2022 | 53% | 16% | 10~11times | 3~4 times |

Note: The lower EPS in 2019 impacted bonuses in 2020. Due to the high correlation between the compensation of the General Manager and the operational performance of the Company, the Company's senior management took the initiative to take on a higher compensation reduction in 2020 compared to 2019. The company's senior management wants to protect the compensation of the junior staff as much as possible, and therefore voluntarily assumed a larger reduction in compensation. The General Manager's compensation increased by nearly the same amount as the staff adjustment after 2020 as a result of the Company's good operating performance.

Newcomer Retention and Care

In order to help new recruits adapt to the working and living environment quickly, the company has developed a mentoring program to provide timely assistance to new recruits and to build new employees' sense of identity and belonging to the company. Satisfaction questionnaires are sent to new employees within 90 days of their arrival, so that they can give immediate feedback on their adaptation status, and the feedback will be provided to the relevant departments for evaluation and improvement.

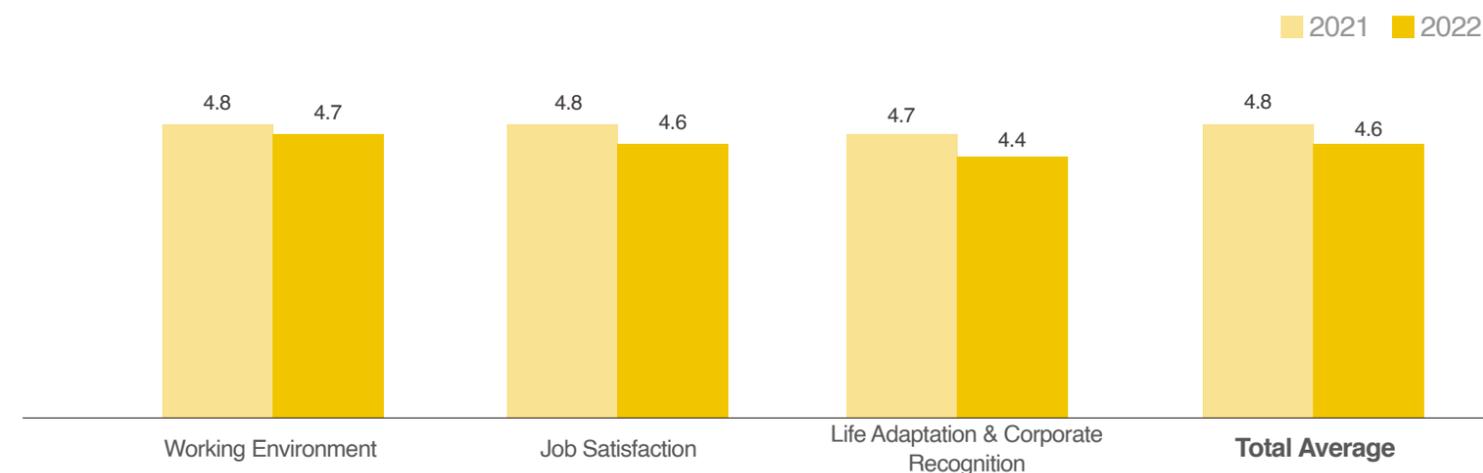
The average score of the overall new employee satisfaction survey in 2022 was 4.6 (out of 5) and the response rate was 82.3%, which was lower than that of 2021. The response rate and score of Q2 2022 were lower because the newcomers' care and assistance were affected by the work from home arrangement during the pandemic.

Newcomer Care Survey

The quarterly survey is based on three major aspects: "working environment" , "job satisfaction" , "life adaptation and corporate recognition" , and is scored out of 5.

▼ Quarterly Status for 2021 and 2022

| Aspect | 2021 | 2022.Q1 | 2022.Q2 | 2022.Q3 | 2022.Q4 | 2022 |
|---|------------|------------|------------|------------|------------|------------|
| Working Environment | 4.8 | 4.6 | 4.5 | 4.7 | 4.8 | 4.7 |
| Job Satisfaction | 4.8 | 4.6 | 4.3 | 4.6 | 4.7 | 4.6 |
| Life adaptation & Corporate Recognition | 4.7 | 4.5 | 4.3 | 4.4 | 4.5 | 4.4 |
| Total average | 4.8 | 4.6 | 4.4 | 4.6 | 4.7 | 4.6 |
| Response rate | 90.9% | 89.8% | 62.5% | 92.3% | 90.2% | 82.3% |





6.2.2 Talent Development and Management

In order to promote the company's sustainable management and growth, Global Unichip Corporation actively cultivates quality talents and skills, and its education and training programs are closely linked to the company's sustainable development strategy. The company has set up a dedicated department to design and provide training and learning resources for employees at all levels and positions, in hopes of becoming a leader in the industry and operating in a sustainable manner. Such training programs are meant to enhance employees' capabilities and advance their careers.



Target

Short-term goals:

- Annual course with training roadmap
- 100% completion rate of annual mandatory courses
- Promote programs that encourage internal sharing

Medium and long-term goals:

- Continuously organize advanced technology forums and related courses to continuously enhance the innovative thinking and market competitiveness of employees
- Develop and implement a potential talent development system
- Continuously refine the professional skills and management capabilities of employees and supervisors to maintain the company's technical and operational leadership
- A learning organization that encourages self-directed learning and open sharing

Actual Achievement

• **Training roadmap**

In 2022, the company has expanded the training roadmap for its employees. The number of classes held was four times that of the previous year (2021), the number of class hours was three times that of the previous year, and the number of training hours for the entire company was 1.7 times that of the previous year, with significant growth in overall class attendance and participation.

• **Annual mandatory training**

In 2022, 100% of employees completed the mandatory courses (Protection of Confidential Information, Integrity and Code of Ethics, Prohibition of Insider Trading, Prevention of Unlawful Infringement, and Code of Conduct for Responsible Business Associations, etc.).

• **Advanced technology forums**

Two advanced technology forums were held in 2022, with a total of 96 participants

• **Internal lecturer to encourage mutual sharing and knowledge transfer**

In 2022, the internal lecturer system was adjusted to encourage and build a knowledgebase through sharing to enhance R&D competitiveness. In 2022, the proportion of in-house lecturers reached 60% of the total number of classes held, and the number of in-house lecturers reached 67, a 1.5 times increase compared to 26 last year. We hope to encourage and maintain a culture of self-learning and willingness to share.

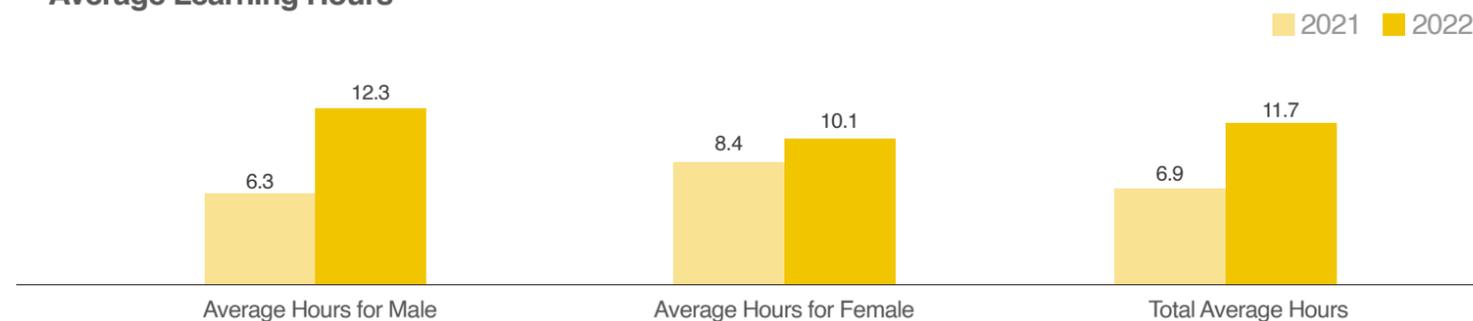


The average number of study hours per colleague in 2022 was 11.7 (up 69% from 6.9 hours last year); additionally, the average number of study hours for male was 12.3 (up 95% from 6.3 hours last year) and for female colleagues was 10.1 (up 20% from 8.4 hours last year).

| 2022 | Male | Female | Total |
|------------------------------|---------|---------|---------|
| Number of employee (A) | 612 | 239 | 851 |
| Total learning hours (B) | 7,548.7 | 2,410.6 | 9,959.3 |
| Average learning hours (B/A) | 12.3 | 10.1 | 11.7 |

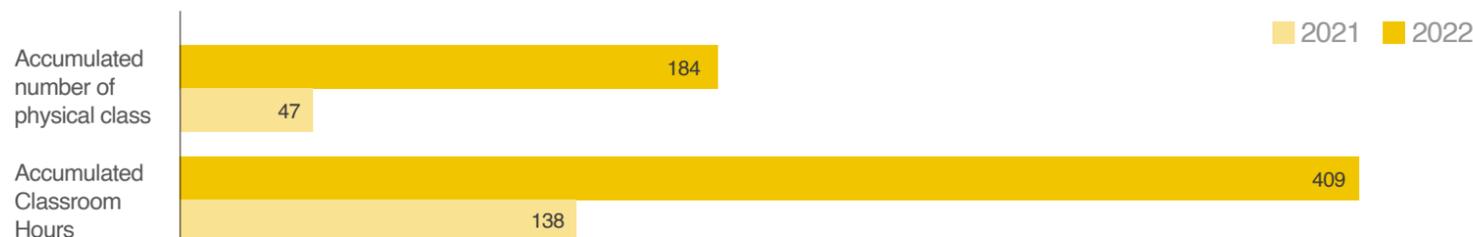
Remark:
1. Annual elearning hours data include physical training, e-Learning, external training; however, other learning methods such as mentorship, job coaching and job rotation...etc. are not included.
2. The allocation of training resources is based on the company's and individual's growth, and is not limited by gender or age differences.

▼ Average Learning Hours



Based on the professional competence inventory, Global Unichip Corporation redesigned the training roadmap for engineers in 2022, developed several professional courses, and refined the course content to shorten the course hours in order to improve the overall training efficiency and quality of engineers.

The number of physical classes in 2022 reached 184, which was nearly three times more than last year (47 classes), and the total number of class hours reached 409, which was nearly two times more than last year (138 hours).



Comprehensive Training and Development Program

Global Unichip Corporation offers a comprehensive training and development program based on a training roadmap for employees at all stages of their career, from new employees to supervisors and non-supervisors. Through "Mentorship", the Internal Lecture Program, and the Technology Forums, a learning environment is achieved through positive interaction and learning among employees.

| Project / The Objects | 2022 Accomplishments |
|---|---|
| New colleagues | <ul style="list-style-type: none"> Mandatory course for newcomers Based on the training roadmap, we defined the common competencies and mandatory courses for new recruits in different units, and provided e-Learning for mandatory independent learning after arrival, with a 100% completion rate of employees worldwide. Newcomer training In order to help newcomers quickly integrate into the company, understand the company's core values and future development, and introduce the rights and responsibilities of employees, a total of 144 employees (in Taiwan) completed newcomer training in 2022. ESG-related courses Training was provided for important issues such as safety and health management, prevention of unlawful infringement, and ethical regulations. The completion rate of training for employees worldwide reached 100%, allowing employees to understand the core values of sustainable corporate management. |
| R&D and engineering colleagues | <ul style="list-style-type: none"> Professional training A professional training roadmap was designed to provide the complete professional knowledge and skills required for the job according to the position, seniority, level, etc. The training rate reached 100%, with a total of 231 participants attended the training. Cross-industry collaboration Global Unichip Corporation cooperated with other EDA tool vendors to enable employees to learn and apply their knowledge in a professional field where technology is constantly evolving, and to enhance their professional capabilities. |



| The Objects | 2022 Accomplishments |
|--------------------------|---|
| Supervisory colleagues | <ul style="list-style-type: none"> Executive leadership forum Incorporating the company's operational objectives each year, a "Customer Relationship Management" was offered in 2022 to learn customer relationship management thinking and strategies to enhance customer trust and all-round service advantages. A total of 71 managers attended the training. Manager development program In response to the remote work arrangements during the pandemic, two courses related to stress and emotion management were offered to strengthen the growth mindset of key management levels teaching them how to think positively and face the high pressure work environment, care for and counsel the staff, so that the team can effectively and positively cope with emotions and stress, while achieving company goals while taking care of each individual's mental health. A total of 48 supervisors attended the training. |
| All colleagues | <ul style="list-style-type: none"> Annual mandatory training The courses included the protection of confidential information, integrity management procedures, ethical regulations, prevention of unlawful infringement, prohibition of insider trading, and the Code of Conduct for Responsible Business Alliance. The completion rate for all employees reached 100%. Advanced technology forum In order to respond to the rapid evolution and development of future technologies and to provide colleagues with more information in real time, we held seminars related to Metaverse and electric vehicles in 2022, with a total of 96 participants. Personal effectiveness and foundational training In order to help employees improve their work performance and enhance their own abilities, we continued to provide a variety of learning and development courses in 2022, including English presentation skills, office skills, financial thinking, emergency care, etc. More than 600 people attended the courses, encouraging employees to participate in a variety of learning courses in accordance with the company's growth direction, organizational needs and personal performance goals. |
| Other learning resources | <ul style="list-style-type: none"> External training In addition to the aforementioned learning resources, we also encourage our employees to learn on their own and attend external training to strengthen their job skills according to their professional fields and job-related needs. Scholarship Global Unichip Corporation has set up scholarships for advanced education, including credit, degree and other scholarships, and degree scholarships, to support colleagues to pursue their degrees, with a total subsidy of NT\$110,000 in 2022. |

▼ Financial forum



▼ Newcomer training



Metoring Program

To ensure that all new employees at GUC can quickly assimilate into the company, become proficient in their job roles as soon as possible, and receive appropriate support and feedback for any questions or concerns, a mentor is assigned to each new hire on their first day. The mentor provides personal or job-related guidance and coaching to help the new employee succeed.

