

WAFER WORKS Corporation

2024 SUSTAINABILTY REPORT

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About This Report

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Editorial Principles

This report is the 12th sustainability report of Wafer Works Corporation (hereinafter as Wafer Works or the Company). The content structure of this report is based on the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB). It also references the four major principles of the AA1000 Account Ability Principles (AA1000 AP): Materiality, Inclusivity, Responsiveness, and Impact. Considering climate change and investor disclosure requirements, since 2022, the report has included disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB). The aim is to cover as comprehensively as possible the major issues of concern to stakeholders and to demonstrate the Company's sustainability efforts in its operations. This report and the results of the material topics identified have been reviewed by the Wafer Works Sustainable Development Committee, with the report subject to approval by the Chairman before publication. For details on the GRI Standards indicators and the SASB index used in this report, please refer to the appendix.

Scope and Sources

The information and statistical data disclosed in this report pertain to the sustainability performance of Wafer Works Corporation for the year 2024 (from January 1 to December 31, 2024), and present the sustainability topics of greatest concern to stakeholders. The content of the report covers four key aspects: corporate governance, economy, environment, and society. The economic and financial performance data are based on the consolidated financial statements. All financial data are presented in New Taiwan Dollars (NTD). For information regarding the entities included in the consolidated financial statements, please refer to Appendix 5. The performance indicators related to corporate governance, environmental, and social aspects are based on the operations of the Company's Taiwan production sites for silicon wafers and silicon ingots, including the Longtan Plant and Yangmei Plant.

Revised Information

In comparison to 2023, this report exhibits no significant changes in its scope and thematic boundaries, including scale, structure, ownership, and supply chain. In 2023, due to changes in the Global Warming Potential (GWP), the report now switches to the Fifth Assessment Report issued by the United Nations Intergovernmental Panel on Climate Change (IPCC), thereby updating the baseline year for 2023. Regarding greenhouse gas emission intensity, calculations are now based on emissions per revenue. Annotations explaining these revisions will accompany the respective changes in the information.

Report Review

The information and data in this report are collected and compiled by members of the Sustainable Development Committee. They undergo initial scrutiny by departmental managers before being submitted for confirmation by the Sustainable Development Committee. Once improvements are made and data integrity is ensured, final approval is granted by the Chairman. The financial data in this report is sourced from the audited financial statements by Ernst & Young, Taiwan. The report is independently verified by the third-party international verification agency, AFNOR Asia Ltd., in accordance with the AA1000AS v3 Type 1 moderate-level assurance. This verification confirms compliance with GRI standards and obtains a statement of assurance.

Report Release Schedule

In line with its commitment to sustainable business operations, Wafer Works Corporation began publicly issuing the "Corporate Social Responsibility Report" in 2012. Starting with the 2021 edition, the report was renamed the "Sustainability Report." The most recent Sustainability Report was issued in July 2024, systematically presenting the Company's efforts in the areas of corporate governance, economy, environment, and society.

This report will be released in June 2025. In its efforts to promote sustainable development, Wafer Works will continue to issue its Sustainability Report annually. The next report is scheduled for release in August 2026.

Contact Information

If you have any suggestions regarding Wafer Works' sustainable development, please feel free to contact us.

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Message from the Chairman GRI 2-22

In a world of rapidly evolving global trends and growing sustainability awareness, we firmly believe that "quality is the most fundamental value for a company's sustainable development." Since its establishment, Wafer Works Corporation has upheld a customer-centric management philosophy. Today, we are deepening that spirit into a more action-driven strategy: starting with product quality enhancement to create long-term value for both our customers and the environment.

The year 2024 presented both challenges and opportunities for the semiconductor industry. AI applications flourished, while the traditional process segment remained in a consolidation phase. In the midst of this polarized market environment, the Company chose to return to fundamentals—continuously improving process technology and quality management to respond steadily to fluctuations. Through the concerted efforts of our professional and dedicated team, we achieved consolidated revenue of NT$8.721 billion, laying a solid foundation for future growth.

Comprehensive quality enhancement not only strengthens product reliability and market competitiveness but also directly contributes to positive environmental impacts. Every improvement in yield means less energy and water waste, lower carbon emissions, and reduced process waste. We continue to invest in advanced equipment and process optimization, so that carbon reduction, energy saving, and circular reuse are no longer just secondary indicators, but natural results stemming from our core manufacturing strength.

Externally, we understand that only by providing stable and high-quality products and services can we earn the long-term trust of global customers. Wafer Works continues to reinforce cooperation with top-tier clients and promotes a Supplier Code of Conduct to encourage the entire supply chain to implement sustainable practices. Over the past year, we received multiple sustainability awards and certifications, including the Taiwan Corporate Sustainability Award (TCSA) and an RBA Silver Rating—testaments to our commitment to "delivering sustainability through quality."

