

GUC Human Rights Due Diligence Report



/ Agenda

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/ GUC Human Rights Policies and Commitments



Global Unichip Corporation (GUC) supports and complies with the international labor practices and standards of human rights including the Universal Declaration of Human Rights, the United Nations (UN) Global Compact, the UN Guiding Principles on Business and Human Rights, the Organization for Economic Co-operation and Development Guidelines for Multinational Enterprises, the SA8000 Standard of Social Accountability International (SAI,). We also align our actions with the Responsible Business Alliance (RBA) Code of Conduct. GUC prioritizes and fully implements human rights policies to protect the rights of all personnel, including regular, contract, temporary staff, and interns. We also expect our supply chain partners to follow the same standards.

Guideline :

- Embed respect for economic, social, cultural, civil, and political rights, as well as the right to development, in the way we operate.
- Eliminate unlawful discrimination and ensure equality in the workplace. Provide a safe and secure work environment that is free of harassment and bullying
- Zero tolerance for child labor and protection of the rights of young workers. Forbid forced labor, guarantee freely chosen employment and freedom of association.
- Protect labor rights of vulnerable groups or marginalized groups such as indigenous people, women, migrant workers, contractors and persons with disabilities.
- Comply with all applicable wage laws and regulations, and legal limits to working hours.
- Provide fair and compliant living wage on time with pay slips to state legitimate deductions.
- Enable a communication-friendly environment and maintain an open-minded management system.
- Provide support and assistance in maintaining the physical and psychological well-being of employees, as well as balance between work and life.
- Establish formal whistle blowing channels for employees, GUC suppliers and other external stakeholders to report any misconduct that is illegal, or is in violation of human rights, the code of conduct or corporate integrity.
- Monitor and assess relevant risks, practices, and impacts regularly to respond to evolving situations and stakeholders' needs.



GUC Human Rights Management and Policies

GUC provides human rights training for all employees and new hires at all operational sites to raise awareness. We ensure open communication channels and implement human rights management practices for employees, suppliers, outsourcing partners, and contractors.

▲ Communication channels

Employees	Suppliers
<ul style="list-style-type: none"> • Town Hall Meeting(Quarterly) • Labor-management meeting(Quarterly) • Employee grievance mailbox(Irregularly) • Internal communication meeting(Irregularly) • Employee services Inbox(Irregularly) • Engagement survey(Annually) • Whistleblower Inbox(Irregularly) • The Chairman of the Audit Committee's mailbox(Irregularly) • Electronic bulletin board(Irregularly) • Official website(Irregularly) 	<ul style="list-style-type: none"> • Supplier information platform • Regular questionnaire survey • Supplier audit • Supplier Conference • Visits and meetings

▲ Policies

Public Policy	Internal Procedure
Human Rights Policy	GUC Complaint Procedure(11-00-95-000)
DEI Policy	GUC Whistleblowing Procedure(11-05-15-000)
Sustainable Development Practices Guidelines	Complaint and Disciplinary Procedures for Preventing Workplace Harassment(11-00-22-000)
RBA Code of Conduct	Confidential Information Protection Policy(11-00-74-000)
Supplier Code of Conduct	Integrity in Business Operations Procedures and Professional Code of Ethics(11-00-90-000)
Declaration of Minerals Conflict-Free	Occupational Health and Safety Management Regulations(19-00-27-000)
Privacy Policy	Employee Health Service Program Operation Standards(19-00-14-000)
	Occupational Safety and Health Act(19-00-32~35-000)
	Supplier Code of Conduct Risk Assessment Procedure(10-06-13-000)
	Contractor Occupational Health and Safety Management Operation Standards(19-00-23-000)
	Outsourcing and Supplier Occupational Health and Safety Management Operation Standards(19-00-24-000)

/ Survey Principles and Timings

In 2023, GUC initiated a human rights due diligence process, making it a key element of corporate sustainability. Aligned with the principles of the Universal Declaration of Human Rights, Global Compact, UN Guiding Principles on Business and Human Rights, and ILO Declaration on Fundamental Principles and Rights at Work, the company regularly reviews its human rights management. The HR department conducts due diligence investigations at least every three years to identify and track significant human rights issues and implementation progress.