In addition, to foster good interaction and communication between the new hires and their mentors, the company has designed various activities and tasks, including setting shared goals and arranging coffee breaks. This system is intended to help new employees quickly understand their job roles and the work environment, as well as adapt to the company's culture. As of the second half of 2022, this system has successfully helped over 60 new employees assimilate into the company, and the satisfaction rate for the mentorship program has reached 4.8 out of 5.

Internal Lecturer and Technical Forums

Global Unichip Corporation continues to promote the internal lecturer system, encouraging various departments to share their expertise, knowledge, and skills through courses with colleagues within their own or even cross-functional departments. Through the transfer of knowledge, this system enhances the development momentum of the organization.

Through technical forums and workshops, GUC employees are encouraged to learn from successful examples and important project case studies which can directly and effectively help with their profession. The proportion of such



technical-related courses reached 60% of all courses offered in 2022. In addition, the number of internal lecturers has grown 1.5 times from 26 to 67 compared to last year.

Additionally, to show appreciation for the internal lecturer, GUC not only sends electronic thank-you cards but also provides relevant incentives as a way of encouraging them to continue sharing their knowledge and inspiring others, creating a work environment where sharing and learning is encouraged and valued.

Key Talent and Executive Development

To ensure that there are suitable talents and enough successors for critical positions, GUC defines the key positions, identifies talents, evaluates talents, and provides talent development to sustainable management.

GUC identifies and evaluates candidates with development potential for key positions through alignment with senior executives and talent selection tools.

In 2022, we conducted a comprehensive review of its critical position talent pool, achieving a completion rate of 100%, to systematically and thoroughly discuss talent readiness, align with company operations needs, and complete the talent pipeline.

We then planned for the development of key candidates to facilitate their smooth growth and prepare them to take on more critical tasks or positions.

We also designed a cross-departmental coaching mechanism and arranged experienced consultants with rich industrial experience to provide one-on-one mentoring. In 2022, we arranged 22 one-on-one mentoring to guide executives and directors on their professional abilities, management, and leadership skills.



Remote Learning Resources

Global Unichip Corporation offers a variety of diverse physical and online courses. In recent years, in response to the COVID-19 epidemic, a number of courses have been converted to online digital learning in order to allow colleagues to learn without being restricted to physical classrooms. Among them, the mandatory courses for all new hires have achieved a 100% attendance rate.

In addition, the total number of course attendees this year exceeded 5,000, a five-fold increase compared to last year when the system was first launched (where there were only 1,102 attendees), and the pass rate for the courses reached 90%. This demonstrates the high level of enthusiasm for online learning, and we hope that this will enhance the performance and self-worth of each employee.

ESG Workshop

Global Unichip Corporation has organized ESG workshops to promote the concept of sustainability within the company, and in 2022, we invited Prof. Chi-Jui Huang, a consultant from the Center for Corporate Sustainability of National Taipei University and currently a professor in the Department of Finance and Cooperative Management, to deliver a lecture to our company. Focusing on international trends and practical action strategies, the workshop provided guidance on GRI, sustainability classification criteria, and the implementation of international evaluation standards, as well as refined learning on semi-conductor supply chain and quality management action proposals. The program consisted of 91 hours of classroom learning.

Learning makes Global Unichip Corporation better. We expect our employees to enjoy a quality learning experience and to continue to promote their career growth for better development opportunities.

Performance Management and Development

Global Unichip Corporation regularly conducts annual employee performance reviews as an important basis for employee promotions, merit increase and other personnel operations. Each employee, regardless of gender, age, or job grades is required to participate in the annual performance evaluation. Through performance assessment, supervisors and employees jointly review the past goal achievement and provide high recognition and encouragement for excellent performance and guidance for short comings. In addition to the evaluation of work



effectiveness, we place a strong emphasis on developing the potential of our employees and providing them with future prospects, with the aim of effectively guiding them to pursue higher work quality. For this reason, Global Unichip Corporation has implemented the Performance Management and Development (PMD) system. The PMD system is divided into a probationary period for new employees, an annual performance evaluation, and a performance improvement plan based on the development of employees at each stage in the company.

In 2022, 100% of the company's global regular employees who were employed for more than three months received performance evaluations amongst those who underwent the performance improvement plan, there was a 75% pass rate. Additionally, the company's performance evaluation process includes cross-departmental joint reviews to obtain more objective results through multiple channels of feedback and to provide more effective suggestions for personal improvement and guidance for future development. The PMD management system emphasizes sustained interaction and communication, promoting cooperation between supervisors and subordinates. It effectively integrates and enhances the overall performance of individuals and organizations, helping employees achieve their work goals, gain a sense of accomplishment, and feel motivated and enthusiastic about their future development direction!

▼ **The Cycle of the Performance Management and Development System**

| Goal Setting: March | Midterm Realignment: July | Year-end appraisal: November-December |
|--|---|--|
| Assist employees to understand the direction of their work development, evaluate their performance goals and personal development goals, and give advice and experience sharing. | Review the progress of the goal-setting at the beginning of the year, refocus on the direction of the goals for the second half of the period, and we will continue to communicate and provide guidance to improve the effectiveness of employees in achieving their goals. | Evaluate the results of the employee's achievement of the annual goals and give constructive feedback and provide appropriate guidance for future development, while laying the foundation for the establishment of the next year's goals. |

6.2.3 Compensation and Benefits

Comprehensive and Attractive Compensation and Benefits

| Total Rewards Strategy <ul style="list-style-type: none"> Set salary standards with reference to the salary market, the company's operation and organizational structure Participate in regional salary surveys | Salary Increment | Fixed Salary | Profit Sharing / Incentive Bonus |
|--|---|--|---|
| | <ul style="list-style-type: none"> Annual base salary increment Average increase rate of 3% to 7% in 2022. | <ul style="list-style-type: none"> 12 months Base Salary 2 months Holiday Bonus | Profit sharing or Incentive bonuses directly tied to company business result, team performance, and individual outcomes. |
| | Employee Stock Ownership Trust | Other Bonuses | Insurance |
| | The program makes employees to contribute a certain percentage of salary, and Company matches additional contribution to employees personal trust accounts to purchase Company stocks for employee. | <ul style="list-style-type: none"> Patent Award CIS Award Talent Referral Bonus Cash Prize | <ul style="list-style-type: none"> Compulsory Insurance Commercial Insurance Business Travel Insurance |

GUC combines the company's business goals with a competitive and appropriate compensation policy to motivate employees' behavior and performance, attracting and retaining key talents in the fiercely competitive industry, enhancing the competitiveness and strength of the company.

Global Unichip Corporation shares its profits with employees to attract, retain, develop, and motivate top talents. Employee salaries and benefits are not subject to gender, nationality, religion, or any other conditions. The company complies with local labor laws and participates in regional salary surveys to establish appropriate compensation policies. Taking our Taiwan headquarters as an example, our overall compensation policy includes:

- **Fixed Salary:** 12 months base salary and 2 months holiday bonus.
- **Profit Sharing / Incentive Bonus:** Profit sharing or incentive bonuses directly tied to company business result, team performance, and individual outcomes.
- **Employee Stock Ownership Trust :** The program makes employees to contribute a certain percentage of salary to purchase stocks, and the Company pay additional contribution to purchase shares for employee.



The voluntary participation rate in the ESOT program has increased over the past three years, which clearly indicates that employees recognize the company's reward system.

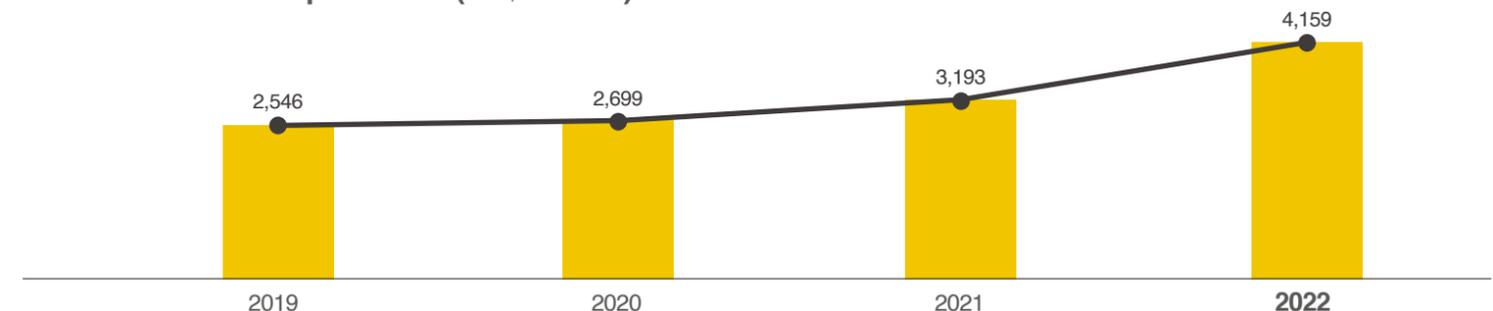
| Year | 2020 | 2021 | 2022 |
|--------------------|-------|-------|--------------|
| Participation Rate | 81.1% | 85.2% | 88.1% |

- **Others Award:** including CIS Award, patent Award, Award referral bonuses, and cash prize.
- **Welfare Committee Benefits:**The Welfare Committee provides birthday vouchers, holiday vouchers, travel subsidies, and wedding/funeral subsidies.
- **Insurance:** In addition to the compulsory insurance, the company offers an employee and employee's family commercial insurance plan that is better than the market standard, and the company fully bears the insurance premiums for employees themselves.
- **Vacation Incentive Bonus :** After the COVID-19 pandemic slows down, the company will provide a vacation incentive policy: a bonus of NTD 5,000 will be given for taking three consecutive days off, and a bonus of NTD 8,000 for taking five consecutive days off, to encourage employees to take more good rests for work-life balance.

In accordance with the regulations of the Taiwan Stock Exchange, the Company is ranked among the top 20 companies in the semiconductor industry (out of 74 total companies in the semiconductor industry) in terms of the number of full-time employees, the average salary, and the median salary of non-executive positions.

| Year | Employee information for non-supervisory positions-employee payroll (in thousands of NT\$) | Full-time employees not in supervisory positions - number of employees - weighted average (persons) | Full-time employee information for non-supervisory positions - Employee salaries - average (in thousands of NT\$ per person) | Full-time employees not in supervisory positions (median salary) (in thousands of NT\$ per person) |
|-------------|--|---|--|--|
| 2019 | 1,200,507 | 565 | 2,125 | 1,756 |
| 2020 | 1,223,705 | 601 | 2,036 | 1,705 |
| 2021 | 1,440,389 | 644 | 2,237 | 1,856 |
| 2022 | 1,748,299 | 646 | 2,706 | 2,163 |

▼ Total Annual Compensation (NT\$ million)



Award Programs

Global Unichip Corporation continues to provide a rich and diverse compensation program that promotes a high level of achievement and a sense of belonging, and a creative and agile corporate culture that encourages employees to enjoy their work and to continue to learn and grow.