We also believe that a culture of quality should extend beyond the production line and products to daily life and human relationships. Wafer Works encourages employees and their families to participate in environmental actions such as beach cleanups to fulfill our responsibility to the oceans and the Earth. At the same time, we value the connection between the workplace and home by organizing events like "Wafer Works Family Day" and employee care programs to create a warm and inclusive work environment. These actions represent how the Company's values are truly integrated into our operations.

Looking ahead to 2025, we will continue to uphold "Quality-Driven Sustainability" as our core corporate belief. As global ESG regulations and corporate responsibilities become increasingly clear, Wafer Works is fully prepared to integrate internal and external resources and move forward steadily in collaboration with our customers, supply chain partners, and global teams. Let us take quality as the starting point—to connect people, businesses, and the environment—and build a truly enduring, inclusive, and prosperous future.



Pat Chiao, Chairman of Wafer Works Corporation

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Performance Highlights

Honors and Recognition



2024 TCSA

Corporate Sustainability Best Practice Award



2024 TCSA

Corporate Sustainability Report Award - Silver

Corporate Governance

16.b	No violations of ethical management, no anti-competitive monopolies, or no breach of anti-corruption laws, and no related penalties or corruption reports in 2024.
16.b	No information security breaches in 2024.
17.14	In 2024, the Company's corporate governance evaluation results were in the 6%-20% range, meeting short- and medium-term targets.
16.3	In 2024, the Company passed a verification audit conducted by a third-party organization appointed by the Responsible Business Alliance (RBA), earning a Silver rating.

Economic Aspects

17.17	The customer satisfaction score in 2024 was 88.21, meeting and exceeding the target.
8.2 9.2	In 2024, completion of the topping-out on the Erlin Fab in Central Taiwan Science Park, expanding new process capacity, enhancing production capacity and technology for power semiconductors and logic devices, and boosting local employment and economic development.

Environmental Aspects

Company Focus Areas	In 2024, there were no violations of environmental laws or regulations, nor any fines.
6.3	The two plants achieved a 1.7% water-saving rate in 2024, meeting the Company's short-term goal.
7.2	In 2024, the Longtan Fab saved a total of 1,800,485 kWh of energy, and the Yangmei Fab saved 1,576,519 kWh, with an average energy-saving rate of over 1%, aligning with the Company's short-term goals.
11.6 12.5	The waste reuse rate in 2024 was 87%.

Social Aspects

5.1 10.3	No discrimination cases or forced labor violations in 2024.
8.9	To promote inclusive and sustainable quality employment, the Company enhanced onboarding training and mentoring for the new generation, and improved gender equality and workplace safety. In 2024, employees from Generation Z (born 1997–2010) accounted for 2.8% more of the total workforce compared to 2023.
4.3	A total of 430 training sessions were held in 2024, with 18,523 participants and a total of 28,031 hours of training.

01

Sustainable Development

1.1 Sustainable Development Strategy

1.2 Stakeholders

1.3 Identification of Material Topics

1.4 Value Chain Boundaries of Material Topics



1.1 Sustainable Development Strategy

GRI 2-12、2-13、2-14、2-16、2-23、2-24、2-25

Vision for Sustainable Development



1 Corporate Governance

To fulfill corporate responsibilities, protect shareholders' legal rights, and consider the interests of other stakeholders, Wafer Works strictly adheres to ethical management policies, implements risk control measures, and closely monitors legal changes that may affect the Company. Guided by the spirit of sustainable development and the core business philosophy of "Honesty and Innovation," the Company regularly conducts training and awareness programs to continuously enhance corporate competitiveness.

2 Diversity and Inclusion

Wafer Works Corporation is committed to fostering an inclusive and sustainable work environment and culture, as well as achieving a balanced development of employees' work and life quality. The Company adopts a management approach that balances institutional structure and human-centered values, upholding principles of fairness and justice while establishing open communication channels. It provides a workplace free from differential treatment and improper discrimination, encouraging employees to actively participate in the planning and execution of practical activities, thereby achieving a win-win goal of employee development, self-fulfillment, and enhanced corporate performance.

3 Environmental Sustainability

Wafer Works prioritizes environmental protection by focusing on waste reduction at the source and adopting a circular economy reuse model, achieving optimization in line with the ISO 59004:2024 Circular Economy Business Model Maturity. The Company is also dedicated to environmental sustainability in the areas of water resource recycling, greenhouse gas emissions reduction, and energy policy.

4 Customer Service

Wafer Works is committed to being customer-centric, striving to meet both current and future customer needs while consistently maintaining high quality and improving customer satisfaction. The Company recognizes the importance of protecting and maintaining the confidentiality of customer data. In addition to signing confidentiality agreements, Wafer Works has built complete gateway control equipment, anti-virus systems, network access control systems, system vulnerability enhancement, and file encryption systems in its information security system to prevent data leakage.

5 Supply Chain Management

Wafer Works is devoted to long-term relationships with suppliers and establishing sustainable supply chain policies to ensure stability and promote low-carbon transformation, thereby boosting industry competitiveness. The Company has integrated systems to develop comprehensive supply chain management regulations and monitoring measures for supplier performance. Beyond regulatory compliance, Wafer Works emphasizes balanced development in environmental, governance, and social (people and human rights) aspects of its suppliers, aiming to achieve a sustainable industrial chain.

