

Stakeholder Communication Channels

According to the GUC Social Responsibility Best Practice Principles, the commission is composed of cross-departmental representation to implement corporate social responsibility initiatives. GUC places its stakeholders into six categories: shareholders, employees, customers, suppliers, government, and society. GUC pursues sustainable development to meet the stakeholders' demands and expectations. Long-term business developmental integrity is established through clear, effective, and real-time communication channels to stakeholders. In addition, representatives from each team continue to communicate with stakeholders, and in the ordinary course of business, collect questionnaires and comments from the interested parties. This is to deal with all management-related issues and achieve other issues of corporate social responsibility. The basic objective of this report is as follows:

- Fully understand the major concerns of stakeholders and continue to improve CSR performance.
- Meeting the expectations of different stakeholders is always our goal to ensure that we are a sustainable business.

Stakeholder Management Procedures

GUC's stakeholder management procedure is divided into four steps of identification, analysis, planning, and management:

- Identification of stakeholders: Stakeholders are defined within GUC as those who impact on GUC, or as affected by external groups or individuals. Therefore, we identify GUC's stakeholders like shareholders, employees, customers, suppliers, government agencies, and the community.
- Analysis of major stakeholders' issues: Issues of concern was collected after major stakeholders completed questionnaires. According to the degrees of concern raised about the influence on GUC, a communication platform for interested parties was established for the teams in charge of multiple communication channel units. 19 interested parties then identified and aggregated issues of concern, such as the GUC concept of sustainable development, the surface GRI, as well as subject assessments, and analyses of significant degrees.
- Stakeholders' related programs: Based on the preceding analysis by the relevant teams, the results then determined and incorporated a management approach into daily or annual work plans, with regular review and assessments of the effectiveness of these management approaches, using the company's sustainable development strategy as an important reference to do this.
- Interested party management: GUC creates a mutually beneficial and win-win relationship with varying degrees of interaction with interested parties to practice effective use of company resources

Stakeholder Interaction

▼ GUC stakeholders, concerned topics, communication channels, frequency, and specific procedure chart.

Stakeholder	Concerned Topic	Communication Channels	Frequency	Achievement
Shareholders	<ul style="list-style-type: none"> • Corporate Governance • Quality & Competence • R&D and Innovation • Risk Management • Sustainable Operations 	Shareholders Meeting	Each Q2	<ul style="list-style-type: none"> • Financial performance based on International Financial Accounting Standards, Taiwan-IFRSs, and the relevant laws and regulations, complete various types of financial statements and analyze and explain the financial differences of different periods. • Business strategy/ explanation of GUC's mid-to-long-term development direction and corresponding strategy. • Dividend policy/ explanation of GUC's dividend policy and influencing factors. • Corporate governance/ communication between investors on corporate governance-related information.
		ESG Report	Annually	
		Annual Report	Annually	
		By phone and e-mail	Periodically	
		Investor Conference	Semi-annually	
		Quarterly Financial Result	Quarterly	
		Participation in Investor Forum or Investor Conference held by both domestic and foreign investment agency and securities companies	Periodically	
		Reception for investors, domestic and foreign investment agencies, and security companies from time to time.	Periodically	
Public information is released on MOPS and the corporate website.	Periodically			