Awards

▼ 2022 Results

| 2022 | Patent Bonus | Corporate Transformation Award (Team Awards) | Continuous Improvement Suggestion Award | Senior Service Award |
|-------|--------------|--|---|----------------------|
| Q1 | 35 | 7 | 22 | |
| Q2 | 30 | 0 | 0 | 121 |
| Q3 | 37 | 21 | 5 | |
| Q4 | 61 | 24 | 9 | |
| Total | 163 | 52 | 36 | 121 |

Senior Service Awards

To thank our senior staff for their long-term service contribution and commitment to the company, we regularly hold awards and present staff gifts.



Happy Workplace

Global Unichip Corporation values the work-life balance of its employees and provides a number of benefits to allow employees to have a diverse life experience while working, creating a comfortable working environment where they can work with peace of mind.

Wellness Programs

- Staff Travel:** We provide a high amount of domestic and overseas staff travel subsidies. Not only does the Welfare Committee have a variety of travel itineraries to choose from, but employees can also organize their own groups to plan their favorite itineraries. We hope to bring our employees closer with their families and friends to achieve work-life balance. Although the first half of 2022 was still affected by the epidemic, the number of people who used the travel subsidy reached 559 thanks to the efforts of the Welfare Committee's diversified programs. The participation rate was as high as 75.4%, and the total amount of subsidies was NT\$6,511,541.
- Year-end Banquet:** The physical banquet was cancelled in 2022 due to the pandemic. However, in order to thank all employees for their contributions and efforts, we held the year-end event online instead. The prize-winning rate was 100% and the total cost of the event was approximately NT\$4.5 million.
- Family Movie Day:** GUC cooperates with external cinemas to provide employees the perfect environment to spend quality family time. Films are selected to suit all members. So, aside from the latest motion pictures, family films are also available for those with young children. Two family movie events were held in the year of 2022, with 286 employees and a total of 926 families attending the screening.





- **Diversified Club Activities:** We provide subsidies for employees to encourage their participation and organization in various club activities. At present, there are 10 recreational clubs, including 4 sports-related clubs. All colleagues can exercise their bodies and enhance communication through these activities.



- **Massage Service:** In cooperation with the Blind Massage Association, we provide massage service 2-3 days a week. With the most competitive price, employees can relax with massages while allowing fair work opportunities for those with visual impairment. 345 employees used the service in 2022.

Comfortable Working Environment

- **Movie Ticket Subsidy:** Each year, we provide employees with 12 movie tickets for Vieshow Cinemas at a subsidized price of NT\$100 (originally NT\$240) to promote healthy recreational and artistic activities for employees and to facilitate sharing with family and friends, which is expected to enhance work-life balance. A total of 2,619 employees were subsidized in 2022, for a total subsidy amount of NT\$707,940.
- **Holidays Benefits:** In addition to the holiday and birthday vouchers, considering the work-from-home arrangement due to the pandemic and the decrease in physical activities, the company arranged a warm Mother's Day gift box, a delicious rice dumpling lunch for the Dragon Boat Festival, and initiated a charity event called "One Donation, Double Love" by purchasing products from charitable organizations. This event was a huge success, with 187 employees responding to the call to donate. As the Mid-Autumn Festival approached, the company wanted to provide a unique and meaningful gift to their employees. We invited 14 vendors to submit their proposals, and after a thorough selection process, we chose to give handmade meat jerky gift boxes that were different from previous years.
- **Outdoor Activities:** Trips to Formosan Aboriginal Culture Village in spring and Flying Cow Ranch in autumn were arranged for employees to enjoy nature and relieve stress.

- **Convenience Stores:** Offering products at a 5% discount from the listed price.
- **Designated Store:** In order to provide better discounts and benefits for employees, the Welfare Committee has assisted in contracting designated stores. 510 designated stores were contracted in 2022.
- **Meal Subsidy:** We provide a high daily meal subsidy per person, with a total subsidy of over NT\$20 million in 2022.
- **Employee Cafeteria:** We provide three meals for employees and a variety of dining options, including buffet, noodles, vegetarian food, Chinese and Western-style meals, specialty dishes, famous local foods, and a café bar.

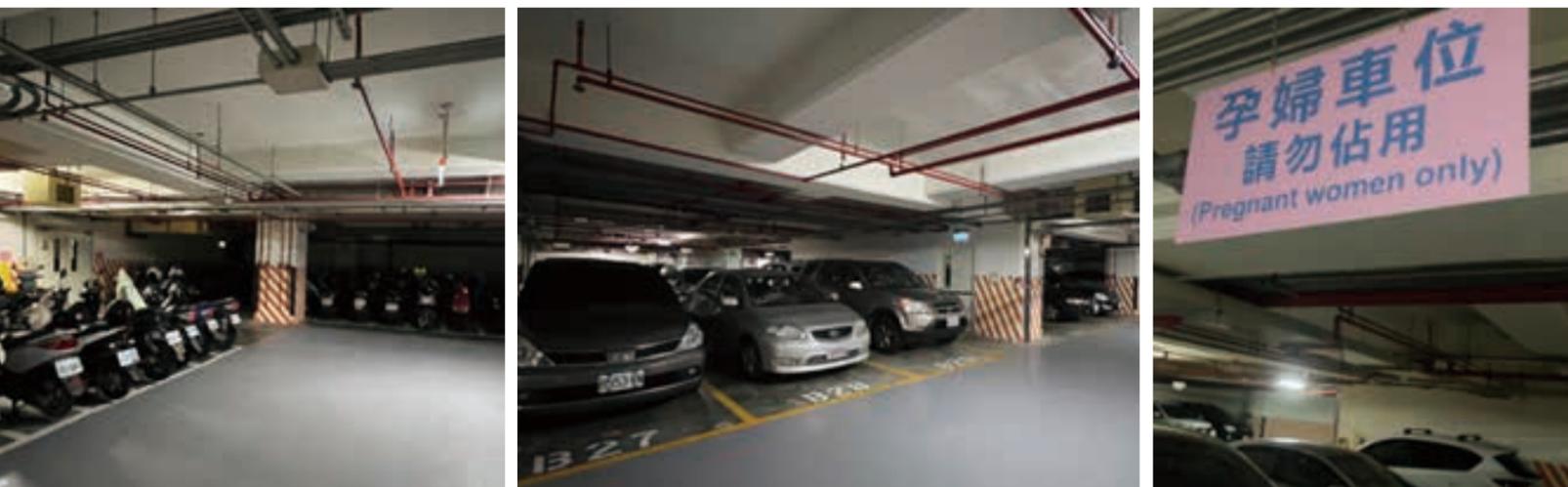




- **Outdoor Basketball Court:** An outdoor basketball court is provided.



- **Indoor Gymnasium:** The company has set up a professional gymnasium with facilities such as basketball machines, television entertainment and table tennis tables.
- **Free Parking Lot:** We provide a spacious parking lot for employees, where all employees can park their cars and motorcycles for free. There is also an exclusive parking space for pregnant women, who can enjoy the parking space closest to the entrance and exit. Additionally, a non-slip floor is laid in the turning area to prevent motorcyclists from slipping when turning downhill in rainy and humid weather. Through careful planning, we provide employees with a convenient and safe parking area.



6.2.4 Occupational Safety and Health

Our company passed the ISO 45001 Occupational Health and Safety Management System verification in 2020, and undergoes external audits every year to ensure the effectiveness of our management system. This benefits 100% of our employees and outsourced contractors in the Taiwan Hsinchu headquarters.

| | 2022 Implementation Status | Short-term Goals for 2023 | Mid-term Goals (1-3 years) | Long-term Goals (3-5 years) | GRI |
|----------------------|---|---|---|--|-----|
| Strategic Objectives | <ul style="list-style-type: none"> • Unit departments and occupational safety units jointly conducted safety and health hazard identification and risk and opportunity assessment. • Conducted new personnel security training with 100% completion rate. • Conducted annual evacuation drills with 98% participation rate. • Continuously implemented ISO45001 occupational safety and health management system, and obtained third party (SGS) certification. • Safety goal: Zero occupational accidents and no tickets. | <ul style="list-style-type: none"> • Continuously assess high-risk hazard operations and implement management programs to reduce their hazards. • Increase the frequency of safety and security training for contractors and employees to strengthen safety awareness. • The feedback of evacuation drill training will be used as a basis for improvement. • Promote health promotion activities and employee assistance programs oriented to the needs of employees, to increase the rate of employee participation and to implement healthy living. • Continuously implement ISO45001 occupational safety and health management system and obtain third-party certification. • Continuous safety goal: Zero occupational accidents and no tickets. • Analyze common health issues among employees, plan health activities targeting the top three issues. Encourage or prioritize the allocation of participation quotas to at-risk groups. | <ul style="list-style-type: none"> • Continuously increase the number of health and safety management improvement programs (1 new program each year) to improve occupational safety and health management. • Continuously increase the frequency of safety and security training for contractors and employees to strengthen safety awareness. • Feedback on evacuation drills from previous years is used to improve measures and revise practices appropriately. • Continue to increase employee participation in health promotion activities and share experiences in ESG reports • Continuously implement ISO45001 occupational safety and health management system and obtain third-party certification. • Continuous safety goal: Zero occupational accidents and no tickets. • Compare the changes in employee health classification in the past three years (2021-2023), and strengthen 100% tracking management of groups with severe abnormalities and mild to moderate abnormalities. • Reduce the number of staff metabolic syndrome abnormalities by 3%. | <ul style="list-style-type: none"> • Continuously promote safety and health management programs and share experiences in ESG reports. • Continuously promote health promotion and implement healthy living. • Continuous safety goal: Zero occupational accidents and no tickets. | 403 |



Internal Management Operations

Global Unichip Corporation is committed to achieving "Injury-free in safety and sustainable environmental development" and becoming a benchmark enterprise in global environmental protection, safety, and health. In 2020, we obtained ISO 45001 certification, and we conduct external audits (SGS) every year to benefit 100% of our employees and outsourced workers in Taiwan, so that the effectiveness of our management system can be verified. In order to create a safe workplace environment, Global Unichip Corporation has been working on workplace safety and health related issues over the long-term. We believe that in order to sustain the vitality of the company, safety and health is as important as economic development, so we have established the Occupational Safety, Health, and Environmental Protection Committee to consider occupational safety and health related issues. The 9th Occupational Safety, Health, and Environmental Protection Committee (see the table below), with more than one-third of the representatives from the labor side, and the representatives of the members and the responsible staff, will implement the safety and health management of the company through an institutionalized, systematic, and top-down safety and health management mechanism.

▼ 9th Safety, Health and Environment Committee Organization

| Member Representatives | Affiliated Units |
|---|---|
| 1 Business owner | General Manager |
| 2 R&D Waste and Laboratory Related Representative Members | R&D Lab |
| 3 Quality Assurance | Quality and Reliability Engineering Division |
| 4 Security Supervisor | Occupational Safety Management Office |
| 5 Security Personnel | Occupational Safety Management Office |
| 6 Staff Representative | Welfare Committee (Candidates selected by staff voting) |
| 7 Staff Representative | Welfare Committee (Candidates selected by staff voting) |
| 8 Staff Representative | Welfare Committee (Candidates selected by staff voting) |
| 9 Health Care Workers | Occupational health nurse |

Occupational Injury or Mishap Handling Incidents

Global Unichip Corporation is a professional IC design service company. None of our employees are engaged in any high-risk activities or have a high incidence of specific diseases. Excluding traffic accidents that occurred outside of the company, Global Unichip Corporation had no cases of injury or disability, no cases of occupational disease, and no cases of death in the line of duty for the entire year of 2022. Regarding traffic accidents outside the company, Global Unichip Corporation holds quarterly meetings of the Occupational Safety, Health, and Environment Committee. During these meetings, we explain the process of the accident, produce a case study, and provide information to employees in order to prevent similar accidents from recurring.

| Year | Occupational Accident (including traffic accidents) | | | | | | Total Sum Injury Index (FSI) | | | Traffic Accident Cases | Occupational Accident Cases |
|-------------|---|----------|-------------|---|----------|----------|------------------------------|----------|-------------|------------------------|-----------------------------|
| | Disabling Injury Frequency (FR) Note 1 | | | Disabling Injury Severity Rate (SR) Note 2 | | | Note 3 | | | | |
| | Male | Female | Total | Male | Female | Total | Male | Female | Total | | |
| 2020 | 3.16 | 0 | 3.16 | 4 | 0 | 4 | 0.11 | 0 | 0.11 | 3 | 1 |
| 2021 | 1.56 | 3.92 | 5.48 | 3 | 9 | 12 | 0.07 | 0.19 | 0.26 | 6 | 1 |
| 2022 | 0.72 | 0 | 0.72 | 1 | 0 | 1 | 0.03 | 0 | 0.03 | 1 | 0 |

Note 1: Frequency of incapacitating injury (FR) = (total number of injury losses × 106) ÷ total experienced hours
 Note 2: Disabling injury severity rate (SR) = (total number of injury loss days × 106) ÷ total number of hours experienced
 Note 3: Total Sum Injury Index (FSI) = √ (Frequency of Incapacitating Injury FR × Severity of Incapacitating Injury SR) ÷ 1000
 Note 4: Total working hours in 2020 = 1,264,240 hours; total working hours in 2021 = 1,275,872 hours; total working hours in 2022 = 1,398,520 hours

Risk and Hazard Assessment for Occupational Safety and Health

The risk and hazard assessment of employee occupational safety and health is conducted annually by the representatives of each unit and the occupational safety unit, and the assessment results are submitted to the senior management review committee and the occupational safety and health committee for review and announced on the company's internal announcement board.

