Material Issues and Stakeholder Engagement

In compliance with the latest version of the GRI Standards (2021) and with reference to the material issues of global sustainability-related guidelines, the Corporate Sustainable Development Committee discussed and identified 23 sustainability issues. Using the double materiality principle, which considers the actual/potential impact and positive/negative assessments, GlobalWafers conducted surveys and questionnaires covering social, environmental, and people dimensions and distributed them to internal and external stakeholders closely related to the Company (including customers, employees/unions, shareholders/investors, suppliers/contractors, government agencies, media, communities/NPOs/NGOs) to assess and rank these issues. This process led to the identification of 12 material sustainability issues for GlobalWafers in 2023, with management guidelines for each material issue were formulated accordingly. The Corporate Sustainable Development Committee reports the result of materiality analysis and the status of stakeholder engagement to the Board of Directors annually.
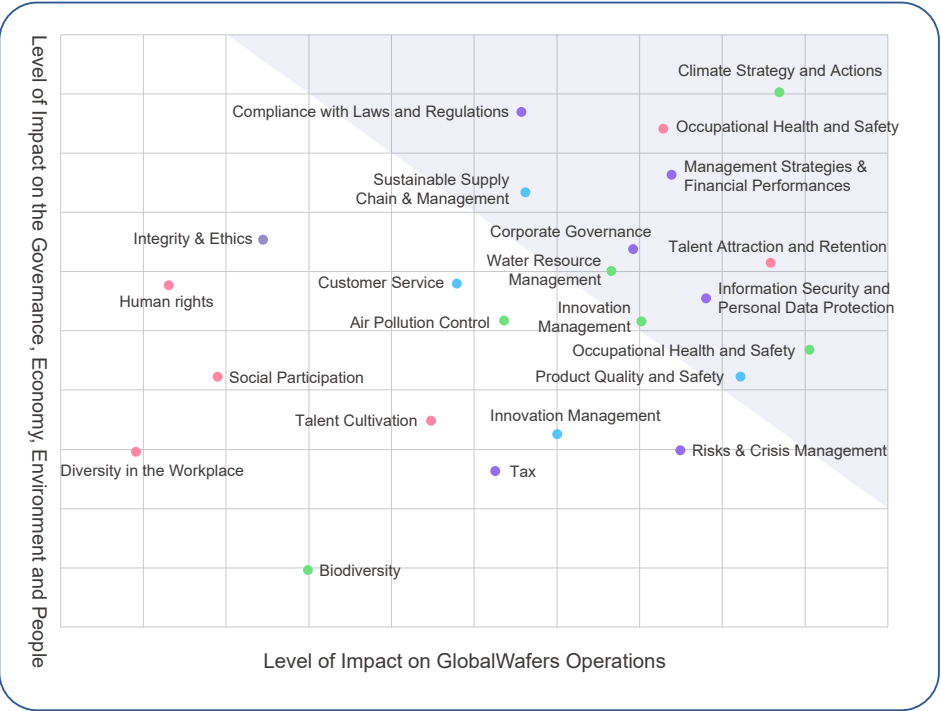
⊙ Materiality Analysis

Stage 1 (Identification)

1. Identify stakeholders

GlobalWafers has identified seven major categories of stakeholders based on their activities and business relationships. The identified stakeholders include customers, employees/unions, shareholders/investors, suppliers/contractors, government agencies, media, and communities/NPOs/NGOs. Engaging with these stakeholders helps in identifying the impact of sustainability issues.

2. Identify sustainability issues

The President's Office, Marketing Division, Procurement Division, Administration Division, and relevant external units interact and communicate with stakeholders, including customers, employees/unions, shareholders/investors, suppliers/contractors, government agencies, media, and communities/NPOs/NGOs, to collect the issues of concern to them. By referring to international sustainability standards and regulations, the United Nations' Sustainable Development Goals (SDGs), responsible investment principles, and industry trends, 23 sustainability issues were consolidated. These issues were then further investigated to assess their impact.

Stage 2 (Analysis)

3. Investigate the level of external concern

By distributing questionnaires to key stakeholders closely related to GlobalWafers and receiving specific feedback, 588 completed questionnaires were collected. This process was used to assess the level of concern for various issues in the economic, environmental, and social dimensions.