Stakeholder	Concerned Topic	Communication Channels	Frequency	Achievement
Employees	<ul style="list-style-type: none"> • Sustainable Operations • Labor Relations & Remuneration • Labor Rights 	Employee Conference	Quarterly	<ul style="list-style-type: none"> • EFS service center & external consultant requests
		Other regular meetings	Monthly	<ul style="list-style-type: none"> • Q&A, labor relations, and organizational identification from employees.
		Questionnaire, Surveys & HR services	Periodically	<ul style="list-style-type: none"> • Anti-discrimination and equality of work rights through internal audits, RBA, and other units to monitor.
		EFS Service Center	Periodically	<ul style="list-style-type: none"> • Attract and retain talent/provide competitive compensation and benefits.
		Employee Assistance Program	Periodically	<ul style="list-style-type: none"> • Human rights policy/compliance with the regulations of the location of the operation site, and treat all employees with dignity.
		Mailbox for appeals from employees	Periodically	
		Corporate General Announcements	Periodically	
Customers	<ul style="list-style-type: none"> • Climate Change (GHG reduction) • Environmental Policy • Green Products and Operations • Expenditure on Energy Saving • Product Responsibility • Water Management 	Customer Audit	Periodically	<ul style="list-style-type: none"> • Management of hazardous substances of our products/GUC complies with RoHS & REACH regulations.
		Customer Meeting	Periodically	<ul style="list-style-type: none"> • Environmental management and pollution prevention/GUC complies with RBA regulations.
		Annual Tech Symposium	Annually	<ul style="list-style-type: none"> • Handling complaints/feedback through questionnaires and surveys from the sales team.
		Customer Satisfaction Survey	Annually	<ul style="list-style-type: none"> • Handling and checking customer complaints by the system.
		Industrial environment and social responsibility survey, and improvement pursuant to customers' request	Periodically	
		Dedicated Email	Periodically	
		Instant response to customer complaints (ACSS system)	Periodically	

Stakeholder	Concerned Topic	Communication Channels	Frequency	Achievement
Supplier	<ul style="list-style-type: none"> • Supplier Management • Quality and Competence • Sustainable Operations • Customer Relations 	Supplier Information Platform	Periodically	<ul style="list-style-type: none"> • Conflict minerals/ request a supplier declaration or signing • Code of Business Conduct & Supplier Code of Conduct/ suppliers are required to follow RBA regulations, by declaration or signing.
		Regular Questionnaire and Surveys	Annually	<ul style="list-style-type: none"> • Water resource management/ recycled water utilization and recycling.
		Supplier Audit	Periodically	<ul style="list-style-type: none"> • Waste management/ full-time department promoting waste reduction, including source reduction, office recycling, etc.
		Visits and Meetings	Periodically	<ul style="list-style-type: none"> • Energy management/ promoting the replacement of energy-intensive equipment by Employee Facilities Services.
		Propaganda of Code of Business Conduct	Periodically	<ul style="list-style-type: none"> • Regulations and system/ pay attention to regulations and compliance, suggestions, and responses are timeously given through communication channels.

Stakeholder	Concerned Topic	Communication Channels	Frequency	Achievement
Government		Corporate Financial Statement	Annually	
	<ul style="list-style-type: none"> • Corporate Governance • Code of Business Conduct: Anti-corruption, Anti-trust 	Communication with government authorities via associations or unions	Periodically	<ul style="list-style-type: none"> • Water resource management/ recycled water utilization and recycling. • Waste management/ full-time department promoting waste reduction, including source reduction, office recycling, etc.
	<ul style="list-style-type: none"> • Risk management • Sustainable Operations • Product Responsibility 	Official documents receiving and delivering	Periodically	<ul style="list-style-type: none"> • Energy management/ promoting the replacement of energy-intensive equipment by Employee Facilities Services.
	<ul style="list-style-type: none"> • Labor rights • Supplier Management 	Industry-Government-Academia seminar	Periodically	<ul style="list-style-type: none"> • Regulations and system/ pay attention to regulations and compliance, suggestions, and responses are timeously given through communication channels.
		Offering relevant reports in response to the demands and regulations from government authorities	Periodically	

