

The background of the slide features a close-up photograph of several hands stacked on top of each other in a circular formation, symbolizing teamwork and partnership. The hands are of different skin tones and are wearing various sleeves, including a light-colored striped shirt and a blue button-down shirt. The background is a soft-focus bokeh of green and yellow light, suggesting an outdoor setting with sunlight filtering through trees.

5 Partnership and Mutual Prosperity

- 5.1 Green Supply Chain**
- 5.2 Supply Chain and Environment**
- 5.3 Supplier Management Principles**
- 5.4 Supplier Risk Management**
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Key Results and Strategies

Strategic Guidelines	Commitment	KPI	2024 Goals and Performance
Green Supply Chain	Promote consistent local procurement and track the percentage of locally sourced raw materials (%).	80%	<ul style="list-style-type: none"> Local Procurement Amount: 83% (NT\$11.5 billion)
Supply Chain and Environment	Establishing biodiversity commitment as a performance indicator and target for the Company and Tier-1 Significant Supplier.	100%	<ul style="list-style-type: none"> 100% of Tier-1 Significant Supplier have signed the biodiversity commitment survey.
Supplier Management Principles	Percentage of Tier-1 Significant Supplier Completing RBA Code of Conduct Signing (%) Percentage of Tier-1 Significant Supplier Completing ESG Sustainability Management & Risk Survey and Assessment (%)	100%	<ul style="list-style-type: none"> 100% of Tier-1 Supplier have completed RBA code of conduct signing. 100% of Tier-1 Significant Supplier have completed ESG sustainability management & risk survey and assessment, and no significant risks were found.
Supplier Risk Management	Assessing geopolitical risk critical management principles and political resilience to strengthen supply chain sustainability resilience.	100%	<ul style="list-style-type: none"> 100% of suppliers responding to geopolitical risks by expanding factories outside of China and Taiwan according to extension strategy, thereby achieving the purpose of risk diversification.



5.1 Green Supply Chain

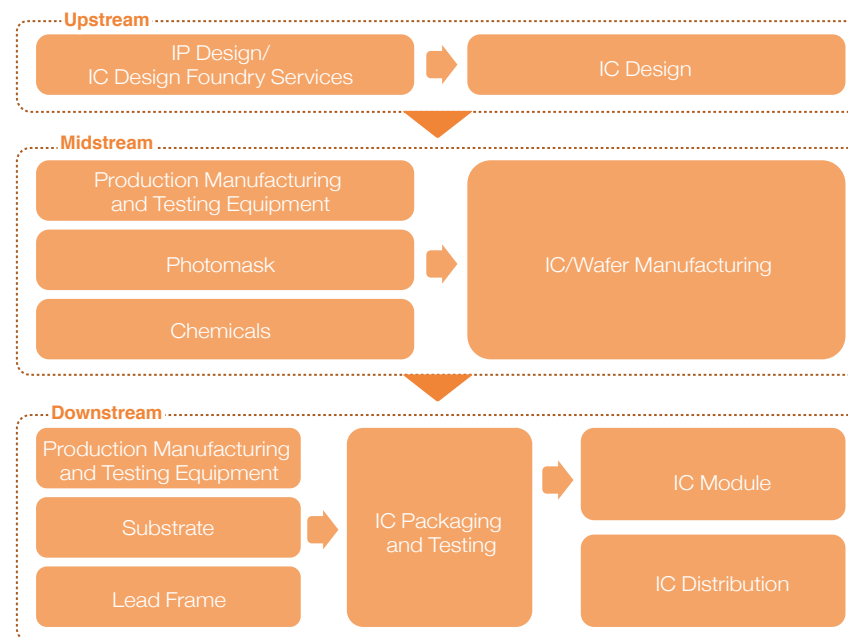
With the continuous advancement of manufacturing processes, chip design and mask costs have risen significantly. While the trend toward integrating multiple functions into a single chip persists, the overall number of chip design projects has seen a slight decline due to these rising costs. Nevertheless, the growth in areas such as artificial intelligence (AI/Machine Learning), data centers (Data Center), 5G communication networks (5G Networking), Internet of Things (IoT), Advanced Driver Assistance Systems (ADAS), and virtual reality (AR/VR) has slowed the decline in the number of ASIC and ASSP chip design projects.

In recent years, the global semiconductor industry has undergone a wave of mergers and acquisitions. At the same time, Taiwan's semiconductor sector faces competition from mainland China, which has invested in its domestic industry and recruited experienced talents from Taiwanese companies. Additionally, global IC design companies continuously strengthen their product lines, reduce costs, and expand economies of scale through acquisitions, all in an effort to maintain market share and meet evolving customer demands with advanced semiconductor technologies. As the number of design companies continues to shrink, customers will have fewer options to choose from in the future. However, the demand for product differentiation remains strong. Standardized products are no longer sufficient to meet customer needs, and leading global manufacturers are increasingly turning to in-house chip design to demonstrate product features and performance. For GUC, this also means more opportunities in the future.

Facing changes in the semiconductor industry and rapidly evolving customer demands, the Company's Advanced ASIC Services framework features a complete IP ecosystem, proprietary IP, customized IP, and system design services. We support customers from the initial product concept to specification development, development, verification, manufacturing, production, and final product stages. Customers have the flexibility to enter the semiconductor design industry chain at any stage to receive our tailored services. Advanced ASIC Services includes three core elements: Silicon Intellectual Property solutions, chip design with advanced packaging, and ASIC manufacturing. These precise silicon intellectual property solutions help customers reduce design time and costs, resulting in customized ICs that meet customer requirements. In terms of chip design and advanced packaging, we work closely with TSMC to help customers achieve rapid mass production, improve yield rates, and strengthen market competitiveness. GUC's ASIC manufacturing services serve as the optimal bridge between wafer foundries and packaging and testing facilities for customers.

Relationship among Upstream, Midstream, and Downstream Industries

Taiwan's semiconductor industry supply chain is divided into four major groups along the upstream, midstream, and downstream: design, manufacturing, packaging, and testing. The industry division table is as follows:



GUC offers comprehensive advanced IC customization services, covering the entire semiconductor industry chain, from upstream design, midstream manufacturing, downstream packaging and testing, to backend sales. With tailored technical services, GUC meets the specific design requirements entrusted by customers. In 2024, there were no significant changes in the company's supply chain and business relationships with upstream and downstream manufacturers and customers.

To implement supply chain management, GUC not only focuses on continuous improvement in advanced process services and technology, but also strengthens cooperation across upstream, midstream, and downstream supply chains. Additionally, it also encourages suppliers and contractors to prioritize improvements in various aspects of ESG. Through regular exchanges with management, self-assessment, management audits, and experience sharing, GUC aims to strengthen partnerships with key suppliers and contractors, launch high-quality products and services while creating sustainable value together.