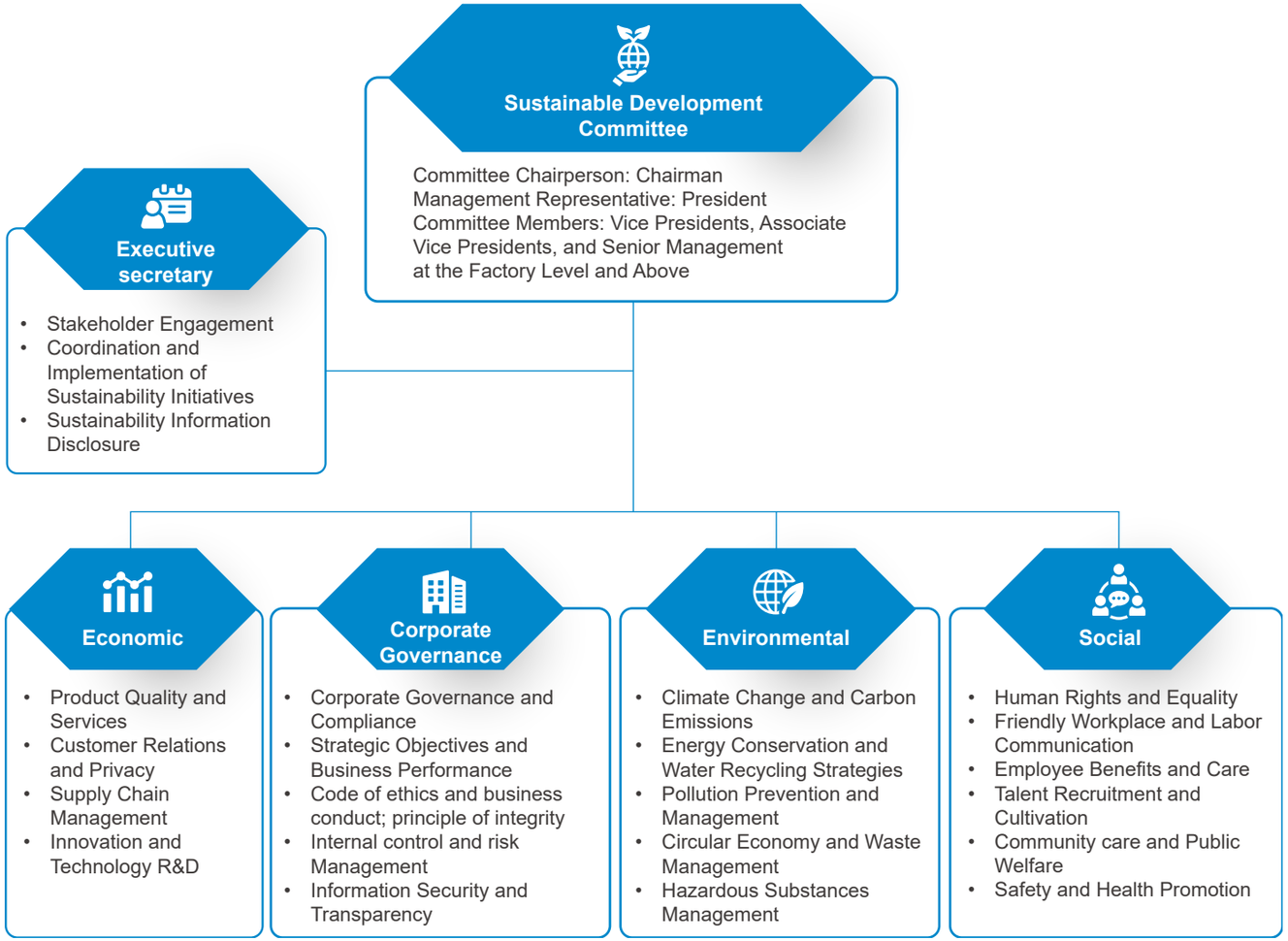
6 Social Engagement

Wafer Works' operations do not negatively impact local communities. The Company actively contributes to society, fulfilling its corporate social responsibility. In partnership with Chung Yuan Christian University, Wafer Works established the "Digital Optics Research Center" to foster new talent in digital optics technology. Additionally, the Company participates in various charity activities, continuously contributing to societal well-being.

Six Pillars of Sustainable Development

Sustainable Development Committee Structure

Sustainable Development Committee Organizational Chart



In order to implement sustainability initiatives and promote progress in corporate governance, the economy, the environment, and society, Wafer Works Corporation has established a Sustainability Development Committee in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" issued by the Taipei Exchange. This committee serves as the primary responsible unit for promoting sustainability efforts within the Company, aiming to drive sustainable development and practice across governance, economic, environmental, and social dimensions.

