

GlobalWafers Co., Ltd.

Corporate Social Responsibility

Evaluation Item	Implementation Status			Deviation from Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Abstract Explanation	
I. Implementation of corporate governance				No significant difference
(I) Whether the Company has defined corporate social responsibility policies or systems within the Company, and reviewed the progress and effectiveness of such policies?	V		(I) The Company has established its “Corporate Social Responsibility Best-Practice Principles” to keep promoting the corporate social responsibility, energy saving and carbon reduction and green environment.	
(II) Whether the Company organizes any corporate social responsibility education and training program periodically?	V		(II) The Company arranges the educational training programs per the employees’ needs, including the courses in laws, management, communication & coordination, employment ethics, labor safety and environmental protection, each year, and also promotes the corporate social responsibility policies.	
(III) Whether the Company establishes a unit dedicated to (concurrently engaged in) promoting corporate social responsibility under supervision by the high-rank management authorized by the Board of Directors who shall be responsible for reporting the status thereof to the Board of Directors?	V		(III) The Company has established the “Corporate Sustainability Committee”. The Chairperson acts as the Committee chairperson, and various functional organizations delegate their representatives to act as the Committee members. The Company also establishes the ESG (environment, society and corporate governance)-related policies and development strategies and review the effect of implementation thereof to	
(IV) Whether the Company has defined some reasonable remuneration policy, integrated corporate social responsibility with	V			

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employees' performance evaluation, and established some clear and effective reward/disciplinary system?			<p>pursue improvement continuously. The Committee chairperson will report the status and performance of the implementation to the Board of Directors each year to pursue corporate sustainability and fulfill corporate social responsibility.</p> <p>(IV) The Company defines the reasonable remuneration policy in accordance with the Labor Standards Act and based on the level of pay adopted by peer companies, and also establishes the clear and effective reward/disciplinary system.</p>	
<p>II. Fostering a sustainable environment</p> <p>(I) Whether the Company endeavours to upgrade the efficient use of available resources, and uses the eco-friendly materials?</p> <p>(II) Whether the Company establishes environmental policies suitable for the Company's industrial characteristics?</p> <p>(III) Whether the Company is aware of how climate change impacts business operations, or conducts investigation into greenhouse gases, or defines some energy saving and</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company uses its best efforts to upgrade the efficient use of various available resources by recycling the waste.</p> <p>(II) The Company has passed the certification by ISO 14001:2015, ISO50001:2011, OHSAS 18001:2007 and TOSHMS/CNS 15506:2011. Meanwhile, the Company is responsible for boosting and execution of environmental protection problems, safety and health affairs for environmental management by promoting the environmental protection concept, strengthening the educational training, saving energy and reducing carbon</p>	No significant difference

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carbon/greenhouse gas reduction strategies?			<p>internally, fulfilling the environmental management policies and establishing the unit dedicated to managing labor safety and health affairs.</p> <p>(III) The Company boosts various energy-saving measures subject to the effect produced by operating activities, in order to mitigate the impact posed by the Company's operation to the natural environment. In addition to strengthening the control over energy saving in the process, the Company also uses its best efforts to classify garbage and recycle resources. Meanwhile, the Company integrates the concept about energy saving and carbon reduction and greenhouse gas reduction into the core operations to seek the sustainability strategies. The Company established the energy management system (ISO 50001:2011) for the energy saving and carbon reduction and the greenhouse gas inspection (ISO 14064:2006) for greenhouse gas reduction, conducted the water footprint assessment (ISO 14046:2014) for reduction of water consumption and assessed the clean production. All of said operations passed the certification by a third party contracted by the Company.</p> <p>The greenhouse gas emission of the Company's factory</p>	