4. Analysis of internal impact

Senior executives from GlobalWafers' operational sites were invited to complete the questionnaire. This survey assessed the actual and potential, positive and negative impacts of governance/economic/social/environmental issues on the Company's operations and management. The involvement of senior executives further enhance the relevance between GlobalWafers and the sustainable issues.

5. Draw a material issue matrix

By analyzing feedback from internal and external questionnaires, the weight of each stakeholder's responses was calculated to adjust the proportion of their scores. Following the double materiality principle, a materiality matrix was produced, and through a rigorous discussion process, 12 material issues were selected.

Stage 3 (Confirmation)

6. Review the disclosure content

The 12 material issues were cross-referenced with GRI specific topics, and management approaches and reporting requirements were disclosed in accordance with their guidelines.

⊙ Material Topics Matrix

GlobalWafers conducted an online survey to collect feedback from stakeholders. In 2023, a total of 588 valid questionnaires was received, including 192 from employees, 376 from suppliers/contractors, 6 from customers, 8 from shareholders/investors, 4 from government agencies, 1 from community/NGOs/NPOs, and 1 from media. A total of 96 valid questionnaires was collected by the Group's senior executives. After evaluation and analysis, four new material issues were added in 2023 compared to the previous year: "Corporate Governance," "Sustainable Supply Chain and Management," "Information security and Personal Data Protection," and "Energy Management."

Aspects	Sustainability Topic
Governance Aspect	Corporate Governance
	Management Strategies & Financial Performances
	Integrity & Ethics
	Risks & Crisis Management
	Compliance with Laws and Regulations
	Information Security and Personal Data Protection
	Tax

Aspects	Sustainability Topic
Economic Aspect	Innovation Management
	Product Quality and Safety
	Customer Service
	Sustainable Supply Chain & Management

Aspects	Sustainability Topic
Social Aspect	Occupational Health and Safety
	Talent Cultivation
	Talent Attraction and Retention
	Human rights
	Diversity in the Workplace
	Social Participation

Aspects	Sustainability Topic
Environmental Aspect	Climate Strategy and Actions
	Energy Management
	Waste Management
	Water Resource Management
	Air Pollution Control
	Biodiversity

⊙ Material Issues in 2022 and 2023

Year	1	2	3	4	5	6	7	8	9	10	11	12
2023	Climate Strategy and Actions	Compliance with Laws and Regulations	Occupational Health and Safety	Management Strategies & Financial Performances	Talent Attraction and Retention	Water Resource Management	Waste Management	Product Quality and Safety	Sustainable Supply Chain & Management	Corporate Governance	Energy Management	Information Security and Personal Data Protection
2022	Risks and Opportunities of Climate Change	Compliance with Laws and Regulations	Occupational Health and Safety	Management strategies & financial goals	Talent Cultivation	Water Resource Management	Waste Management	Product Quality	Customer Service	Financial Performance & Sound Finance	Reduction at thesource	

⊙ Stakeholder Engagement and Responses

Primary Stakeholders	Significance to Globalwafers	Communication Channel	Communication Frequency	Issues of Concern	Our Responses
Customers	Company's main source of revenue	Operation meetings	Occasional	• Customer Service • Product Quality and Safety • Integrity & Ethics • Information Security and Personal Data Protection • Innovation Management	• Adhere to the spirit of "customer satisfaction." The quality assurance unit must conduct interviews and propose corresponding improvement plans for customer survey items with lower satisfaction. • Actively understand customer voices. When customers make various demands, the organization must evaluate and discuss feasible solutions to "meet the requirements."
		Annual customer satisfaction survey	Once a year		
		Customer audit	Occasional		
		Appeal/complaints telephone or email	Occasional		