The Sustainable Development Committee is chaired by the Chairman of the Board, with the President serving as the Managing Representative. Vice Presidents, Assistant Vice Presidents, and plant managers and above serve as committee members. The Corporate Services Department acts as the Executive Secretary, responsible for coordinating related tasks. The committee convenes regularly, with two meetings held in 2024, to collectively review the core operational capabilities of the Company and establish short, medium, and long-term sustainable development goals.

To actualize corporate governance, foster sustainable environmental development, and uphold social justice, Wafer Works' Sustainable Development Committee engages in discussions concerning corporate governance, the economy, the environment, and society issues relevant to operational activities, internal and external advocacy messages. It sets sustainable development management plan goals in accordance with legal requirements, stakeholder expectations, etc., and initiates responsibility assignment and action plans. Through annual committee meetings, it examines the performance of sustainable development management plan goals in areas such as corporate governance, the environment, and society (including people and human rights). The managing representative regularly reports sustainable development strategies, management plan goals, and executive performance to the Board of Directors and discloses them in the sustainability report.

The Managing Representative of Wafer Works' Sustainable Development Committee is held by the President, responsible for driving sustainable policies and supervising overall sustainable development affairs. Annually, they report sustainable planning and performance to the Board of Directors, regularly reviewing external trends and emerging issues to transparently address efforts in sustainable development, thereby creating greater value for all stakeholders.

Wafer Works has established the "Corporate Governance Best Practice Principles" and the "Procedures for Handling Material Inside Information and Preventing Insider Trading" to fulfill the functions of the corporate governance unit, balance stakeholder interests, and facilitate

communication of material information. Departments interact with stakeholders through routine responsibilities. In cases where potential significant negative impacts between stakeholders and the Company arise, relevant departments conduct due diligence investigations. Depending on the specific results and their potential significant harm to the Company's overall operations, these investigations may be reported to the Board of Directors, which then decides on actions to be taken by the responsible departments. If the matter falls within the realm of handling material information, relevant regulations are followed for decision-making and fair disclosure. In 2024, Wafer Works did not encounter any significant negative events with stakeholders, thus no records were reported to the Board of Directors. The 2024 report to the Board of Directors regarding ESG-related information is as follows:

Nature	Dates
Greenhouse Gas Inventory and Verification Schedule Report	March 15, 2024
Greenhouse Gas Inventory and Verification Schedule Report	May 10, 2024
Greenhouse Gas Inventory and Verification Schedule Report	August 9, 2024
Greenhouse Gas Inventory and Verification Schedule Report	December 20, 2024
Ethical Management Execution Status Report	December 20, 2024

To develop good labor relations and establish a sound and ethical management system, all verified complaints or reports from stakeholders are accepted and investigated. In December 2022, the channels for reporting unethical behavior were consolidated, including email addresses for shareholders, suppliers, customers, and employees (H00, Public, and Public01). These emails are set to be simultaneously forwarded to the independent directors of the Audit Committee and the internal audit supervisor. Physical mailboxes are periodically checked by the HR complaints liaison along with the audit team. If a preliminary investigation substantiates a complaint, a formal investigation is initiated. Progress and results are communicated back to the complainant or whistleblower, and the Audit Committee receives quarterly reports on all accepted cases. Independent directors participate in and oversee the complaints and whistleblowing mechanism to enhance stakeholders' trust in the Company's system and effectively remediate negative impacts of material topics. Furthermore, to protect the rights of complainants and internal or external whistleblowers, a complaint mechanism and an anti-retaliation policy has been established and published in the internal ISO document management system. Annual training sessions on unlawful activities are conducted to promote strict confidentiality and anti-retaliation when handling complaints. The newly established complaint and whistleblowing mechanism is posted on the Company's website, demonstrating a commitment to ethical operations and collaborative mitigation of negative impacts with stakeholders.

Sustainability Policy

Wafer Works' Sustainability Policy

" A customer-centric supplier of semiconductor materials" is the unwavering belief of Wafer Works. In addition to continuously improving technology based on customer needs, "sustainable development" is also a significant challenge. Achieving this universally accepted goal requires genuinely fulfilling corporate social responsibility, which means committing to economic sustainable development and jointly creating a high-quality life with employees, families, and society.

Wafer Works' commitment to sustainable development includes:

- Implementing corporate governance by enhancing information transparency, adhering to the rule of law, and emphasizing ethics to protect stakeholders' rights.
- Managing the supply chain rigorously by prohibiting child labor, forced labor, and the use of conflict minerals, aiming for win-win strategic partnerships.
- Continuously engaging in environmental protection and energy-saving practices, complying with environmental and occupational safety regulations, and energy policies to create a safe and comfortable working environment.
- Persistently caring for employees and addressing social concerns by respecting employees, showing compassion, and giving back to society, thereby fulfilling social citizenship responsibilities.

Wafer Works' sustainability policy is published on the website.and is communicated annually through the release of the sustainability report, supplier management, and internal sustainability education and training to engage business partners and other stakeholders.