5.2 Supply Chain and Environment

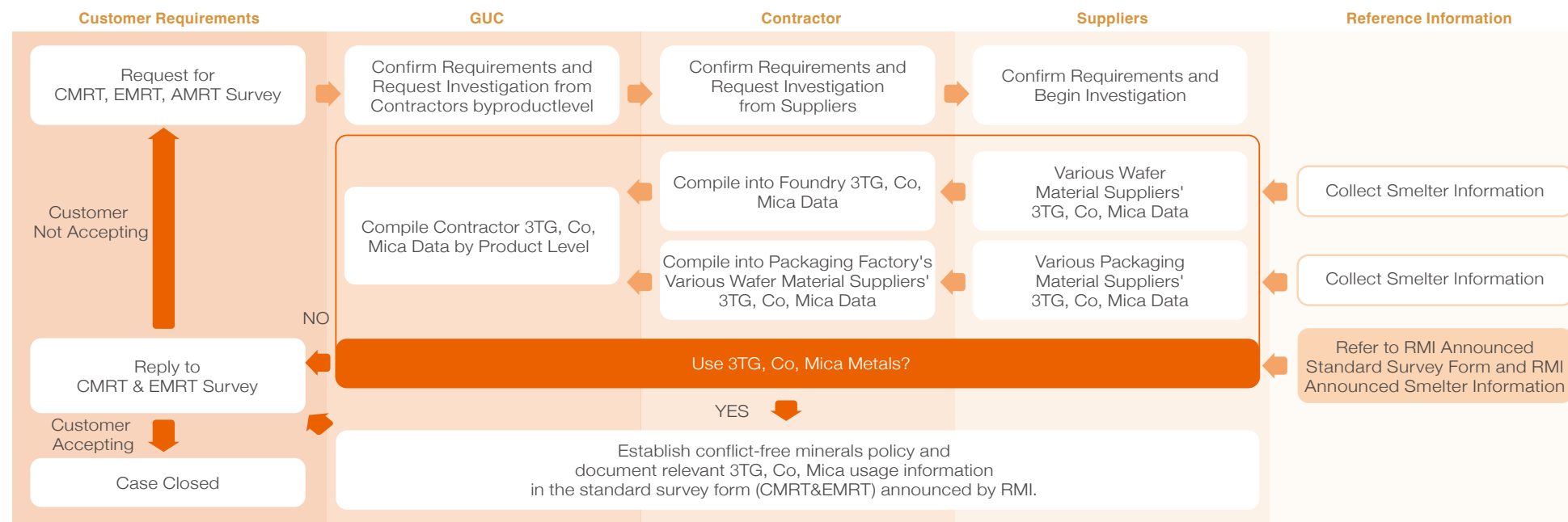
5.2.1 Raw Material Management - Responsible Mineral Management Process

In line with the global movement of human rights protection, GUC ensures the procurement of reliable, conflict-free raw materials by requiring suppliers to conduct reasonable due diligence on their supply chains to ensure that the materials provided to us do not contain conflict minerals sourced from conflict regions and countries. This approach helps protect human rights, health, and the environment in mineral-producing regions.

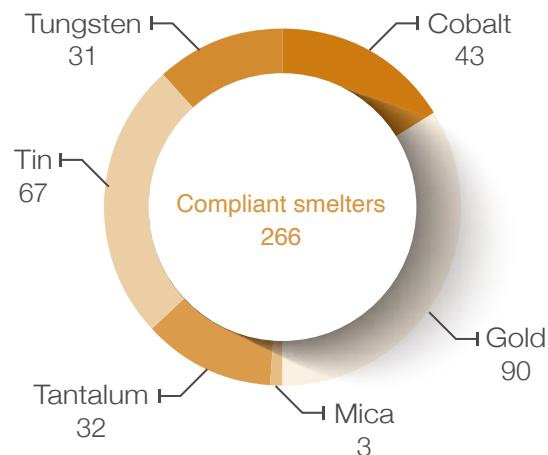
With the Responsible Minerals Initiative (RMI) updating versions of conflict minerals surveys including CMRT (Conflict Minerals Reporting Template), EMRT (Extended Reporting Template),

and AMRT (Additional Minerals Reporting Template), the Company continues to actively manage suppliers' conflict minerals due diligence. Through surveys to identify mineral and smelter source information in the supply chain, we confirm the sources of 3TG in IC products. In 2024, according to the surveys conducted, 266 qualified smelters were identified, 100% of which comply with the Responsible Minerals Initiative organization's smelter/refiner list. Based on the analysis of mineral country of origin survey results, most qualified smelters are from Asia, with others located in the Americas, Europe, Africa, and other regions.

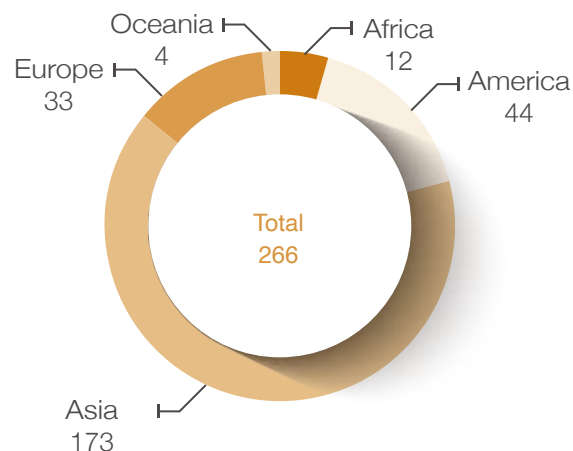
Responsible Minerals Management Process



■ Distribution of Minerals Used by the Company and Number of Qualified Mineral Smelters

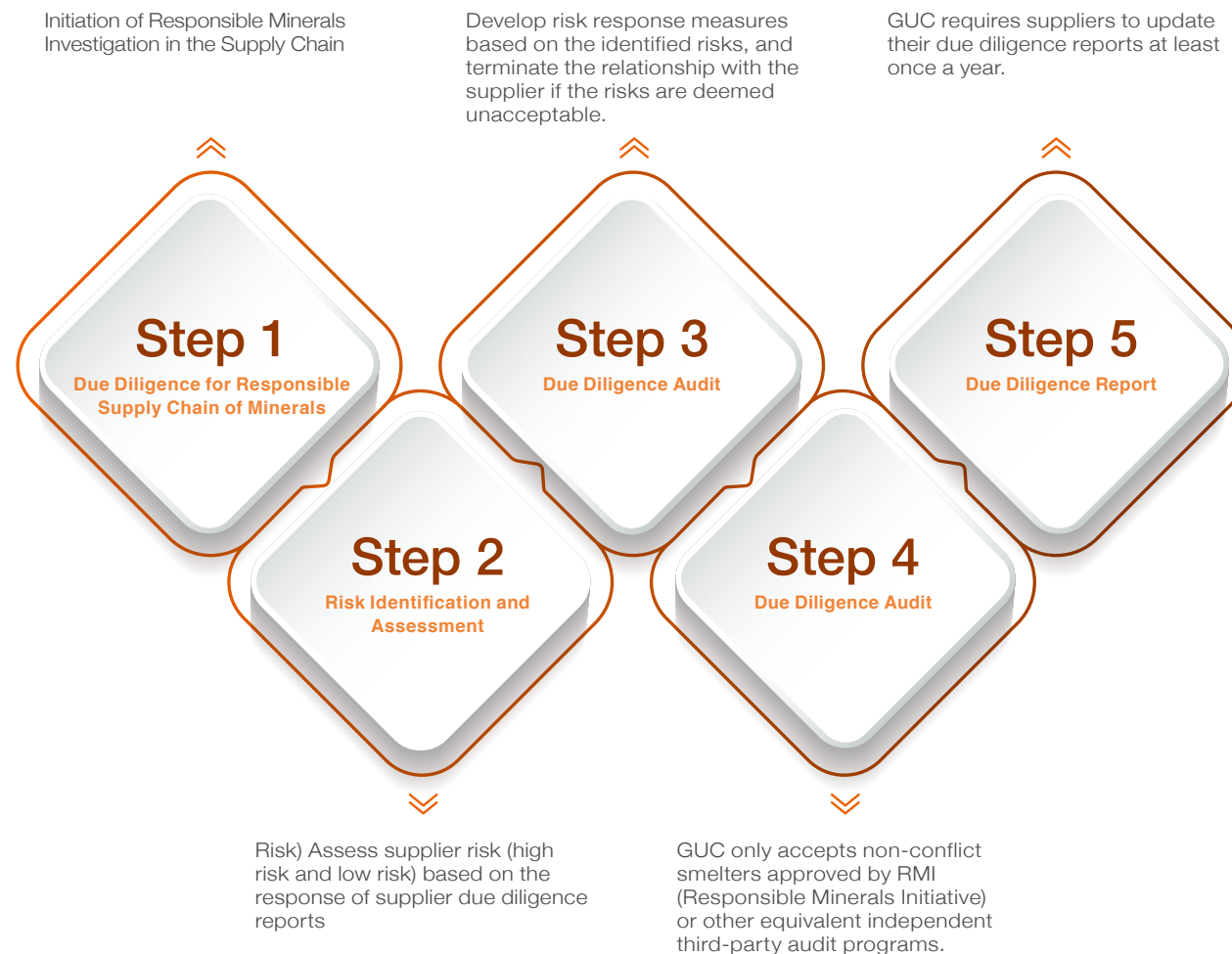


■ Distribution of Qualified Smelters by Region



■ GUC Responsible Minerals Risk Control

According to the responsible minerals risk identification process, GUC has established a responsible minerals risk management mechanism to comply with the principles of OECD due diligence.