Primary stakeholders	Significance to GlobalWafers	Communication channel	Communication frequency	Issues of concern	Our responses
Employees/ Union	Employees are the Company's most important asset. Only by taking good care of employees can the two grow synergistically	Internal website and emails	Occasional	• Occupational Health and Safety • Human rights • Talent cultivation • Talent Attraction and Retention • Diversity in the Workplace • Management Strategies & Financial Performances	• We believe that employees are GlobalWafers' most important assets, and only through a good and long-term labor-management relationship can we create sustainable development for the organization. We have formulated formal provisions and continued to provide bilateral communication via an internal website, a complaint mailbox, labor conferences, and face-to-face meetings to ensure the employees' voices are valued. • To attract and retain outstanding talents, the Company offers competitive salaries and sets the salary adjustment standards yearly according to the relevant data. • The Company has staff restaurant to provide meals for employees. In addition to the statutory labor and health insurance, the Company also provides group insurance superior to that required by the law. It offers relevant insurance to enhance employees' protection and protect their right to work depending on the social development circumstances. For example: providing epidemic prevention insurance to employees during the epidemic. Moreover, we have also established a welfare committee and additional employee care programs according to the law. They include employee travel, festival allowances, health examinations, and community activities. Employees can fully participate in the Company's welfare improvement and innovation process and help the Company to formulate creative welfare measures. • The Company adheres to the concept of "Ensuring the Safety and Health of the Employee Work Environment" and uses the organization system operation to create a healthy and safe working environment for employees.
		Company notice board	Occasional		
		Labor-management consultation meetings (Taiwan)	Four meetings per year		
		Complaint boxes or hotlines	Occasional		
		Performance appraisal interviews	Once a year		
		All organizational meetings	Occasional		
		Union member meetings (Japan, Korea, Italy, USA)	Occasional		
Shareholders/ Investors	All shareholders are investors of the Company, and the information that should be disclosed shall be handled in a fair manner	Shareholders' meetings, institutional investors conferences, domestic and foreign investment institute seminars, and face-to-face communication meetings.	In 2023, a total of 1 general shareholders' meeting, 4 earnings calls, and 7 investor conferences invited by domestic and international investment institutions were held.	• Corporate Governance • Management Strategies & Financial Performances • Integrity & Ethics • Risks & Crisis Management • Tax • Innovation Management • Climate Strategy and Actions	• Continue using our stable financial structure and rich management experience to practice performance management and operational improvement, improving overall operational performance. • Establish and strengthen close interaction and communication channels with investors, domestic and foreign media, cooperation, and shareholders. • Continue improving corporate governance performance and realize the commitment to sustainable operation. • Integrity management is achieved by compliance with laws and regulations. So, the Company has actively organized education and training and integrity management policy advocacy, promoting the integrity policy and its importance to directors and employees.
		Company annual report	Once a year		
		Information released on the Company's official website, press releases, and the Market Observation Post System	Occasional		
		Collecting and replying to messages via telephone or emails	Occasional		

Primary stakeholders	Significance to GlobalWafers	Communication channel	Communication frequency	Issues of concern	Our responses
Suppliers/ Contractors	They are the Company's partners and must maintain the same ideals as ours in order to provide services in line with our needs.	Operation meetings	Occasional	• Integrity & Ethics • Management Strategies & Financial Performances	• Reduce costs by implementing supplier localization. • Establish a supplier evaluation management process. • Formulate contractor management procedures and establish a contractor construction management system to manage all contractors who have entered the plants.
		On-site audit	Occasional		
		Collecting and replying to messages via telephone or emails	Occasional		
Government Agencies	Maintain a smooth and positive relationship, and express the company's determination to comply with legal requirements	Correspondence of official documents, meetings (public hearings or conferences), and surveys are conducted to gather feedback	Occasional	• Compliance with Laws and Regulations • Occupational Health and Safety • Climate Strategy and Actions • Waste Management • Water Resource Management • Air Pollution Control • Energy Management	• Regularly review the regulation contents, and keep abreast of the latest trends in regulations. • Participate in competent authority regulatory meetings and understand the requirements. • Provide industry opinions and feedback on government policies through industry association channels. • Cooperate with the competent authority for plant visits or unscheduled plant audits.
		Communication through industry associations meetings or opinion survey	Occasional		
The Media	We establish a contact channel with the media to provide timely, accurate, fair, and objective industry and corporate news.	Releasing news We receive interviews by the media and provide timely industry information.	• Issues an average of 2 to 3 press releases per quarter	• Climate Strategy and Actions • Management Strategies & Financial Performances • Compliance with laws and regulations	• Contact the media and let the press and related professionals understand the Company's industry and operating performances through interviews. • Issue a press release on revenue and financial reports. • Provide transparent information disclosure to comply with the completeness, real-time, and fairness principles.
Community/ NPO/NGO	Establish good partnerships with communities/NPOs/NGOs, combining resources and strengths from both sides to use the invested resources effectively and create a more positive impact for people.	Meetings with communities/ NPOs/NGOs Charity projects, volunteer activities Press releases Company website	Occasional	• Social Participation • Climate Strategy and Actions • Risks & Crisis Management • Air Pollution Control	• Collaborate with public welfare organizations to care for and donate to local disadvantaged groups. • Adopt coastal clean-up initiatives and collaborate with local communities to organize environmental education tours, regularly encouraging employees to participate in environmental protection activities. • Collaborate with various community groups and non-profit organizations to support relevant social engagement projects, such as the promotion of arts and culture and the cultivation of technological talent.