Sustainability Education and Training

Wafer Works places a premium on promoting sustainable development and enhancing collective knowledge in this area. Board members attend annual courses on relevant topics such as sustainable governance, climate change, and net-zero carbon emissions.For details on board continuing education in 2024, please refer to the Wafer Works Annual Reports. The Company conducts regular education and training sessions to ensure employees fully understand Wafer Works' sustainability policy, the structure of the Sustainable Development Committee, and various charity activities. There is also a dedicated ESG section on the website, which includes a section for stakeholders, to disclose the implementation of Wafer Works' sustainable development. In addition to integrating sustainability education into new employee training, Wafer Works held four sustainability-related training courses in 2024, with a total of 502 participants.

1.2 Stakeholders GRI :2-29

Stakeholder Identification

Identifying and communicating with stakeholders is fundamental to fulfilling the Company's sustainable development. Through the Sustainable Development Committee, Wafer Works evaluates global sustainability trends and operational development goals, analyzing key topics in corporate governance, the economy, the environment, and society. According to the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES)—Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, Wafer Works identifies its key stakeholders and rates and ranks them.

According to the analysis of these principles, the main stakeholders identified in 2023 fell into six categories: customers, employees, shareholders/investors, suppliers/contractors, government authorities, and financial institutions.

Stakeholder Communication

Wafer Works values the rights and opinions of its stakeholders and has established open and direct communication channels to provide information on the Company's sustainability efforts and to understand stakeholder concerns. This continuous dialogue helps to review and improve sustainability goals and performance. The communication channels and frequencies for each stakeholder group are as follows:

Customers

Significance to Wafer Works

Main source of revenue, with a focus on product quality

Topics of Concern

- Product quality and service
- Customer relations and privacy
- Information transparency and security
- Supply chain management
- Hazardous substances management

Communication Channels and Frequency

- Annual satisfaction survey
- Ad hoc customer QBRs/educational training (monthly for 8 customers)
- Annual customer audit feedback

Relevant Responses and Actions

- Wafer Works commits to producing silicon ingots and wafers that meet customer expectations and requirements.
- Customer satisfaction reached 88.21, significantly exceeding the target.
- In 2024, no complaints were received regarding customer privacy violations or customer data loss.

Annual Communication Outcomes

- 27 QBR meetings held with all customers (9 with the top 10 customers)
- A total of 176 events were held for all customers, covering technical exchanges, product promotion, training programs, and ESG-related topics.

Employees

Significance to Wafer Works

Essential to corporate operations, creating a safe and progressive workplace environment

Topics of Concern

- Product quality and service
- Safety and health promotion
- Employee benefits and care
- Friendly workplace and labor communication
- Customer relations and privacy

Communication Channels and Frequency

- Labor-management meetings: held quarterly
- New employee forums: monthly employee care meetings
- Employee satisfaction surveys: conducted annually, with additional surveys for specific issues or new policy planning
- Chairman's mailbox
- Communication and grievance mechanisms and mailboxes
  - Sexual harassment prevention grievance mailbox: miffychen@waferworks.com
  - General grievance mailbox: H00@waferworks.com
  - Internal employee grievance hotline: (03) 481-5001 ext. 8200; 8211; 8219

Relevant Responses and Actions

- In 2024, 5 grievances were accepted and resolved with feedback provided.
- An annual occupational safety and health management plan is developed, detailing execution plans that are implemented according to schedule.
- In 2024, the Company held one employee satisfaction survey and feedback session to collect and respond to employee opinions.

Annual Communication Outcomes

- 67 stakeholder questionnaires
- 5 labor-management meetings
- 15 new employee forums
- Average employee satisfaction score of 78.5

Shareholders/ Investors

Significance to Wafer Works

Financial backers who determine the Company's operational direction

Topics of Concern

- Hazardous substances management
- Product quality and service
- Circular economy and waste management
- Pollution prevention and management
- Information transparency and security

Communication Channels and Frequency

- Bilingual website (Chinese and English) with regular updates on company operations
- Disclosure of material information on the Market Observation Post System as required by law
- Annual shareholder meetings
- Investor conferences held at least once a year
- Occasional press conferences or news releases
- Annual surveys to gather investor concerns
- Spokesperson system to respond to investor inquiries via phone and email
  - Spokesperson: Chang Hsien-yuan
  - Acting Spokesperson: Tsai Chung-ti; Extension: 8898
  - Investor e-mail: public@waferworks.com

Relevant Responses and Actions

- Presentation of company operations at shareholder meetings
- Explanation of business cycle responses, supply chain integration, long-term profitability, global deployment, and key market promotion progress at investor conferences
- Regular announcements of monthly revenue, board resolutions, and various financial reports

Annual Communication Outcomes

- 25,190 electronic communications on resolutions and 30 in-person communications during annual shareholder meetings
- Annual publication of company annual report and sustainability report
- Ad-hoc publication of material information on the Market Observation Post System
- Annual shareholder meetings and investor conferences
- two in-person investor conference in 2024, with recordings uploaded
- 19 stakeholder questionnaires collected