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			<p>premises in Taiwan is stated as following:</p> <p style="text-align: center;">Unit: Tons CO2e/year</p> <table><tr><td>2016</td><td>2017</td><td>2018</td></tr><tr><td>152,867</td><td>156,884</td><td>202,115</td></tr></table> <p>The increase in the total greenhouse gas emission in 2018 was primarily a result of the construction of Zhunan Plant.</p> <p>The source of the Company’s greenhouse gas emission is primarily the power consumption. Therefore, reduction of power consumption and upgrade of energy efficiency is the Company’s first priority for the time being. By implementing the environmental management system, the Company boosts various energy saving measures, e.g. adoption of inverter control over air conditioner and cooling water at the factory premises, improvement on the air conditioning system and replacement of power-saving lighting, in order to achieve the target of energy saving and carbon reduction. According to the energy management system, the Company expressly defines that the total power consumption shall be reduced y at least 1% each year. In 2018, the factory premises have saved the power totaling</p>	2016	2017	2018	152,867	156,884	202,115	
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			<p>4,498,596Kwh/year. Based on the power emission coefficient 0.554 in 2018, the greenhouse gas emission was estimated to reduce by 2,492,222 CO2e/degree.</p> <p>The water consumption saving policy adopts the itemized management via the facility system and production equipment, in order to upgrade the efficiency of recycling of waste water generated by the production process. In 2018, the factory premises in Taiwan have saved the water consumption by 181,052 CMD.</p>	
<p>III. Preserving public welfare</p> <p>(I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human rights conventions?</p> <p>(II) Whether the Company establishes any employee complaint mechanism and channel, and takes care of such complaints adequately?</p> <p>(III) Whether the Company provides its employees with a safe and healthy work environment, and regularly implements employee safety and health education measures?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) The Company has established working rules and comprehensive management regulations in accordance with labor-related laws and regulations, in order to protect the rights and interests of employees. The Company's "Regulations Governing the Appointment of Employees" has been set up with reference to the Employment Service Act and the United Nations Universal Declaration Of Human Rights (The International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR)) with relevant provisions such as child labor prohibition, gender</p>	No significant difference

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(IV) Whether the Company establishes the mechanism for periodic communication with employees, and sends notification to employees of the circumstances which might materially affect the operation in a reasonable manner?	V		equality and prohibitions on any illegal discrimination, in order to protect human rights. The Company also conducts relevant training courses for all employees to enhance human rights awareness. The basic wage, working hours, holidays, pension payments, labor and health insurance payment, and compensation for occupational accidents for the Company's employees are in compliance with relevant provisions of the Labor Standards Act.	
(V) Whether the Company establishes some effective career development training plan for employees?	V			
(VI) Whether the Company establishes the related consumer protection policies and complaint procedures toward the R&D, procurement, production, operation and service procedures?	V		(II) The Company has set up an email and employee suggestion box. It also assigned dedicated personnel in the human resource department to be responsible for handling complaints with appropriate solutions and to convene labor-management meetings on a regular basis.	
(VII) Does the company advertise and label its goods and services according to relevant regulations and international standards?	V		(III) The Company provides a comfortable, safe and healthy working environment. It also conducts inspections on the working environment on a regular basis, and annually organizes employee health checks as well as training on health and safety for its employees. In addition, the Company has acquired certifications including the ISO 14001:2015 and OHSAS 18001:2007	
(VIII) Does the company evaluate the records of suppliers' impact on the environment and society before taking on business partnerships?	V			
(IX) Do the contracts between the company and	V			

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its major suppliers include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society?			<p>for occupational safety and health management systems.</p> <p>(IV) The Company has convened labor-management meetings and Employee Welfare Committee to provide a communication channel with employees on a regular basis, which gives employees the right to obtain information and express opinions on the Company's operations and policies, so as to enhance labor-management harmony and achieve a mutually beneficial win-win situation.</p> <p>(V) The Company has provided employees with diversified career development and training sessions, in order to improve their professional skills and competitiveness. The Company's training unit has set up an annual training plan at the beginning of the year according to vocational training needs proposed by each unit, which shall be implemented with follow-up review on the implementation status in each quarter, and the manager shall conduct a training evaluation of the employee at the end of the year. Each employee of the Company shall have at least 24 hours of training hours per year.</p>	