⊙ GlobalWafers Material Issue Management Policy

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
Economic Aspect	Corporate Governance	• Articles of Incorporation • Corporate Governance Best Practice Principles • Code of Ethical Conduct • Rules of Board of Directors Meetings • Audit Committee Charter • Remuneration Committee Charter • Nomination Committee Charter • Board of Directors and Functional Committee Performance Evaluation Measures • Rules for Election of Directors • Rules Governing the Scope of Powers of Independent Directors • Procedures for Handling Material Inside Information • Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises	• Established the Corporate Governance Officer to lead and supervise the President's Office in handling corporate governance-related affairs and assist directors in exercising their powers. • Assist the Board of Directors in formulating policies for board diversity and independence. • Assist directors in taking office, arranged continuing education courses for directors, and conducted the performance evaluation of the Board of Directors and functional committees. • Keep track of the latest announcements and amendments of laws and regulations announced by the competent authorities to ensure the normal operation of the corporate governance system. • Regularly update/announce the Company's operational and financial information, and hold quarterly institutional investor conferences to maintain smooth communication channels with shareholders and investors. • Participate in important domestic and international evaluations, regularly review the performance of various corporate governance indicators, and continue to improve.		●		President's office	1.1 Corporate Governance		

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
Economic Aspect	Management Strategies & Financial Performances	• Procedures for Handling Material Inside Information • Procedures for Lending Funds to Other parties • Procedures for Endorsement and Guarantee • Policies and Procedures for Financial Derivatives Transactions • Acquisition or Disposal of Assets Procedure • Regulations Governing the Preparation of Financial Statements	• Hold board meetings at least quarterly to confirm operational strategies and execution plans. • Continue to monitor market trends, expand production capacity, and diversify production sites to develop products that meet market demand and ensure ongoing profitability. • Regularly hold management meetings to review the operational performance of each production site and the implementation of annual plans, ensuring progress towards achieving targets. • Utilize various financing tools to maintain a sound financial structure, responding to market volatility and generate profits through stable operations. • Disclose financial information in accordance with International Financial Reporting Standards (IFRSs) recognized by competent authorities.	●	●		President's Office, Finance Division, Accounting Division	1.2 Operation performance	GRI 201 Economic Performance	

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
Economic Aspect	Compliance with laws and regulations	The Company has established the "Ethical Corporate Management Best Practice Principles " and "Procedures for Ethical Management and Guidelines for Conduct" as the main policy documents and the basis for practical operations.	• The Legal Affairs Office shall be responsible for formulating, supervising, and implementing the integrity management policy and prevention plan. We use the mail system management, access control, reporting system, legal compliance inventory, interview human resources & intellectual property team (non-competition violation, unlawful infringement of business secret, bribe, and intellectual property infringement risks), and conduct investigations into specific cases. These efforts ensure that the company's operations comply with integrity management principles, and existing measures are reviewed during audits. The Legal Affairs Office reports the aforesaid implementation status to the Board of Directors every year. • Each year, departments are required to complete a "Departmental Compliance Checklist" to ensure the completeness and accuracy of the information provided. This process confirms that employees understand and comply with applicable laws and regulations related to their work. If any deficiencies are identified, appropriate improvement plans will be developed and the results of these improvements will be tracked. The Compliance Unit will also take the initiative as needed to assist all departments in responding to regulatory changes by amending or establishing relevant internal procedures. When necessary, it will conduct education and training as well as awareness campaigns to ensure effective implementation of the compliance system. • Regular inventory and education and training of personal data involved in business operations to ensure that the unit responsible for data collection, processing, and utilization of personal data follows the Personal Data Protection Act.	●	●	●	Legal Affairs Office	1.1.2 Integrity & Ethics 1.1.4 Legal Compliance 1.3.2 Personal Data Protection	GRI 206 Anti-competitive Behavior (Ethical Integrity)	-

