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Stakeholder Engagement & Analysis

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Chapter 1 Stakeholder Engagement & Analysis

1.1 Stakeholders Identification

Identifying and communicating stakeholder is at the core of corporate social responsibility. Based on operational characteristics and cross-departmental discussion, GWC has identified its shareholders that include staff members, customers, shareholders (investors) and suppliers (contractors), governmental departments (Science Park Bureau, Environmental Protection Bureau, Environmental Protection Administration, Energy Conversation Bureau, Ministry of Labor and so on) and the media.

1.2 Stakeholder Communication And Response

GlobalWafers has established all kinds of communication channels in its daily operations to maintain inter-communication with stakeholders. A mailbox and a customer service hotline for external communication have also been set up on the company website to collect opinions of our primary stakeholders related to our management & activities, i.e. investors, customers, media and so on.

Primary stakeholders	Significance to GlobalWafers	Communication channel	Communication frequency	Issues of concern
Customers	Company's main source of revenue	Operation meetings	Non-scheduled	Product price Customer service Product quality Hazardous substances management Business continuity planning
		Annual customer satisfaction survey	Once a year	
		Customer audit	Non-scheduled	
		Appeal/complaints telephone or email	Non-scheduled	
Employees	Employees are the company's most important assets. Only by taking good care of the employees will both parties grow in sync with each other.	Internal website and emails	Non-scheduled	Occupational safety Human rights Emergency & Contingency Job opportunities Equal pay between men and women
		Company notice board	Non-scheduled	
		Labor-management consultation meetings (Taiwan)	Four meetings per year	
		Complaint boxes or hotlines	Non-scheduled	
		Performance appraisal interviews	Once a year	
Shareholders / Investors	All shareholders are the company's investors. The company will handle all disclosed information with fairness as the principle.	All organizational meetings	Non-scheduled	Sound finance Integrity & Ethics Risks & Crisis Management Financial performance Management strategies & financial goals Regulation compliance Business continuity planning
		Shareholders meeting, institutional investors conference, domestic investment institute seminars and face-to-face communication meetings.	A total of 15 institutional investors conferences in 2018.	
		Company annual report	Once a year	
		News announcement on company websites and the Market Observation Post System	Non-scheduled	
		Collecting and replying to messages via telephone or emails	Non-scheduled	

Primary stakeholders	Significance to GlobalWafers	Communication channel	Communication frequency	Issues of concern
Suppliers/ Contractors	Are the company's partners and need to maintain the same ideals as ours in order to provide services in line with our needs.	Operation meetings	Non-scheduled	Integrity & Ethics Management strategies & financial goals Reduction at the source
		On-site audit	Non-scheduled	
		Collecting and replying to messages via telephone or emails	Non-scheduled	
Governmental institutes	We need to maintain an open and pleasant communication relationship to express our determination of complying with regulations	Correspondence of official documents, meetings (public hearings or conferences)	Non-scheduled	Water resource management Water pollution prevention Chemicals control Waste control Pollution prevention Reduction at the source Regulation compliance (labor, economy, construction safety, environmental protection, products) Greenhouse gas reduction
		by communicating and meeting with associations or unions	Non-scheduled	
The media	We establish a contact channel with the media and provide non-scheduled, correct, fair and objective industry and corporate news.	Releasing news We sporadically receive interviews by the media and provide industry news.	We release an average of 2 to 3 pieces of news for each quarter.	Greenhouse gas reduction Financial performance Regulation compliance

1.3 Identification And Analysis Of Material Issues

GlobalWafers is open to accommodate all kinds of opinions and reference the sustainability report guidelines by the Global Reporting Initiative (GRI) which outlines the principles for defining the report content, e.g. the stakeholders inclusiveness. GlobalWafers has identified the stakeholders and illustrated how to respond to their reasonable expectations and interests. Sustainability context: The report will disclose how GlobalWafers has been making improvements or diminishing damage regarding the local, regional and global economic, environmental and societal status, development and trends.

The report will reflect Globalwafers' distinct impact on the economy, environment and society, along with assessment and strategies that will substantially affect stakeholders. Completeness: Material issues and their boundaries covered in the report will sufficiently reflect GlobalWafers' distinct impact on the economy, environment and society, while allowing stakeholders to assess the performance of GlobalWafers during the reporting period.

