

GlobalWafers Co., Ltd.
Status of Ethical Corporate Management Implementation (2023)

Evaluation Item	Status			Deviations from the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and reasons
	Yes	No	Abstract Illustration	
<p>I. Establishment of ethical corporate management policies and programs</p> <p>(I) Does the Company have a clear ethical corporate management policy approved by its board of directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the board of directors and the top management team?</p> <p>(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the "Ethical</p>	<p>V</p> <p>V</p>		<p>(I) The Company has the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct," specifying the tangible content of ethical management policy and are approved by the board of directors. In addition, the "Procedures for Ethical Management and Guidelines for Conduct " and the "Measures for the Report on Illegal, Immoral and Dishonest ActsMeasures for the Report on Illegal, Immoral and Dishonest Acts", approved by the Chairperson, to implement the ethical management policy. The Company's standard contract clearly requires the counterparts of transactions to comply with the ethical management policy. The board of directors and senior management all have signed statement to actively implement the commitments in the ethical management policy. The Company also implements so in the internal management and business activities, including requiring employees to comply with the ethical management policy in the employment conditions.</p> <p>(II) In the " Procedures for Ethical Management and Guidelines for Conduct ", the Company has established the risk assessment mechanism for unethical conduct listed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles," including: data collection through the annual compliance self-assessment of departments, qualitative interview, and tracking of emails by the IT department, for regular analysis and assessment, to identify these who with higher risks, and conduct individual</p>	No significant difference

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<p>Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(III) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and appealing procedures, and periodically reviews and revises such policies?</p>	V		<p>investigation if required, with assistance of the audits from the internal audit units. So that the preventive programs to forbid offering and accepting bribery, providing illegal political donation or improper benefits, infringement of intellectual property rights, and unfair competition may be established, to ensure the Company's operation is consistent to the Ethical Corporate Management Best Practice Principles. Within the scope of business activities, all employees are obliged to cooperate with the compliance office for the investigation related to the said unethical conducts.</p> <p>(III) Pursuant to the “Ethical Corporate Management Best Practice Principles,” the Company has established the "Code of Ethical Conduct" and " Procedures for Ethical Management and Guidelines for Conduct " and the “Measures for the Report on Illegal, Immoral and Dishonest ActsMeasures for the Report on Illegal, Immoral and Dishonest Acts,” specifying that no improper benefit shall be accepted, nor anything unethical or illegal may be conducted. These regulations also require to promote the importance of ethical conducts to directors and employees. The said programs are regularly reviewed for its adequacy and effectiveness based on the methods determined by the assessing mechanism of unethical conduct risk, and adjusted or amended when needed.</p>	
<p>II. Fulfill operations integrity policy</p> <p>(I) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?</p>	V		<p>(I) The Company's Ethical Corporate Management Best-Practice Principles has clearly stipulated that before business contacts the legitimacy of counterparties in business transactions and the existence of records of unethical conducts should be taken into account, so as to avoid</p>	No significant difference

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(II) Whether the Company has set up a unit which is dedicated (or concurrent) to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the board of directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?	V		<p>transaction with those involved in unethical conducts. In addition, pursuant to the "Procedures for Ethical Management and Guidelines for Conduct," before establish a business relationship with others, an ethical management assessment must be done. The Marketing Department uses the "Evaluation Chart for Client/Distributor/Agency's Ethical Management," and the Procurement Department uses the "Evaluation Chart for Suppliers' (and Their Distributors/Agencies) Ethical Management" for quantified implementation in writing. The contracts to be signed with business counterparts shall specify the ethical management terms, to ensure the counterparts conform to the Company's ethical management policy.</p> <p>(II) The Company established the Compliance Section under the Legal Department, in charge of promoting the ethical corporate management policy, establishing the programs to preventing unethical conduct, and supervising the implementation. The compliance officer reports the implementation status to the board of directors once a year, and the most recent report was on November 7, 2023. The auditors may also supervise the implementation during the routine audit, and report to the board of directors if any abnormality is found.</p> <p>Implementation during the year:</p> <p>(1) Formulation and review of policies relating to ethical corporate management</p> <p>The Company has set up the "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct" and "Ethical Management and Guidelines for Conduct" and the "Measures for the Report on Illegal, Immoral and Dishonest Acts" which</p>	

