



STANDARDS



REQUIREMENT

POLICIES



TRANSPARENCY

REGULATION



COMPLIANCE



RULES



LAWS



GOVERNANCE

**Corporate  
Governance**

**3**

3.1 Corporate Governance Structure and Performance Metrics

3.2 Board Functions and Strategy

3.3 Ethical Business Operation

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## Key Results and Strategies

Strategic Guidelines	Commitment	KPI	2024 Goals and Performance
Corporate Governance Structure and Financial Performance	The management is committed to establishing a governance system, regularly reviewing its practices against the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and making continuous improvements to maximize shareholders' interests.	<ul style="list-style-type: none"> <li>Retain its status as a constituent stock of the Taiwan Sustainable Index.</li> <li>Top 5% in Corporate Governance Evaluation of Taiwan Listed Companies</li> </ul>	<ul style="list-style-type: none"> <li>Included as a constituent stock in the Taiwan Sustainable Index.</li> <li>Top 5% in Corporate Governance Evaluation of Taiwan Listed Companies</li> </ul>
Board Functions and Strategy	Actively oversee the implementation of management's established strategies, ensuring the appropriateness and transparency of internal and external strategic communications.	<ul style="list-style-type: none"> <li>Report on the results of the board performance evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>The self-assessment results of the Board of Directors and Functional Committees are excellent.</li> </ul>
Integrity Management	To cultivate a corporate culture of ethical management and professional conduct, and to ensure regulatory compliance, the Company requires directors and managers to sign statements confirming their adherence to the integrity management policy. In addition, the employment contracts clearly outline the code of integrity, ensuring that all employees fully understand and strictly follow these standards.	<ul style="list-style-type: none"> <li>Procedures for Ethical Corporate Management and Guidelines of Conduct</li> <li>Supplier Code of Conduct</li> <li>Compliance with various laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>The annual completion rate of education and training related to integrity management is 100%.</li> <li>All suppliers have signed the Supplier Code of Conduct.</li> <li>There have been no incidents of significant fines imposed for violations of laws and regulations in the categories of environment, social, and corporate governance.</li> </ul>
Information Security and Privacy Protection	Following ISO27001, an information security management system has been established, ensuring data confidentiality, integrity, and availability through risk control, technical protection, and employee training. Complying with privacy regulations, strictly protecting personal data, ensuring lawful use, and maintaining the trust of stakeholders.	<ul style="list-style-type: none"> <li>Third-party cybersecurity risk assessment</li> <li>ISO27001 Certification</li> <li>No complaints about customer privacy violation or loss of customer data.</li> </ul>	<ul style="list-style-type: none"> <li>Successfully completed third-party cybersecurity risk assessment, achieving scores of 99 on SecurityScorecard and 96 on Panorays.</li> <li>Passed the ISO27001 information security management certification audit in September 2024.</li> <li>In 2024, there were no security incidents or customer complaints regarding information security.</li> </ul>
Risk management	Ensure the accomplishment of the Company's operational goals and vision.	<ul style="list-style-type: none"> <li>Establish the management and emergency response measures for financial risk, operational risk, legal risk, climate change, environmental risk, strategic risk and other risks.</li> </ul>	<ul style="list-style-type: none"> <li>Reached 100% pass rate for organizational risk management courses.</li> </ul>



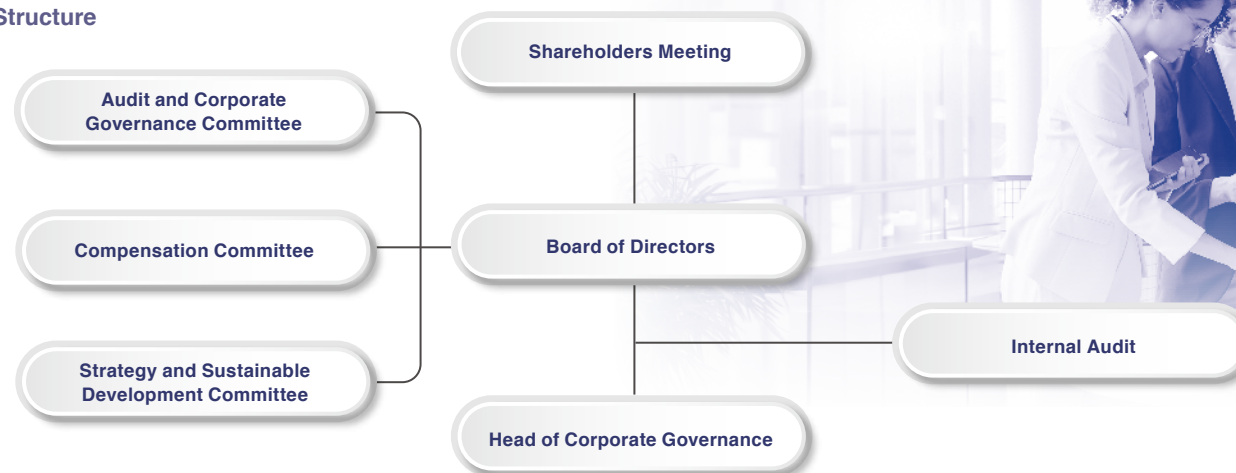
## 3.1 Corporate Governance Structure and Performance Metrics

### 3.1.1 Corporate Governance Dedicated Unit

On July 30, 2020, The GUC Board of Directors appointed the Senior Vice President and CFO as the Corporate Governance Officer. The Legal Director was appointed as the dedicated Corporate Governance Officer on November 1, 2024. The corporate governance unit consists of a working group of seven individuals from the Finance, Legal, Internal Audit, and Human Resources Departments. This team is responsible for corporate governance matters, including providing data necessary for directors to perform their duties, assisting directors with legal and regulatory compliance, handling board and shareholders' meetings in accordance with the law, managing company registration and changes, preparing minutes for the board and shareholders' meetings, and supporting the board in enhancing its functions, implementing the stakeholder rights protection, and ensuring the fair treatment of shareholders. Under the Board of Directors, there are functional committees such as the Audit and Corporate Governance Committee, Compensation Committee, and Strategy and Sustainable Development Committee. These committees assist the Board in managing corporate governance matters and ensuring compliance with the Company's Corporate Governance Practice Principles. Their ultimate goal is to protect shareholders' rights and guarantee fair treatment of all shareholders.

The Board of Directors authorizes the Audit and Corporate Governance Committee, Compensation Committee, and Strategy and Sustainable Development Committee to assist in fulfilling its supervisory responsibilities. Each committee is led by an independent director with different expertise in relevant fields, and the chairperson of each committee regularly updates to the Board of Directors on their discussions and resolutions. For detailed information about each committee, please refer to [3.4.1 Risk Management Policy and Framework](#). Additionally, under the Director and President, there are committees such as the Strategy and Sustainable Development Committee, Operation Management Committee, and Net-Zero Committee. These committees are responsible for managing long-term and short-term planning and responses related to corporate sustainable operations and risk management, and then report regularly to the Board of Directors.

#### ■ GUC Corporate Governance Structure



### 3.1.2 Various Performances

#### Financial Performance

GUC's consolidated net operating revenues in 2024 were NT\$25.044 billion, marking a decrease of 5% compared to the previous year's NT\$26.241 billion. Net profit after tax stood at NT\$3.451 billion, reflecting a 1.6% decrease from the prior year. Earnings per share were NT\$25.75, down approximately 1.6% from the previous year's NT\$26.18.

The gross profit margin in 2024 was 32.4%, an increase of 2% compared to the previous year's 30.4%, primarily due to an increase in the proportion of NRE business and improved gross profit from the Turnkey business. The net profit margin after tax in 2024 was 13.8%, an increase of 0.4 percentage points compared to the previous year's 13.4%.