Principles for defining the report quality. Accuracy: The information in the report has been sufficiently prepared and comprehensive allowing stakeholders to assess the performance of GlobalWafers. Balance: The information in the report reflects the positive and negative aspects of GlobalWafers' performance, allowing all parties to make reasonable assessment on the overall performance of GlobalWafers. Clarity: GlobalWafers presents the report in such a manner that it is easily accessible and comprehensible to the stakeholders. Comparability: GlobalWafers applies a consistent standard in screening, organizing and reporting the information. Ways of expressing the information make it possible for stakeholders to analyze the long-term performance of GlobalWafers and compare & analyze it with other organizations. Reliability: In compiling this report, GlobalWafers uses information and procedures that can be examined, collected, recorded, compiled, analyzed and disclosed in such a manner that can establish information quality and materiality. Timeliness: GlobalWafers gives periodic reports and provides timely information for stakeholders to make decisions.

The identification of GlobalWafers' material issues is based on the interaction experience and communication records among the stakeholders and the president office, marketing division, procurement division, administrative division and relevant divisions for external affairs of all branch companies, besides collecting issues of concern to the employees, customers, shareholders (investors), suppliers (contractors), governmental institutes and the media. In addition, certain Corporate Social Responsibility Committee members conduct internal meetings to identify the importance of each issue of concern based on these two aspects: Concern Level of Stakeholders and Impact on GlobalWafers. A materiality matrix is thereby drawn considering its economic aspect, environmental aspect and social aspect. Issues with high concern and high impact are thus listed as material issues. We will disclose in this report the management guideline for the material issues. Other issues not yet reaching major impact will be disclosed as a summery or not disclosed in this report.

1 Stakeholders engagement



Has identified 6 major groups of stakeholders.



2 Collects CSR issues of concern to stakeholders



Collects 24 CSR issues.

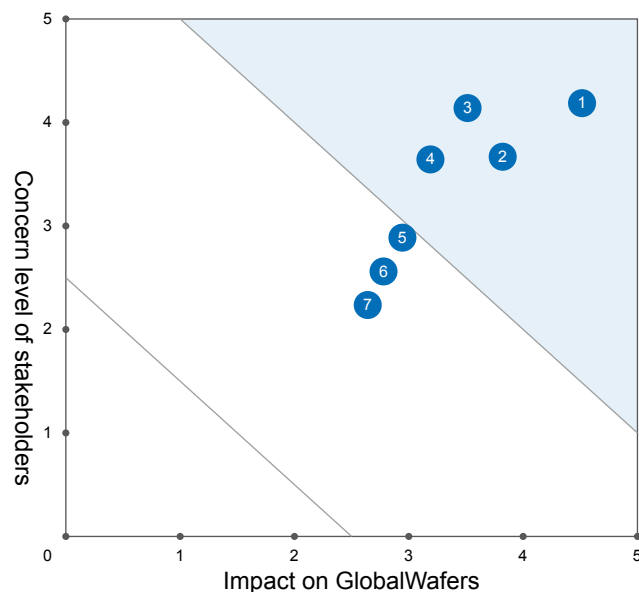


3 The impact of CSR issues on GlobalWafers



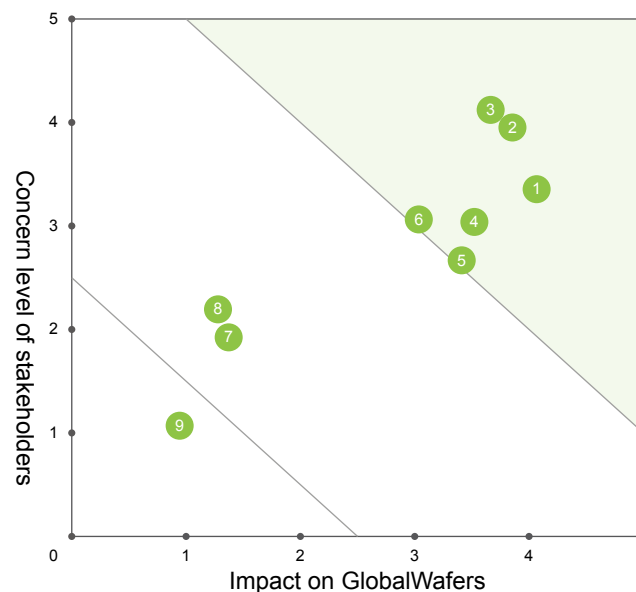
The CSR Committee has identified 15 material issues.