Suppliers/ Contractors

Significance to Wafer Works

Providers of raw materials to ensure supply quality meets company requirements

Topics of Concern

- Product quality and service
- Customer relations and privacy
- Information transparency and security
- Supply chain management
- Hazardous substances management

Communication Channels and Frequency

- Questionnaires
- Supplier audits
- Educational training

Relevant Responses and Actions

- A 100% recovery rate achieved from suppliers that submitted RoHS reports and commitments to prohibit the use of hazardous substances.
- For three suppliers who ranked below grade B in the first half of the year, evaluation reports to be signed and returned and improvement plans provided, with quality assurance units completing re-evaluation and case closure

Annual Communication Outcomes

- 15 on-site and online supplier audits
- 74 stakeholder questionnaires collected
- 68 ad-hoc training sessions

Government Authorities

Significance to Wafer Works

Overseeing and auditing the Company's compliance with various corporate governance, environmental, and labor rights regulations

Topics of Concern

- Circular economy and waste management
- Information transparency and security
- Climate change and carbon emissions
- Safety and health promotion
- Community care and public participation

Communication Channels and Frequency

- Participation in public hearings, seminars, and collaborative projects organized by regulatory authorities
- Membership in external associations to provide timely input on various issues
- Official correspondence and competent authority audits via questionnaires

Relevant Responses and Actions

- Participated in the 2024 Taoyuan Net-Zero Promotion Industrial Alliance launch press conference.
- Engaging in local community activities based on their needs

Annual Communication Outcomes

- Three stakeholder questionnaires
- 1,336 instances of official correspondence with regulatory authorities
- Twelve instances of email or phone communications with the Taipei Exchange annually

Financial Institutions

Significance to Wafer Works

Providers of comprehensive support through professional financial services and platforms, including credit services, deposits, securities trading, bond issuance, underwriting, stock services, foreign exchange, derivatives trading, and fund procurement, thus playing a crucial role in the Company's sustainable development

Topics of Concern

- Supply chain management
- Hazardous substances management
- Energy saving and water recycling strategies
- Climate change and carbon emissions
- Pollution prevention and management

Communication Channels and Frequency

- Telephone Communication: For transactions or credit line discussions with banks, including fund procurement, loans, repayments, foreign exchange transactions, and credit line applications or renewals.
- Face-to-Face Meetings: Occasional in-person visits to banks for credit line discussions, understanding financial market conditions, and ESG matters.

Relevant Responses and Actions

- In response to the global trend of green finance, driven by climate change, Wafer Works actively engages in energy saving, water conservation, and circular economy initiatives.

Annual Communication Outcomes

- Face-to-face meetings for credit line discussions or understanding financial market sentiment: approximately four times per month
- Telephone communications for transactions or credit line discussions: approximately 8-10 calls per day
- Six stakeholder questionnaires

1.3 Identification of Material Topics GRI: 3-1

Process for Identifying Material Topics

Wafer Works identifies topics of concern through communication with key stakeholders across various departments in daily operational activities. The Sustainable Development Committee refers to the GRI Sustainability Reporting Standards and SASB industry-specific sustainability metrics. During committee meetings, they assess the actual and potential positive and negative impacts of these topics on corporate governance, the economy, the environment, and society. This process results in the identification of 15 sustainability topics covering corporate governance, the economy, the environment, and society, ensuring that the sustainability information disclosed by Wafer Works meets stakeholder expectations.

Process for Identifying Material Topics

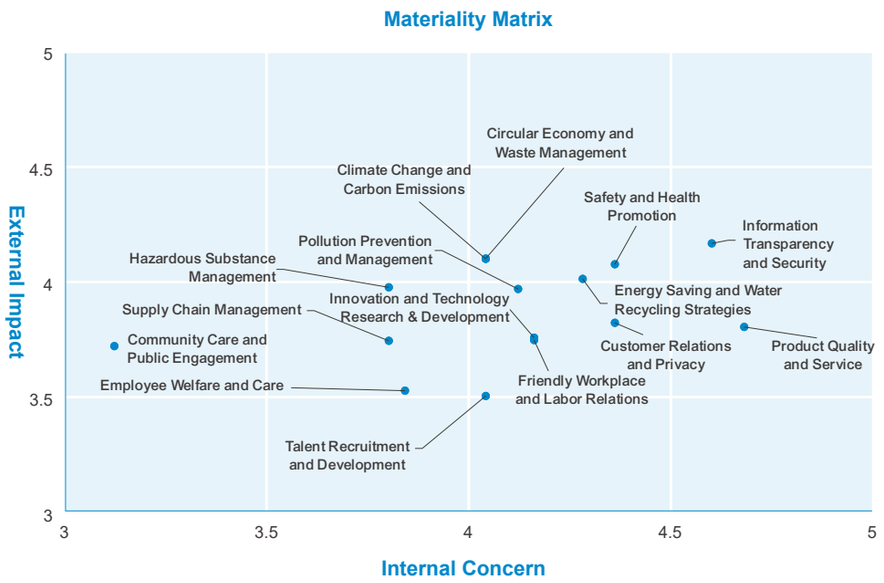
Identify Stakeholders	Understand Organizational Context	Identify Actual and Potential Impacts	Assess the Significance of Impacts	Prioritize the Reporting of the Most Significant Impacts
Based on the nature of operations and the five principles of the AA1000 Stakeholder Engagement Standard (AA1000 SES) – Dependency, Responsibility, Tension, Influence, and Diverse Perspectives, the Company identifies six key stakeholder groups.	♦ Referencing industry-specific sustainability standards and reviewing the organization's operations, business relationships, and identifying stakeholders to gain a comprehensive understanding of the organization and its related impacts. This serves as the foundation for collecting sustainability topics. ♦ The Sustainable Development Committee, including management representatives, working groups, and external expert consultants, consolidates and narrows down the topics to 15 sustainability ones.	The Sustainable Development Committee members and working group leaders identify the actual and potential impacts of sustainability topics on corporate governance, the economy, the environment, and society, based on the organization's overall context and business relationships.	♦ 187 stakeholder impact questionnaires collected. ♦ 25 internal concern questionnaires collected. ♦ The top seven sustainability topics in the product order as material ones.	The Sustainable Development Committee members and working group leaders evaluate the (positive and negative) extent and likelihood of the impacts of the seven material topics, resulting in a final prioritized list.

