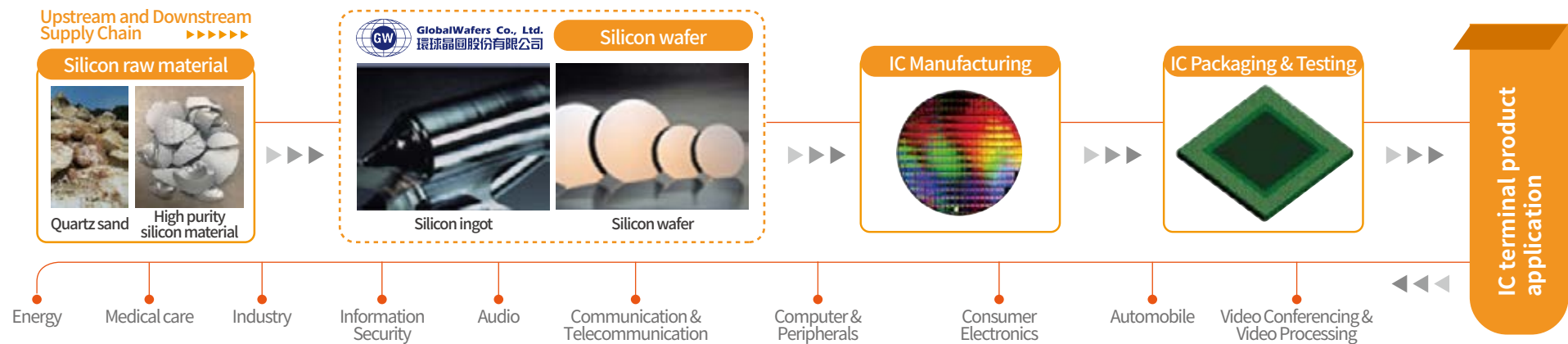


## 3.4 Sustainable Supply Chain and Management

### Upstream and Downstream Supply Chain

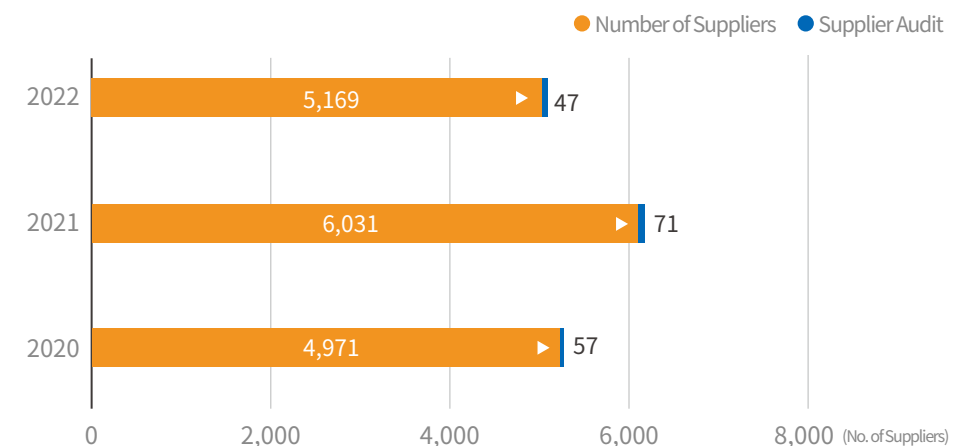


### ✦ Supplier Assessment Management

GlobalWafers employs appropriate supplier assessment operations to carefully define and select qualified suppliers. A close work relationship and feedback system are also established accordingly to ensure raw material, finished products, semi-finished products, fixtures and tools, technology services, and other labor services all comply with requirements for quality, environment, safety and hygiene. Our qualified suppliers all need to comply with Ethical Corporate Management Best Practice Principles, with no dishonest behavior records for our suppliers. Each year, we form a supplier appraisal team composed of quality assurance, procurement, environmental safety, R&D, and other relevant department members to perform supplier factory audits and document reviews. We also conduct interviews with other supervisors and employees to improve the issues discovered and retain records for inspection.

Regarding on-site supplier audits, approximately 1.2% of the total number of suppliers received on-site audits in 2022, and a similar ratio of on-site supplier audits has been conducted with the past 3 years.

### Number of On-Site Audit Suppliers for Global Factories



## ★ Legal and Regulatory Requirements and Risk Control of Key Materials

GlobalWafers regularly collects regulation requirements from countries as place of receipt, countries as place of delivery, as well as countries as destinations designated by customers to ensure purchased products, procedures, and services all comply with laws and regulation requirements of countries where subjects are located. In addition, when customers set special controls on specific products due to legal requirements, we will ensure such special controls are implemented and maintained, which include monitoring the suppliers.