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			<p>clearly stipulates that matters such as obtaining illegitimate interests, violations of integrity or unlawful behaviors may not be accepted. The above internal regulations are reviewed and updated on an irregular basis by the Compliance Office with reference to external regulations and internal implementation status, for adjustment and amendment from time to time. In 2023, the Company has revised its "Measures for the Report on Illegal, Immoral, and Dishonest Acts" to expressly allow anonymous reporting according to the Taipei Exchange's "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies."</p> <p>(2) Internal and external policy propaganda Relevant important internal regulations such as the "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct," "Ethical Management and Guidelines for Conduct," and "Measures for the Report on Illegal, Immoral and Dishonest Acts" have been announced on the Company's official website and internal websites for inquiries from external and parties. The Company also requires its suppliers to sign a "Supplier Code of Conduct and Promise Note" for the compliance with the laws and regulations, ethic, environment and quality specifications, which include regulations relevant to good faith management.</p> <p>(3) Reporting channels, treatment, and protection of whistle-blowers</p>	

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			<p>The Company has set up the “Measures for the Report on Illegal, Immoral and Dishonest Acts”, which develop a disciplinary and appeal system for handling violations of the code of ethics in management, and establishes and discloses the employee suggestion box, e-mail address and complaint hotline on in the plant, the Company's external and internal website to encourage internal and external personnel to report on unethical behavior or misconduct. Anonymous whistleblowing is permitted. The identity and content of whistleblowing are strictly kept confidential, and the HR unit will verify and handle. Any one violate the ethical management requirements will be treated based on the severity of the violation. Report may be made to the competent authorities or law enforcement if required.</p> <p>(4) Education and training The Company formulates and conducts training regularly. The attendees and hours of trainings in 2023 are listed as the following:</p> <ol style="list-style-type: none"> 1. Conduct a 1-hour "Insider Education Training" for directors, executives above the department level, and new employees. The contents include insider trading law analysis (constitutive elements, major news disclosure method and time period, judicial opinions) and insider equity transfer law analysis (The obligation to declare before/after the event, and maintaining the number of shares held by directors and supervisors); a total of 196 people participated. 2. A 2-hour "Integrity Management Education Training" was conducted for directors, executives above the department level, and new employees. The 	

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(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V		<p>training covered important legal compliance issues closely related to the technology industry, including trade secrets protection, competition law, anti-corruption, conflict of interest prevention, and export control. A total of 189 people participated in the training.</p> <p>3. A 1-hour "US Export Control Regulations (EAR) New System Education Training" was conducted for marketing executives of the semiconductor business unit of the Company and its domestic and foreign subsidiaries. The training explained the latest overview of the US Export Control Regulations, including the revision of the Foreign Direct Product Rule clause based on national security considerations, expanding the extraterritorial jurisdiction of the United States to overseas products. The training also analyzed the impact of the new measures on the Company's business operations and suggested countermeasures. A total of 10 people participated in the training.</p> <p>(III) In the "Code of Ethical Conduct," the Company specifies the employees shall deal with the business in an objective and efficient manner, refrain from obtaining improper benefits for him/herself, others, or other business by exploiting his/her position in the Company, as the policy to prevent conflict of interest. In the "Procedures for Ethical Management and Guidelines for Conduct," it specifies the directors shall recuse themselves in the Board meetings if proposals involves their own interests. In addition, the Company prepares different channels to report conflicts of</p>	

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(IV) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		<p>interest: directors or independent directors shall state such to the President or the corporate governance officer; managers shall report to the compliance unit; the rest of the colleagues should report to the immediate supervisor and the Compliance Section, and the immediate supervisor should guide them appropriately.</p> <p>(IV) The Company has established the accounting system and internal control system to be implemented. The audit plans including subject, scope, items, frequencies are prepared based on the assessment of unethical conduct, to audit the compliance with the ethical conduct program. The audit outcome shall be reported to the senior management and the dedicated ethical management unit, with the audit report submitted to the board of directors. In addition, to ensure the continuous effectiveness of the design and execution of such system, the Company reviews and amends the system annually, as the basis to evaluate the effectiveness of the internal control system, and the preparation of statement of internal control system.</p>	
(V) Does the Company regularly hold internal and external educational trainings on operational integrity?	V		<p>(V) The Company regularly formulates and conducts trainings, including laws and regulations related to corporate governance, ethical management, and business conducts. For "ethical management" and "prevention of insider trading" courses, the current directors, managers, or other employees deemed in need of such trainings shall attend at least every two years. New directors and managers shall attend within three months upon taking positions. New employees shall attend in the consolidated orientation prepared by the human resources. In addition, pursuant to the "Procedures for Ethical Management and Guidelines for Conduct," the Chairperson and the corporate governance</p>	