Stakeholder	Concerned Topic	Communication Channels	Frequency	Achievement
Society		Monthly Revenue press release	Monthly	
		Quarterly operating results release	Quarterly	
		ESG Report	Annually	
		Participation in support programs for charity activities	Periodically	<ul style="list-style-type: none"> • Social benefit/ actively participate in public welfare projects and make contributions to society.
	<ul style="list-style-type: none"> • Green Product and Operations • Customer Relations • Product Responsibility • Water Management • Social Participation • Labor Relations and Remuneration 	Official Website and Email	Periodically	<ul style="list-style-type: none"> • Talent recruitment/ talent training, development, and providing career guidance.
		Participation in activities to minimize the risk of damage from the disaster	Periodically	<ul style="list-style-type: none"> • R&D innovation/ encourage patent applications and provide bonuses.
		Press release about new technologies and new products	Periodically	<ul style="list-style-type: none"> • Hire teachers from universities to make suggestions on the issues of business sustainability.
		Participation in the dream project of disadvantaged families	Periodically	
		Questionnaire and survey	Periodically	
		Company and school collaboration program	Periodically	
	Summer Intern Program	Periodically		
	Company Visiting Program	Periodically		

Major Stakeholders Concerned Issues

▼ Material Aspects, Boundaries, and Involvement

● Direct Impact ○ Contributing Impact ▲ Business Impact

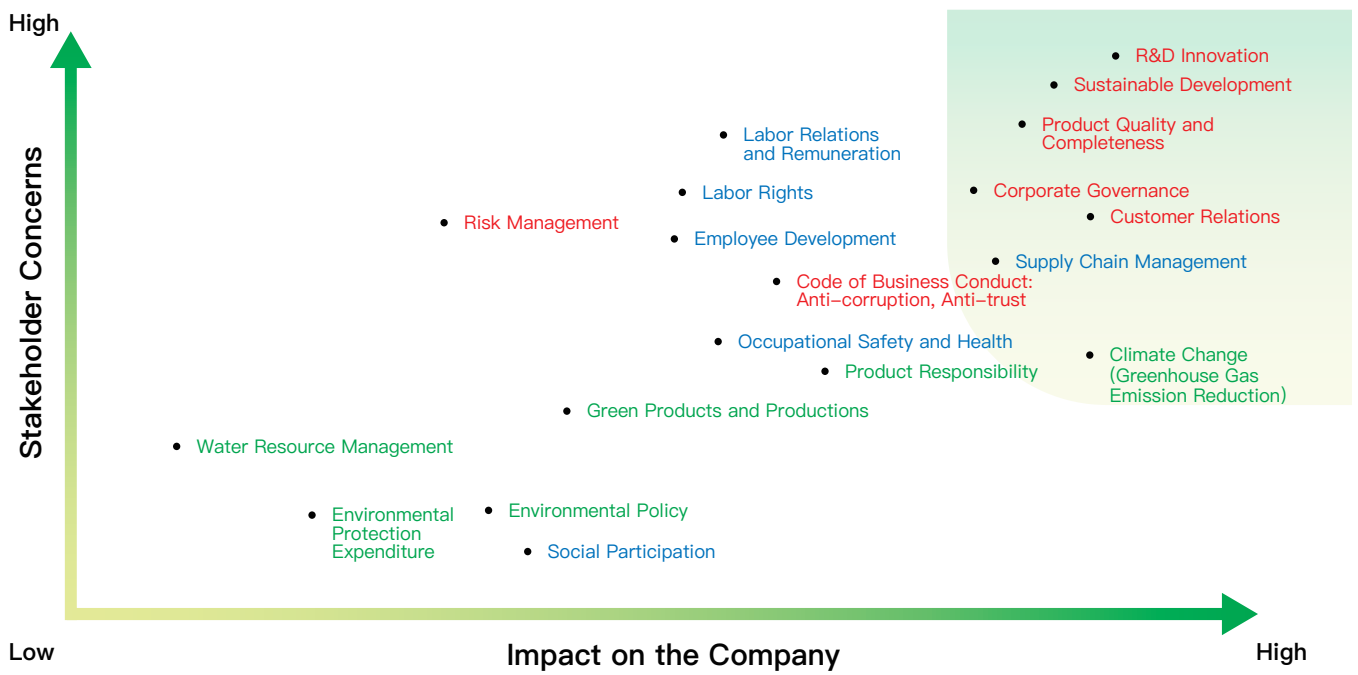
Rank	Material Topic	Importance to Operations	Internal		External stakeholders			
			Employees	Shareholders	Customers	Suppliers	Government Organizations	Society
1	R&D Innovation	It is our goal to meet the unique business and technological demands of technology innovation companies. To achieve such a goal, we are in constant pursuit of innovation and creating new values for the industry and the market. Not only does it increase product added value, but also seeks optimal interests for our stakeholders - turning this into positive change to affect our society for the better.	●	○	▲	●	○	
2	Customer Relations	To enhance a trustworthy, stable collaboration, in the long run, GUC confirms mutual development goals and partnership consensus through customer meetings, visits, performance reviews, and audits. We expect to elevate customer service efficiency to achieve customer satisfaction and mutual prosperity.	●	○	●	▲		
3	Quality and Competitiveness	The acceleration of technology has shortened the product lifecycle and increase business risks. As part of our services to provide world-class custom-made IC, our enthusiasm for outstanding R&D technology and superior products help our customers create higher added value to the products, reduce market risks, and enhance company competitiveness.	○	●	▲	▲	○	