#### ■ Statistics of Operational Performance for the Past Three Years (Unit: NT\$ million)

Direct Economic Value Generated	Year	2022	2023	2024
	Revenue	24,040	26,241	25,044
Economic Value Distributed	Cost	15,705	18,265	16,936
	Business Income Tax	635	647	612
	Directors' Remuneration	45	45	42
	Employee Bonus—Cash	668	1,271	1,159
	Employee Bonus—Incentive	668	0	0
	Shareholder Dividends—Cash	1,876	1,876	2,144
Economic Value Retained		1,834	1,632	1,314

Note: Economic Value Retained = Direct Economic Value Generated - Economic Value Distributed.

#### Communication with Shareholders and Investors

GUC management team formulates policies based on feedback regarding relationship management, integrating them into daily operations and annual plans. These policies are regularly reviewed to assess their effectiveness, serving as a key foundation for shaping the Company's sustainable operation strategy. Additionally, the Company engages with stakeholders based on their significance, effectively utilizing resources to create mutually rewarding relationships. For detailed communication channels, please refer to [2.2 Stakeholder Engagement](#).

#### ■ The statistics of GUC's meetings with investors in 2024, including number of participants, are as follows:

Year	2022	2023	2024
Number of Meetings	124	214	192
Number of Participants	1,647	1,959	1,771
Average Number of Participants per Meeting	13.28	9.15	9.22



### 3.1.3 Tax Risk Management

GUC has established the following tax policies to manage the group's tax risks and secure tax incentives in compliance with regulations, aiming to maximizing the Company's tax benefits. This tax policy has been approved by the Board of Directors and is executed by the responsible units, which report to management, ensuring the effective operation of the tax management system.

#### Tax Policy

- Comply with the local tax regulations and align with the legislative intent in the countries where the group operates.
- Avoid transferring profits earned by group companies from high-tax countries to low-tax countries.
- Avoid using tax structures that lack genuine business purpose or relying on tax havens for tax planning aimed at avoiding taxes.
- Related party transactions are carried out in accordance with the arm's length principle and comply with the internationally recognized transfer pricing guidelines set forth by the Organization for Economic Cooperation and Development (OECD).
- The approval and amendment of tax policies must be approved by the Board of Directors.

#### Tax Risk Management and Governance

1. The Finance and Accounting Department is responsible for tax governance, including tax filings, planning, and risk assessments. Additionally, it reports tax matters according to the approval authority table. The CFO oversees tax management, while the accounting supervisor is responsible for executing daily administration and management.
2. To manage tax risk and ensure professional development, the Finance and Accounting Department personnel participate training, specialized studies, and tax seminars to strengthen their professional capabilities. Moreover, the department collaborates with external tax advisory institutions to enhance the quality of tax decision-making.
3. To ensure that the Company's management and governance units (including the Audit and Corporate Governance Committee) have a clear understanding of its tax information, the Finance and Accounting Department incorporates tax risk management into the annual risk management report. The head of the department regularly updates the President on these matters. Audit and Corporate Governance Committee
  - The Finance and Accounting Department incorporates tax risk management into the annual risk management report. The head of the department regularly updates the President on these matters.
  - The accounting supervisor is responsible for providing quarterly updates to the Audit and Corporate Governance Committee on any significant tax regulations that may impact the Company.
  - The CFO reports significant tax issues to the Board of Directors based on their relevance and impact.

#### Company Organizational Structure and Main Business Items

Taiwan, as GUC's parent company, is the primary operating entity and serves as the headquarters executing core business operations. It is responsible for making various operational decisions and supervising overall management. Its main services include ASIC design and turnkey production management. Additionally, to provide timely services to customers worldwide and meet their needs, the Company has established a service network with subsidiaries in the United States, Japan, China, Korea, Europe, and Vietnam. The subsidiaries, entrusted by the parent company, 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 operating in low-tax countries or tax havens, and all their business activities have commercial substances.

■ **2024 Consolidated Tax Information** (Unit: NTD Thousand)

Company Name	Region	Main Operational Activities	Year	Number of Employees	Revenue	Profit/Loss Before Tax	Income Tax Expense	Income Tax Paid or Estimated
GUC	Taiwan	ASIC Design and Mass Production Turnkey Management Services	2024	702	25,044,149	4,044,008	593,420	597,846
			2023	700	26,240,714	4,131,577	623,692	610,369
			2022	697	23,995,308	4,321,985	611,543	589,725
GUC-NA	United States	Product Consulting, Design, and Technical Support Services	2024	16	228,914	13,726	4,875	4,870
			2023	17	230,755	13,950	2,970	5,580
			2022	18	246,643	15,032	5,855	4,855
GUC-JP	Japan	Product Consulting, Design, and Technical Support Services	2024	43	301,710	19,511	6,567	6,596
			2023	39	290,571	18,790	5,530	5,525
			2022	31	255,248	16,491	5,094	5,119
GUC-CN	China	Product Consulting, Design, and Technical Support Services	2024	28	116,736	8,382	1,929	1,895
			2023	28	117,490	8,063	1,853	1,861
			2022	31	110,241	9,782	1,827	1,902
GUC-NJ	China	Product Consulting, Design, and Technical Support Services	2024	66	970,820	62,420	4,287	4,036
			2023	58	476,965	102,177	12,745	10,573
			2022	59	953,104	102,693	9,676	10,850
GUC-EU	Netherlands	Product Consulting, Design, and Technical Support Services	2024	2	12,317	854	103	128
			2023	2	25,536	1,556	81	234
			2022	4	30,045	1,753	288	229
GUC-KR	South Korea	Product Consulting, Design, and Technical Support Services	2024	1	9,077	625	130	63
			2023	1	8,377	452	202	50
			2022	1	7,270	448	49	50
GUC-VN	Vietnam	Product Consulting, Design, and Technical Support Services	2024	27	37,313	2,288	503	502
			2023	17	21,293	1,227	322	322

Note: The actual or estimated exchange rates for 2024 revenue, profit before tax, income tax expense, and income tax payment are based on the monthly average buying and selling rates of the Bank of Taiwan during the current year.



## Effective Tax Rate and Cash Tax Rate

In 2024, GUC-NJ and GUC-EU's effective tax rates were 6.87% and 12.06%, respectively, both lower than the Semiconductor and Semiconductor Equipment industry average effective tax rate of 13.96%, as reported by SAMCSACompanion. Additionally, the cash tax rates for GUC-NJ and GUC-KR in 2024 were 6.47% and 10.08%, respectively, lower than the industry average cash tax rate of 13.82%, according to SAMCSACompanion. GUC-NJ qualifies for the R&D expense additional deduction policy and has been recognized as the technologically advanced enterprise, enabling it to benefit from a preferential corporate income tax rate of 15%. GUC-EU's effective tax rate in 2024 is lower than the statutory tax rate of 15% due to adjustments for overestimated income tax expenses from previous years. GUC-KR qualifies for the 10% tax bracket.

Company Name	2022		2023		2024 (Estimated)	
	Effective Tax Rate (%)	Cash Tax Rate (%)	Effective Tax Rate (%)	Cash Tax Rate (%)	Effective Tax Rate (%)	Cash Tax Rate (%)
GUC	14.15	13.64	15.10	14.77	14.67	14.78
GUC-NA	38.95	32.30	21.29	40.00	35.52	35.48
GUC-JP	30.89	31.04	29.43	29.40	33.66	33.81
GUC-CN	18.68	19.44	22.98	23.08	23.01	22.61
GUC-NJ	9.42	10.57	12.47	10.35	6.87	6.47
GUC-EU	16.43	13.06	5.14	15.04	12.06	14.99
GUC-KR	10.94	11.16	44.69	11.06	20.80	10.08
GUC-VN	-	-	26.24	26.24	21.98	21.94

## 3.1.4 Responsible Investment

In response to climate change and international sustainability trends, and to support green finance and sustainable industries, GUC invested NT\$50 million in green bonds in 2024. This initiative reflects our commitment to green finance and embodies our philosophy of contributing to society, while also fostering a deep sense of environmental awareness among all employees.