In some countries or regions, the source or production of raw materials is subject to the corresponding local laws and regulations of the country or region involved such as the EU RoHS directive, the REACH regulations (restrictions), and the Toxic Substances Control Act (TSCA) of the United States.

To ensure the company's quality management system continues to comply with requirements from customer and regulations, we regularly implement reviews of compliance with related information and regulations, and make a list of the company's stakeholders and issues of stakeholder concern. We also continue to work with the Conflict-Free Minerals Plan and request suppliers to conduct reasonable due diligence on supply chains to ensure that materials provided to us by suppliers are conflict-free, for the purpose of meeting requirements from customers and regulations.

The Modern Slavery Act passed by the British government in October 2015 is applicable to enterprises with annual revenues of £36 million or more that have operating activities in the UK. Our operation activities in respective countries comply with all local laws which include various acts preventing human trafficking and slavery systems. GlobalWafers will not tolerate any form of modern slavery, and insists all its commercial transactions, business relationships, and supply chain activities comply with moral requirements—upholding integrity is our highest principle.

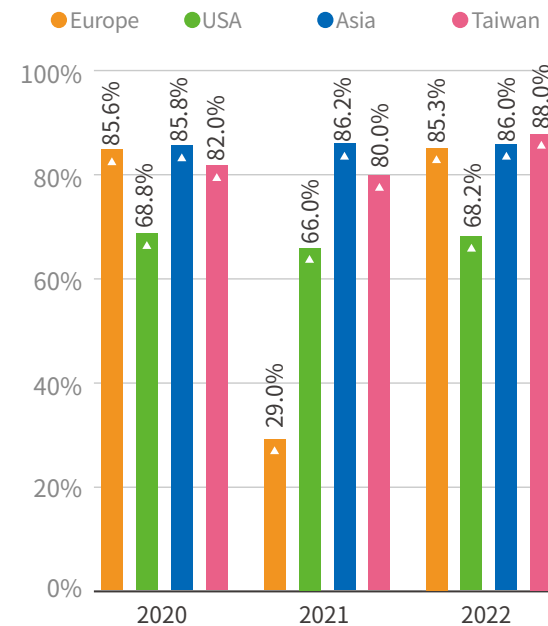
GlobalWafers has identified silicon raw materials as key materials with potential risks to operations and adopted the supplier diversification and material reserve risk control strategy.

## ★ Local Procurement

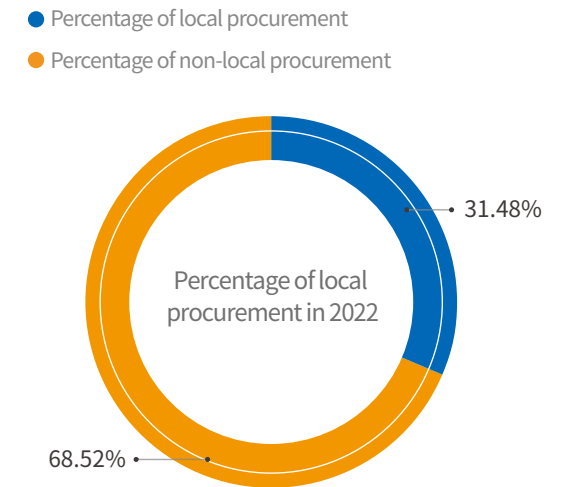
GlobalWafers' procurements are roughly categorized into equipment, parts and components, raw materials, factory matter, and automation equipment. Factories conduct their own procurement. We aim at localized supply chains to increase supply flexibility and reduce unnecessary costs and supply chain carbon emissions, promote green industry development, and create local employment opportunities. GlobalWafers production bases are located throughout the regions of the globe. We regard the promotion of local industry development as a critical part of corporate social responsibility. We have endeavored to fulfill the local industry development promotion concept.

In 2022, there were no major changes in GlobalWafers' supply chain. Based on the total procurement amount, Asian plants accounted for 37.94%, Taiwanese plants for 25.81%, US plants for 25.1% and European plants for 11.16%; while based on the number of local suppliers, Taiwanese plants accounted for 88%, Asian plants for 86%, European plants for 85.3% and US plants for 68.2%. In addition, global statistics show that local procurement amount accounted for 31.48%.

### Percentage of Local Procurement by Plants Worldwide



### Percentage of local procurement in 2022



Note1: Local Procurement: The factory and its supplier are located in the same country.

Note2: Local procurement percentage is calculated by dividing the number of local procurements by the supplier number.

Note3: Proportion of local procurement amount is calculated by dividing the local procurement amount by the total procurement amount for the year.