Rank	Material Topic	Importance to Operations	Internal		External stakeholders			
			Employees	Shareholders	Customers	Suppliers	Government Organizations	Society
4	Supply Chain Management	To meet customer needs, lower production costs, and increase operational efficiency, GUC builds stable and comprehensive supplier systems, provides incentive systems, as well as communication channels to reach common concepts of quality to ensure that the collaboration with the supplier chain is well-maintained.		●	▲	●	○	○
5	Sustainable Development	It is our goal to meet the unique business and technology demands of today's technologically innovative companies. To achieve such a goal, we are in the constant pursuit of innovation and shaping an innovative corporate culture. Not only does it increase product added value, but it also creates optimal interests for our stakeholders, turning into positive change to affect our society for the better.	●	●	▲	▲	○	○
6	Corporate Governance	To enhance company performance, protect shareholder rights and interests, GUC ensures the that responsibility of the Board is to execute financial disclosures and internal audits, to fortify the honesty of the GUC governance level, and empower the Company for effective adaptation to any risks, and to run sustainably.	●	●	▲	▲	○	○

Rank	Material Topic	Importance to Operations	Internal		External stakeholders			
			Employees	Shareholders	Customers	Suppliers	Government Organizations	Society
7	Climate Change	The accelerated global warming and extreme climate disasters have brought significant economic loss to many countries and industries. To mitigate the risk impact of climate change, GUC promotes carbon reduction measures within the Company, amplifies green energy usage, and develops green products to build adaptations to the impact of climate change.	○	○	▲	▲	●	●

▼ 2020 GUC Material Issue Matrix

Legend:
 Environment in green text
 Society in blue text
 Corporate Governance in red text



R&D Innovation

Strategies	Development of Core Products
Visions	Become the ASIC Lead Supplier
Resources	Invested NT\$ 2.5 billion in 2020
Actions	<p>(1) The launch of Die to Die IP product "GLink", 6nm/7nm D2D (Die to Die) IP has been silicon-proven in 4Q20.</p> <p>(2) The launch of 5nm D2D IP "GLink 2.0", which was taped out in 4Q20 and will be silicon-verified in 3Q21.</p> <p>(3) 5nm/6nm GLink-3D IP for 3D SoIC to be taped out in 1Q21.</p> <p>(4) The integration of 2-4 HBM2 is complete. Products mainly for AI and HPC.</p> <p>(5) First industrial launch of 3.6G HBM2E (PHY & Controller) IP all-solution package.</p> <p>(6) Successful development of customized 7nm switching IC with more than 200 112G-LR high-speed SerDes integrated.</p> <p>(7) 6nm IC taped out in 1Q20, silicon-verified in 4Q.</p> <p>(8) Partnership with 5G leading company to build 12nm high-speed AFE IP that supports mmWave and sub-6G. Silicon-verified and adopted by the customer. To be taped out 1Q21.</p> <p>(9) GUC 12nm 32G SerDes was silicon-verified in May 2020. Suitable for AI/HPC/5G.</p> <p>(10) GUC 7nm 32G SerDes was silicon-verified in July 2020. Suitable for AI/HPC/5G.</p> <p>(11) GUC 5nm 32G SerDes was taped out in October 2020 and will be silicon-verified in 2Q21.</p> <p>(12) Offer super low power consumption solution to greatly reduce AI SoC power consumption.</p> <p>(13) Industrial leading spec-in service.</p>
GRI Standard Index	GRI 201
Effectiveness Assessment	5nm/7nm HBM2E3.2Gbps PHY+Controller, both of which are silicon-proven in TSMC and the efficiency can be improved by 30% compared with HBM2.0.
Targets	Continue to invest in the development of HBM3.& Glink IP.