The main reason for our continued commitment to green investment is that green bonds and sustainable time deposits combine two key ESG elements: sustainability and social impact. The funds deposited by customers are used to finance green loans and sustainability-linked loans. In other words, corporate clients support businesses or companies committed to ESG development through their deposits, creating positive, long-term benefits for both the environment and society. This approach aligns perfectly with GUC's philosophy of sustainable innovation and resonates with SDG17—Creating a Sustainable Future through Partnerships.

Note: Green bonds refer to bonds issued by companies to raise funds specifically for green investment projects.

## 3.1.5 Environmental Protection Expenditure

Regarding environmental regulations, GUC had zero instances of significant fines or non-monetary sanctions for violations of environmental laws and regulations in 2024. There were also no environmental impact grievances filed, processed, or resolved through formal grievance mechanisms.

GUC invested approximately NT\$4.97 million in environmental protection in 2024. Detailed information is shown in the table below.

### ■ Environmental Protection Expenditure in 2024

Environmental Protection Expenditure Items	Amount (NT\$ / dollars)
Environmental Management System Verification	558,680
Commissioned Domestic Waste Disposal	25,500
Office Cleaning and Floor Washing	3,861,600
Landscape Maintenance	224,400
Pool Cleaning	30,000
Disease Control and Prevention	18,000
Cleaning Supplies	260,000
<b>Total Expenditure</b>	<b>4,978,180</b>

## 3.2 Board Functions and Strategy

### 3.2.1 Board Functions

GUC values board diversity and is committed to enhancing corporate governance by creating a well-rounded Board composition and structure. According to Article 20 of the Company's Corporate Governance Practice Principles, the Board should possess the following capabilities: 1. Business judgment ability, 2. Accounting and financial analysis, 3. Business management, 4. Crisis management, 5. Industry insight, 6. International market perspective, 7. Leadership, and 8. Decision-making.

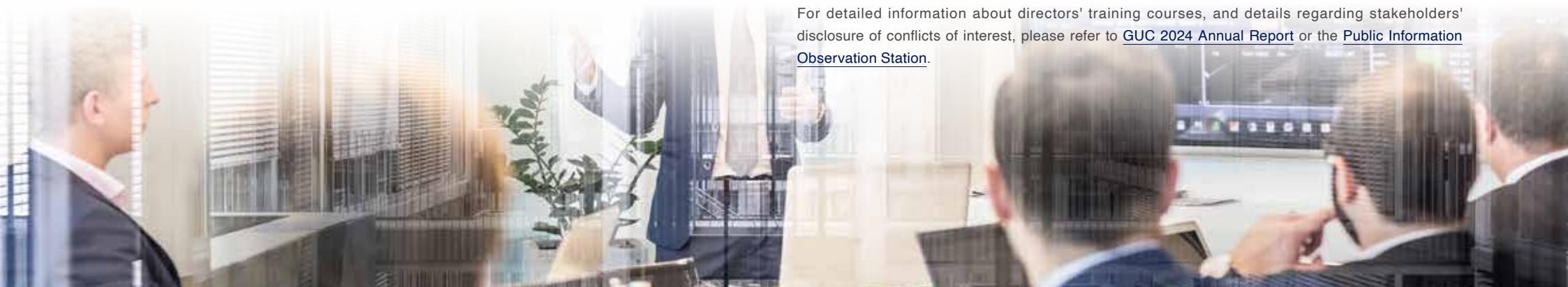
The Board of Directors consists of eight directors, of which four are independent directors. All board members are over 50 years of age, with men accounting for 87.5% and women accounting for 12.5%. There are no spousal or second-degree family relationships among the directors. Only director, Mr. Sean Tai, also serves as the Company's President, which ensures the board's independence. GUC's Board members bring diverse expertise across various industry domains. Each director contributes valuable experience and skills in areas such as legal, finance, accounting, marketing and R&D, technology, and business management. In addition to professional expertise, the Board includes one female director to ensure gender diversity. The Board's diversity policy for individual directors is implemented as follows:

The diversity objectives for the Board members include, but are not limited to, standards in the following two major dimensions:

1. Basic conditions and values: Gender, age, nationality, and cultural background. The Company appointed a female independent director during the 10th Board of Directors re-election at the 2023 shareholders' meeting. In the future, we aim to secure at least one female director position, with the goal of having female directors occupy one-third of all board seats. Additionally, we plan to achieve a balanced age distribution on the Board.
2. Professional knowledge and expertise: Background in fields such as legal, finance, accounting, industry, marketing research and development, or technology, along with relevant industry experience.

GUC 2024 Board of Directors' training courses and total hours: The Company arranges three hours of courses for directors annually. All directors also independently complete at least three hours of courses, meeting the standards for corporate governance evaluation. In addition, to enhance the Board's understanding of ESG and climate governance issues and keep them updated on the latest developments, external experts will be invited to provide instruction as needed. The annual training of all directors, including independent directors, is disclosed in the annual report presented at the shareholders' meeting and made available on the official website or public information website for investors to review.

For detailed information about directors' training courses, and details regarding stakeholders' disclosure of conflicts of interest, please refer to [GUC 2024 Annual Report](#) or the [Public Information Observation Station](#).





## ■ GUC 2024 Board Members

Position	Director Name	Nationality	Gender	Tenure	Employed	Age	Management and Business Judgment	Finance and Accounting	Crisis Management	Industry Knowledge	International Market Outlook	Leadership and Decision-Making skills
Legal Representative of the Chairman	F.C. Tseng	R.O.C	Male	8	No	80	V	V	V	V	V	V
Legal Representative of the Director	Sean Tai	R.O.C	Male	2	Yes	60	V	V	V	V	V	V
	L.C. Lu	R.O.C	Male	1	No	64	V		V	V	V	V
	Wendell Huang	R.O.C	Male	3	No	63	V	V	V	V	V	V
Independent Director	Kenneth Kin	R.O.C	Male	3	No	78	V		V	V	V	V
	Jesse Ding	R.O.C	Male	2	No	71	V	V	V		V	V
	Tsui-Hui Huang	R.O.C	Female	2	No	60	V	V	V		V	V
	Ho-Min Chen	R.O.C	Male	1	No	68	V	V	V		V	V

\*Note: GUC has elected nine directors, including five independent directors, at the 2023 annual shareholders' meeting. Following the re-election, all five of the Company's independent directors have served no more than three tenure.. Among them, Independent Director Cheng-Wen Wu has resigned on May 15, 2024, due to his appointment as the Minister of the National Science and Technology Council.

### 3.2.2 Nomination and Selection

To implement the diversity policy for board composition, improve the Company's overall performance, and align with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, which recommend that independent directors should serve no more than three consecutive terms, the Company has been gradually enhancing its Board composition. In addition, to ensure diversity, the Company guarantees at least one seat for a female director. The Board must include members with professional backgrounds in technology, law, finance, accounting, and management. Director candidates are selected based on recommendations from industry professionals.

The highest governance body is Chairman F.C. Tseng, who does not hold any other senior management positions. The Company's director and president, Sean Tai, has over 30 years of experience in the semiconductor industry, where he primarily oversees all operations and is accountable to the Board of Directors. All Board members are selected through a nomination system. The Company has established Procedures for Ethical Corporate Management and Guidelines of Conduct that clearly outline policies for avoiding conflicts of interest. Employees who encounter situations involving conflicts of interest, either personally or with the legal entities they represent, or situations that could lead to improper benefits for themselves, their spouses, parents, children, or interested parties, must sign a Conflict of Interest Disclosure Form. This approach ensures that conflicts of interest are identified, addressed, and mitigated. For information about directors, including concurrent positions, and shareholding status, please refer to the Company's annual report.

### 3.2.3 Performance Evaluation

To enhance corporate governance and strengthen the Board functions, GUC has established and approved the Measures for Directors' Performance Evaluation to regularly conduct annual self-evaluations of the Board and functional committees (including the Audit and Corporate Governance Committee, Compensation Committee), as well as self-assessments by individual board members, conducted through questionnaires. The Board of Directors performance evaluation covers six major aspects, including participation in company operations, improvement of decision-making quality, annual sustainability performance, and progress toward strategic objectives.