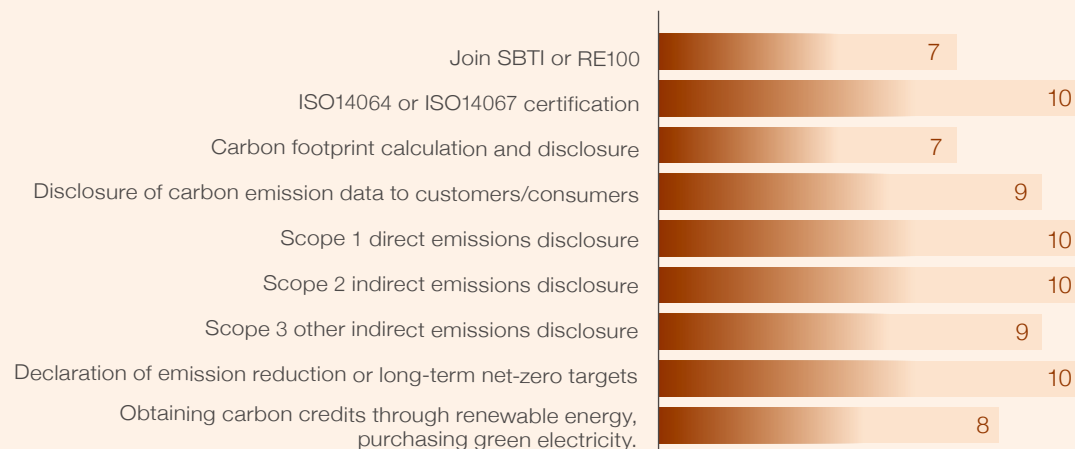
Annual Highlight Project

Launched the GHG Online Survey 1.0 Green Supply Chains

In the global net-zero transition, GUC and Fab & OSAT supply chain partners are working together towards a low-carbon future. The GHG Online Survey 1.0 Supply Chain Process launched in 2024 has created a carbon management platform, making supply chain carbon reduction actions more transparent and strategic. Based on our latest survey results, here are some significant achievements:

- Four suppliers have been approved by the SBTi (Science-Based Targets initiative), one has signed a commitment, and two have joined the RE100 initiative, covering 86% of the total procurement amount. This demonstrates the strong commitment of our supply chain partners toward sustainable development.
- Ten suppliers have fully disclosed their Scope 1 and Scope 2 greenhouse gas emissions, with nine of them further covering Scope 3, providing strong data support for supply chain carbon reduction strategies.
- Six suppliers have passed ISO14064-1:2018 verification/assurance, four have obtained ISO14067 verification/assurance, and all have undergone rigorous review by third-party organizations to ensure the credibility and accuracy of carbon data.
- Ten suppliers have established short-term carbon reduction and long-term net-zero emission targets.
- Eight suppliers are actively adopting renewable energy and purchasing green electricity, working together to create a more resilient low-carbon production model.

Through the GHG Online Survey 1.0 Supply Chain Process, we are working closely with our supply chain partners. To integrate the data, demand for GHG survey, life cycle assessment and improve the data quality if cooperating with the suppliers to implement net zero.



5.2.2 Critical Raw Material Risk Assessment and Management

To tackle the challenges of supply chain risk assessment and management, GUC has implemented a diversified supply chain strategy and activated inventory preparation mechanisms. At the same time, we continue to strengthen our control over the supply chain to ensure its stability and reliability.

Emerging Risks	Supply Chain Material Shortage and Disruption Risk
Risk Description	Political instability, epidemics, and other factors can significantly impact the supply chain, leading to material shortages and disruptions that affect company operations.
Potential Impact	Lack of appropriate supply chain risk management may increase the risk of material shortages and disruptions.
Response Approach	<ol style="list-style-type: none"> 1. Implement a diversified supply chain strategy, seeking cooperation with multiple supply sources to reduce reliance on any single source. Every year, we conduct rigorous screening and certification of new suppliers to continuously expand the list of qualified suppliers. 2. For critical raw materials, long-term capacity guarantee contracts are signed with major suppliers to ensure stable long-term supply. 3. Establish a raw material tracking mechanism to monitor the delivery progress of raw materials in the supply chain in real-time and make timely adjustments to capacity allocation as needed. 4. Initiate a backup material (second source) mechanism to ensure the stable supply of critical raw materials.

5.2.3 Supply Chain Biodiversity Commitment and Zero Deforestation Declaration

GUC, as part of its commitment to ecological resource conservation, has established the Biodiversity Commitment and Zero Deforestation Declaration, setting it as a performance indicator and goal for both the Company and its Tier-1 Significant Supplier. This aims to enhance the value chain's positive impact on biodiversity preservation by encouraging suppliers to assess the biodiversity risks at their operational sites to reduce negative environmental impact and adopt the best practices to minimize harm and achieve zero deforestation. Through the biodiversity commitment survey, Tier-1 Significant Supplier are required to comply with the following commitments to protect ecological resources:

- Guarantee that operational activities will not be conducted in or near important biodiversity areas in the future.
- If current operations or the products and services provided involve deforestation, commit to implementing forest restoration compensation measures, and cease all related development activities going forward.
- Ensure that operational activities, as well as the products and services provided, meet zero deforestation standards, and monitor compliance with regulations through the operation of internal environmental management systems.
- If the area surrounding current operations is identified as a biodiversity area, take steps to propose and implement impact mitigation strategies, such as avoidance, impact reduction, restoration, compensation.
- Regularly conduct ecological surveys and impact assessments in the areas surrounding operational sites.
- Collaborate with external partners to jointly implement and fulfill this commitment.

5.3 Supplier Management Principles

GUC's primary product raw material is wafers, with TSMC serving as the main supplier. As TSMC is also our largest shareholder, we have established a long-term cooperative relationship that ensures a stable supply of raw materials. In addition to TSMC, GUC also collaborates with other suppliers. The wafers and packaging materials of products from suppliers working with us must comply with EU RoHS Directive 2011/65/EU and 2015/863 (which adds four restricted substances: DEHP, BBP, DBP, DIBP), and conform to the EU's new chemical policy (Registration, Evaluation, Authorization & Restriction of Chemicals, REACH regulations). GUC promotes green environmental policies and concepts throughout the entire supply chain. All new product manufacturing suppliers must comply with GUC's RBA Code of Conduct and sign relevant regulatory declarations. Only after successfully passing the review can they become qualified suppliers.

At the same time, GUC requires suppliers to use recycled materials and reduce the use of consumables, both in factories and during transportation. For example, reusing plastic carrier trays for IC products, and fully adopting reusable anti-static black boxes packaging materials for product transportation during the production process to reduce the use of cardboard boxes. Through close cooperation with upstream and downstream partners in the supply chain, we jointly enhance industry's social responsibility and global citizenship awareness. GUC takes a range of environmentally friendly actions, fully integrating green materials from product design and manufacturing to packaging. Environmental awareness is embedded throughout our production and quality management systems.