The total number of high-risk hazards (risk level greater than or equal to 4) in 2022 was 2.



Improvement Plan 1: The B1F ice machine room and high voltage substation had no safety guardrail on the upper and lower stairs (risk level 5). Risk improvement was carried out by adding safety guardrails in the form of engineering control, and the risk level was reduced to 2 after improvement.

Improvement Plan 2: Replace the aging safety wall pads of the top floor sports facility with new ones to ensure the safety of employees during their workouts (this is an inter-year plan, the production of safety wall pads is in progress and is expected to be completed in Q1 2023).

After the improvement of the two management programs, we will carry out safety and health change control, conduct pre-test inspection for management units, and inform and educate maintenance personnel. Risk prevention and recurrence prevention will be conducted through risk hazard identification and other related methods in accordance with ISO 45001 management system P-D-C-A.

▼ **Improvement Program One: No Guardrail for Ascending and Descending the Stairs.**



▼ **Improvement Program One: Safety Guardrails Have Been Installed.**



Occupational Safety and Health Worker Training

Global Unichip Corporation provides occupational safety and health education and training to new employees as soon as they are hired in accordance with the Occupational Safety and Health Education and Training Regulations and related regulations. The new employees learn about Global Unichip Corporation's occupational safety regulations and contingency measures in case of a disaster. The Company also holds regular safety and health education courses, fire drills, and first aid courses in Taiwan. Through safety and health education training to strengthen employees' awareness of safety and health, employees can learn the necessary safety knowledge at work. A total of 144 people participated in the training in 2022, which was a 100% participation rate.

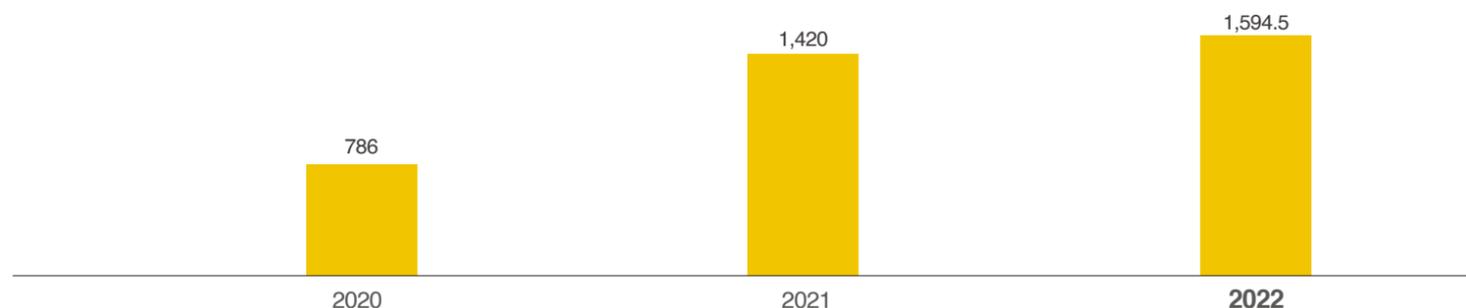
▼ **Global Unichip Corporation's 2022 Occupational Safety and Health Training Program Implementation**

| Employee Category | Training Category | 2022 Training Courses | Number of Participants (persons) | Training Hours (hours) | Total Occupational Safety and Health Training (person*hour) | | |
|--|-------------------|---|----------------------------------|---|---|---|-----|
| New Employees | General Training | Occupational Safety and Health Training for New Employees | 144 | 4 | 576 | | |
| | | Emergency Escape Training | 164 | 1 | 164 | | |
| | | On-the-job Education and Training for Occupational Safety and Health Management Personnel | 1 | 18 | 18 | | |
| | | First Responder In-service Education Training | 6 | 3 | 18 | | |
| | | First Responder Safety and Health Education Training | 2 | 18 | 36 | | |
| | | In-Service Education and Training for Security Council Members | 8 | 1 | 8 | | |
| | | Current Employees | General Training | On-the-job Training for Business Executives at All Levels of Safety | 32 | 2 | 64 |
| | | | | Contractor Safety Duty Training | 7 | 1 | 7 |
| | | | | Self-defense Firefighting Team Training | 46 | 8 | 368 |
| | | | | Civil Defense Corps Year-round Training | 4 | 4 | 16 |
| Contracted Safety and Health Education Training for Leased Factories | 5 | | | 1 | 5 | | |
| | | Unlawful Infringement Policies Training | 629 | 0.5 | 314.5 | | |
| Total | | | 1,048 | | 1594.5 | | |



Looking ahead to 2023, Global Unichip Corporation places great importance on the safety and health of its employees. In order to increase the awareness and attention to safety and health of our employees at all levels, we will continue to implement hazard identification and risk assessment and conduct statutory occupational safety and health related training in 2023 for critical operations or high potential hazards to meet regulatory requirements and achieve a zero-hazard workplace.

▼ 2020-2022 General OSH Training(person*hour)



Total Health Management

Health is the most important cornerstone for every employee. Having a healthy body and mind is the only way to stimulate good work efficiency and innovative thinking. Our comprehensive health management is dedicated to occupational disease prevention, disease risk reduction, and health promotion, and to raise employees' awareness of the pursuit of health.

Our company has no particular hazards in the workplace, so employees can avoid the risks associated with the work environment. In order to continue to build a safe and healthy workplace environment, the Occupational Safety, Health, and Environmental Protection Committee is convened regularly, and in accordance with the Occupational Safety and Health Act and the guidelines published by the Occupational Safety and Health Administration, the "Preventive Plan for Abnormal Workload-Induced Diseases", the "Maternal Health Protection Plan", the "Occupational Musculoskeletal Disorder Prevention Plan", and the "Unlawful Infringement In The Workplace Prevention Plan." were established. Additionally, we conduct hazard identification and assessment to screen potential risk groups. In cooperation with clinical physicians and external resources, we implement corresponding preventive measures:

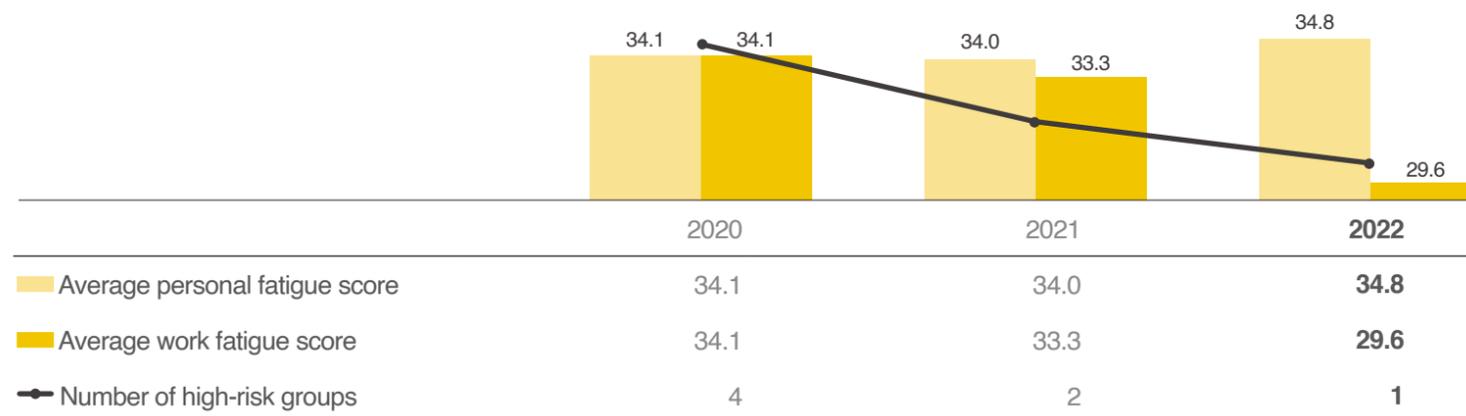
Preventative Plan for Abnormal Workload-Induced Diseases

In accordance with the relevant guidelines published by the Occupational Safety and Health Administration(OSHA), the "Abnormal Workload Disease Prevention Program" was established to ensure the physical and mental health of employees and to achieve the effectiveness of stress management and prevention of abnormal workloads. Through relevant data assessment, we screen high-risk groups for possible disease, actively arrange interviews with doctors and health guidance professionals, and if necessary, adjust/shorten working hours or change work content to reduce risks and remove risk factors.

In 2022, according to employee health examination results, overtime hours, and fatigue scale, a total of 1 group with high risk of abnormal workload and 38 groups with moderate risk were screened for health counseling and related health management activities, including arranging doctor interviews, employee stress relief seminars, and other improvement measures.

During the period from 2020-2022, the overall personal fatigue load rating of employees was low-risk; the average work fatigue load score showed a decreasing trend and was low-risk; the number of high-risk groups also showed a decreasing trend. During the period, 26 interviews were arranged with physicians for medium- and high-risk groups, and health guidance was provided and follow-up cases were received.

▼ Employee Fatigue Scale and High-Risk Group Statistics for 2020-2022





Maternal Health Protection and Management

In accordance with the Occupational Safety and Health Act and the relevant guidelines announced by the Occupational Safety and Health Administration, the "Maternal Health Protection Program" was established to ensure the physical and mental health of pregnant, postpartum, and breastfeeding female workers, and to take necessary measures to achieve the purpose of maternal health protection for workers. The Company has 186 female employees of childbearing age, of which 16 were the main targets of protection in 2022, including 3 pregnant employees and 13 female employees within one year after delivery or breastfeeding.

With health guidance from doctors, we conduct hazard identification and risk classification assessment for female employees during pregnancy and within one year after delivery and make appropriate work arrangements when necessary. Moreover, we provide a spacious and comfortable breastfeeding space and breast milk refrigerator to help postpartum female employees to breastfeed and raise their children while working.

Occupational Musculoskeletal Disorder Prevention Plan

In order to prevent the occurrence of work-related musculoskeletal hazards and injuries caused by long-term exposure to poorly designed work environments, repetitive work, and poor work postures, our company has established a Occupational Musculoskeletal Disorder Prevention Plan and annually evaluates proposals and provides improvement projects in order to create a comfortable and healthy workplace.

The company's operating environment uses keyboards and mice, and is dominated by administrative paperwork, which may cause human engineering hazards due to prolonged sitting, excessive eye use, and incorrect posture. Health and medical advice are given, and professional health consultation and improvement suggestions are provided.

Prevention Plan for Unlawful Infringement of Duty Execution

This program is activated when potential or existing workplace violence is evaluated. This program is designed to protect our employees from harassment, discrimination, and acts of aggression that may cause physical or mental harm. Its purpose is to ensure the safety, physical well-being, and mental health of our employees while they are at



work. In addition to arranging induction training for new employees, all employees and permanent staff (e.g., maintenance and security) in Taiwan underwent on-the-job training on workplace violence at least once a year in 2022. In 2022, the number of trainees was 639 and the completion rate was 100%

Employee Health Promotion and Risk Management

Global Unichip Corp. cares about employees' health and encourages them to pay attention to their own health. In addition to arranging for every employee to complete a physical examination before they are onboarded, we also arrange annual health examinations for employees who have been work for GUC at least 6 months, and the items and frequency of these examinations are superior to current regulations. We also provide the opportunity for employees to follow-up their physical examination and computed tomography (CT) scan for those who have abnormal results after six months, so as to achieve the effectiveness of early diagnosis and treatment and tracking of abnormal cases. 100% of new employees were supposed to be examined during the physical examination in 2022, and 621 employees were supposed to be examined during the general employee health examination (including senior supervisors' health examination), and 612 were examined, representing a 98.55% examination rate.