The Compensation Committee determines the relevant standards, and the exact amounts based on the evaluation results. GUC completed the self-evaluation of the Board of Directors and functional committees, as well as the self-assessment of board members, in the fourth quarter of 2024, and reported to the Board of Directors in January 2025. The internal performance evaluation results for the year indicated that both the Board of Directors and board members performed excellently in enhancing decision-making quality and participating in company operations, achieving an overall rating of "Excellent."

In addition to internal self-evaluations, GUC regularly engages external assessment institutions to conduct board performance evaluations every three years. The assessment report, considering the

Company's governance trends and experience, recommended a phased approach to board member renewal. The report also recommended that the Company consider establishing a nomination committee at an appropriate time or expand the scope of the Compensation Committee to include the responsibilities such as director selection, development, and succession planning, as a demonstration of its commitment to establish effective corporate governance.

The remuneration policy, system, standards, and structure for independent directors, and the correlation between the remuneration amount and factors such as responsibilities, risks, and time commitment, are as follows: The total remuneration for independent directors and directors who do not concurrently serve as managers shall not exceed 2% of the current year's profits, as stipulated in the Company's Articles of Incorporation. The remuneration standards are adjusted based on the Company's operational performance and allocated proportionally according to each director's days of service.

### 3.2.4 Internal Audit

#### Internal Audit Function

GUC has established an internal control system and a dedicated internal audit function in accordance with the Regulations Governing the Establishment of Internal Control Systems by Public Companies. The main responsibilities of the internal audit function are to examine and evaluate the effectiveness of internal control systems and risk management processes. With an independent and objective organizational position, it aims to improve organizational operations and increase corporate added value, thereby enhancing the effectiveness of corporate governance and assisting the Board of Directors and management in achieving established organizational goals.

The internal audit function is independent and reports directly to the Board of Directors, with a dedicated audit supervisor and two full-time audit personnel. Audit personnel, as required, attend audit-related courses at professional training institutions every year to improve their professional knowledge and skills. The performance and remuneration plan of the audit supervisor must be discussed and approved by the Compensation Committee and the Board of Directors. The appointment, dismissal, evaluation, and compensation of audit personnel are approved by the Chairman upon the audit supervisor's recommendation, with performance evaluations conducted once a year.

#### Internal Audit Process

The internal audit function develops an annual plan based on risk assessment results each year, including items that should be audited monthly. The annual audit plan is approved by the Board of Directors and executed according to the internal audit implementation rules. Special audit operations are also conducted to timely identify potential deficiencies in internal controls and issue

audit reports. The internal audit function also urges each department to conduct self-inspections, establishing a self-monitoring mechanism, and uses the assessment results as the basis for the Company's Chairman and President to issue the Internal Control Statement. The internal audit function conducts follow-up examinations on identified deficiencies, anomalies, or areas requiring improvement to ensure effective implementation of corrective measures.

The internal audit supervisor reports to the Audit and Corporate Governance Committee during quarterly meetings based on the annual audit plan and actual execution, and interacts with independent directors. The internal audit supervisor also provides monthly written reports to each independent director and engages in necessary communication. The key points of communication and interaction between independent directors and the internal audit supervisor during the Audit and Corporate Governance Committee meetings are recorded in the meeting minutes. In addition, independent directors have direct communication channels with the internal audit function, and communication is smooth.

### 3.2.5 Shareholders' Rights

GUC's measures to strengthen shareholders' rights include:

1. Implementing corporate governance system: The Company established the Audit Committee in 2008 and the Compensation Committee in 2011. These committees were created to improve the reward and compensation system, enhance the transparency of information disclosure, and utilize market supervision mechanisms. Since 2013, the Company has fully implemented the director nomination system. In 2015, the Corporate Governance Practice Principles were developed to strengthen the functions of independent directors and committees, with the goal of achieving a Top 5% ranking in corporate governance evaluations.
2. Preventing insider trading: The Company ensures timely disclosure of material information, treating shareholders and investors fairly. Since the third quarter of 2018, financial reports have been published on the same day as board meetings, ensuring prompt and balanced information disclosure.
3. Providing online assistance for shareholders' meetings: To promote shareholder engagement and ensure fair shareholding, the Company not only holds physical shareholders' meetings but also provides online streaming and electronic voting services.
4. Stable dividend distribution: The dividend policy focuses on stability and continuity. As the Company is currently in a growth phase, dividend distribution will consider future expansion and investment needs, with cash dividends representing no less than 10% of the total dividends from the distributable earnings.

## 3.3 Ethical Business Operation

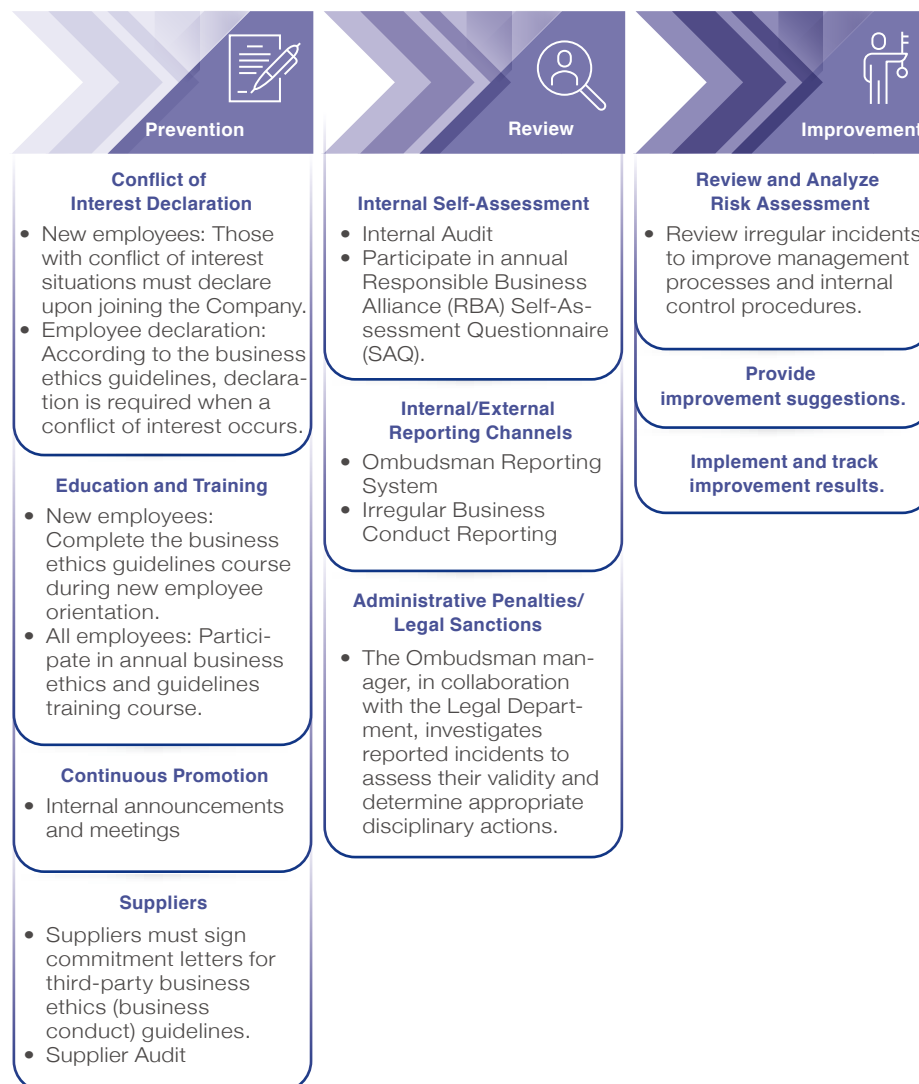
### 3.3.1 Integrity Management and Business Ethics

To nurture a corporate culture rooted in integrity and ethical conduct, and to ensure compliance with regulations, GUC has established the Procedures for Ethical Corporate Management and Guidelines of Conduct in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. The Company promotes these principles through its website, internal meetings, company policies, employee training programs, electronic bulletin boards, and more. In addition to requiring directors and managers to make declarations affirming their commitment to ethical conduct, GUC mandates all employees adhere to integrity management policies as a condition of employment. This requirement extends to every global location, ensuring all employees understand and strictly follow these standards. Furthermore, GUC has established the Supplier Code of Conduct to require suppliers to understand and comply with these standards.

