

## Green Supply

### Sustainable Management Principles

Our efforts in environmental sustainability as a model is verified and regulated by an independent assurance party. The practice is extended to our suppliers in the hopes of maintaining sustainable development for the Company and the environment.

### Supply Chain Management

As one of the leading IC design and service companies, our direct suppliers have introduced a series of green and energy saving actions, including the IEC QC080000 standard, that and packaging materials should be in compliance with the RoHS Directive 2011/65/EU, 2015/863 (and there are four additional prohibited substances DEHP, BBP, DBP, DIBP), and REACH (Registration, Evaluation, Authorization & Restriction of Chemical substances). We promote the green action policy and concept to the entire supply chain, which means that all new product manufacturers must follow our RBA requirements, sign a regulation declaration, and can only become a qualified supplier after inspection.

By the end of 2020, there were 11 existing suppliers, and all new suppliers replied with the declaration signed. There was no significant actual or potential negative impact from the supply chain to our environment found during the reporting period.

We have close partnerships between upstream and downstream suppliers to enhance industrial social responsibility and world citizenship recognition. GUC takes all kinds of action on environment friendliness, from product design and manufacturing, to packaging. All materials are green-based, thereby introducing eco-protection to our production and quality management systems.

Foundry	Wafer Sort	Foundry	Wafer Sort	Rackage	Final Test	Reliability
						
						
						
						

▲ IC-Related Supplier List

## Supplier Audit

GUC's regular supplier audit is based on the following regulations: For any environmental law violations found, we shall give warnings and corrections in a limited time. And contracts will be terminated upon severe violations.

- Code of Conduct - Responsible Business Alliance
- GUC Hazardous Substance Restriction
- Guidelines on GUC Supplier Verification

At the same time, we also require that our suppliers, both during on-site operations and transportation, use recycled materials and reduce the amount of expendables being used. For example, we reuse the plastic trays used for IC products, or use anti-electric damage black boxes and other non-expendable materials to reduce the use of paper boxes while delivering products. Wafers are GUC's main products. In addition to that, the Taiwan Semiconductor Manufacturing Co., Ltd. is our main supplier and as well as our major shareholder. Since GUC and TSMC have formed a long-term cooperative relationship, the raw material supply chain is considerably stable. To those vendors who haven't received ISO14001 certification, GUC would suggest QC080000 instead. GUC conducts regular inspections of our suppliers. Warnings will be made when an action that violates environmental law is found; improvements should be made within a limited period. Repeats of such circumstances will result in termination of the business relationship. At the same time, suppliers are also required to use recycled materials whether in the factory or in transit.

### ▼ GUC Environmental Standard of Qualified Supplier's Percentage

Year	2018	2019	2020
Number of Suppliers	51	51	53
Number of vendors who received ISO14001 certification	48	48	50
Percentage of vendors who received ISO14001 certification	94%	94%	94%

### ▼ Local Purchase

	Total Amount of Local Purchases	Total Amount of Purchases	The Ratio of Local Purchases
2018	NT\$ 8,959,188,142	NT\$ 8,965,853,551	99.9%
2019	NT\$ 7,496,360,398	NT\$ 7,531,316,983	99.5%
2020	NT\$9,615,235,333	NT\$9,744,512,379	98.7%