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
Economic Aspect	Information Security and Personal Data Protection	The Company attaches great importance to information security and has established an information security policy that is reviewed at least once a year to reflect government regulations, information security incidents, information technology, and the development of the Company's business.	• The Chief Information Security Officer convenes information security meetings every six months to set the goals for a new round of improvement plans. • Each quarter, the highest-ranking information or cybersecurity officers from each plant hold information security promotion meetings and continue improvement efforts. • Establish the "Information Security Management Procedures Manual" and plan to implement the international information security standard (ISO 27001) in 2024.		●	●	Chief Information Security Officer Information Security Division	1.3.1 Information security	-	-
	Product Quality and Safety	Based on compliance with the international quality system standard (IATF 16949) and meeting specific customer requirements, we aim to become the customers' first priority business partner.	Establish a quality management and environmental management system, with high-ranking executives regularly reviewing the performance of the management system and providing necessary decisions in a timely manner to improve system performance and respond to changes in material internal and external issues.		●	●	Quality Assurance Division Environmental Safety and Hygiene Unit	2.2 Product Quality 2.3 Customer Satisfaction	-	TC-SC-410a.1
	Sustainable Supply Chain Management	Work with suppliers in long-term partnerships to build and develop strong relationships, urging them to commit to responsible operational models regarding environmental, social, and corporate governance aspects.	• Procurement Management Procedures • GlobalWafers Co., Ltd. Supplier Code of Conduct for	●	●	●	Procurement Dept.	2.4 Sustainable Supply Chain & Management	GRI 204 Procurement Practices	TC-SC-440a.1

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
Environmental Aspect	Climate Strategy and Actions	Continue to improve the GHG verification coverage of GlobalWafers Group's sites. Regularly conduct climate risk assessments to identify transformation opportunities, and keep abreast of international climate-related initiatives and standards (RE100, ISO 14068:2023, SBTi, etc.). Additionally, we actively participate in relevant climate initiative organizations (RE100, Semiconductor Climate Consortium (SCC)).	• The climate change governance and management framework of GlobalWafers consists of a three-tier management structure involving the Board of Directors, Corporate Sustainable Development Committee, and relevant executive teams. This structure facilitates the top-down control of operational status and related material issues. • Review mechanism: monthly, quarterly, semi-annually, and annually. • By increasing the verification coverage of the organization's greenhouse gas emissions (ISO 14064-1:2018), we can monitor the greenhouse gas emissions at our operational sites. This analysis helps identify the sources of greenhouse gas emissions within the organization and develop management strategies for the greenhouse gas emissions across the value chain.	●	●	●	Environmental and Sustainable Development Committee	Climate Strategy and Actions/ Greenhouse Gas Inventory	GRI 305 Emissions	TC-SC-110a.1 TC-SC-110a.2
	Energy Management	Continue to increase the coverage of energy management systems (ISO 50001:2018) within the Group's operational factories. To achieve the RE100 goal, strategies such as building renewable energy power generation installations, signing supply contracts with local power companies, and purchasing external renewable energy certificates were adopted to increase the proportion of renewable energy use at GlobalWafers Group's sites.	• The climate change governance and management framework of GlobalWafers consists of a three-tier management structure involving the Board of Directors, Corporate Sustainable Development Committee, and relevant executive teams. This structure facilitates the top-down control of operational status and related material issues. • Review mechanism: monthly, quarterly, semi-annually, and annually. • The main energy-consuming equipment is monitored through the energy management system and its energy monitoring and measurement management procedures.	●	●	●	Environmental and Sustainable Development Committee	3.1 Energy Management	GRI 302 Energy	TC-SC-130a.1