▼ Employee Physical/health Examination Rate for 2022-2022

| | 2020 | 2021 | 2022 |
|--|--------|--------|--------|
| Medical examination for new recruits | 100% | 100% | 100% |
| Medical examination for general staff (including senior executive medical examination) | 96.92% | 96.82% | 98.55% |

Based on the results of the current year's health examination, the company will analyze the general health problems of employees and conduct health management classification and identification of high-risk groups (high blood pressure, high blood sugar, high cholesterol, metabolic syndrome and smokers). If the doctor determines that a health consultation is needed, professional nursing staff will conduct health follow-up and arrange one-on-one consultation with a doctor to ensure employee health. In 2022, we arrange for 26 high-risk groups to meet with a clinical physician for consultation and follow-up to further safeguard the health of our employees. The consultation service is also open to all employees of the company. Employees do not have to take extra time out of work to have a consultation with a professional doctor to help clarify their health problems and receive health guidance and advice. In 2022, a total of 19 sessions were held, with 152 participants attending the consultation service.

▼ Physician On-site Service Statistics from 2020 to 2022

| | 2020 | 2021 | 2022 |
|--------------------------------------|------|------|------|
| Number of total users | 111 | 49 | 152 |
| Number of physician service sessions | 16 | 9 | 19 |

The company is also committed to promoting the concept of “taking responsibility for one's own health” by encouraging all employees to start their daily lives by developing good eating and exercise habits and paying attention to their health status. A total of 16 health-related activities were held with local medical resources in 2022, with a total of 419 participants. Activities included one-on-one health consultation vaccinations, blood donations, CPR and AED training courses, and other topics. From time to time, we provide health education according to current events, so that employees can understand the correct health knowledge and create a workplace environment that supports health. We have also successfully obtained the Healthy Workplace Certification Mark issued by the National Health Service.



▼ Health-related Activities Statistics 2020-2022

| | 2020 | 2021 | 2022 |
|------------------------|------|------|------|
| Activity sessions | 15 | 10 | 16 |
| Number of participants | 623 | 372 | 419 |



COVID-19 Prevention and Response Measures

In response to the global COVID-19 pandemic, our company has established an ongoing operations unit to continuously update pandemic prevention and response measures with policies to help our employees face the impact of the COVID-19 pandemic on the workplace environment and daily life more comfortably. In order to strengthen the ability of our employees to respond to various emergency situations of COVID-19, we have planned out the distribution of responsibility towards pandemic prevention measures, pandemic prevention, and response manpower, and determined the correct handling procedures to ensure effective pandemic prevention and control actions without impacting the normal operation of the company.

Deployment Measures and Risk Management for the Coronavirus Disease (COVID-19) Outbreak in 2022

| Situation | Countermeasures | Strain Organization |
|-----------------------------------|---|--|
| Pandemic Prevention Phase | <ul style="list-style-type: none"> Implementation of health management for individuals and workplaces Each floor is equipped with additional temperature guns to provide colleague measurement Autonomous online temperature registration by colleagues Colleague health monitoring management Coordinate with CDC to promote travel alert areas | Outbreak Prevention Phase Organization - Outbreak Decision Group |
| Preparation for a Severe Outbreak | <ul style="list-style-type: none"> Guests/visitors are required to fill out a health/travel declaration and wear a mask Use 1:100 concentration of bleach to make disinfectant water to strengthen the clean environment, and outsource the disinfection of the whole office environment on a regular basis. Communicate regularly with all employees about the disease prevention plan and the latest outbreak information Promote the concept and knowledge of disease prevention, such as cough etiquette and hand hygiene Provide vaccination items, such as alcohol-based dry hand sanitizer, masks, etc. | Preparation for a Severe Outbreak Organizations - Emergency Response Organizations |

EAP Employee Assistance Program

Global Unichip Corporation is concerned about the balance of employees' physical and mental health and has entrusted an external professional organization to handle the Employee Assistance Program (EAP). In 2022, the number of free individual counseling sessions for employees increased from 2 to 4 times per year, covering topics such as workplace, family, interpersonal relationships, gender, and physical and mental stress. In order to protect the privacy of employees, the relevant service staff abide by professional ethics and strictly confidential counseling contents in accordance with legal regulations, and will not disclose any employee's personal information without their written consent.

In order to increase the utilization rate of our staff, in 2022, we included an orientation video in the training course for new staff. Additionally, we regularly publish 13 articles such as recommended spiritual growth books, movie recommendations, spiritual tips, and mindfulness newsletters, and we also print small cards to help employees better understand the contents of this program and increase the usage rate. In 2022, the utilization rate of the Employee Assistance Program was 4.9%, up 2.76% from 2.14% in 2021.



Control Measures for Visitors, Guests, Vendors, Interviewers and Other Outside Personnel

1. External personnel control measures are adjusted on a rolling basis according to the level of the outbreak announced by the CDC.
2. The company has purchased non-contact infrared temperature measurement instruments and placed them in the lobby to measure visitors' body temperature to avoid contact with counter staff and reduce the risk of infection.
3. If an external individual (hereinafter referred to the individual) has symptoms similar to those of COVID-19, they will be asked to comply with the following procedure:
 - The company requests that the individual wear a mask and wait in the lobby.
 - Notify the employee that the individual is here to meet, and ask the employee to refer the individual to the pandemic control unit. Tell the individual that they are required to leave and are not permitted to enter the company's building.

Provision of Pandemic Prevention Supplies

In order to reduce the risk of employees being infected with diseases or forming a chain of transmission in the workplace, we provide sufficient quantities of epidemic prevention and hygiene materials. Each office floor is equipped with dry hand washing machines and temperature measuring devices (forehead/ear temperature guns) so that employees can disinfect their hands and confirm their current temperature status at any time. Additionally, we have travel kits, protective clothing sets, protective masks, and COVID-19 rapid antigen test kits, and provide employees with access to them when necessary. We continue to ensure that the quantity of medical masks in stock is sufficient for emergency use; the inventory of all other pandemic prevention items ensures that they can be used for six months by employees who need them.

Strengthen the Knowledge of Epidemic Prevention

In response to the continuous changes in the domestic and international pandemic conditions, we share the latest current events to enhance immunity, information on COVID-19 vaccine, vaccination precautions, disinfection measures for returning home, and proposals for pandemic prevention, providing employees with new knowledge and practical information from the physical and mental aspects.

6.2.5 Talent Diversity and Inclusion

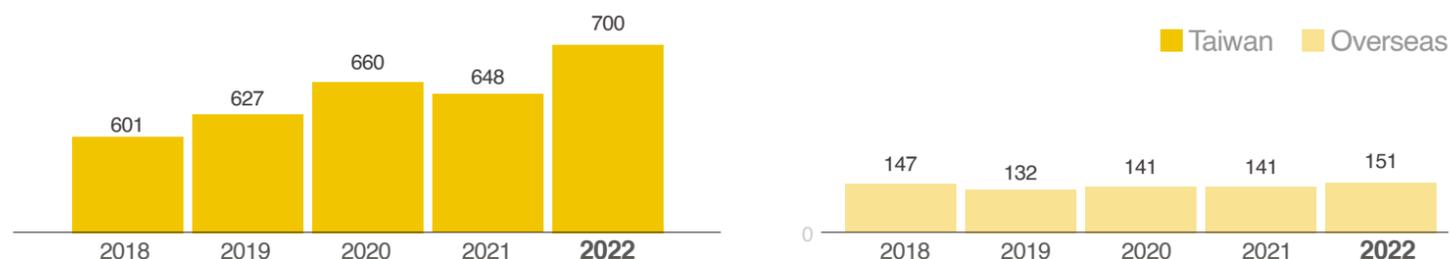
GUC prioritizes R&D and design services as a key development strategy. Therefore, we actively deploy global talents and adopt diversified talent recruitment strategies to efficiently serve global customers. We aim for steady operations, strengthening the resilience of human capital. As of the end of 2022, GUC had a total of 851 employees worldwide, with overseas operations in North America, Europe, Japan, mainland China and South Korea, accounting for 17% of our total global workforce.





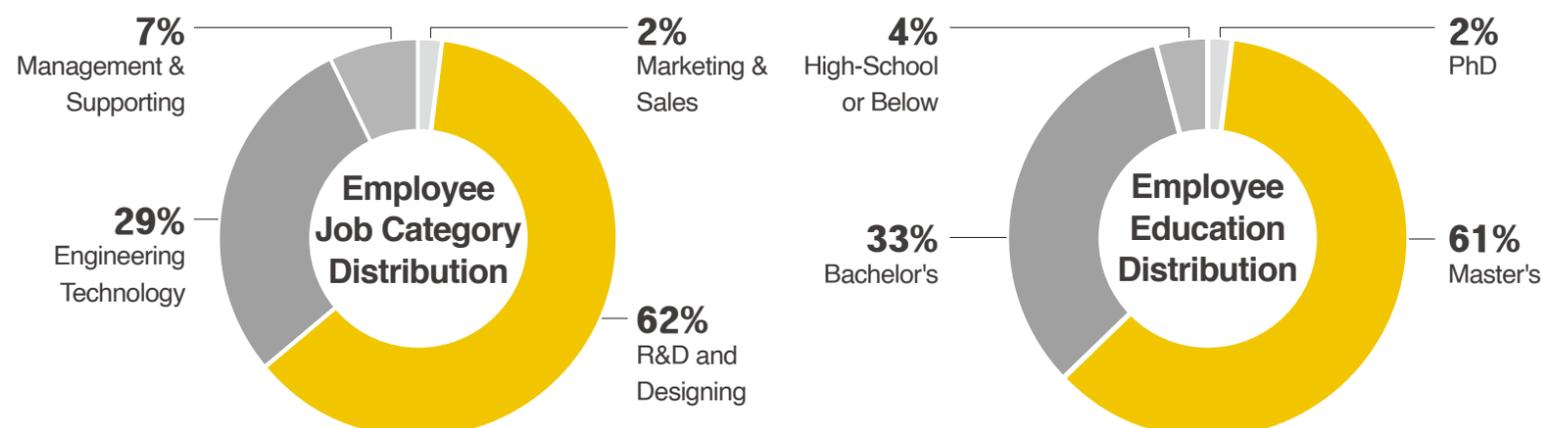
In terms of global talent management, GUC actively hires local talents as senior executives, and adopts a global localization mindset to achieve sustainable development in talent management and operations. As of the end of 2022, the senior executives who actually manage the main overseas operation centers were all hired from local talent.

In addition to facing the impact of external competition in the talent market, GUC takes the strategy of strengthening employer brand and thickening R&D capabilities to align with operational needs. The number of GUC employees has been steadily increasing in recent years along with the steady growth of operations.

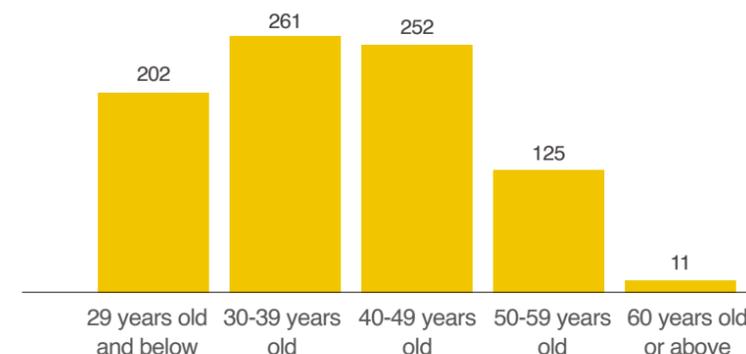


Human Resource Structure

As of the end of 2022, the total number of employees in GUC was 851, which increased by 54 from the previous year, representing a growth of approximately 6.8%. Following the company's overall operational strategy for stable development of human resources, GUC promotes innovative services and outcomes with high-quality R&D and engineering talents. R&D and engineering talents account for approximately 90% of the total number of employees, and among them, the majority (over 60%) hold a master's degree or above.