Survey Period

November 2023

Scope and Coverage Rate

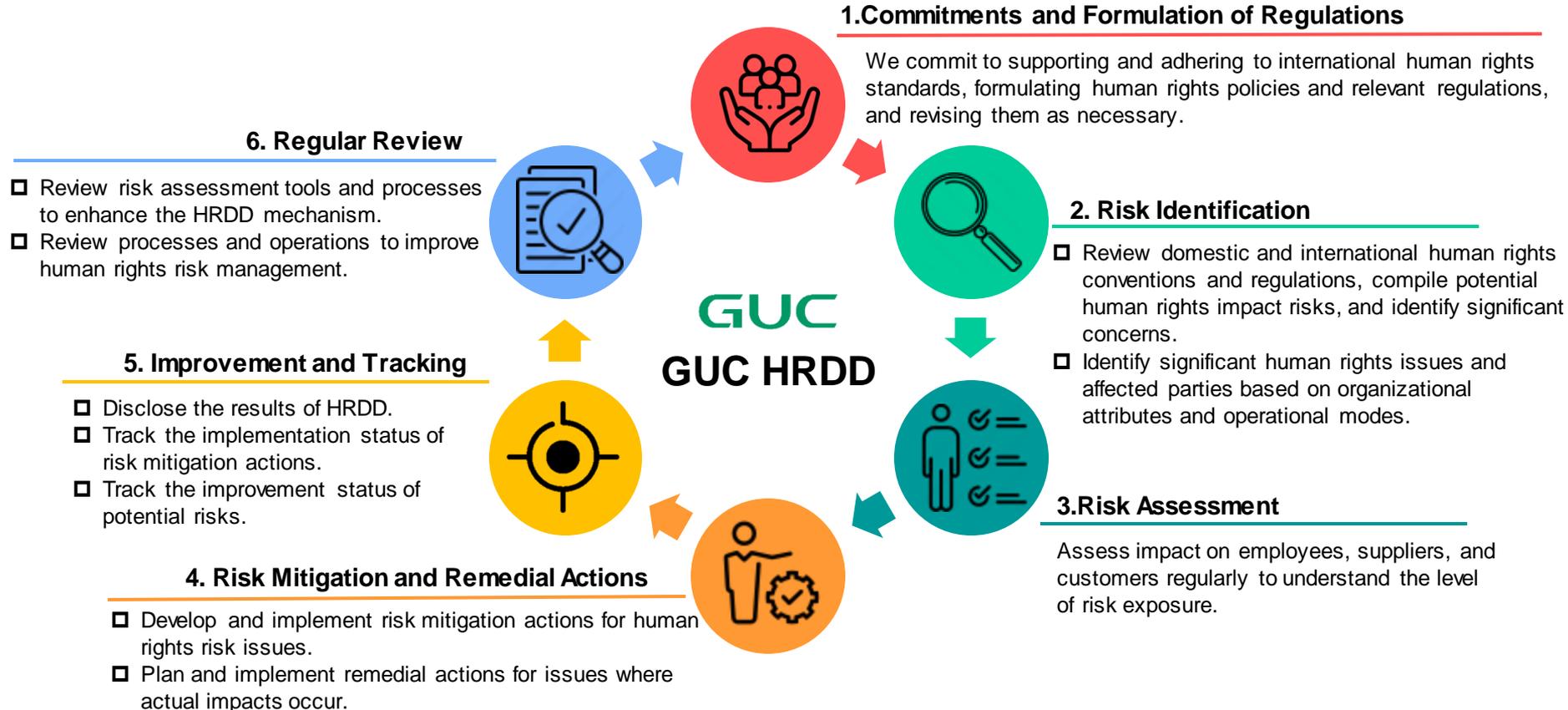
Scope and Coverage Rate

- Employee: Sampling survey was conducted with a confidence level of 90%, a margin error of 5%, and distribution based on the male-female ratio. A total of 200 questionnaires were distributed, with 189 collected, reaching a response rate of 94.5%. Survey participants include:
 - GUC global employees: Taiwan (Hsinchu, Taipei, Tainan), China, Japan, Korea, Vietnam, the United States, and Europe.
 - 100 % survey coverage rate of all departments across worldwide offices.
 - Inclusion of full-time/part-time employees, male/female, local/foreign nationalities, disability status, managerial/non-managerial roles, pregnant/nursing female employees.