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
Environmental Aspect	Waste Management	Establish management procedures for industrial waste and disposal organizations	• The climate change governance and management framework of GlobalWafers Co., Ltd. consists of a three-tier management structure involving the Board of Directors, Corporate Sustainable Development Committee, and relevant executive teams. This structure facilitates the top-down control of operational status and related material issues. • Review mechanism: monthly, quarterly, semi-annually, and annually. • Improve in-plant waste management processes through continuous monitoring of the environmental management system (ISO 14001:2015) and the periodic audits of waste disposal organizations.	●	●		Environmental and Sustainable Development Committee	3.3 Waste Management	GRI 306 Waste	TC-SC-150a.1
	Water Resource Management	Continuously monitor the water withdrawal status and special climatic disasters (flood, tsunami, drought, etc.) We examine the water withdrawal status of the Company's operating locations according to the GRI standards and the Aqueduct Water Risk Atlas. For plants with an assessment result of medium or higher risk, the water withdrawal sources and possible risk impacts shall be monitored.	• The climate change governance and management framework of GlobalWafers Co., Ltd. consists of a three-tier management structure involving the Board of Directors, Corporate Sustainable Development Committee, and relevant executive teams. This structure facilitates the top-down control of operational status and related material issues. • Review mechanism: monthly, quarterly, semi-annually, and annually. • Increase the water recycling ratio of the operating plants or change the process design to reduce the water withdrawal volume from third parties and the water consumption volume in the production process.	●	●	●	Environmental and Sustainable Development Committee	3.2 Water Resource Management	GRI 303 Water and Effluents	TC-SC-140a.1

Issue Aspects	Material Sustainability Issue	Management Policy	Management Approach	Value Chain Impact Boundary			Responsible Unit	Corresponding Chapter	Corresponding GRI Specific Topics	Corresponding SASB Standards
				Upstream	Operations	Downstream				
People Aspect	Talent Attraction and Retention	Regularly review the remuneration structure to maintain competitiveness in the talent market; establish a talent development system to train professional and management talents required by the Company.	• Provide a welfare system that complies with laws and regulations and the needs of colleagues. • Enhance the career development of employees through succession planning and internal transfer or promotion. • Provide diverse labor-management communication channels for employees to freely make suggestions.		●	●	Human Resources Unit Environmental Safety and Hygiene Unit	4.1 Human Resources 4.2 Talent Attraction and Retention 4.3 Talent Cultivation and Development	GRI 401 Employment GRI 405 Diversity and Equal Opportunity	TC-SC-330a.1
	Occupational Health and Safety	Formulate occupational health and safety policies and establish an occupational health and safety management system (ISO 45001)	Following ISO 45001 standards, establish a quality management and environmental management system, with high-ranking executives regularly reviewing the performance of the management system and providing necessary decisions in a timely manner to improve system performance and respond to changes in material internal and external issues.	●	●	●	Human Resources Unit Environmental Safety and Hygiene Unit	5.2 Occupational Health and Safety Worker Training 5.4 Occupational Disaster Management	GRI 403 Occupational Health and Safety	TC-SC-320a.1 TC-SC-320a.2

⊙ Risk Management of GlobalWafers' Material Issues

GlobalWafers invites internal managers to participate in completing questionnaires, considering the potential risks and crises that may be encountered by each department and the overall enterprise in terms of sustainability issues. The impact and frequency of these material issues on operations are evaluated, and risks are categorized accordingly to facilitate corporate management.

⊙ The impact (risk) management for material issues in 2023 is as follows:

Material issues	Actual/potential and negative/positive impacts of GlobalWafers in economic, environmental, and people (human rights) aspects	Risk Scope	Risk Assessment		
			Likelihood	Severity	Risk Grade
Corporate Governance	By establishing a sound corporate governance structure and enhancing the functions of the Board of Directors, the Company can effectively form and execute comprehensive operational decisions and plans, ensuring stable operations. Additionally, improving the timeliness and transparency of information disclosure maintains open communication channels with regulatory authorities, shareholders, and other stakeholders. This approach reduces the risk of penalties for non-compliance with relevant regulations and mitigates the negative impact of information asymmetry on customer and investor confidence in the Company's operations.	Compliance Risk	4	3	Medium
Management Strategies & Financial Performances	Pursue continuous profitability, maintain a sound financial structure, and make good use of the Company's economic scale and global presence to create long-term stable economic values and achieve the sustainable management goal of "responsible growth." Maintain a good credit rating to strengthen the confidence of shareholders and investors in the Company's operating performance. In addition, we make good use of profits to contribute to environmental sustainability, employee care, and social welfare to bring about positive influence.	Financial Risk	3	4	Medium
Compliance with laws and regulations	Implementing ethical corporate management and complying with applicable laws and regulations helps stabilize market competition, maintain corporate competitiveness, and protect the rights and interests of stakeholders.	Compliance Risk	2	4	Medium
Information Security and Personal Data Protection	The Company emphasizes the protection of information value to gain the trust of business partners and enhance economic value. The Company values privacy protection and has implemented a data leakage prevention system to maintain our competitive advantages and avoid impacts on human rights.	Operational Risk	3	4	Medium
Product Quality and Safety	High-quality and safe products help improve the Company's reputation, increase customer loyalty, and have a longer service life, reducing waste and resource consumption, and helping protect the health and safety of consumers. On the contrary, low-quality or unsafe products may lead to product recalls, wastes of resources, pollution and excess energy consumption. This can damage the Company's image and harm its revenue and profits.	Operational Risk	3	5	High