To support the implementation of integrity management, GUC has designated the Human Resource Division as the dedicated unit, requiring directors, managers, employees, appointees, and actual controllers of GUC and its subsidiaries (company personnel) to comply with legal requirements in the course of business and conduct all commercial activities with fairness, transparency, and integrity. Personnel must avoid any conflicts of interest and are strictly prohibited from engaging in bribery and corruption, illegal political contributions, improper charitable donations or sponsorships, unreasonable gifts, unfair advantages or hospitality, intellectual property rights infringement, unfair competition. They must also ensure that products or services do not pose harm to stakeholders. The division evaluates compliance annually and reports regularly its findings to the Board of Directors. The Company has established the Corporate Governance Practice Principles and Integrity Management and Business Ethics Guidelines. Please refer to the annual report for more information.

GUC provides annual training on integrity management for all employees, covering key topics such as the protection of material information, procedures for ethical management, business ethics guidelines, prevention of insider trading, and the RBA Code of Conduct. In 2024, the training achieved a 100% completion rate. Newly hired employees also receive relevant orientation and training, introduction of core company policies and guidance on avoiding conflict of interest. The training emphasizes that all employees must not use their authority or position to seek personal benefits that would result in improper advantages for related parties or enterprises. The completion rate for new employee training also reached 100% in 2024. Suppliers have also completed 100% signing of the Supplier Code of Conduct.

### ■ GUC Procedures for Ethical Corporate Management





In 2024, we conducted anti-corruption training and effective evaluations across 12 global operating sites, with 100% completion rate among directors and employees. For personnel who violate ethical business practices or the Code of Business Ethics, and where the violation is severe enough to cause significant harm to the Company, the incident must be reported immediately. Written notification must be provided to the independent directors, and dismissal or termination will be carried out in accordance with applicable laws or company policies.

### ■ The Completion of Training Regarding Anti-Corruption Policies

Category	Communication Channels/Methods	Required Attendees	Completed Attendees	Completion Rate of Training
Board of Directors		8	8	100%
Research and Development	<ul style="list-style-type: none"> <li>Orientation and Courses for New Employees</li> <li>Annual Mandatory Courses</li> </ul>	523	523	100%
Engineering Technology		199	199	100%
Marketing and Sales		48	48	100%
Management Support		69	69	100%
Business Partners	<ul style="list-style-type: none"> <li>Risk Assessment Survey &amp; RBA SAQ</li> </ul>	6	6	100%

Note: The training completion rate is calculated by dividing the number of employees who completed the training by the number of employees in that category required to attend. For the highest governance body, the training rate is calculated by dividing the number of directors who completed the training by the total number of directors. The data covers 12 global operational sites.

Note: The number of employees required to attend training for the current year is based on the number of employees at the time the annual training is conducted, not the total number of employees year-end.

Note: The applicable number of business partners (suppliers) refers to Tier-1 Significant Suppliers. For the proportion of procurement amount, please refer to 5.3.2 Supplier Identification.

### 3.3.2 Grievance and Suggestion Channels

The designated unit regularly conducts training for personnel and integrates the integrity management policy into employee performance evaluations and HR policies. Clear and effective systems for reward, punishment, and grievance have been developed, including:

- An independent whistleblowing mailbox for internal and external stakeholders:  
Whistleblowing mailbox: [ombudsman@guc-asic.com](mailto:ombudsman@guc-asic.com)  
Fax/Hotline: 03-5790696  
Mailing Address: No. 10, Li Hsin 6th Road, Hsinchu Science Park, Hsinchu City 300096, Taiwan / Internal Audit Unit of GUC  
The Irregular Business Conduct Reporting System available on our official website  
Audit and Corporate Governance Committee mailbox: [acinfo@guc-asic.com](mailto:acinfo@guc-asic.com)
- Assign personnel or units to handle whistleblowing reports.
- Records of case acceptance, the investigation process, findings, and related documents are properly preserved.
- The identity of whistleblowers and their reporting content are kept strictly confidential, and whistleblowers are protected from unfair treatment as a result of their reporting.
- A reward and punishment system has been established, including penalties for false accusations.



### 3.3.3 Regulatory Compliance

GUC's management team monitors both domestic and international policies and regulations that may affect the Company's finances and business. To ensure all employees understand the importance of regulatory compliance, the Company has established regulatory compliance management procedures. The President appoints a senior executive to serve as regulatory compliance officer, responsible for overseeing all compliance-related matters. To support this effort, the Legal Department has established a mechanism for providing timely regulatory updates. It reminds various departments to stay informed of any changes and urges them to timely revise their operational and management rules in order to align with relevant laws and regulations. To enhance regulatory compliance management and establish a clear and effective system for regulation dissemination, coordination, and communication, each department head should appoint a person to serve as the compliance contact and carry out self-assessments. Regarding the frequency of self-assessments, each department should conduct change compliance assessments semi-annually for laws and regulations related to their businesses. As for regulatory compliance assessment, these should be conducted at least once a year, and the results should be approved by the department head (manager at the division level or above) before being submitted to the Legal Department for reference.

In addition to understanding regulatory compliance issues, the Company also provides relevant training and resources. For example, we promote courses on the Personal Data Protection Act and Trade Secrets Act through various channels which all employees are required to attend. Employees are also expected to learn and comply with the Procedures for Ethical Corporate Management and Guidelines of Conduct and Responsible Business Alliance Code of Conduct through e-learning. In 2024, GUC did not incur any significant monetary fines or non-monetary sanctions (significant monetary fines shall be defined as penalties of NT\$1 million or above) for non-compliance with economic, environmental, and social regulations. The Company also meets disclosure requirements by GRI Standards and was not involved in any legal proceedings related to anti-competitive behavior, anti-trust, or monopolistic practices. The Company complies with domestic and foreign laws and regulations in all of its operating activities, which serve as the basis of ability for continuous operation.

Regarding the protection and management of personal data, GUC has established the Personal Data Protection Management Procedure. All processes related to the collection, processing, use, and international transfer of personal data must be handled in accordance with this procedure. The Personal Data Protection Committee coordinates the improvement and supervision of personal data security maintenance and establishes auditing mechanisms. The assessment and management of personal data risk levels are carried out in accordance with the Company's Proprietary Information Protection Procedure. Additionally, in line with the Responsible Business Alliance Code of Conduct,

the Company is committed to protecting the personal data and privacy of all individuals it conducts business with, including suppliers, customers, consumers, and employees. The Company complies with applicable privacy and data security laws and regulations when collecting, storing, processing, transmitting, and sharing personal data.

Specific measures for collecting, storing, using, and sharing customer data are in accordance with the GUC Privacy Policy published on our official website. Furthermore, customers' rights are clearly defined, and their data is used solely used for specific purposes.

In 2024, GUC had no violations of environmental laws and regulations resulting in significant fines. There were no sanctions other than fines, and no environmental complaints were filed, processed, or resolved through formal grievance mechanisms.

Regarding compliance with social regulations, including matters such as financial reporting, workplace discrimination, or corruption, there were no violations in 2024 that resulted in significant fines, nor were any sanctions received other than fines. Additionally, no human rights complaints filed, processed, or resolved through formal grievance mechanisms.

Finally, with respect to regulatory compliance in product sales, in the product sales process, there were no incidents in 2024 involving significant fines for violations related to the provision or use of products and services.

In 2024, no corruption incidents occurred.

In 2024, there were no complaints related to violations of customer privacy or customer data.

In 2024, there were no violations regarding marketing promotions, including advertising, sales promotions, and sponsorships, in relation to regulations and voluntary codes.