In terms of employee age distribution, GUC has a workforce dominated by young and middle-aged workers aged 30-49, with 25-54 year-olds accounting for 88.9% of employees. This helps to avoid the problem of an aging workforce in key operational locations. In addition, GUC also accommodates both young and experienced employees, creating a resilient human resource structure.



| Employment Type | | Permanent Employment | Temporary Employment | Full-time Employees | Part-Time Employees |
|-----------------|---------------|----------------------|----------------------|---------------------|---------------------|
| Region | Gender | | | | |
| Taiwan | Male | 489 | 4 | 493 | 1 |
| | Female | 199 | 5 | 205 | 1 |
| Asia | Male | 94 | 6 | 100 | 0 |
| | Female | 28 | 1 | 29 | 0 |
| North America | Male | 16 | 0 | 16 | 0 |
| | Female | 2 | 0 | 2 | 0 |
| Other | Male | 3 | 0 | 2 | 0 |
| | Female | 3 | 1 | 2 | 0 |
| Total | Male | 602 | 10 | 611 | 1 |
| | Female | 232 | 7 | 238 | 1 |

Furthermore, GUC also utilizes different types of employment contracts to support the company's operations. GUC considers employee rights and has not hired any employees without guaranteed working hours. The composition of employees varies according to the type of employment contract, as shown in the table above.

GUC primarily employs full-time and permanent employees in its labor relations. Temporary employees are mainly hired through internship programs in cooperation with universities. The purpose is to cultivate talent and deepen industry-academia cooperation. The students are hired on a full-time basis with fixed-term contracts as a principle. After leaving campus, GUC establishes a permanent employment relationship based on mutual willingness. However, in response to temporary business needs, a very small number of temporary employees are also retained. In 2022, GUC experienced stable growth and did not have a significant fluctuation in employee numbers during the reported year.



In addition to regular employees under the definition of labor relations, GUC also has three technical interns who are learning based on technical principles. Technical interns receive training from GUC and have practical results. Other non-regular workers are employees dispatched by vendors to provide services at GUC (14 cleaning workers, 4 security workers, and 5 equipment maintenance workers). The number of non-regular workers has not shown significant fluctuations in the past three years of reporting.

Human Resource Diversification

GUC promotes employment opportunities and advocates for no unequal working conditions or treatment based on personal characteristics unrelated to employment such as nationality, gender, and age. In 2022, among the newly recruited employees of GUC, the proportion of female employees in the R&D and engineering technology categories was 25.7%, which was slightly higher than the proportion of women graduating from science, technology, engineering, and mathematics fields in higher education in the main operating location - Taiwan (25.6%).

| Sample | New Employees | | Departing Employees | | |
|--------|--------------------|------------|---------------------|------------|-------|
| | Total | Percentage | Total | Percentage | |
| Gender | Male | 112 | 69.8% | 83 | 78.3% |
| | Female | 48 | 30.2% | 23 | 21.7% |
| Age | Under 30 years old | 91 | 57.2% | 31 | 29.2% |
| | 30-50 years old | 65 | 40.3% | 61 | 57.5% |
| | Over 50 years old | 4 | 2.5% | 14 | 13.2% |
| Region | Taiwan | 116 | 73.0% | 81 | 76.4% |
| | Mainland China | 33 | 20.8% | 20 | 18.9% |
| | Japan | 7 | 3.8% | 1 | 1.0% |
| | Other | 4 | 2.5% | 4 | 2.5% |

Note: The basis of calculation is based on the statistics as of the last business day of 2022.

The talent diversification policy of GUC aims to provide decent work and a workplace that is equitable and humane. In addition to ensuring equal pay for work of equal value between genders (refer to section 6.2.1 Diversity Talent and Competitive Total Rewards), GUC is committed to providing female employees with ample development opportunities. Goals for the proportion of female employees, female technical employee, and female managers have been established to gradually implement diversified talent development.

| 2021 Results | 2022 Results | 2030 Target |
|---|---|--|
| <ul style="list-style-type: none"> Female employees accounted for 27.01 percent of total employees Female technical employees accounted for 21.13 percent of total technical employees Female managers accounted for 13.83 percent of total executives | <ul style="list-style-type: none"> Female employees accounted for 28.08 percent of total employees Female technical employees accounted for 22.18 percent of total technical employees Female managers accounted for 13.83 percent of total executives | <ul style="list-style-type: none"> Female employees account for 30.00% of the total number of employees Female technical employees account for 24.00% of the total number of technical employees Female managers account for 14.50% of the total number of executives |

To effectively create a diverse and inclusive workplace, GUC is also committed to building a friendly workplace and treating diverse talents with equality and openness. Among them, colleagues with childcare needs are entitled to Unpaid Parental Leave for Raising Children in accordance with local laws and regulations. The rate of returning to work after maternity leave is 100.0%, which is higher than the data from the authority (Taiwan) of the main operating base, which is 79.0%.

| Item | Male | Female | Total |
|--|------|--------|-------|
| Application for Unpaid Parental Leave for Raising Children | 2 | 2 | 4 |
| Reinstatement After Unpaid Parental Leave for Raising Children | 2 | 2 | 4 |
| Rate of reinstatement after Unpaid Parental Leave for Raising Children | 100% | 100% | 100% |

Based on the above description, although GUC may not have achieved significant results in terms of gender ratio due to the characteristics of the industry, it is still committed to improving equal opportunities for female workers in the workplace. The proportion of female managers at all levels is about 13.83%. In addition to gender, positive actions can be seen in various chapters regarding the attraction, retention, care, and rights of diverse talents.

Facing operational impacts such as labor contract termination due to changes in operations, etc., the internal rules and regulations of GUC comply with local laws to reduce the negative impact on the company's operations and internal and external stakeholders.

GUC did not experience the aforementioned situations in the fiscal year 2022.



6.3 Human Rights Protection

6.3.1 Human Rights Concerns and Due Diligence

Global Unichip Corporation supports the United Nations Universal Declaration of Human Rights (UDHR) and related international respect for human rights. The company has established a Human Rights Policy as its highest guiding principle of human rights governance, and has adopted an action plan consistent with the Responsible Business Alliance (RBA). We also adhere to the laws and regulations of each of our global operations, ensuring that each employee is treated fairly and with respect. In 2023, we will also plan to conduct human rights due diligence and continue to focus on human rights issues and make adjustments and improvements.

▼ Human Rights Concerns and Practices for 2022

| Topics | Goals and Actions | Management and Mitigation Measures |
|--|--|--|
| Provide a safe and healthy working environment with zero harassment | <ul style="list-style-type: none"> • Create an inclusive workplace environment • Continuously revise the occupational safety and health related regulations • Set up employee grievance (whistleblowing) mailbox | <ul style="list-style-type: none"> • Training and awareness-raising on the prevention of unlawful infringement • Provide EAP employee assistance program so that employees can have professional counseling • Provide physician consultation services and employ dedicated professional nurses to provide services to employees |
| Diverse hiring and anti-discrimination | <ul style="list-style-type: none"> • Develop a policy of diversity and inclusion • Respect for employees of different cultures and religion | <ul style="list-style-type: none"> • Provide employees with the right to choose from a number of options, respecting the food and culture of foreign employees • For those who have a vegetarian diet due to their beliefs or preferences, we provide a variety of meal options in the employee cafeteria and during events. |
| Prohibition of forced labor and child labor | <ul style="list-style-type: none"> • Comply with RBA's Free Choice Employment related regulations • Never employ involuntary workers or persons under the age of 18, and fully explain the rights and obligations of the employed party and the benefits through the employment offer, in order to maintain an equal and transparent employment relationship | <ul style="list-style-type: none"> • Ask potential applicants about their willingness to work during interviews. • Applicants must provide proof of identity at the time of on-boarding. |
| Working hours management | <ul style="list-style-type: none"> • Avoid an abnormal work load for employees • Comply with the regulations on working hours • Work-life balance | <ul style="list-style-type: none"> • Monthly statistics on attendance and overtime work are regularly reported at the supervisors' meeting, and the supervisors of overtime workers are requested to take necessary improvement measures. • Ensure reasonable manpower planning, work hour control, and leave scheduling. • For employees who work overtime, we provide overtime pay or compensatory time off in accordance with laws and regulations, and provide physician consultation services to avoid excessive workload. • To encourage employees to take leave to achieve work-life balance, we provide short-term vacation incentives to encourage employees to take leave by offering a cash incentive of NT\$5,000 for taking three consecutive days off and NT\$8,000 for taking five consecutive days off, which can be accumulated and applied repeatedly. |
| Gender equality and care | <ul style="list-style-type: none"> • Building a friendly and equal workplace • Make the workplace a reassuring environment for employees to have children | <ul style="list-style-type: none"> • Provide a comfortable breastfeeding room for female employees • Increase pregnancy checkup leave from 5 days to 7 days in response to the regulatory adjustment • Provide paternity examination and paternity leave options that are longer than the statutory requirement, from 5 days to 10 days • Provide maternity leave that is better than the statutory requirement, from 8 weeks to 12 weeks |



6.3.2 Employee Rights and Communication

Global Unichip Corporation values the opinions and rights of its employees and has implemented a positive two-way communication mechanism. Employees can express their opinions through multiple communication channels. There is a grievance and whistleblowing mailbox, which is handled by a dedicated department and measures are in place to protect both the information of the complainant and the person who handled the complaint from being affected by the complaint.

In 2022, the Company had no complaints of unlawful infringement, sexual harassment, or harm to employees' rights. For complaints in 2022, please refer to section 4.7.3 Social Risk Assessment (Anti-Corruption).

Global Unichip Corp. Communication Channels Structure

| Communication Channels | Communication Frequency /Handling Method | 2022 Implementation Status |
|---|--|--|
| Face to Face Communication <ul style="list-style-type: none"> Town Hall Meeting Labor-Management meeting Welfare Committee Meeting Department Meetings and Events | <ul style="list-style-type: none"> Quarterly Quarterly Regular and ad Hoc Meetings Irregularly | <ul style="list-style-type: none"> A total of 4 Town Hall Meeting were held (due to the pandemic, only a limited number of people could attend in-person) <ul style="list-style-type: none"> - Q1: 263 attendees + 68 watched the video - Q2: 110 attendees + 104 watched the video - Q3: 97 attendees + 146 watched the video - Q4: 105 attendees + 72 watched the video |
| Internal Survey <ul style="list-style-type: none"> Employee Engagement Survey Human Resources Services Event Satisfaction Survey New Employee Satisfaction Survey | <ul style="list-style-type: none"> Annually Irregularly Irregularly Quarterly | <ul style="list-style-type: none"> A total of 4 Labor-Management meeting were held, and there were no major issues <ul style="list-style-type: none"> - Q1: 100% Attendance - Q2: 100% Attendance - Q3: 100% Attendance - Q4: 90% Attendance |
| Features Mailbox <ul style="list-style-type: none"> Grievance & Whistleblowing Mailbox <ul style="list-style-type: none"> - Whistleblowing on Ethics Violation - Personal Information Protection (PIP) - Performance Management and Development (PMD) - Unlawful Infringement Grievance - Major Employee Grievance Employee Services Mailbox | <p>When a whistleblowing case is received, it is handled by the responsible unit and tracked, and measures are put in place to protect the aggrieved and the other involved parties.</p> | <ul style="list-style-type: none"> A total of 6 Welfare Committee Meetings were held, and the attendance rate was 100% The average Newcomer Care Survey score was 4.6 (out of 5) 593 employees responded to the Employee Engagement Survey. In Taiwan, the response rate was 69.58%. and the satisfaction score was 4.74 (out of 6) |
| External Assistance <ul style="list-style-type: none"> EAP Direct Line | <ul style="list-style-type: none"> Irregularly Employee assistance provided by the dedicated external company | <ul style="list-style-type: none"> Please see section 4.7.3 "Social risk Assessment (Anti-Corruption)" for an explanation of the grievance (whistleblowing) mailbox EAP Usage Rate: 4.9% |

6.4 Social Engagement

6.4.1 Charity Activities

Global Unichip Corporation established a volunteer club in May 2022 and has been actively promoting environmental protection and caring for vulnerable groups since its inception, as well as launching a long-term internal food drive to benefit the ANDREW Charity Association. Not only do our employees enthusiastically participate, but their families and friends are also actively involved, allowing the seed of social sustainability to take root down to the next generation.