5.3.1 New Supplier Management

As a member of the global electronics industry supply chain, GUC is committed to acting as a responsible global citizen. Since 2012, GUC has systematically enhanced its corporate culture and management systems and established an RBA Committee directly under the Operations Committee. The committee is responsible for planning and implementing practices aligned with the RBA Code of Conduct, aiming to fulfill corporate social responsibility and manage the supply chain through the RBA Code of Conduct. GUC's responsible supply chain management mechanism requires all manufacturing and service suppliers to comply with the RBA Code of Conduct and follow local regulations, without making exceptions for regional differences.

GUC's Implementation of the Code of Conduct for Responsible Business Alliance is based on the Responsible Business Alliance (RBA) Code of Conduct as a blueprint, and references various international standards, including OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, United Nations Guiding Principles on Business and Human Rights, International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, ILO Fundamental Conventions, and the United Nations Universal Declaration of Human Rights. For suppliers who directly engage with GUC, we supervise and require them to follow the Code of Conduct for Responsible Business Alliance published by the RBA. New suppliers must first obtain valid ISO9001 or IATF16949 international standard certifications and the necessary certifications for the supplied items and sign the GUC Supplier Code of Conduct Commitment Letter when being onboarded as a new supplier. We hope that through the collective efforts of the entire supply chain, we can enhance the social responsibility of the industry and awareness as world citizens. In 2024, a total of four new suppliers signed the GUC Supplier Code of Conduct, accounting for 100% of all new suppliers. During the reporting period, there were no significant actual or potential negative environmental impacts in the supply chain.

■ Number of New Suppliers Signing the GUC Supplier Code of Conduct Commitment Letter

Year	2022	2023	2024
Number of Signatories	16	3	4
Percentage of Signatories	100%	100%	100%

Note:

1. The percentage of suppliers who have signed the GUC Supplier Code of Conduct Commitment Letter = Number of signatories to the GUC Supplier Code of Conduct Commitment Letter ÷ Total number of suppliers × 100%.
2. The total number of trading suppliers varies each year.

5.3.2 Supplier Identification

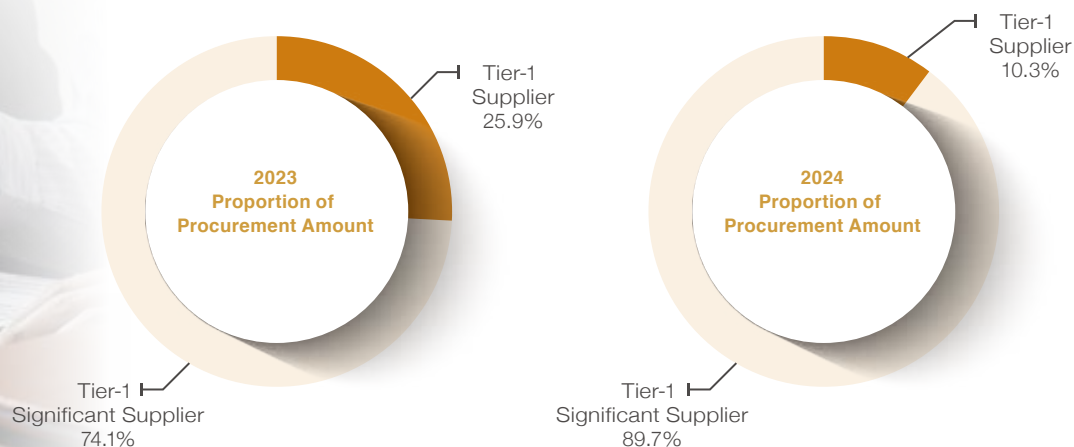
To effectively manage the sustainability risks of suppliers, GUC has classified suppliers into three tiers, taking into account differences in procurement amounts, quantities, and content. We define Tier-1 Supplier as those accounting for the top 80% of processing payment amounts or those with quarterly shipments of one million units or more. For Tier-1 Significant Supplier, we establish standards and requirements that align with their processing items or service responsibilities. In 2024, a total of five key suppliers were included and completed the supply chain sustainability risk survey and assessment, achieving a response rate of 100%.

Considering the various risks facing the supply chain, GUC will continue to strengthen sustainability risk management for Non Tier-1 Significant Supplier. We have begun tracking information on Non Tier-1 Significant Supplier and have identified Non Tier-1 Significant Supplier. We will continue to monitor the risk status of Non Tier-1 Significant Supplier and establish comprehensive risk control measures.

Supplier Identification & Number of Suppliers and Proportion of Procurement Amount in the Past Two Years

Supplier Category	2023		2024	
	Number of Suppliers	Proportion of Procurement Amount	Number of Suppliers	Proportion of Procurement Amount
Tier-1 Supplier	40	25.9%	44	10.3%
Tier-1 Significant Supplier	6	74.1%	6	89.7%
Non Tier-1 Significant Supplier	12	No Direct Procurement Activities	13	No Direct Procurement Activities

Note: "Non Tier-1 Significant Supplier" refers to suppliers that provide direct materials or services to more than two Tier-1 Significant Supplier or suppliers that conduct transactions through agents.



■ GUC Supplier Identification and Sustainability Risk Assessment Process

Management Procedures		Risk Levels and Sustainability Risk Assessment Targets	Risk Assessment Mechanism	Implementation Details
Supplier Onboarding	1	New Suppliers	Conduct proactive assessment and preliminary risk identification based on supplier regions and procurement amounts.	<ul style="list-style-type: none"> Ensure supplier operations comply with RBA Code of Conduct Supplier Operations Management Technical Capability
Risk Assessment	2	Supplier Risk Assessment	Based on the Tier-1 Supplier SAQ results, supply chain resilience, and transaction amounts, define supplier risk matrix and tiered management measures.	<ul style="list-style-type: none"> Sign the GUC Supplier Code of Conduct RBA Code of Conduct
		Tier-1 Significant Supplier Risk Assessment	Suppliers accounting for the top 80% of processing payment amounts or with quarterly shipments reaching one million units are classified as Tier-1 Significant Supplier.	<ul style="list-style-type: none"> Regular QBR assessments Sign the GUC Supplier Code of Conduct Commitment Letter RBA Code of Conduct Supplier ESG Sustainability Management Risk Assessment Questionnaire
On-site Audits and Regular Meetings	3	Supplier Continuous Improvement	Through on-site or document audits, we verify suppliers' implementation, compare the validity of various standard certificates, and track suppliers' self-assessment reports and case closures to ensure their operations comply with sustainability management requirements.	<ul style="list-style-type: none"> Review of quality, delivery, service, technical support, and information interaction aspects. ESG Sustainability Management Assessment Suppliers who pass the risk assessment (≥ 70) are listed as prioritized procurement targets. Selection of excellent suppliers and presentation of the Annual Excellence ESG Supplier Award.
Implementation of Evaluation Management and Disqualifying Mechanism	4	High-risk Suppliers	Failing on-site audits twice	<ul style="list-style-type: none"> Suppliers who fail to pass on-site audit review or commit major violations will have their transaction volume reduced or transactions terminated.

5.3.3 Supplier Evaluation

GUC conducts regular risk assessments of suppliers and performs comprehensive on-site audits of Tier-1 Significant Supplier annually. The audit covers compliance with shipping quality standards, effective management of quality abnormalities, verification of compliance with environmental substance regulations, evaluation of internal audit plan implementation, communication and promotion of environmental substance information, and review of testing equipment records. Each audit item is recorded and evaluated in detail to ensure that the manufacturing process and products meet high quality and environmental standards.