In 2024, there were no sales of controversial products.

In 2024, there were no incidents of violations regarding product and service information labeling regulations and voluntary standards.

In 2024, there were no incidents of violations regarding regulations and voluntary guidelines related to health and safety impacts of products and services throughout their life cycle.

In 2024, there were no lawsuits related to anti-competitive behavior, violations of anti-trust and monopoly regulations.

## 3.4 Risk Management

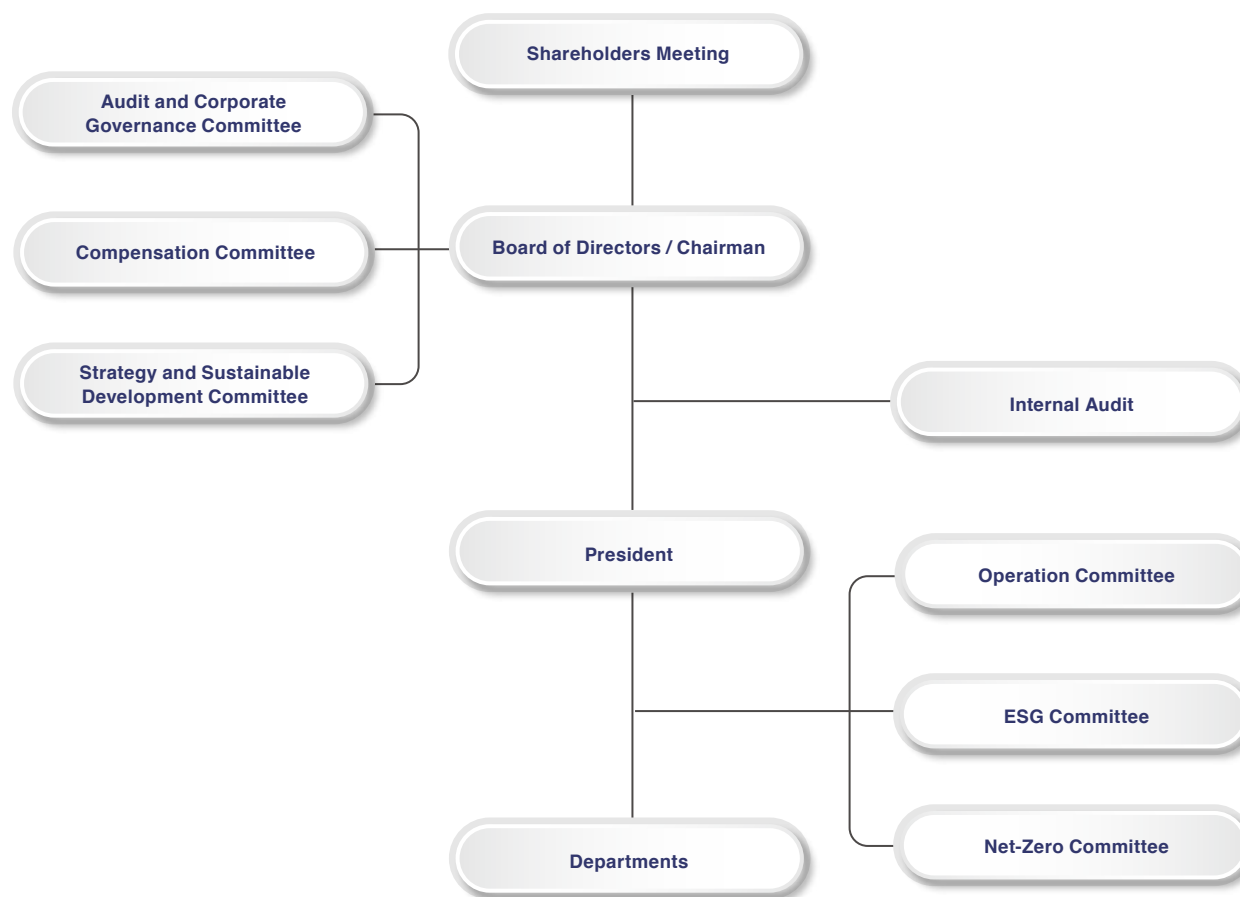
### 3.4.1 Risk Management Policy and Framework

GUC established a Risk Management Policy in 2010, which was approved by the Board of Directors, serving as the highest guiding principle for the Company's risk management. Each management unit regularly evaluates risk items according to the Risk Management Procedures and reports the assessment results to the Operation Committee. The President then consolidates major risk items and updates the findings to the Board of Directors.

During the business management process, we conduct prevention control of potential risks and establish early warning measures. In line with the principle of materiality, we conduct risk assessments related to our operations, which serve as a reference for our risk management and business strategies. This enables us to effectively identify, measure, and control various risks, ensuring that those arising from business activities remain within acceptable limits.

In addition, risk management awareness is included as one of the annual performance evaluation indicators for all supervisors. For senior managers, risk management is integrated into their performance evaluations and linked to compensation and rewards. Employees are encouraged to regularly review risk management and pursue continuous improvement. The awareness evaluation indicator encourages supervisors to assess risks proactively, motivating themselves and their teams to drive continuous innovation. Additionally, it is essential to assess potential risks of all new initiatives and take every possible measure to mitigate those risks. This risk awareness and management strategy ensures that operations remain effective while staying within legal boundaries. It is a key aspect of our ESG commitment, reflecting our devotion to fostering a sustainable and responsible business environment.

■ GUC Risk Management Organizational Structure Chart





## Risk Management Scope

- Intellectual Property Management Plan
- Information Security Risk
- Contract Risk
- Product Quality and Competitiveness Risk
- Climate Change and Environmental Risk Management Response
- Operational Risk

## Risk Management Related Units

GUC has established the Audit and Corporate Governance Committee, Compensation Committee, Strategy and Sustainable Development Committee, Operation Committee, and Net-Zero Committee to identify and manage potential risks in our operations. In addition, early warning measures have been in place. Below are the detailed rules for implementing risk management.

	<b>Audit and Corporate Governance Committee</b>	<b>Compensation Committee</b>	<b>Strategy and Sustainable Development Committee</b>	<b>Operation Committee</b>	<b>Net-Zero Committee</b>
	Established in 2008	Established in 2011	Established in 2022	Established in 2010	Established in 2022
<b>Members</b>	Composed of four independent directors with professional expertise.	Composed of four independent directors with professional experience in industry, government, and academia.	Composed of all directors. In 2024, the Strategy Committee expanded its scope to include sustainable development and was renamed the Strategy and Sustainable Development Committee.	Chaired by the President, the committee is composed of members from business units and production management units.	The President serves as the Chairman, and the committee is composed of department heads from operations, quality assurance, finance, human resources, and facilities management.
<b>Meeting Frequency</b>	Meetings are held quarterly. In 2024, a total of six meetings were held, with an attendance rate of 92.3%.	Meetings are held quarterly. In 2024, a total of four meetings were held. An attendance rate of 94.4%.	Meetings are held once every six months. In 2024, a total of two meetings were held.	In 2024, meetings are held once every two weeks.	Meetings are held once every six months. In 2024, a total of two meetings were held.
<b>Responsibilities</b>	Reviews the Company's financial statements, effectiveness of internal controls, compliance with laws and regulations, risk management, and corporate governance matters. This includes regularly supervision of governance operations, reviewing directors' continuing education plans, examining key policies and regulations, and handling other matters as designated by the Board of Directors.	Evaluates the compensation of the senior management and the allocation ratio for employee bonuses, reviews compensation policies, systems, and structures, and establishes relevant standards to attract and retain talent, ensuring a balance of interests among various stakeholders.	Plans short, medium, and long-term strategies, reviews major investment plans, formulates corporate sustainable development strategies and objectives, tracks implementation effectiveness, and supervises the disclosure of information in sustainability reports.	Reviews the implementation of business strategies, evaluates major risks and proposes countermeasures, and reports operational plans and long-term strategies to the Board of Directors.	Establishes and monitors the progress of energy conservation and carbon reduction, promotes carbon reduction cooperation in the supply chain, conducts greenhouse gas inventory and reporting, and assists the Board of Directors in supervising the achievement of net-zero emission targets.