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(III) Does the Company provide proper whistleblower protection?	V		<p>and furnish corrective measures to prevent the incident from repeating. The Legal Department will review the whistleblowing, handling and follow up, and report to the board of directors.</p> <p>(III) Pursuant to the "Measures for the Report on Illegal, Immoral and Dishonest Acts," the Company handles whistle-blowing in confidential. All possible efforts are made to protect the whistleblowers, to keep their identities absolutely confidential, so they will not be treated improperly due to whistleblowing. Personnel handling whistleblowing cases must identify themselves to the whistleblower in writing and state that contents of the report will be kept confidential.</p>	
IV. Enhancing Information Disclosure (I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	V		<p>(I) The Company has a website to disclose the related corporate culture, operation guidelines, "Ethical Corporate Management Best-Practice Principles", "Code of Ethical Conduct," "Ethical Management and Guidelines for Conduct," and "Measures for the Report on Illegal, Immoral and Dishonest Acts" and implementation of ethical management.</p>	No significant difference
V. If the Company has established the ethical corporate management policies based on the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the policies and their implementation: The Company has established the "Ethical Corporate Management Best-Practice Principles" which clearly regulates the matters to be followed by the Company's staff. Other accusation cases and penalties are also clearly set out in relevant measures. There is no significant difference between the policies and the "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies".				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management policies (under situations such as review and revision of regulations): 1. The Company complies with the Company Act, the Securities and Exchange Acts, the Business Entity Accounting Act, the Political Donations Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, and other regulations for public companies and business related laws and regulations. Such compliance is the basic precondition to implement the ethical management. The Company all makes all possible				

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<p>efforts to comply with the environment and quality policy with high standards.</p> <p>2. The Company has set up provisions related to avoidance of directors' conflicts of interests in the “Rules of Procedure for board of directors Meetings”. If any director or a juristic person represented by a director is an interested party with respect to any agenda item, when the relationship is likely to prejudice the interests of the Company, the director may express their opinion and answer queries, but may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.</p> <p>3. The Company has established the “Management Procedure to Prevent Insider Trading,” specifying that insiders, quasi-insiders, information receivers, upon actually knowing of any information that will have a material impact on the price of the securities of the issuing company, after the information is precise, and prior to the public disclosure of such information or within 18 hours after its public disclosure, shall not purchase or sell, in the person's own name or in the name of another, shares of the Company that are listed on an exchange or an over-the-counter market, or any other equity-type security of the Company, or the non-equity-type corporate bonds of such company that are listed on an exchange or an over-the-counter market, so that anyone knowing material information will not violate the regulations of insider trading due no ignorance to laws. In addition, the "Management Procedures to Prevent Insider Trading" stipulates that directors, managers, and the natural persons appointed as a proxy to exercise duties specified in Article 27, Paragraph 1 of the Company Act, are forbidden to trade their shares during the lock-up period from 30 days prior to the announcement of annual financial statements, and 15 days prior to the announcement of quarterly financial statements. The Company requested the President Office to inform the persons subject to the provisions the lock period forbidding trading after arranging dates of board meetings; the President Office also review the compliance of the concerned persons when reporting the equity every month.</p> <p>4. The Company has established the “Procedures for Handling Material Inside Information,” for good internal material information handing and disclosing mechanism, while ensuring the consistency and accuracy of the information announced externally. The Procedures specifies that no director, supervisor, managerial officer, or employee of this Corporation may inquire about or collect any non-public material inside information of this Corporation not related to their individual duties from a person with knowledge of such information, nor may they disclose to others any non-public material inside information of this Corporation of which they become aware for reasons other than the performance of their duties.</p> <p>5. On September 7, 2023, the Company's board of directors approved the 4th revision of the "Measures for the Report on Illegal, Immoral, and Dishonest Acts" to comply with the Taipei Exchange's "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and "Guidelines for the Adoption of Codes of Ethical Conduct for TWSE/GTSM Listed Companies" guidelines. The revised measures expressly allow anonymous reporting.</p> <p>6. On March 14, 2023, the Company's board of directors approved the 3rd revision of the "Legal Compliance Measures" to clarify that if any department is notified, sanctioned, or has a lawsuit by a regulatory authority, the reporting shall be made to the responsible authority (e.g., the board of directors) based on the nature and applicable laws and regulations. The information shall be compiled and disclosed in the annual Sustainability Report.</p>				