Global Unichip Corporation continues to hold blood donation activities every year and cooperates with the Hsinchu Visual Impairment Welfare Association to provide visually impaired massage services to employees so that our welfare measures can be integrated with public welfare. In response to the outbreak of the pandemic, in addition to meeting the needs of employees for pandemic prevention, we have also taken the initiative to provide pandemic prevention supplies to Ukraine, realizing the spirit of global good.

Holiday Gift Sharing

During the Dragon Boat Festival, employees were given the freedom to choose whether or not to transfer the budget for purchasing rice dumplings to purchase gift boxes for vulnerable groups. Allowing one festival to benefit two futures. A total of 187 employees participated in the food drive.



Blood Donation Event

We invite mobile blood donation units to our company and invite all employees to respond together to spread the love and donate blood to those who may be in need. In 2022, a total of 47 people participated and 72 bags of blood were collected.





Donation of Pandemic Prevention

In March 2022, we donated 20,000 masks to the Ministry of Foreign Affairs in response to the Ministry's campaign to collect donations to help the victims in Ukraine, in the hope of sending the love of Global Unichip Corp.



Massage Service Provided by The Therapists with Visual Impairment

In cooperation with the Hsinchu Visual Impairment Welfare Association, we provided job opportunities for people with visual impairments and provided massage services to our employees. 345 employees used this service in 2022, generating 198 working hours and NT\$170,400 in earnings for the masseuses.



Second-hand Charity Sale

We invited employees to donate used items for a charity sale. In addition to helping the environment, a total of \$103,790 was donated to St. Francis Home for Girls for the renovation of the residents' homes.



Food Donation

After the establishment of the volunteer club, we encouraged our colleagues to contribute food donations and made regular monthly donations to the ANDREW Charity Association, with the first donation was completed in December 2022.



Beach Cleanup Activity

In September, a beach cleanup event was held at Nanliao Happy Beach in Hsinchu. 40 employees, family and friends attended and removed a total of 166 kg of ocean debris.





6.4.2 Responsible Investment

In response to climate change and the international trend of sustainability, the government initiated its "Green Finance Action Plan 2.0". Bank SinoPac responded by launching a green deposit program in April 2022, and is actively developing various green financial products. Global Unichip Corporation has also taken the lead in responding to this trend with a deposit amount of NT\$200 million. The funds will be used to support green lending projects such as green building, renewable energy loans and pollution control industry.



Global Unichip Corporation supports the United Nations Sustainable Development Goals (SDGs) and continues to focus on green finance and industry-related issues. Not only has it planned short-, medium- and long-term implementation plans for the 2050 net-zero emissions target, but it also encourages colleagues to actively participate in socially responsible activities. In April 2022, we became the first green deposit holder of Mega Bank by depositing NT\$70 million, which is a practical action to support green finance and realize the concept of using what we get from society.

Global Unichip Corporation not only issues annual sustainability reports verified by third parties, but also actively promotes the verification of greenhouse gas emissions (ISO 14064-1). In terms of supplier management, Global Unichip Corporation is a member of the Responsible Business Alliance (RBA) and has planned short-, medium-, and long-term implementation plans for the 2050 net zero emissions target.

The main reason for partnering with Mega Bank and SinoPac is that green and sustainable fixed deposits combine the two ESG features of green and social benefits, using the funds deposited by customers as a source of funding for green loans and sustainable linked loans. In other words, corporate customers use their deposits to support stores or companies that are willing to invest in ESG development. This is in line with Global Unichip Corporation's philosophy of sustainable innovation and echoes SDGs Goal 17, "Creating a Sustainable Future with Diverse Partners" .

6.4.3 Promote the Concept of Social Cohesion

GUC actively participates in and is committed to engaging in collaboration between industry and academia, as well as cultivating talent in higher education. We consider universities to be important partners and provide funding to support university laboratories through industry-academia partnerships. We encourage research in silicon intellectual property design-related technologies and increase students' practical experience to bridge the gap between theory and practice. The partners include National Taiwan University, National Yang Ming Chiao Tung University, National Tsing Hua University, National Cheng Kung University, National Central University, National Chung Cheng University, National Chiayi University, National Kaohsiung University of Science and Technology, National Formosa University, Harbin University of Science and Technology, Jimei University, Guilin University of Electronic Technology. This not only allows students to learn both theory and practice but also cultivates the talents that the country and enterprises will need in the future, providing students with direct employment opportunities in the future.

Since 2021, GUC has allocated 2 million dollars each year for three consecutive years to collaborate with the Institute of Electronics and the College of Artificial Intelligence at National Yang Ming Chiao Tung University. The collaboration focuses on research in algorithms of thermal monitor and process monitor system, analog-to-digital converters and



ESD protection circuits. A total of four professors and their laboratory students participated in up to six collaborative projects. This collaboration aims to promote technological development and talent cultivation, achieving a win-win-win situation for talent, schools, and enterprises.

Global Unichip Corporation is also concerned about the training of chip design talents. In addition to the regular annual industry-academia collaboration programs, Global Unichip Corporation has also partnered with TSMC University Shuttle Program and Taiwan Semiconductor Research Institute (TSRI) to establish an advanced process wafer design environment. The program provides opportunities for the academia to design and implement wafers, and provides extensive industry experience to assist the academia in the complex tape-out process. This program effectively connects industry, government, and academia, allowing top university professors and graduate students to share advanced semiconductor technologies and stimulate innovation in academia.

▼ Global Unichip Corporation Educational Partnership Description

| Description | Subject | 2022 Outcomes |
|--|---|--|
| <p>Knowledge Sharing</p> <ul style="list-style-type: none"> Collaborate with employees and universities to conduct technical seminars. Participate in the Campus Career Fair to share career experiences in the industry. | <p>The main partner schools include:</p> <ul style="list-style-type: none"> ✔ National Taiwan University ✔ National Yang Ming Chiao Tung University ✔ National Tsing Hua University ✔ National Cheng Kung University ✔ National Central University ✔ National Chung Cheng University ✔ National Chiayi University ✔ National Kaohsiung University of Science and Technology ✔ National Formosa University ✔ Harbin University of Science and Technology ✔ Jimei University ✔ Guilin University of Electronic Technology | <ul style="list-style-type: none"> Global Unichip Corp. has invested more than NT\$10 million in the development of industry-academia collaboration. Conducted and completed 4 research projects with National Taiwan University, Yang Ming Chiao Tung University and National Cheng Kung University, and obtained patents or related research results. Over 570 students participated in the industry-academia partnership program. 33 internship opportunities were available for students from universities and colleges. |
| <p>Case Studies</p> <ul style="list-style-type: none"> Combined with the campus research program to deep R&D's capabilities | | |
| <p>Internship Programs</p> <ul style="list-style-type: none"> Provide technical training and educational visits to partner schools. Provide summer internship programs for higher education students. We provide a complete training program to develop graduate ready capabilities. | | |
| <p>TSMC University Partnership Program (comingsoon)</p> <ul style="list-style-type: none"> We will jointly implement a university collaboration program to provide a R&D platform for graduate students to demonstrate innovation in different end product applications and to collaborate in nurturing new generation semiconductor talents. | | |

▼ Global Unichip Corporation Joins TSMC University Shuttle Program



Global Unichip Corporation is committed to a sustainable vision for a better society, and will continue to focus on social issues with its "ESG Policy". In 2022, we established a volunteer club to provide services in the areas of "environmental conservation" and "care for vulnerable groups". Additionally, we continued to invest resources in nurturing local students and provide schools with industry-academia cooperation to create socially beneficial values through concrete actions.

Global Unichip Corporation invests NT\$2.4 million per year to enhance industrial technology and related education systems in cooperation with National Taiwan University, National Yang Ming Chiao Tung University, and National Cheng Kung University's Institute of Electrical and Electronics Research. The research projects include machine learning and multiple supply voltage island (MSV) low power design technology. Global Unichip Corporation is also contributing to the semiconductor industry by echoing the SDG 9 initiative.

| Partnerships | Amount | Cooperation Period | Contract Name |
|---|-----------|-----------------------|---|
| National Taiwan University | 1,600,000 | 06/01/2021-05/31/2023 | Register Clustering at Advanced Technology Nodes |
| National Yang Ming Chiao Tung University Professor Chao, Mango Chia-Tso | 1,600,000 | 04/01/2021-03/31/2023 | Machine Learning Techniques for Predicting Routing Hot Spots with Layout-Pattern Images |
| National Cheng Kung University | 2,400,000 | 08/01/2021-07/31/2024 | An IR-drop aware cell placement methodology in multiple supply voltage island designs |

GUC is aware of the shortage of resources in domestic arts and cultural groups, and aims to support the domestic cultural industry using our own resources. We are currently evaluating and planning to invest in cultural activities starting in 2023, and we will continue to support education to cultivate excellent domestic technology talents.

Index of Sustainability Indicators

GRI 2021

Appendix 1: International Sustainability Disclosure Framework Comparison Table - Global Sustainability Report (GRI)

| | |
|-----------------------------------|---|
| Usage Statement | Global Unichip Corporation has followed the GRI guidelines for the period January 1, 2022 to December 31, 2022. |
| GRI 1 used | GRI 1: Foundation 2021 |
| Applicable GRI Industry Standards | None |

General Disclosure

GRI 2

| GRI Criteria No. | Disclosure Project | Corresponding Chapters / Page |
|------------------|--|--|
| GRI 2-1 | Organization Details | About the Report p.7 Company Profile p.11 |
| GRI 2-2 | Entities Included in Organizational Sustainability Reports | About the Report p.7 |
| GRI 2-3 | Reporting Period, Frequency and Contact Person | About the Report p.7 |
| GRI 2-4 | Information Reprogramming | About the Report p.7 |
| GRI 2-5 | External Assurance/Confirmation | About the Report p.7 |
| GRI 2-6 | Events, Value Chains and Other Business Relationships | Company Profile p.11 Provide advanced custom ICs p.44 |
| GRI 2-7 | Staff | Human Resource Structure p.105 |

| GRI Criteria No. | Disclosure Project | Corresponding Chapters / Page |
|------------------|---|--|
| GRI 2-8 | Non-employee Workers | Human Resource Structure p.105 |
| GRI 2-9 | Governance Structure and Composition | Board of Directors' Functions p.37 |
| GRI 2-10 | Nomination and Selection of Top Governing Units | Nomination Selection p.39 |
| GRI 2-11 | Chairman of the Supreme Governance Unit | Interest Avoidance p.42 |
| GRI 2-12 | Role of the Highest Governance Unit in Overseeing Impact Management | Risk Management Related Units p.59 |
| GRI 2-13 | Responsible for Impact Management | ESG's Management Platform p.15 |
| GRI 2-14 | Role of Top Governance Units in Sustainability Reporting | ESG's Management Platform p.15 |
| GRI 2-15 | Conflict of Interest | Interest Avoidance p.42 |
| GRI 2-16 | Communicate Key Events | Stakeholder Management Procedures p.23 |
| GRI 2-17 | Group Intelligence in the Highest Governance Unit | Board of Directors' Functions p.37 |
| GRI 2-18 | Performance Evaluation of Highest Governance Units | Performance Evaluation p.40 |
| GRI 2-19 | Remuneration Policy | Salary and Compensation Committee, Annual Report p.59 |
| GRI 2-20 | Compensation Decision Process | Compensation Committee (with or without reference to stakeholder input, independent compensation consultant or not) p.59 |
| GRI 2-21 | Annual Total Compensation Ratio | Employee Benefits and Compensation (need to rewrite the disclosure) p.86 |
| GRI 2-22 | Statement of Sustainable Development Strategy | Environmental Sustainability Top 5 p.3 |
| GRI 2-23 | Policy Commitment | Sincere Management p.41 Human Rights Concerns and Due Diligence p.107 |

Specific Topics

GRI 200

| Major Topics | GRI Criteria No. | Disclosure Project | Disclosure Project Number | Disclosure Project Title | Corresponding Chapters / Page |
|----------------------|------------------|----------------------|---------------------------|--|--|
| Economic Performance | GRI 201: 2016 | Economic Performance | 201-1 | Direct Economic Value Generated and Distributed by the Organization | 4.2.1 Financial Performance p.34 6.2.1 Employee Benefits and Rewards p.93 |
| Climate Change | GRI 201: 2016 | Economic Performance | 201-2 | Financial Impact of Climate Change and Other Risks and Opportunities | 5.2 Climate Change Response Strategies p.68 |
| | GRI 201: 2016 | Economic Performance | 201-3 | Defined Benefit Plan Obligations and Other Retirement Plans | 6.2.1 Employee Benefits and Rewards p.93 |
| | GRI 204: 2016 | Purchasing Practices | 204-1 | Percentage of procurement spending from local suppliers | 5.7.2 Green Procurement p.81 |