At the same time, to strengthen sustainability risk investigation and improve the efficiency and accuracy of the evaluation audit process, GUC has independently developed an online audit system named ESG Platform for Supplier Sustainable Management. This system enhances data accuracy and management, significantly improving work efficiency and supplier responsiveness. It supports

suppliers in optimizing verification response operations and audit management processes, ensuring the supply chain continues operations aligned with sustainable strategies. Ultimately, it promotes the core strategy of achieving sustainable development together with enterprises and suppliers. Looking ahead, GUC will continue to optimize its audit mechanism, strengthen supplier partnerships, and pursue green, efficient, and transparent supply chain management, all to help the supply chain maintain a competitive edge in the global market.

In 2024, GUC conducted comprehensive evaluations of six Tier-1 Significant Supplier. Based on the results of the supply chain sustainability risk investigation and assessment, all participating suppliers performed well, and no supplier was classified as a high-risk D level. The Company remains committed to implementing a range of strategies in supplier management and risk control to ensure supply chain stability and sustainable development.

5.3.4 Supplier Audit

In 2024, we planned to conduct on-site audits for six Tier-1 Significant Supplier and document audits for five suppliers. We successfully completed all planned audits, achieving a 100% completion rate for both on-site and document audits. The major audit deficiencies found during the audit process and key improvement results are shown in the table below, with 100% completion of critical improvements.

■ Tier-1 Significant Supplier Audit Status and Evaluation Results for the Past Two Years

Audit Method		Grade/Level/Score							
		A-Excellent ≥ 90		B-Good 80~89		C-Normal 70~79		D-Bad <70	
Year		2023	2024	2023	2024	2023	2024	2023	2024
On-site Audit	Expected Number of On-site Audits	0	2	6	4	0	0	0	0
	Actual Number of Completed Audits	0	2	6	4	0	0	0	0
	Achievement Rate	100%	100%	100%	100%	0	0	0	0
Document Audit	Expected Number of Document Audits	5	5	0	0	0	0	0	0
	Actual Number of Completed Audits	5	5	0	0	0	0	0	0
	Achievement Rate	100%	100%	0	0	0	0	0	0
RBA SAQ	Expected Number of Document Audits	10	7	1	4	2	4	1	0
	Actual Number of Completed Audits	10	7	1	4	2	4	1	0
	Achievement Rate	100%	100%	100%	100%	100%	100%	100%	0

Note: 2 in Supplier Evaluation

- For Tier-1 Significant Supplier that receive an A rating in the supplier evaluation, GUC will adjust the audit frequency to once every two years.
- For Tier-1 Significant Supplier that receive a B rating in the supplier evaluation, GUC will conduct regular audits and guidance annually.
- For Tier-1 Significant Supplier that receive a C rating in the supplier evaluation, GUC will conduct regular audits annually and require suppliers to improve within a specified timeframe.
- For Tier-1 Significant Supplier that receive a D rating in the supplier evaluation, GUC's quality management unit and relevant departments will assess whether continued use of this supplier is necessary. If so, GUC will actively provide guidance and support the supplier to make prompt improvements. If not, the supplier's qualified status will be revoked.

■ 2024 Supplier Audit - Regular Evaluation Process

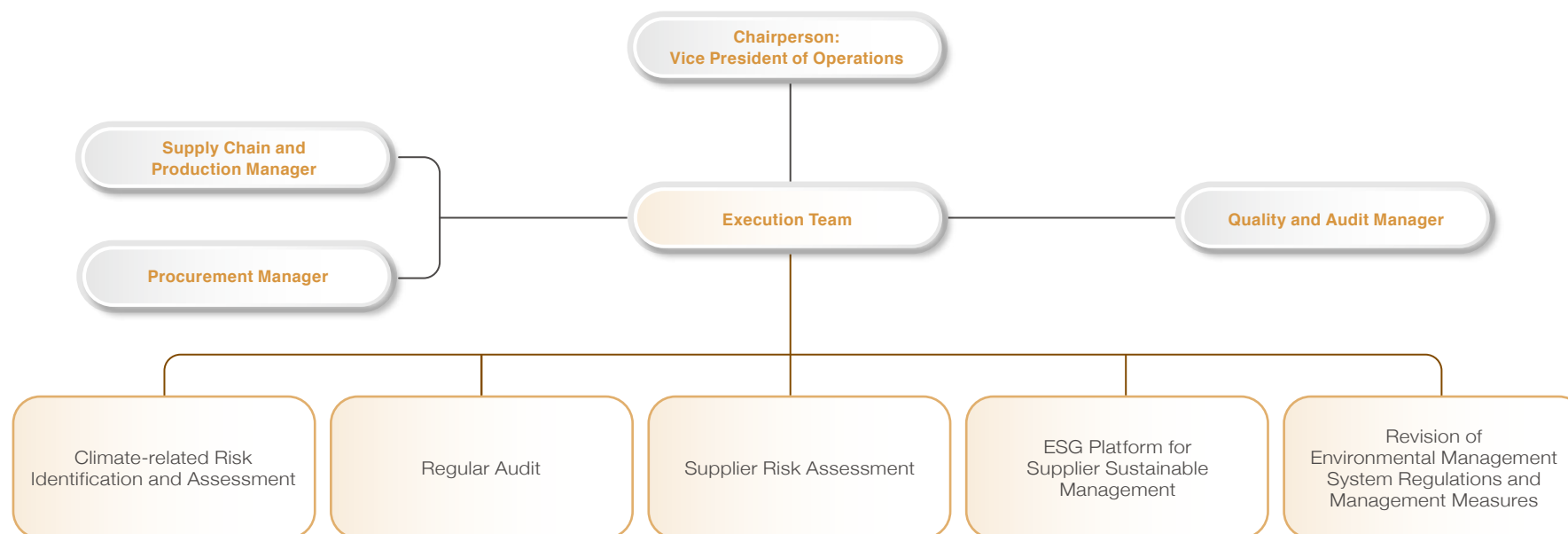
Category	Supplier Audit
Main Audit Deficiencies	Quality Audit: <ul style="list-style-type: none"> No relevant standard operating procedures for the automated visual inspection station. The macro inspection sampling plan for wafer incoming inspection does not meet GUC's requirements. Sustainability Management Risk Assessment: <ul style="list-style-type: none"> Sustainability is not included as a criterion in a supplier chain selection (including new suppliers). Suppliers are unable to fully implement water and electricity conservation measures.
Key Improvement Results	Quality Audit: <ul style="list-style-type: none"> Review the automatic visual inspection station, establish a program configuration process, and formulate an SOP. Modify specifications: Update GUC wafer incoming inspection requirements. Sustainability Management Risk Assessment: <ul style="list-style-type: none"> Suppliers have provided supporting documents for the selection methods and processes within the specified timeframe. Suppliers have provided relevant measures and implementation methods within the specified timeframe.

5.4 Supplier Risk Management

To further strengthen ESG risk management in the supply chain, the Operations Division has established a Supply Chain ESG Risk Management Committee led by the highest executive of operations and has formed a dedicated Execution Team responsible for promoting and coordinating risk management plans across all operational units. The committee requires the Execution Team to regularly hold risk management meetings to comprehensively plan for the sustainable development of the supply chain, and to formulate medium and long-term management objectives and specific action plans. In addition, the Risk Management Committee regularly reports on the implementation of risk management measures to ensure effective progress and monitoring of each risk plan, further enhancing the supply chain's risk resilience and advancing sustainable operations.