Customers Relations

Strategies	QBR analysis of customer problems and continue to prevent and improve them. Conduct security control on customer's information, and integrate the work processes of customers and GUC to ensure that customers' products are successfully released to the market.
Visions	Become a long-term and trusted partner of customers, and grow with them based on mutual benefits and win-win.
Resources	Provide customers with instant communication channels (reply within 24 hours).
Actions	<ul style="list-style-type: none"> (1) Establish internal standard operating procedures and norms, such as the Confidential Information Protection Policy and the Confidential Information Control Protocol. (2) Every department director assigns representatives to form the Proprietary Information Protection Committee, which is responsible for the control of the entire company's confidential information. The tasks for the committee include discussing, establishing, auditing, and implementing the privacy operation. The committee is held every two months and will discuss issues surrounding confidential information control and finding resolutions. The committee launches interim meetings on certain occasions. (3) E-mail Monitoring. (4) USB Data Access Control. (5) Installation of a surveillance camera. (6) Regularly send customer satisfaction surveys, and devise customer complaints handling approach to maintain the customer relationship.
GRI Standard Index	GRI 418
Effectiveness Assessment	The average score of customer service satisfaction is 96 points.
Targets	No complaints in 2020 about the invasion of customer privacy or loss of customer data.

Quality and Competitiveness

Strategies	<p>(1) Set the company's technological development plan and complete the reliability verification during the design phase.</p> <p>(2) Implement continuous improvement to internalize quality culture.</p>
Visions	<p>The competitiveness of customers is the competitiveness of GUC, and GUC is committed to becoming a long-term important partner that customers can trust and depend on for success.</p>
Resources	<p>Expect to encourage employees to strive for excellence through incentives such as awards for CIS proposals and public praise.</p>
Actions	<p>(1) With quality policies, two principles are ensured through high-level management:</p> <p>(2) To ensure the effective implementation of quality management systems, and to achieve quality objectives and quality management system requirements.</p> <p>(3) To ensure that the integrity of the quality management system can be maintained when it changes its planning.</p> <p>(4) Continuous CIS proposals to improve internal procedures.</p>
GRI Standard Index	GRI 201
Effectiveness Assessment	<p>Corporate image, service quality, and satisfaction are important indicators that affect loyalty.</p>
Targets	<p>We are committed to promoting customized quality services to help customers achieve market opportunities and strengthen their competitiveness with excellent and reliable product quality.</p>

Supply Chain Management

Strategies	Build a supply chain that meets RBA requirements.
Visions	Committed to maintaining long-term cooperative relations with domestic and foreign suppliers, and establish a stable and sustainable supply chain together.
Resources	Establish an effective incentive mechanism, a good communication channel, and common values.
Actions	<ul style="list-style-type: none"> (1) Supplier Information Platform (2) Irregular Supplier Audit (3) Irregular Interviews and Meetings (4) Regular Questionnaire (5) Conflict Resources/request a supplier declaration or signing (6) Code of Business Conduct & Supplier Code of Conduct/suppliers are required to follow RBA regulations, by declaration or signing.
GRI Standard Index	GRI 204 / GRI 308 / GRI 414
Effectiveness Assessment	Establish a supplier evaluation system through supplier selection procedures and supplier certification methods.
Targets	<ul style="list-style-type: none"> (1) Obtain products or services that meet the quality and quantity requirements. (2) Obtain products or services at the lowest cost. (3) Ensure suppliers provide the best quality service and timely delivery. (4) Develop and maintain good supplier relations and develop potential suppliers. (5) Develop potential suppliers.