- Supplier: Surveyed tier one key suppliers
(Definition of Tier One Key Suppliers: Those accounting for the top 80% of processing payment amounts or quarterly shipment quantities reaching one million units.)

- Customer : Assessed by GUC





Identification of Issues and Impact

We identify a total of 16 risk issues across three dimensions: labor rights, health and safety, and governance. Additionally, evaluation confirmed that there are four issues where the company has no potential violations based on empirical data.

Dimensions	Human Rights Issues	Affected Stakeholders		
		GUC Employee	Supply chain Employee	Customer
Labor Rights	Forced Labor	0	0	
	Freedom of Assembly or Association	0	0	
	Diversity, Equity, Inclusion, and Non-Discrimination	0	0	
	Smooth Labor-Management Communication	0	0	
	Wages and Working Time	0	0	
	Employment Agreement	0	0	
	Unlawful Infringement in The Workplace / Harassment	0	0	
	Work and Life Balance	0	0	
	Equal Pay for Equal Work	0	0	
	Collective Bargaining(*Remark)	0	0	
	Human Trafficking(*Remark)	0	0	
	Child Labor and Young Workers (*Remark)	0	0	
	Maternity Protection(*Remark)	0	0	
Health and Safety	Occupational Health and Safety	0	0	
Governance	Information Security and Privacy Protection	0	0	0
	Intellectual Property	0	0	0

*Remark : After assessment, it was confirmed that there is no likelihood of risk occurring to our employees.

Risk Assessment



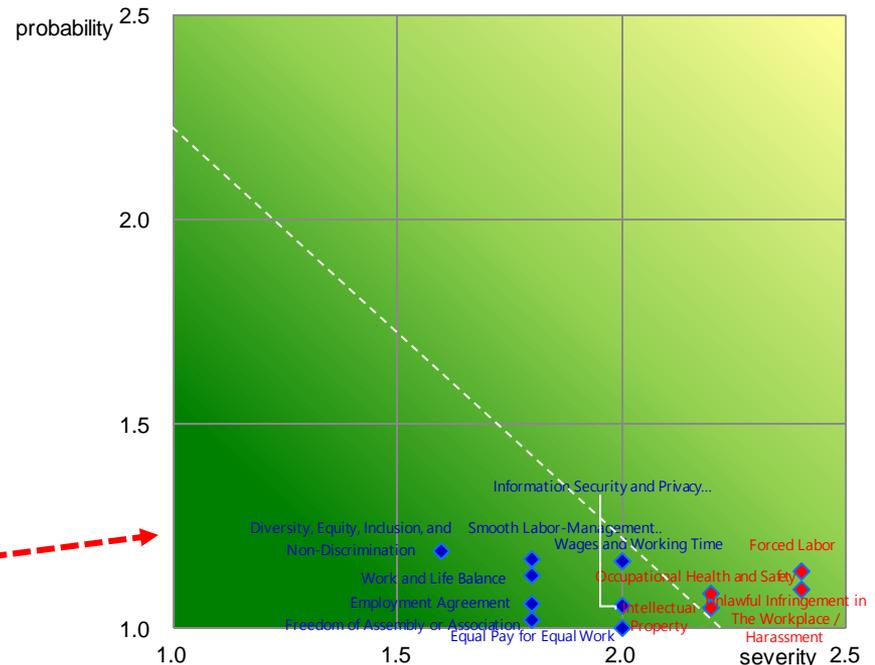
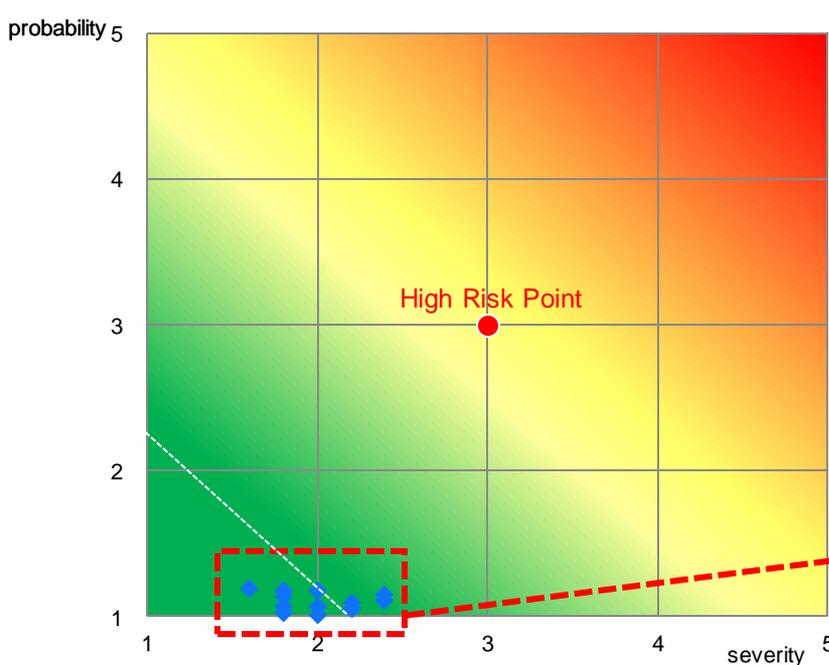
GUC has established a human rights risk assessment survey questionnaire based on the survey targets. The scoring method for the questionnaire survey is explained as follows:

Probability of Occurrence			
Rating	Degree of Impact	Qualitative Description	Quantitative Description
1	Extremely low	Unlikely to occur in normal circumstances	Occurs less than once a year
2	Low	Extremely rare occurrence	Occurs more than once every six months
3	Moderate	Occurs in certain situations	Occurs more than once every quarter
4	High	More likely to occur	Occurs more than once every month
5	Extremely high	Frequently occurs	Occurs more than once every week

Severity			
Rating	Scale	Scope	Remediable
1	Minimal impact on physical and mental health and safety	No negative effects on stakeholders	Can be restored to its original state or eliminated w ithin 1 year
2	Mild impact on physical and mental health and safety: Minor injury or illness (no loss of work hours)	Impact specific stakeholders w ithin a certain stakeholder group.	Requires 1 to 3 years to restore to its original state or eliminate its impact.
3	Moderate impact on physical health and safety: Requires rehabilitation due to injury (resulting in loss of work hours).	Impacts the majority of stakeholders w ithin a specific stakeholder group.	Requires 3 to 5 years to restore to its original state or eliminate its impact.
4	Severe impact on physical and mental health and safety: Resulting in disabilities.	Impacts the majority of stakeholders w ithin a stakeholder group.	Requires 5 to 10 years to restore to its original state or eliminate its impact.
5	Significant impact on physical and mental health and safety: Resulting in death.	Impacts all stakeholder groups (community, employees, suppliers).	Not likely to revert to its original state or eliminate its influence.

Results- GUC Employee

Based on the survey findings, a human rights risk matrix was developed. It defines risk levels for each issue based on their probability and severity. GUC considers issues with a score of 3 or higher as high risk. **The survey revealed no high-risk issues requiring immediate action, all falling within the low-risk category.**



/ Results and Actions- GUC Employee(1/2)

This survey did not identify any high-risk issues. However, we will continue to optimize four specific areas to reduce their risk impact. The actions taken are as follows:

Issue	Mitigation Actions	Remedial Actions	KPI	Actions Coverage Rate
Forced Labor	<ul style="list-style-type: none"> ● Establishment of compliant management procedures in accordance with regulations at each location. <ul style="list-style-type: none"> ➢ Clearly defining working hours and ensuring compliance with regulatory requirements. ➢ Overtime hours comply with legal limitation, and requests for overtime must be approved by the supervisor. ● Monthly review of attendance reports for compliance. ● System management <ul style="list-style-type: none"> ➢ The system automatically sends email notifications to supervisors for overtime hours exceeding the limit. 	<ul style="list-style-type: none"> ● If there is forced labor or excessive working hours, an investigation will be conducted, and supervisors will be requested to make improvements. ● Employees can choose to apply for compensatory time off or overtime pay for overtime work, and should manage to arrange appropriate leave. 	Grievance for force labor : 0 case	100%
Unlawful Infringement in The Workplace/ Harassment	<ul style="list-style-type: none"> ● Establishment of a plan to prevent unlawful infringement in the workplace <ul style="list-style-type: none"> ➢ Employee education and training, hazard identification, risk assessment, preventive actions, and promotion of grievance channels. ➢ Regular execution of site inspection records, audits, and evaluations. ➢ Detecting risks of internal and external unlawful infringement to employees. ● Establishment of workplace harassment prevention measures, complaint, and disciplinary procedures. 	<ul style="list-style-type: none"> ● Establishment of reporting/complaint channels and incident handling procedures. <ul style="list-style-type: none"> ➢ Investigation and progress tracking conducted by designated personnel. ➢ Handle confidentially and protect the complainant and the handler. ➢ Upon investigation and confirmation of the veracity of the allegations or the presence of false accusations, disciplinary action or measures will be taken in accordance with the severity of the circumstances and in compliance with the workplace regulations. 	Grievance for unlawful infringement in the workplace/ harassment : 0 case	100%

/ Results and Actions- GUC Employee(2/2)

Issue	Mitigation Actions	Remedial Actions	KPI	Actions Coverage Rate
Occupational Health and Safety	<ul style="list-style-type: none"> ● Establish an Environmental and Occupational Safety Committee and pass ISO 45001 certification. <ul style="list-style-type: none"> ➢ Conduct regular training sessions and implement risk identification and assessment. ➢ Regularly conduct environmental monitoring. ➢ Evacuation drill ● Establish 'Employee Health Service Program Operation Standards' to maintain employee health. 	<ul style="list-style-type: none"> ● Report corrective and preventive measures to the Environmental and Occupational Health Committee. ● Improve the working environment. ● Seek external medical assistance and physician evaluation to assist employees. 	Occupational accidents : 0 case	100%
Intellectual Property	<ul style="list-style-type: none"> ● The employment contract explicitly stipulates the ownership of intellectual property generated during the period of employment. ● Establish a procedure for patent applications. ● Offer training courses to enhance RD's awareness of patent rights, and adding relevant patent documents to the handover checklist. ● The patent, which cannot be publicly disclosed and holds technical value, will be protected as a trade secret 	<ul style="list-style-type: none"> ● If disputes arise regarding the ownership of intellectual property, they will be clarified according to relevant provisions of patent law, and corresponding actions will be taken. ● If violations or leaks of intellectual property/trade secrets are discovered, the Proprietary Information Protection Committee will conduct an immediate investigation. ● Following the investigation results, corrective measures and corresponding disciplinary actions will be taken according to internal regulations. 	Intellectual property disputes : 0 case	100%

Results and Actions-Supply Chain Employee

The survey only investigates the probability of risks occurring. According to the survey results, the top three risk issues in terms of probability are 'Forced Labor', 'Smooth Labor-Management Communication', and 'Occupational Health and Safety'. The following actions will be taken to reduce the impact of risks:

Issue	Mitigation Actions	Remedial Actions	KPI	Actions Coverage Rate
Forced Labor	<ul style="list-style-type: none"> Request suppliers to sign the Supplier Code of Conduct and Declaration, and ensure suppliers implement ESG sustainability policies and adhere to relevant RBA standards. Conduct annual external audit and ESG risk assessment surveys (including human rights issues such as forced labor, occupational health and safety, labor-management communication, etc.) to identify existing or potential risk items and assess their potential impact. 	<ul style="list-style-type: none"> Request suppliers to make improvements within a specified period and conduct follow-ups. According to the contract, suppliers who fail to comply with the Supplier Code of Conduct or cooperate in improvement efforts may result in the termination of business relations. 	No compliance violations occurred	100%
Smooth Labor-Management Communication	<ul style="list-style-type: none"> Establish contractor management procedures to oversee the safety of contractors. Occupational safety personnel will actively conduct inspection tasks propose improvement and preventive actions to ensure the safety of contractors working on-site. 	<ul style="list-style-type: none"> Request suppliers to enhance the efficiency of internal communication channels, ensuring the effectiveness communication mechanisms. According to the contract, suppliers who fail to comply with the Supplier Code of Conduct or cooperate in improvement efforts may result in the termination of business relations. 	No compliance violations occurred	100%
Occupational Health and Safety	<ul style="list-style-type: none"> Adjust supplier management systems in a timely manner based on human rights issues and require suppliers to implement various human rights management actions. Encourage suppliers to plan employee health promotion activities to maintain employee health. 	<ul style="list-style-type: none"> If critical suppliers have high-risk of occupational safety and health issues, we conduct on-site inspections during annual audits and request timely improvements and follow-up. According to the contract, suppliers who fail to comply with the Supplier Code of Conduct or cooperate in improvement efforts may result in the termination of business relations. 	No compliance violations occurred	100%

Results and Actions-Customer



After internal evaluation, identified risk issues affecting our company's customers include 'Information Security and Privacy Protection' and 'Intellectual Property'. Actions will be taken to reduce the impact of these risks.

Issue	Mitigation Actions	Remedial Actions	KPI	Actions Coverage Rate
Information Security and Privacy Protection	<ul style="list-style-type: none"> ● GUC has a Proprietary Information Protection (PIP) Committee that implements the information security policy to ensure employees adhere to procedures. Continuous enforcement of information security policies and customer privacy protection measures is carried out to prevent leakage of company secrets and customer data. ● Continuously pass ISO 27001 certification to ensure the confidentiality, integrity, and availability of information. ● Conduct biannually confidential information and privacy protection training and exams for all employees to further enhance their awareness. ● Conduct social engineering drills twice a year to enhance employees' awareness and knowledge, thus reducing the risk of information leakage. ● Advocate for quarterly information security and privacy protection for the entire company. 	<ul style="list-style-type: none"> ● If employees or suppliers are found to violate privacy and personal information protection policy, the PIP Committee will conduct an immediate investigation. ● Based on the investigation results, promptly review improvement measures and implement relevant disciplinary actions according to internal management regulations. 	The occurrence of information security incidents <1 case	100%
Intellectual Property	<ul style="list-style-type: none"> ● The intellectual property that may arise during the project process is predetermined in the contract regarding its ownership. ● The handling of intellectual property infringement issues is predetermined in the contract. 	<ul style="list-style-type: none"> ● If disputes arise with customers over intellectual property rights during R&D or product delivery, we'll review contract terms to clarify ownership. If not specified, we'll resolve through negotiation. 	Intellectual property dispute case: 0	100%

/ Monitoring, Tracking, and Summarizing

GUC will check and review the effectiveness of mitigation and prevention actions for due diligence investigations through the Human Resources Department and the ESG Committee annually, reporting the results to the ESG Committee.

In addition to maintaining a zero-tolerance policy towards workplace unlawful infringement, discrimination, and sexual harassment, GUC will continue to provide periodical human rights training to its employees. The company adjusts its human rights-related policies and management systems as necessary, integrates human rights issues into its risk assessment processes, and encourages suppliers in upholding and safeguarding the rights of their employees.

GUC will regularly evaluate human rights risks, policies, and implementation effectiveness to enhance work environment on a regular basis. We will disclose the results of these efforts in our sustainability report and on our website, allowing all stakeholders to review them, thus ensuring transparency and ongoing progress toward our sustainability goals.

Attachment: Relevant Certifications

Relevant Certifications



◆ ISO 45001 Certification



◆ ISO 27001 Certification





Presentation Disclaimer

The content may only represent current status and are subject to change without prior notice.



The logo for GUC, consisting of the letters 'GUC' in a bold, white, sans-serif font. The background of the entire slide is a teal-tinted image of a modern building's glass and steel facade, with a prominent green line graphic that forms a stylized 'L' shape or a corner, extending from the top right towards the bottom left.

GUC

The Advanced ASIC Leader

Thank You
for your attention