Material Topic Identification

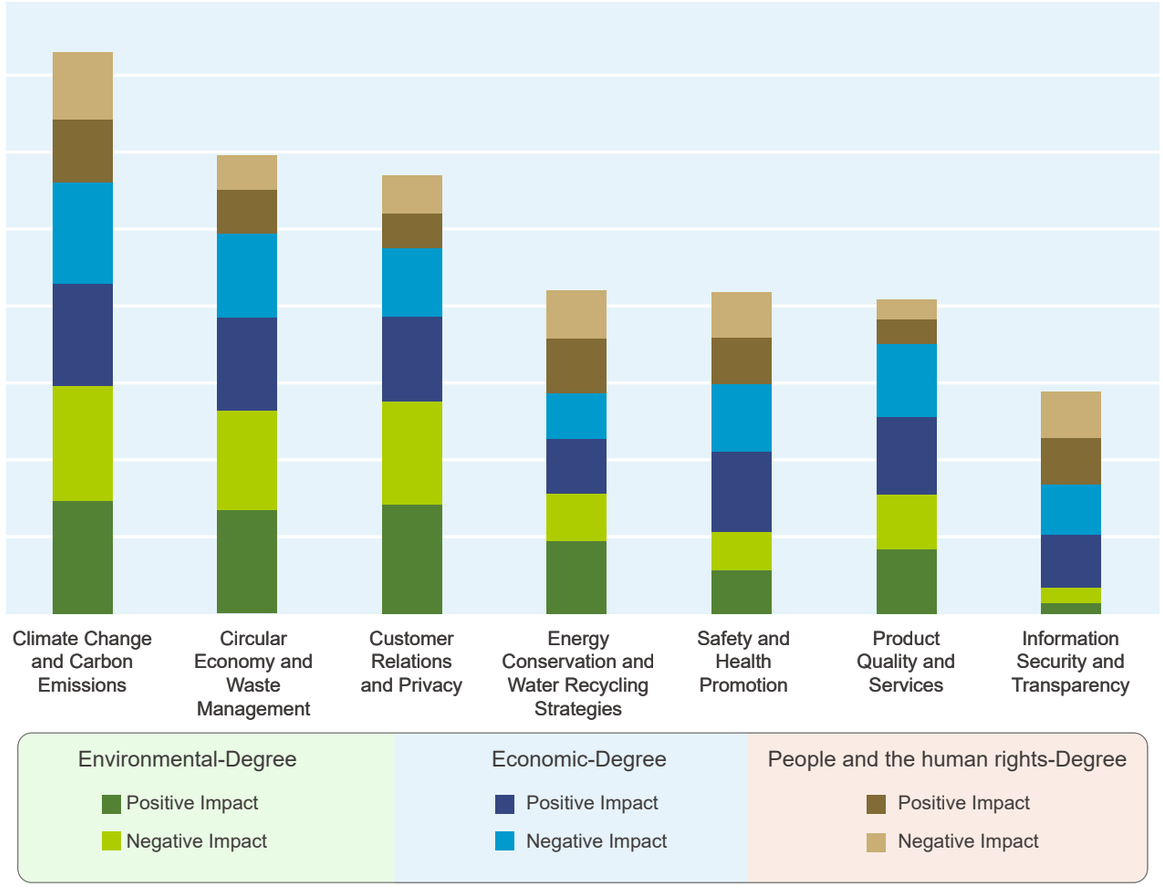
In the process of preparing the sustainability report, Wafer Works introduces a materiality analysis. This systematic approach identifies the sustainability topics that have significant impacts on corporate governance, the economy, the environment, and society, as well as those relevant to the Company's sustainable operations. These topics serve as the basis for information disclosure in the report.