Sustainable Operations

Strategies	QBR to analyze, prevent, and improve customer's difficulties. Provide QBR report.
Visions	Continuously improve corporate performance through the PDCA spirit, and become global ASIC leaders.
Resources	Through the efforts of the GUC's Corporate Social Responsibility Committee integration of internal organizations, manage issues related to employees, shareholders/investors, customers, suppliers, government, society, etc., and establish work plans to implement GUC's social responsibility vision and mission.
Actions	<p>(1) Through the efforts of the GUC's Corporate Social Responsibility Committee integration of internal organizations, manage issues related to employees, shareholders/investors, customers, suppliers, government, society, etc., and establish work plans to implement GUC's social responsibility vision and mission.</p> <p>(2) Meeting regularly and reporting annually to the board.</p> <p>(3) Annual education and training for employees to explain key strategies and implementation methods of ESG, and urge all employees to implement the sustainable business vision of the company.</p>
GRI Standard Index	GRI 201
Effectiveness Assessment	The Board of directors plays the role of supervisor. Every year, the executive performance shall be submitted to the Board of Directors by the CSR committee chairman.
Targets	Implement corporate governance and equal treatment of stakeholders, commit to environmental protection and public welfare activities, and fulfill social responsibilities.

Corporate Governance

Strategies	Per laws and regulations, GUC establishes an effective corporate governance structure and strengthens the functions of the board of directors and audit committee.
Visions	Implement equal treatment of all stakeholders.
Resources	The management team is committed to developing a management system and ensuring that the company continues to improve in compliance with the Corporate Governance Code of Practice.
Actions	<ul style="list-style-type: none"> (1) GUC has an audit committee and salary compensation committee under the board of directors. (2) GUC plans to create a full-time position for corporate governance. (3) There is no gender difference in basic salary, and profession and experience are used as evaluation criteria. (4) GUC has already set up a full-time corporate integrity management organization and reports the implementation results to the board of directors regularly.
GRI Standard Index	GRI 405
Effectiveness Assessment	GUC was awarded the Top 5% Companies for seven consecutive sessions in the Corporate Governance Evaluation of Listed Companies by the Taiwan Stock Exchange.
Targets	Ensure the maximization of shareholder interests and continue to be listed in the Taiwan Corporate Governance 100 Index.

Climate Change

Strategies	Prepare a supplier plan responding to abnormal climate to reduce greenhouse gas emissions from suppliers.
Visions	Mitigate the impact of sustainable business operations on climate change.
Resources	Actively promote various environmental protection, energy-saving, and carbon reduction measures, reduce greenhouse gas emissions, increase the use of green energy, etc., to mitigate and adjust the operational impact of climate change.
Actions	<p>(1) Green R&D design and green production are required; no environmental pollution, no harmful materials to the environment, and improving resource utilization.</p> <p>(2) GUC received QC080001 certification. Environmental protection is one of the important standards for many well-known international enterprises to choose suppliers.</p> <p>(3) Establish a green image of the enterprise by marketing activities, guide consumers to re-identify the brand value, and promote the sales of green products, and develop green market capacity.</p>
GRI Standard Index	GRI 102-11 / GRI102-15 / GRI 305
Effectiveness Assessment	<p>(1) Extreme climate causes drought or floods, which will cause water problems in production.</p> <p>(2) If the carbon footprint of exported goods in Taiwan meets European and American regulations.</p> <p>(3) Carbon costs increase due to climate change.</p>
Targets	Create a better and safer living environment for ourselves and the next generation.

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