Economic Aspect



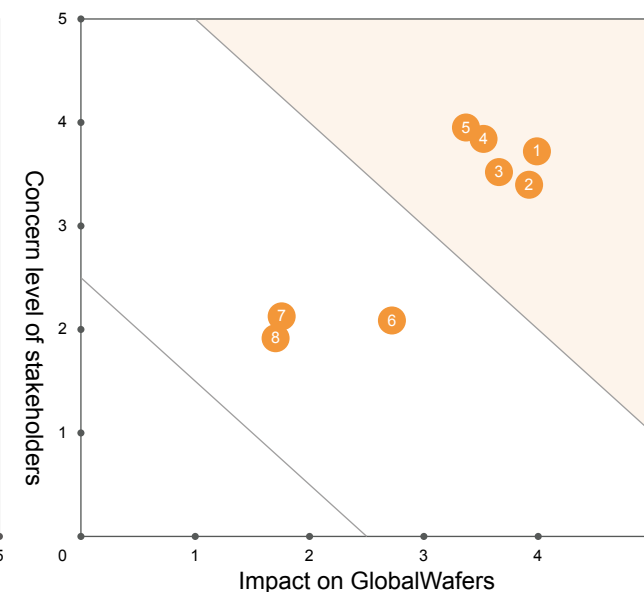
Serial no	Issues	Material
1	Regulation compliance	✓
2	Sound finance	✓
3	Management strategies & financial goals	✓
4	Financial performance	✓
5	Business Continuous Planning (BCP)	
6	Risks & Crisis Management	
7	Integrity & Ethics	

Environmental Aspect



Serial no	Issues	Material
1	Greenhouse gas reduction	✓
2	Reduction at the source	✓
3	Pollution prevention	✓
4	Waste control	✓
5	Water resource management	✓
6	Water pollution prevention	✓
7	Air pollution control	
8	Hazardous substances control in products	
9	Chemicals control	

Social Aspect



Serial no	Issues	Material
1	Occupational safety and emergency response	✓
2	Human rights	✓
3	Employee education & training	✓
4	Product quality	✓
5	Customer service & privacy	✓
6	Job opportunities	
7	Labor equality, Equal pay for equal work	
8	Product price	

The Boundary And Scope Of Material Issues

Material topics		Company' s internal boundary			Company' s external boundary	Corresponding GRI standards	Corresponding chapters
		Globalwafers	Taisil Electronic	Offshore branch companies	Suppliers		
Economic Aspect	Regulation compliance	○	○	○		GRI307 GRI419	2.2.4 Regulation compliance
	Management strategies & financial goals	○	○	○		GRI201	2.3 Operation performance
	Financial performance and sound finance	○	○	○		GRI201	2.3 Operation performance
Environmental Aspect	Source Reduction and Pollution Prevention	○	○	○		GRI301 GRI302 GRI303	4.3 Source Reduction 4.4 Pollution prevention
	Water pollution prevention	○	○	○		GRI303	4.3.3 Water resource management
	Water resource management	○	○	○		GRI303 GRI306-5	4.3.3 Water resource management
	Waste control	○	○	○		GRI306	4.2 Waste management
	Greenhouse gas reduction	○	○	○		GRI305	4.1 Greenhouse gas
Social Aspect	Occupational safety and emergency response	○	○	○	○	GRI403	5.2 Occupational safety and hygiene
	Customer service, privacy and product quality	○	○	○		GRI102-43	3.1 Innovation management 3.2 Product quality 3.3 Customer service
	Human rights	○	○	○		GRI406 GRI102-41	5.1.4 Human rights
	Employee education & training	○	○	○		GRI404	5.2.2 Safety advocacy and education & training

Note:

- Regarding operation & manufacturing sites, the data collection is currently not completed for some of GlobalWafers' operation sites, resulting in the lack of disclosure of performance data for some of the sites covered in the major consideration aspects in this annual report. In 2018, we established a data collection mechanism hoping to include all disclosed performance data for all operation sites for the next 3 years covered in the major consideration aspects.
- Internal boundary:
Taiwan: GlobalWafers headquarters, GlobalWafers Chunan Plant, Taisil Electronic Materials Corp.

Mainland China: Kunshan Sino Silicon Technology Co., Ltd.
Japan: GlobalWafers Japan Co. Ltd., MEMC Japan Ltd.
South Korea: MEMC Korea Company
Malaysia: MEMC Electronic Materials, Sdn Bhd.
US: GlobiTech Incorporated. MEMC LLC (Formerly SunEdison Semiconductor, LLC Renamed)
Italy: MEMC Electronic Materials, SpA
Poland: Topsil Semiconductors sp. z o.o
Denmark: Topsil GlobalWafers A/S
Singapore: GlobalWafers Singapore Pte. Ltd. (Formerly SunEdison Semiconductor Limited, Renamed)