■ GUC Supply Chain ESG Risk Management Committee Organization Chart






5.4.1 Supply Chain External Certification

GUC conducts ESG risk assessments through an integrated management system that addresses potential risks across the economic, environmental, and social aspects. These three areas serve as the primary criteria for risk evaluation. This system enables in-depth analysis of risk factors in each aspect, effectively identifying potential challenges and opportunities, and providing a scientific basis for the Company's sustainable development. Based on the assessment results, we conduct detailed risk analysis for each aspect and determine corresponding response strategies and management measures. The following presents the risk assessment results across three key aspects: economic, environmental, and social.



2024 Supply Chain External Assessment Results

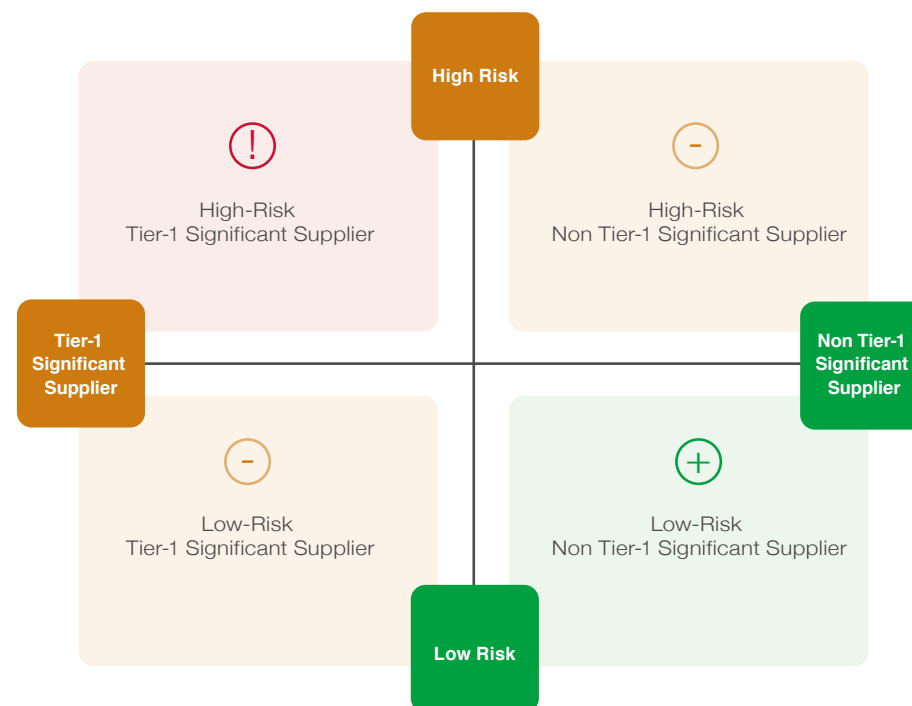
Aspect									
	Economic	Environmental	Social						
Assessment Indicators	ISO9001 Quality Management System	IATF16949 Automotive Industry Quality Management	ISO14064-1:2018 Greenhouse Gas Verification Standard	ISO50001 Energy Management System	ISO14001 Environmental Management System	IECQQC080000 Hazardous Substance Process Management System	ISO22301 Business Continuity Management System	RBA Code of Conduct	ISO45001 Occupational Health and Safety Management System
Evaluation Weights for Each Aspect	34%		33%			33%			
2024 Assessment Completion Rate	100%		100%			100%			
2024 Supplier Achievement Rate	100%	100%	100%	100%	100%	100%	87%	100%	100%
2024 Overall Achievement Rate	100%		100%			95%			

5.4.2 Potential Risk Identification-RBA SAQ Assessment

To mitigate potential risks, GUC has fully complied with RBA Code of Conduct requirements and assessed its risk level through the RBA platform. In 2024, GUC suppliers independently completed the Self-assessment Questionnaire (SAQ), with the results indicating a "low risk" level. GUC also required its key suppliers to complete the RBA self-assessment questionnaire for risk assessment. The risk ratings obtained by suppliers are reviewed annually to be incorporated into GUC's overall supply chain risk assessment.

Supplier Risk Matrix and Classification

GUC maps the probability of occurrence and impact of risks to corresponding risk levels through the Supplier Risk Matrix. On-site or remote audits are conducted across six major areas: "Supply Chain Operation Risk Management, Quality, Occupational Safety and Health Management, Water/Carbon Reduction/Energy Management, Hazardous Substances and Waste Management, and Labor Protection." These audits help identify potential risks and suppliers are required to propose improvement plans and timelines to enhance their self-management awareness. Through these comprehensive strategies, challenges posed by risks can be addressed more effectively.



Supplier Operational Risk Management and Classification	High-Risk		Low-Risk	
	Tier-1 Significant Supplier	Tier-1 Significant Supplier	Non-Tier-1 Significant Supplier	Non-Tier-1 Significant Supplier
Sign the GUC Supplier Code of Conduct	●	●	●	●
Supplier SAQ Assessment (Self-Assessment Questionnaire)	●	●	●	●
BCP (Business Continuity Plan) Annual Survey	●	●	●	●
Regular Supplier Audit	●	●		
Supplier ESG Sustainability Management & Risk Assessment Survey	●	●		

5.4.3 Supply Chain Monitoring and Responsibility Assessment Survey

The Supply Chain Monitoring and Responsibility Assessment Survey is part of GUC's implementation of sustainable supply chain risk control. Our sustainability team, referencing various developmental trends in sustainability issues, has identified 12 topics which have been incorporated into the Supplier ESG Sustainability Management & Risk Assessment Questionnaire. These are categorized into three major aspects: economic, social, and environmental. This approach strengthens the establishment of supplier management systems, assesses potential risks suppliers may face in sustainable development, and enables us to take appropriate responsive measures.

From the ESG risk assessment questionnaire, suppliers' performance is evaluated based on three major risk management system aspects: economic, environmental, and social, with performance weighted accordingly. Through audit, investigation, improvement measures and various management processes, we enhance supply chain resilience, strengthen close cooperation, and create sustainability through mutual benefits and prosperity.

■ 12 Sustainable Supply Chain Risk Management Themes

Assessment Weighting	Supplier Management System Dimensions	12 Sustainable Supply Chain Risk Management Themes	Annual Audit Items
34%	Economic	1. Sustainable Management	<ul style="list-style-type: none"> Responsible unit or organization for corporate sustainability management. Social responsibility or publication of ESG reports Response to Carbon Disclosure Project (CDP)
		2. Sustainable Operations	<ul style="list-style-type: none"> ISO22301 or operation continuity management system related certification. Identification of operational continuity related risks, formulation of emergency response. Reporting of incidents that threaten operations.
		3. Sustainable Operation Risk Management	<ul style="list-style-type: none"> Risk management related policies Anti-corruption related policies, annual internal promotion, and establishment of self-checking prevention mechanisms. Information security management related policies. Confirmation that suppliers have had no violations of regulations (e.g., violations of the Company Act, Securities and Exchange Act., excluding environmental, health and safety, and labor rights incidents) that resulted in penalties within the past three years.
		4. Supply Chain Sustainability Management	<ul style="list-style-type: none"> When selecting suppliers, sustainability (ESG) is considered as an evaluation criterion Supplier Code of Conduct or related regulations. Procedures for identifying supplier sustainability risks. Auditing suppliers' sustainability risk management performance. Requiring suppliers to make improvements for deficiencies identified during audits. Whether there is reporting of supplier/supply chain disruption events.
33%	Environmental	5. Conflict Minerals	<ul style="list-style-type: none"> Commitment to not use conflict minerals, including conducting CMRT (Conflict Minerals Reporting Template) and CRT (Cobalt Reporting Template).
		6. Environmental Management	<ul style="list-style-type: none"> ISO14001 or relevant environmental management system certification. Whether there is reporting of incidents violating environmental protection regulations.