Material issues	Actual/potential and negative/positive impacts of GlobalWafers in economic, environmental, and people (human rights) aspects	Risk Scope	Risk Assessment		
			Likelihood	Severity	Risk Grade
Sustainable Supply Chain Management	By continuously improving supplier quality, reducing costs, shortening delivery times, promoting sustainable development, and strengthening cooperative relationships with suppliers to maximize profits, positive impacts can be achieved in the economic aspect.	Operational Risk	2	4	Medium
Climate Strategy and Actions	The impact of extreme weather and increasingly stringent international carbon regulations (such as trade carbon tariffs and carbon leakage prevention) will bring significant operational challenges to businesses. This drives companies to adopt more proactive climate actions and response measures to meet the expectations of stakeholders. Achieving corporate sustainable development based on risk management, energy resource impact, and green production considerations involves complying with government regulations and customer requirements. This commitment includes improving energy resource efficiency, setting energy-saving targets to advance sustainable development, and reducing operational costs associated with related operational impacts, thus minimizing negative effects on the environment and the economy.	Environmental Risk	4	4	High
Energy Management	Extreme climates and high temperatures will affect the demand for electricity in the business operations of enterprises, increasing the cost of operating electricity. Forcing enterprises to take more active climate actions and countermeasures to respond to the expectations of stakeholders. Achieving corporate sustainable development based on risk management, energy resource impact, and green production considerations involves complying with government regulations and customer requirements. This commitment includes improving energy resource efficiency, setting energy-saving targets to advance sustainable development, and reducing operational costs associated with related operational impacts, thus minimizing negative effects on the environment and the economy.	Environmental Risk	4	5	Extreme
Waste Management	Promoting good waste management can effectively reduce the waste generated during the Company's operations. If the amount of recyclable or reusable waste disposed or the efficiency of reuse is enhanced, the related disposal costs can be reduced and the reuse of energy resources can be promoted. This will have a positive impact on GlobalWafers in terms of economy and environment.	Environmental Risk	3	4	Medium

Material issues	Actual/potential and negative/positive impacts of GlobalWafers in economic, environmental, and people (human rights) aspects	Risk Scope	Risk Assessment		
			Likelihood	Severity	Risk Grade
Water Resource Management	Under the increasing impact of extreme weather, the issue of securing a stable and clean water supply (water resource security) has become a major concern for businesses. Downstream value chain partners are also concerned about whether climate disasters could disrupt business operations. This drives companies to propose reasonable and effective actions and response measures to address stakeholder concerns.	Environmental Risk	3	4	Medium
Talent Attraction and Retention	Failure to attract and retain sufficient talent may affect operational production and technological development. Negative impact on the economy.	Operational Risk	5	3	High
Occupational Health and Safety	Occupational health and safety management helps ensure the physical and mental health of employees, which will improve their productivity, morale and work efficiency and help reduce work interruption or absenteeism caused by health risks.	Operational Risk	3	4	Medium

⊙ GlobalWafers Risk Assessment Scale

Score		1	2	3	4	5
Likelihood		None in the past/next 10 years	Occurrence in the past/next 1 - 10 years	Occurrence in the past/next year	Occurrences in the past/next month	Occurrences in the past/next week
Severity	Loss amount (USD)	<100,000	100,000 - 1 million	1 million - 5 million	5 million - 10 million	>10 million
	Production disruption (time)	<1 hour	1 hour - 1 day	1 - 2 days	2 - 5 days	>5 days