### ■ Risk-Related Training Outcomes for 2024

Risk Scope	Implementation Details	Frequency/ Number of Sessions	Training Participants
Enterprise Risk Management	Annual Mandatory Risk Management Course	Once a year	All employees completed the training, achieving a 100% completion rate.
Confidential Information Leakage Risk Control	Information Security Education and Training	Twice a year	All employees completed the training, achieving a 100% completion rate.
Legal Compliance Risk Control	Code of Integrity Management and Business Ethics	Once a year	All employees completed the training, achieving a 100% completion rate.
Environmental Safety Risk Control	Emergency Evacuation Drill	Once a year	A total of 432 employees from Hsinchu participated in the training.
	Self-Defense Fire Brigade Training	Twice a year	A total of 50 fire brigade employees participated in the training.
	Prevention of Workplace Unlawful Infringement	Once a year	All employees completed the training, achieving a 100% completion rate.

### 3.4.2 Risk Management Measures

To effectively identify and manage operational risks, GUC has established a comprehensive framework that includes the Risk Management Policy, Risk Management Procedures, Subsidiary Supervision Procedures, Internal Control Statement, Group Enterprise, Specific Company, and Related Party Transaction Procedures. These measures are designed to strengthen risk control mechanisms across related enterprises. To comply with the Financial Supervisory Commission's Sustainable Development Action Plans for TWSE- and TPEX-Listed Companies and Taiwan to align with IFRS Sustainability Disclosure Standards to enhance the quality and transparency of sustainability information, the management of sustainability information has been incorporated into the internal control system in 2024. Additionally, the Company has formulated Procedures for Ethical

Corporate Management and Guidelines of Conduct to prevent insiders from trading securities based on non-public market information.

To foster a harmonious and inclusive workplace, the GUC Grievance Policy was implemented to protect employees' legal rights, promote effective labor-management relations, and strengthen the management system. We have also established the GUC Whistle Blowing Policy, which clearly outlines the reporting channels and investigation procedures, ensuring the Company's legitimate interests.

To protect information security and personal data, GUC has implemented the PIP Policy. The policy outlines the procedures and standards for safeguarding confidential information, controlling the Company's trade secrets, and managing other sensitive information that has not been publicly disclosed, ensuring the best interests of the Company, shareholders, employees, customers, and suppliers.

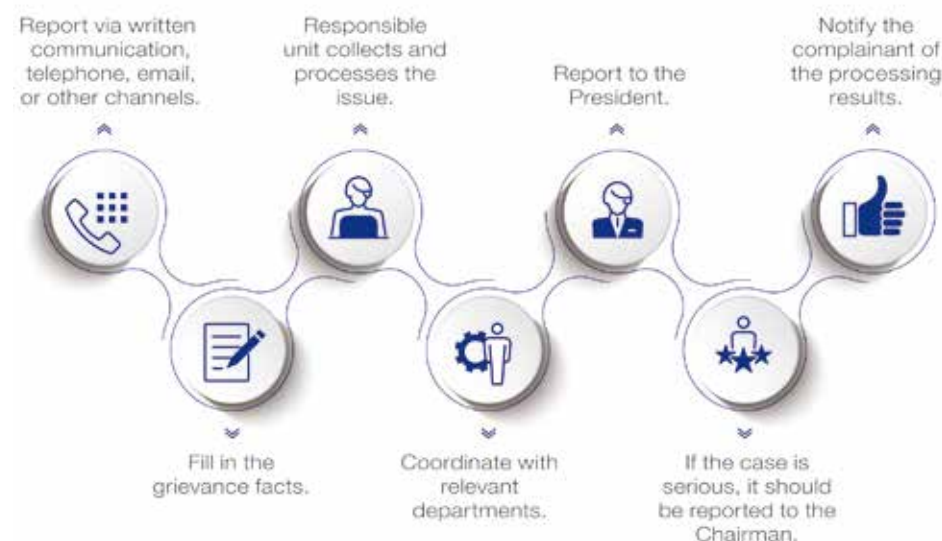
### Communication of Significant Events

In 2024, GUC's Board of Directors held a total of seven meetings, with regular meetings held at least once each quarter, and an average attendance rate of 90% for all directors throughout the year. The board meeting primarily focuses on reviewing corporate business performance, key ESG strategies and significant events (such as major whistleblowing reports, negative impacts, and public opinions). It also designates responsible units for relevant matters and tracks the progress of these issues in subsequent meetings. In 2024, topics included significant events such as monitoring business performance, preventing conflicts of interest, and ensuring compliance with various regulations, for which two special meetings were convened. For details, please refer to the corporate governance operation information in the 2024 Annual Report.

### Whistleblowing Channels

To safeguard employee rights, promote legal compliance, and implement honest business practices, GUC has explicitly established grievance and whistleblowing regulations, allowing both employees and external parties to file complaints or reports under protected conditions. Upon receiving a grievance or whistleblowing report, the Company ensures strict confidentiality and adopts protective measures for the personal information of the complainant or whistleblower. No adverse action will be taken against them as a result of the report.

## Employee or External Stakeholder Grievance Process



## Employee or External Stakeholder Reporting Process



## The data compilation of complaints, reports and investigations received from 2022 to 2024 is shown in the table below.

Reporting Channel	2022	2023	2024	Description of Reported Cases in 2024
Independent Director Mailbox (Audit and Corporate Governance Committee)	0	1 case	0	
Business Ethics Reporting System	0	0	0	
Cases Confirmed to Violate Business Ethics After Investigation	0	0	0	
Employee Report	4 cases	2 cases	1 case <sup>Note 1</sup>	Work habits of colleagues that negatively affect others.
Sexual harassment and illegal infringement reports.	0	0	0	
Other reports	0	0	2 cases <sup>Note 2</sup>	Reporting negligence in official duties by colleagues from other departments.
<b>Cases Established After Investigation</b>	<b>0 cases</b>	<b>0 cases</b>	<b>2 cases</b>	

Note 1: The report concerned a colleague's work habits that affected others and was not related to professional ethics. After communicating with the respondent's manager, the colleague's behavior has been adjusted.

Note 2: The investigation team appointed by the Chairman investigated and reported the results to the Board of Directors. The Board reviewed and determined that the complaint did not correspond with the facts and closed the case.

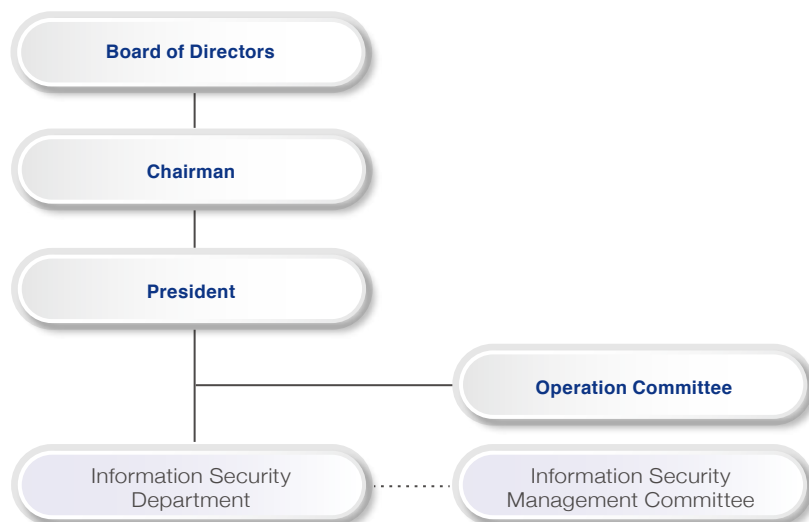


### 3.4.3 Information Security Management

GUC's information security vision is rooted in consistent security governance, with a focus on gradually enhancing protection capabilities and building a robust, effective cybersecurity defense network, aiming to become a leader in information security governance maturity. The Information Security Department coordinates systems and compliance, implements operations such as establishing regulations that meet legal and customer requirements, and promotes security awareness among all employees. It focuses on protecting the confidentiality, integrity, availability and legal compliance of company and customer information, while continuously enhancing security awareness and professional capabilities.