■ 12 Sustainable Supply Chain Risk Management Themes

Assessment Weighting	Supplier Management System Dimensions	12 Sustainable Supply Chain Risk Management Themes	Annual Audit Items
33%	Environmental	7. Carbon and Energy Management	<ul style="list-style-type: none"> ISO14064-1:2018 Greenhouse gas Verification Greenhouse gas Scope 2 emissions for the most recent year (unit: tCO₂e) Scope 3 emissions for the previous year (unit: tCO₂e). Carbon reduction targets and related carbon reduction measures for the current year. ISO50001 Energy Management System Certification Ratio of green electricity or renewable energy usage in product-related manufacturing plants or R&D centers
		8. Water Management	<ul style="list-style-type: none"> Whether the operating location is situated in an area with moderate or higher overall water risk Water resource recycling implementation effectiveness. Water resource reduction targets for the current year. Whether there are relevant control measures (such as classification, monitoring, control, and treatment) for wastewater discharge or disposal.
		9. Hazardous Substances and Waste Management.	<ul style="list-style-type: none"> IEC QC 080000:2017 Hazardous Substance Process Management System Certification Implementation of education and training on hazardous substance process management. Waste recycling implementation effectiveness. Waste reduction effectiveness for the current year. Whether the waste disposal vendors are authorized and legally registered by the competent authorities.
33%	Social	10. Human Rights Standards	<ul style="list-style-type: none"> Human rights risk assessment and due diligence procedures to identify labor-related impacts/risks. Anti-discrimination (including gender, race, religion) and inhumane treatment (including harassment, abuse, corporal punishment) policies/regulations. Policies and regulations prohibiting child labor. Policies and regulations protecting young workers. Policies and regulations prohibiting forced labor. Policies and regulations that support workers' freedom of association. Identification of salient human rights issues. Identification of subjects vulnerable to human rights impacts (such as women, ethnic minorities, disabled persons, indigenous peoples). Whether human rights education and training are conducted annually.
		11. Labor Protection	<ul style="list-style-type: none"> Whether payment meets the minimum wage stipulated by local government regulations. Establish communication or anonymous grievance channels with workers, such as suggestion boxes, complaint hotlines. Properly explaining labor rights and regulations to employees. Whether there have been incidents of penalties for violations of labor or human rights related regulations.
		12. Occupational Safety and Health Management	<ul style="list-style-type: none"> ISO45001 or occupational safety and health management system related certifications. Work injury and occupational disease incident reporting. Reporting incidents of violations of worker health and safety related regulations.

5.4.4 Risk Assessment Performance of Suppliers at All Levels

GUC invites Tier-1 Significant Supplier partners to work together on the sustainability vision. In 2024, we successfully completed 100% participation from our Tier-1 Significant Supplier in important initiatives such as the GUC Supplier Code of Conduct, Non-Use of Conflict Minerals Pledge, and Supplier ESG Sustainability Management & Risk Assessment Questionnaire. All suppliers have signed and fully support RBA requirements, demonstrating their commitments and the goal of eliminating conflict minerals.

Environmental Risk	<ul style="list-style-type: none"> All suppliers have signed and submitted the Declaration of Non-Usage of Harmful Substances. GUC mandates that suppliers sign the Declaration of Non-Usage of Harmful Substances, pledging that their products, components, packaging materials, and other accessories related to product delivery comply with relevant regulations. If case of any violations, GUC may terminate or rescind the contract to safeguard human health and environmental safety. In 2024, the response rate reached 100%, including four new suppliers.
Social Risk	<ul style="list-style-type: none"> All suppliers have signed and submitted the Non-Use of Conflict Minerals Pledge. GUC requires suppliers not to use conflict minerals to ensure that minerals used in the company's products, such as tantalum (Ta), tin (Sn), tungsten (W), gold (Au), and cobalt (Co), do not generate profits for armed conflicts. If suppliers use any of the minerals, they must disclose the source of those minerals. According to the survey results, 100% of the identified qualified smelters comply with the Responsible Minerals Initiative list. All suppliers have signed the GUC Supplier Code of Conduct. To mitigate social risks related to human rights violations in the supply chain, GUC conducted social risk and human rights impact assessments in 2024 for the key raw material suppliers of five Tier-1 Significant Supplier. These assessments ensured that they meet the Company's baseline requirements concerning labor rights, safety, and health, while also taking effective measures to prevent negative incidents.
Governance Risk	<ul style="list-style-type: none"> 100% of new suppliers have obtained ISO9001 or IATF16949 international standard certification and the necessary certification for the supplied items. All Tier-1 Significant Supplier participated in the Supplier ESG Sustainability Management & Risk Assessment Survey.

Annual Highlight Project

Outstanding ESG Supplier Awards Ceremony

To promote green supply chain and facilitate the goal of energy conservation and carbon reduction, GUC will honor outstanding ESG suppliers in December 2024.

This initiative aims to recognize outstanding suppliers for their exceptional performance in ESG sustainability and to encourage continued commitment to energy conservation and carbon reduction practices among our partners.

Event Objectives:

- Encourage suppliers to actively implement sustainability programs and share their specific achievements in energy conservation and carbon reduction.
- Establish excellent examples of energy conservation and carbon reduction to enhance the sustainable competitiveness of the green supply chain.

Event Details:

To support this selection, suppliers are invited to provide specific contributions, data, and plans from their sustainability actions, focusing on three major strategies and key benefit investigations, as detailed below

- Renewable Energy and Energy Management**
- Process Efficiency Improvement**
- Low-carbon Product Design and Transportation Services**



Annual Highlight Project

GUC ESG Supply Chain Sustainability Forum

Through annual evaluations, GUC not only hosts seminars to promote relevant sustainability topics, but senior ESG executives also directly communicate goals and requirements related to sustainable supply chain aspects to suppliers. In 2024, GUC organized four GUC ESG Supply Chain Sustainability Forums, inviting Tier-1 Significant Supplier partners to participate, with approximately 60 attendees in total.

To demonstrate GUC's commitment to advancing sustainable development with partners, the forum in 2024 was led personally by senior executives from the operations department, who, along with colleagues from relevant departments, visited supplier headquarters to learn about their innovative achievements in energy conservation, emission reduction, and intelligent production. Participants were invited for on-site visits and experience sharing, engaging in face-to-face exchanges with partners to discuss feasible sustainable development solutions, and facilitating the learning of best practices between suppliers and GUC.

The goal of facilitating this forum was to thoroughly communicate GUC's annual ESG policies, including the vision, mission, and implementation guidelines, while striving for excellence in key objectives such as green production, adherence to the GUC Supplier Code of Conduct, energy conservation, and carbon reduction. Through this effort, we aim to bring together various stakeholders in the semiconductor industry, to explore and promote the development of sustainable supply chains and collectively implement sustainability initiatives. Supply chain professionals and executives shared insights, experiences, and best practices, fostering exchange and cooperation, with in-depth discussions centered around the following three major topics.