GRI 300

| Major Topics | GRI Criteria No. | Disclosure Project | Disclosure Project Number | Disclosure Project Title | Corresponding Chapters / Page |
|---------------------------------|------------------|--------------------|---------------------------|--|--|
| Green Energy Policy and Results | GRI 302: 2016 | Energy | 302-1 | Energy Consumption Within the Organization | 5.4 Energy Management p.73 |
| Green Energy Policy and Results | GRI 302: 2016 | Energy | 302-3 | Energy Intensity | 5.4 Energy Management p.73 |
| Green Energy Policy and Results | GRI 302: 2016 | Energy | 302-4 | Reduce Energy Consumption | 5.4.1 Energy Conservation Effectiveness p.74 |
| Green Energy Policy and Results | GRI 305: 2016 | Emissions | 305-1 | Direct (Scope 1) Greenhouse Gas Emissions | 5.3.1 Inventory of Carbon Emissions p.72 |

| GRI Criteria No. | Disclosure Project | Corresponding Chapters / Page |
|------------------|---|--|
| GRI 2-24 | Inclusion of Policy Commitment | Sincere Management p.41 Human Rights Concerns and Due Diligence p.107 |
| GRI 2-25 | Procedures for Remediating Negative Impacts | Sincere Management p.41 Compliance with the law p.43 Social Risk Assessment (Anti-Corruption) p.60 |
| GRI 2-26 | Mechanism for Seeking Advice and Raising Concerns | Social Risk Assessment (Anti-Corruption) p.60 |
| GRI 2-27 | Regulatory Compliance | Legal compliance p.43 |
| GRI 2-28 | Membership of the Association | Participating Associations and Members p.42 |
| GRI 2-29 | Stakeholder Agreement Policy | Stakeholder Interaction p.22 |
| GRI 2-30 | Group Agreements | None |

Note: Do not use omitted reasons

Major Topics

| GRI Criteria No. | Disclosure Project | Reveal Project Title | Corresponding Chapters |
|------------------|--------------------|--------------------------------------|-------------------------------|
| GRI 3-1 | Major Topics | Process for Deciding on Major Topics | 3.3 Materiality Analysis p.25 |
| GRI 3-2 | Major Topics | Major Topics List | 3.3 Materiality Analysis p.25 |
| GRI 3-3 | Major Topics | Major Theme Management | 3.3 Materiality Analysis p.25 |

| Major Topics | GRI Criteria No. | Disclosure Project | Disclosure Project Number | Disclosure Project Title | Corresponding Chapters / Page |
|---------------------------------|------------------|-----------------------------------|---------------------------|--|---|
| Green Energy Policy and Results | GRI 305: 2016 | Emissions | 305-2 | Energy Indirect (Scope 2) Greenhouse Gas Emissions | 5.3.1 Inventory of Carbon Emissions p.72 5.5.1 Assessment of Water Resources Risk p.76 |
| Green Energy Policy and Results | GRI 305: 2016 | Emissions | 305-3 | Other Indirect (Scope 3) Greenhouse Gas Emissions | 5.5.1 Assessment of Water Resources Risk p.76 |
| Green Energy Policy and Results | GRI 305: 2016 | Emissions | 305-5 | Greenhouse Gas Emission Reduction | 5.4.1 Energy Conservation Effectiveness p.74 |
| Provider Management | GRI 308: 2016 | Supplier Environmental Assessment | 308-1 | Adopting Environmental Standards to Screen New Suppliers | A Message from the Executive Secretary of the ESG Sustainability Committee p.9 |

GRI 400

| Major Topics | GRI Criteria No. | Disclosure Project | Disclosure Project Number | Disclosure Project Title | Corresponding Chapters / Page |
|---------------------|------------------|--|---------------------------|---|--|
| | GRI 405: 2016 | Employee Diversity and Equal Opportunity | 405-1 | Diversity of Governance Units and Employees | 4.3.1 Functions of the Board of Directors p.37 6.2.5 Talent Diversity and Inclusion p.104 |
| Provider Management | GRI 414: 2016 | Provider Social Assessment | 414-1 | New Suppliers Using Social Criteria Screening | A Message from the Executive Secretary of the ESG Sustainability Committee p.9 |

Custom Topics

| GRI Criteria No. | Theme Name | Corresponding Chapters / Page |
|--------------------------------|------------------------|-------------------------------|
| GRI 3-3 Major Topic Management | Quality and Management | |

SASB Establishment Standards-Semi-conductor Industry

| Theme | Disclosure Project Number | Category | Accounting Metrics | Corresponding Chapters / Page |
|------------------------------------|---------------------------|-------------------------|---|---|
| | TC-SC-110a.1 | Quantitative | (1) Global Scope I Emissions (2) Total PFC Emissions | 5.3.1 Inventory of Carbon Emissions p.72 |
| Quantitative | TC-SC-110a.2 | Discussion and Analysis | Review and analyze the short-term and long-term management strategies or plans for emissions and reduction targets in Area 1, and analyze the differences between actual performance and targets. | 5.3.1 Inventory of Carbon Emissions p.72 |
| Energy Management in Manufacturing | TC-SC-130a.1 | Quantitative | (1) Total Energy Consumption (2) Grid Percentage (3) Renewable Percentage | 5.4 Energy Management p.73 |
| Water Resources Management | TC-SC-140a.1 | Quantitative | Describe the assessment and monitoring of employee exposure to human safety hazards and the practices to reduce such exposure. | 5.5 Water Resources Management p.76 |
| Waste Management | TC-SC-150a.1 | Quantitative | The amount of monetary loss resulting from legal proceedings arising from employee health and safety violations | Global Unichip Corporation's Waste Disposal in the Past Five Years p.78 |

| Theme | Disclosure Project Number | Category | Accounting Metrics | Corresponding Chapters / Page |
|---|---------------------------|-------------------------|---|--|
| Employee Health and Safety | TC-SC-320a.1 | Discussion and Analysis | Describe the assessment and monitoring of employee exposure to human safety hazards and the practices to reduce such exposure. | 6.2.4 Occupational Safety and Health p.97 |
| | TC-SC-320a.2 | Quantitative | The amount of monetary loss resulting from legal proceedings arising from employee health and safety violations | 6.2.4 Occupational Safety and Health p.97 |
| Product Lifecycle Management | TC-SC-330a.1 | Quantitative | (1) Foreigners, (2) Percentage of employees located overseas | Human Resource Structure p.105 |
| | TC-SC-410a.1 | Quantitative | Percentage yield of IEC 62474 declarable substances contained in the product | 8.5% |
| Product Lifecycle Management | TC-SC-410a.2 | Quantitative | (1) Energy efficiency of system-level processors for servers, (2) desktop computers, and (3) laptops The software or standards mentioned in this indicator are for power consumption test or score comparison of system products, not for components or IPs, so they are not applicable. The IP power consumption test result shall be based on the actual test chip measurement on the validation board. | |
| Material Procurement | TC-SC-440a.1 | Discussion and Analysis | Risk management instructions for the use of critical materials | The Company's manufacturing is subcontracted by TSMC and the risk of raw material procurement for major production is based on TSMC's response strategy. |
| Total Production | TC-SC-520a.1 | Quantitative | Total pecuniary damage caused by legal proceedings related to anti-competitive behavior law | 4.3.5 Integrity in Business p.41 |
| Percentage of Owned Facility Production | TC-SC-000.A | Quantitative | Varies by product type | 4.2.1 Financial performance p.34 |

| Theme | Disclosure Project Number | Category | Accounting Metrics | Corresponding Chapters / Page |
|---|---------------------------|--------------|--------------------|--|
| Percentage of Owned Facility Production | TC-SC-000.B | Quantitative | % | Global Unichip Corporation is a custom IC design service provider and does not manufacture its own products. |

Sustainable Disclosure Indicators - Semiconductor Industry

| No. | Indicators | Indicator Type | Unit | Corresponding Chapters / Page |
|-------|---|-------------------------|---|--|
| One | Total energy consumption, percentage of purchased electricity and renewable energy usage | Quantification | Billion joules (GJ), percentage (%) | 5.4 Energy Management p.73 |
| II | Total water withdrawal and total water consumption | Quantification | Thousands of cubic meters (m ³) | 5.5 Water Resources Management p.76 |
| Three | Weight of hazardous waste generated and percentage of recovery | Quantification | Metric tons (t), percentage (%) | 5.6.2 Effectiveness of Waste Recovery and Reduction |
| IV | Explain the type, number and rate of occupational disasters | Quantification | Ratio (%), Quantity | 6.2.4 Occupational Safety and Health p.97 |
| Five | Disclosure of product lifecycle management: weight and percentage of recycled products and electronic waste included (Note 1) | Quantification | Metric tons (t), percentage (%) | 5.6.2 Effectiveness of Waste Recovery and Reduction p.77 |
| VI | Description of risk management related to the use of critical materials | Qualitative Description | Not applicable | The Company's manufacturing is subcontracted by TSMC and the risk of raw material procurement for major production is based on TSMC's response strategy. |
| VII | Total pecuniary loss resulting from legal proceedings related to anti-competitive conduct regulations | Quantification | Reported Currency | 4.3.5 Integrity in Business p.41 |
| Eight | Production of major products by product category | Quantification | Varies by product type | 4.2.1 Financial Performance p.34 |

Note 1: Including the sale of scraps or other recycling treatment, should provide relevant instructions.

Independent Third Party Verification Opinion Statement

Climate Information for Listed Companies

| Item | Project | Corresponding Chapters / Page |
|------|---|--|
| 1 | Describe the oversight and governance of climate related risks and opportunities by the Board of Directors and management. | |
| 2 | Describe how the identified climate risks and opportunities affect the business, strategy, and finances (short, medium, and long term). | |
| 3 | Describe the financial impact of extreme weather events and transformational actions. | |
| 4 | Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system. | Climate Related Financial Disclosure TCFD p.68 |
| 5 | If situational analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors and key financial impacts used should be described. | |
| 6 | If there is a transformation plan to manage climate-related risks, describe the contents of the plan and the indicators and targets used to identify and manage physical and transformation risks. | |
| 7 | If internal carbon pricing is used as a planning tool, the basis for price setting should be stated. | No related planning for now |
| 8 | If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress of achievement and other information should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits to be offset or the quantity of renewable energy certificates (RECs) should be stated. | No related planning for now |
| 9 | Greenhouse gas inventory and confirmation of the situation. | 5.3.1 Inventory of Carbon Emissions p.72 |




INDEPENDENT ASSURANCE OPINION STATEMENT

Global Unichip Corporation 2022 ESG Report

The British Standards Institution is independent to Global Unichip Corporation (hereafter referred to as GUC in this statement) and has no financial interest in the operation of GUC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of GUC only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by GUC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to GUC only.

Scope

The scope of engagement agreed upon with GUC includes the following:

- The assurance scope is consistent with the description of Global Unichip Corporation 2022 ESG Report.
- The evaluation of the nature and extent of the GUC's adherence to AA1000 Accountability Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Global Unichip Corporation 2022 ESG Report provides a fair view of the GUC sustainability programmes and performances during 2022. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the GUC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate GUC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that GUC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to GUC's policies to provide a check on the appropriateness of statements made in the report
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 11 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity
This report has reflected a fact that GUC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the GUC's inclusivity issues.

Materiality
GUC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of GUC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the GUC's management and performance. In our professional opinion the report covers the GUC's material issues.

Responsiveness
GUC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for GUC is developed and continually provides the opportunity to further enhance GUC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the GUC's responsiveness issues.

Impact
GUC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. GUC has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the GUC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)
GUC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the GUC's sustainability topics.

Assurance level
The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility
The sustainability report is the responsibility of the GUC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence
The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Peter Fu, Managing Director BSI Taiwan



Statement No: SRA-TW-2022032
2023-03-29

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Contact Information

If you have any suggestions regarding the Global Unichip Corporation Sustainability Report, please feel free to contact us using the following methods. For your convenience, we have also published this report on our website.

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