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			(VI) The Company has established procedures for handling customer complaints to maintain good communications with its customers, as well as effective appealing procedures regarding products and service. (VII) The Company has advertised and labeled its goods and services according to relevant regulations and international standards (VIII) The Company has established the "Supplier Evaluation Management Procedure" and performed audits on its suppliers on a regular and irregular basis. (IX) The Company requires its suppliers to sign a "Supplier Code of Conduct and Compliance Declaration", and include termination clauses which come into force once the suppliers breach the corporate social responsibility policy and cause appreciable impact on the environment and society.	
IV. Enhanced information disclosure (I) Does the company disclose relevant and reliable information regarding its corporate social responsibility on its website and the Market Observation Post System (MOPS)?	V		The Company has set up an official website and assigned dedicated personnel to be responsible for regular disclosure of relevant and reliable information regarding its corporate social responsibility, and has also disclose the Corporate Social Responsibility report on its website and the Market	No significant difference

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			Observation Post System (MOPS).	
<p>V. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has established the “Corporate Social Responsibility Best-Practice Principles” and devoted to promote the corporate social responsibilities, which has no significant difference with the Rules.</p>				
<p>VI. Other important information to facilitate better understanding of the company’s corporate social responsibility practices:</p> <ol style="list-style-type: none"> Environmental protection: It is everyone's responsibility to promote environmentally friendly and low-carbon activities. Therefore, in addition to improving the process of energy conservation and control, the Company actively implements waste separation and resource recycling, promotes energy conservation and carbon reduction, and invests in equipment related to energy conservation and emissions reduction. Social welfare: Social welfare activities participated by the Company in 2018 include <ol style="list-style-type: none"> Participated in the school dream programs, and sent out 134 dream gifts to the disadvantaged children of Yufeng Elementary School and Taoshan Elementary School. Donated moon cakes to Shih Guang Educational and Nursing Institution, Hsiang-Yuan Memorial Education and Nursing Institute in Hsinchu County and Chu Dong Hao Shang Orphanage, with the total amount of NT\$ 113,000. Conduct blood donation activities on a regular basis, which contributed to a total of 66,000 c.c. of blood. Sponsoring the Family Support Foundation – Sponsored NT\$ 10,000 on the 2018 Winter Warmth Kindergarten Fair. Participated in winter warmth activities, sponsored the Hsinchu County Family Support Center, Hsinchu County Shiou-Luan Elementary School and Chiayi Dayou Elementary School, with a total of NT\$ 207,000. Consumer rights: For customers, the Company has internally established the “Customer Complaint Management Procedure” to provide customers with a channel to express their complaints, and externally signed contracts such as supply contracts and quality contracts with its customers, in order to fully ensure customer's rights and interests. Human rights: The Company pays great attention to human rights, and employees enjoy equal rights at work regardless of race, gender and age. It also 				

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provides opportunities for employees' individual development, allow them to freely express their opinions, and respect the dignity of individuals.				
5. Safety and health: The Company devoted its efforts to promote safety and health policy, continuously improve the production process and working environment in the aim of achieving zero disasters, and continue to improve occupational safety and health performance through joint efforts of all its employees.				
6. Employee Health Care: The Company conducts health checkups on a regular basis for employees to understand their health status in order to protect and improve their health. In addition to setting up detection and alarm equipment at appropriate locations, the Company also regularly conducts operating environment testing as a basis for improving the workplace environment, in order to control the physical working environment of employees and evaluate the exposure of hazardous factors.				
VII. A clear statement shall be made below if the corporate social responsibility reports were verified by external certification institutions: The Company's 2018 Corporate Social Responsibility Report was inspected by DNV-GL, and is verified to be in compliance with GRI G4 Guidelines. The 2018 Corporate Social Responsibility Report and the Statement of Special Inspections from the certification body are disclosed in the “Stakeholders’ Area” on the Company's website and the MOPs.				