- **GUC ESG Policy**
- **Sustainable Supply Chain Trends and Outlook**
- **GUC Net Zero Carbon Emission Target and Plan**

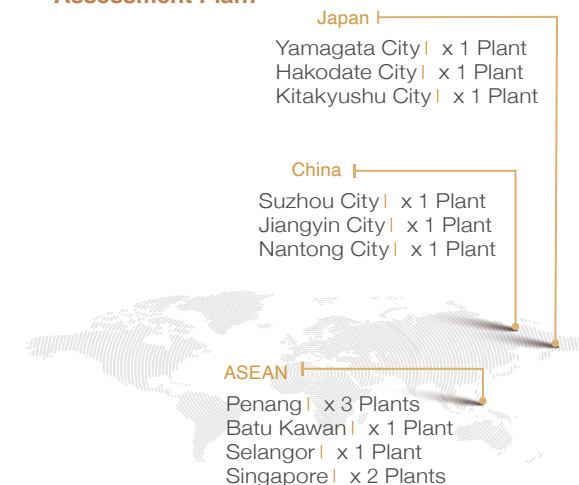


5.5 Key Management Strategies for Global Geopolitical Risks

According to this year's Global Risk Perception Survey Ranks, the most pressing global risks include climate change, geopolitical conflicts, technological risks, economic uncertainty, and public health concerns. In particular, geopolitical tensions such as the war between Russia and Ukraine and intensified rivalries among major powers, have profoundly increased global instability, affecting supply chains worldwide. To address these challenges, companies must strengthen supply chain resilience by implementing diversified supply sources, investing in digital transformation, enhancing risk forecasting and management systems, and actively pursuing international cooperation and policy coordination. These efforts aim to mitigate the impact of geopolitical risks on global trade and the economy, particularly issues such as raw material shortages, supply chain fragmentation, and high inflation driven by conflict-related disruptions. Based on the survey results, the World Economic Forum (WEF) has consolidated future global risks into five key risk themes (economic, environmental, geopolitical, social, and technological).

In response to these key risk themes and challenges, GUC adopts the TCFD reporting framework, with the Supply Chain ESG Risk Management Committee continuously evaluating political, economic, and social risks in emerging markets. Through the use of regional risk maps, we precisely identify potential risk areas. The Vice President of Operations, who serves as the Chairman, reviews and evaluates the vulnerability of the Company's operational activities under different scenarios, and works together with suppliers and partners to promote environmental sustainability. We have consolidated risks that may potentially have negative impacts and effects on the Company's future operations in the following table:

Global Supply Chain Extension Strategy and Assessment Plan:



Emerging Risks	Risk Description	Potential Impact	Response Approach
Goeconomic Conflicts	<ul style="list-style-type: none"> The Russia-Ukraine war and Israel-Hamas war continue to pose challenges amid the disruption of regional risks. The United States continues to broaden its entity list and tighten export control regulations targeting China. Political risks associated with Taiwan Strait tensions. Regional political conflicts leading to trade restrictions and import/export limitations, increasing the complexity of cross-border business operations. 	<ul style="list-style-type: none"> Geopolitical risks may bring policy uncertainties, affecting the Company's long-term strategic planning. Political instability could result in heightened trade barriers, increasing the complexity of cross-border business operations. 	<ul style="list-style-type: none"> Conduct comprehensive geopolitical risk assessments, including factors such as political stability, trade policies, and regional conflicts. Diversified supplier strategy: Adapt to regional risks, establish a diversified supplier strategy, distribute risks, propose a Global Supply Chain Extension Strategy and Assessment Plan to reduce reliance on specific regions.
Digital Inequality	<ul style="list-style-type: none"> In high-risk regions, limited access to education restricts the application of digital technologies, resulting in widening technology gap. The low level of digital literacy leads to a shortage of skilled talent, hindering the Company's progress in digital transformation. 	<ul style="list-style-type: none"> Widening technology gap: Digital inequality may further expand the technology gap, threatening the Company's competitiveness in global markets Talent shortage: Affects the Company's digital transformation process. 	<ul style="list-style-type: none"> Technical cooperation: Actively engage in cross-national technology cooperation to promote balanced application. Internal training: Strengthen digital technology training within suppliers.
Natural Disasters and Extreme Weather Events	<ul style="list-style-type: none"> Earthquakes, hurricanes, and other natural disasters may cause damage to production facilities, leading to production interruptions. Global warming may lead to fluctuations in natural resource prices, increasing production and transportation costs. 	<ul style="list-style-type: none"> Production interruption: Natural disasters may cause production interruptions, threatening supply chain stability. 	<ul style="list-style-type: none"> Climate risk assessment: Conduct climate risk assessment and develop contingency plans. Green infrastructure: Promote green infrastructure investment to support the Company's environmental sustainability.
Economic Crisis and Social Unrest	<ul style="list-style-type: none"> Due to economic instability and social unrest, suppliers are unable to operate effectively, leading to supply chain disruptions. Leading to a decline in consumer confidence, resulting in reduced product demand. 	<ul style="list-style-type: none"> Supply chain disruption: Economic crises may cause disruptions in certain supply chains, especially those reliant on suppliers in specific regions. Declining demand: Social unrest may lead to a decline in market demand, affecting business performance. 	<ul style="list-style-type: none"> Diversified risk management: Mitigate the impact of economic crises and social unrest by diversifying markets and suppliers. Market monitoring: Expand monitoring mechanisms to detect market changes in advance.

5.6 Green Procurement

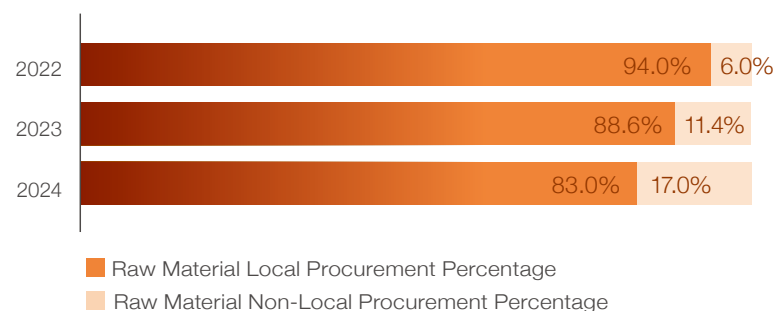
GUC upholds green procurement principles, establishing a comprehensive supplier due diligence and hazardous substance management system. Through the Raw Material Procurement Regulations, which include (1) GUC Supplier Code of Conduct Commitment Letter, (2) GUC Hazardous Substance Restriction, and (3) GUC Supplier Identification and Sustainability Risk Assessment Process, we ensure that our products adhere to international labor rights and environmental management substance standards. We also verify whether suppliers meet requirements in key aspects including environmental protection, safety, and health.

Promote Consistent Local Procurement

GUC continues to strengthen its local sourcing strategy, consistently achieving over 80% of procurement amount from local suppliers each year. In terms of environmental sustainability, promoting local procurement helps reduce carbon emissions by lowering energy consumption in logistics, significantly minimizing environmental impact. GUC controls energy use and emissions from the source. Through effective supply chain planning, we reduce the environmental burden during production. Additionally, GUC is committed to green innovation and production, working closely with suppliers to set goals for water conservation, energy savings, waste reduction, and carbon reduction, promoting sustainable development within the local supply chain.

■ GUC Local Procurement Information for the Past Three Years (Unit: NT\$ Million)

	Raw Material Local Procurement Amount	Raw Material Procurement Amount	Raw Material Local Procurement Percentage
2022	17,911	19,050	94.0%
2023	15,673	17,681	88.6%
2024	11,584	13,950	83.0%



Annual Highlight

Environmental Procurement Actions

GUC uses 100% PEFC certified paper. PEFC is an international non-profit, non-governmental organization based in Switzerland that promotes sustainable forest management through third-party independent verification. GUC supports forest conservation and follows the SDG15 Life on Land initiative by purchasing paper that complies with this certification.

GUC is devoted to promoting the use of electronic invoices to replace traditional paper invoices, significantly improving the payment request efficiency of major suppliers while greatly reducing paper consumption. In 2024, approximately 8,200 paper invoices were saved, leading to a reduction of about 52.48kgCO in carbon, further enhancing our commitment to a paperless direction.

(Note: Each invoice is estimated to use about two sheets of A4 paper. The carbon reduction conversion is based on the Carbon Footprint Information Website of the Environmental Protection Administration, Executive Yuan, Taiwan, with the calculation being 3.2kgCO carbon footprint per pack of 500 A4 sheets.)