Through the application of technology, the Information Security Department identifies risks and vulnerabilities and implements effective measures to establish a comprehensive governance system and robust, all-round information security protection capabilities. Furthermore, we are committed to cultivating information security awareness among employees to ensure that the entire organization remains engaged and focused on security. These efforts help GUC maintain a reliable security protection framework in an ever-evolving cybersecurity landscape.

#### ■ Information Security Organization



#### Information Security Management Committee

The Information Security Management Committee is responsible for planning information operations security management, establishing and maintaining the information security management system. It is composed of managers from the Information Security Department and key system owners. The Information Security Officer oversees the execution and effectiveness of security operations, reporting findings to the President. They provide quarterly updates to the Operation Committee and an annual report to the Board of Directors on the overall performance of the information security management operations and systems. The Information Security Representatives Meeting is held annually to review development plans, implementation progress, and discuss relevant policies. This ensures that senior executives and board members are fully informed of the company's information security status and that management's requirements for security policies are clearly communicated and implemented.

#### Proprietary Information Protection Committee (PIP Committee)

The PIP Committee is composed of representatives appointed by department heads from across the Company, including global subsidiaries, and is chaired by a Vice President-level executive. The committee meets quarterly and is responsible for the deliberation, establishment, auditing, and promotion of confidential information control operations throughout the company. Protecting confidential information is GUC's commitment to customers, shareholders, and employees. We recognize that protecting confidential information is vital to the company's competitive advantage. Our Proprietary Information Protection (PIP) Policy defines procedures and regulations for protecting trade secrets, and undisclosed confidential information, ensuring the best interests of the Company, shareholders, employees, customers, and suppliers.

GUC protects confidential information using the Plan-Do-Check-Act (PDCA) management cycle, strengthening protection capability and raising personnel's awareness to reduce the risk of information leakage. In addition to including confidential information control in new employee training, all employees must undergo information security refresher training twice a year to continually reinforce their security awareness. We implement employee education and training to improve awareness and capabilities in information security. By promoting key concepts and compliance matters related to confidential information through daily operations, employees gain a stronger understanding of the importance of safeguarding sensitive data. Information security and ethical business practices are integrated into employee performance evaluations, reinforcing each employee's responsibility in protecting confidential information.

PIP Training	2022	2023	2024
Total number of employees in that year	759	819	First half of the year: 841 Second half of the year: 839
Completion rate of training	100%	100%	100%

Note 1: The number of employees represents the total number of employees who should receive training in that year, not the total number of employees at the end of the year.

Note 2: Starting in 2024, PIP training will be conducted once each in the first and second half of the year.

The PIP Committee conducts audits quarterly to ensure the implementation of confidential information protection. Management regulations have been established for PIP violations, along with relevant reporting systems, investigation and disciplinary responsibilities. Appropriate disciplinary actions and corrective measures are implemented based on the nature of violations and their impact levels, while continuing to promote awareness and provide educational training. The PIP violations over the years are listed in the table below. The total violation incidents in 2024 due to violation of confidential information protection procedures accounted for 0.12% of all employees. In 2024, the Company did not incur any losses from major information security incidents.

PIP Violations	2022	2023	2024
Number of Employee Violations	1	1	1
Number of Outsourcing Vendor Violations	0	0	0

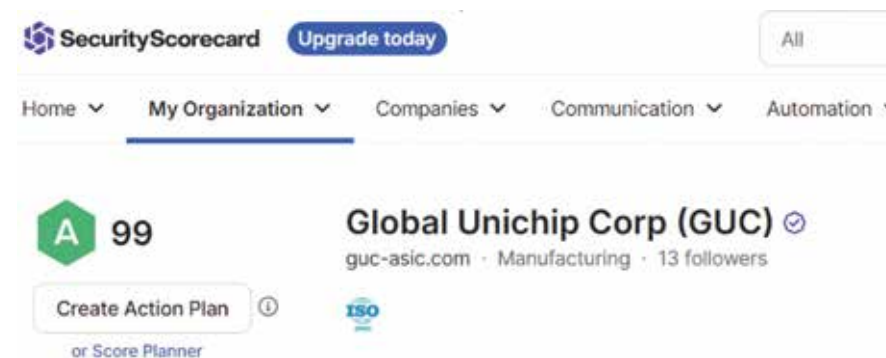
## Information Security Risk Management Framework Response Strategies

To address complex and evolving information security challenges, GUC has designed 4 key strategies within its information security risk management framework: strengthening defense capabilities and maturity assessments, refining management procedures, enhancing education and training, and remaining alert emerging risks. The following provides a more detailed description of these strategies.

### 1. Strengthening Information Security Defense Capabilities and Maturity Assessment

To ensure the soundness of the information security system, GUC regularly conducts information security system testing and reinforcement, and performs at least two operational contingency drills annually, ensuring that critical systems can be promptly restored when anomalies occur, thereby reducing the impact on operations. Additionally, a cybersecurity incident response plan is in place to guide timely notification and recovery actions. And through the objective results and threat intelligence from 3rd-Party Risk Assessment, we conduct risk analysis to further strengthen our information security management system.

- In 2024, GUC set a score of above 95 on SecurityScorecard, consistently maintaining a score above 98 since January.



- For Panorays, the target score was set above 90, with scores steadily remaining above 97 since January 2024.



The frequency of external vulnerability scanning has been increased from once per month since the end of 2022 to once per week starting in 2023, allowing high-risk vulnerabilities to be identified and patched within one week of discovery.

## 2. Enhancing Information Security Management Procedures - Passing ISO 27001 Verification

GUC has complied with the information security-related ISO 27001 international standard in 2021 and obtained certification, implementing improvements through annual review processes. In line with the ISO/IEC 27001:2022 standard announced by International Organization for Standardization (ISO) on October 25, 2022, we have passed the document review and on-site audit by the certification body in October 2024, completing the transition review and recertification audit without any nonconformities.

## 3. Information Security Training

GUC implements information security training for employees, enhancing their awareness and capabilities to reduce risks. We not only include confidential information control in new employee training but also conduct various drills and awareness campaigns annually to strengthen employees' awareness. The following are the Company's drill and awareness activities.

- We organized social engineering attack simulation drills twice a year. Employees who fail or fail for two consecutive times must attend additional training to improve their awareness of email protection.
- Information security awareness campaigns are conducted quarterly for all employees, with topics planned according to current internal and external threats.
- All employees must undergo PIP information security refresher training twice a year.

## 4. Staying Alert to Emerging Risks

ChatGPT, launched on November 30, 2022, is a generative AI with powerful learning capabilities. It offers convenient services like report generation and code correction by leveraging vast database. However, since it continuously learns from user inputs, entering confidential information into ChatGPT may risk exposing company trade secrets.

Due to its strong data integration and analysis capabilities, several leakage incidents have occurred in the semiconductor industry. Examples include uploading original code to ChatGPT to debugging, unintentionally exposing the critical application secret; inputting test patterns for identifying defective chips and asking for optimization, despite the fact that defect identification test sequences must be strictly confidential; and using ChatGPT to convert meeting minutes into reports.

To prevent such incidents, GUC has limited the maximum number of characters that can be entered into ChatGPT from company computers, reducing the risk of large-scale data leakage.

As AI technology has become more widespread, hackers are using it to enhance attack efficiency and create new scams. For instance, deepfake technology is being used to make scams more convincing and personalized, generating text and multimedia content that is difficult to identify as fraudulent. Therefore, we will place greater emphasis on vulnerability and attack surface management, continue to explain new scam and attack methods to employees, strengthen information security awareness, and avoid potential information security risks that AI may bring.