Wafer Works Corporation conducts materiality assessments every two years. In 2023, the Company evaluated 15 sustainability topics using stakeholder communication surveys and internal committee impact assessments. Based on the results, the top seven topics were identified as material and served as the basis for disclosures in the 2024 Sustainability Report.

Material Topic Matrix



Analysis Results of Material Topic Impact Ranking



Changes in Material Topics

The material topics for this year remain the same as those identified in 2023.

Material Topics

Ranking	2023	2024	Changes Explanation
1	Climate Change and Carbon Emissions	Climate Change and Carbon Emissions	No change
2	Energy Conservation and Water Recycling Strategies	Energy Conservation and Water Recycling Strategies	No change
3	Circular Economy and Waste Management	Circular Economy and Waste Management	No change
4	Safety and Health Promotion	Safety and Health Promotion	No change
5	Information Security and Transparency	Information Security and Transparency	No change
6	Product Quality and Services	Product Quality and Services	No change
7	Customer Relations and Privacy	Customer Relations and Privacy	No change

1.4 Value Chain Boundaries of Material Topics GRI 3-2

This report categorizes the identified material topics into four dimensions: "Corporate Sustainability," "Partner Sustainability," "Environmental Sustainability," and "Social Sustainability." Using the value chain as a boundary analysis element, we regularly discuss material topics in each dimension, review the implementation of management plan targets, and outline future sustainability directions. We also compile related performance data, stakeholder engagement results, and recommendations from sustainability discussions. The Sustainable Development Committee manages these aspects continuously and discloses relevant information in the Wafer Works Sustainability Report.



Sustainability Dimensions	Material Topics	Corresponding GRI Standards	Value Chain Impact Boundaries						Corresponding Chapters
			Employees	Customers	Suppliers / Contractors	Government Authorities	Shareholders / Investors	Financial Institutions	
Corporate Sustainability	Information Security and Transparency	Self-defined		■	■		■		2.7 Information Security and Transparency
Partner Sustainability	Product Quality and Services	Self-defined		■	■		■	▲	3.1 Product Quality and Services
	Customer Relations and Privacy	GRI 418		■	■				3.2 Customer Relations and Privacy
Environmental Sustainability	Energy Conservation and Water Recycling Strategies	GRI 302 GRI 303			▲	■	■	■	4.1 Energy Conservation and Water Recycling Strategies
	Climate Change and Carbon Emissions	GRI 201 GRI 305		■	▲	■		■	4.3 Climate Change and Carbon Emissions
	Waste Management	GRI 306			▲	■	■		4.4 Pollution Prevention Management
Social Sustainability	Safety and Health Promotion	GRI 403	■				■		5.5 Safety and Health Promotion

■Direct Impact ▲ Indirect Impact

02

Corporate Sustainability

2.1 Company Profile

2.2 Operational Performance

2.3 Corporate Governance

2.4 Taxation

2.5 Risk Management

2.6 Legal Compliance

2.7 Information Security and Transparency



Performance

No violations of ethical management, no anti-competitive monopolies, or no breach of anti-corruption laws, and no related penalties or corruption reports in 2024.

16.b

No information security breaches in 2024.

16.b

In 2024, the Company's corporate governance evaluation results were in the 6%-20% range, meeting short- and medium-term targets.

17.4

No violations of ethical management, no anti-competitive monopolies, or no breach of anti-corruption laws, and no related penalties or corruption reports in 2024.

16.3

In August 2024, an RBA and Ethical Management (anti-corruption and insider trading) physical course was held, arranging for all direct and indirect staff and supervisors to attend classes and take exams. After the course, managers at grade 9 and above were asked to sign anti-corruption statements, with a total of 90 signed and returned, achieving a document signing and return rate of 100%.

4.7

2.1 Company Profile

GRI: 2-1、2-6、2-28

Business Philosophy and Vision

In 1986, Chairman Pat Chiao founded Helitek in the United States, initiating the silicon wafer business. The founding team comprised members from Silicon Valley and the domestic semiconductor industry, all with extensive experience in the field. This team laid the foundation for Wafer Works' development in silicon wafers and served as the precursor to Wafer Works. In 1997, Wafer Works was officially established in Taiwan. In 2011, the headquarters was set up in the Longtan Science Park. Over more than 20 years of dedicated effort and commitment to the steady growth of its core business, Wafer Works expanded its production bases to six plants in China. Today, the Company is one of the world's top 10 suppliers of semiconductor silicon wafer materials and one of the top three leaders in heavily doped low-resistance products. The Company boasts advanced semiconductor silicon wafer manufacturing facilities with a total plant area exceeding 120,000 square meters and nearly 2,200 employees worldwide. In 2007, Wafer Works was recognized by Forbes Asia as one of the "Best Under a Billion" companies in the Asia-Pacific region.

Wafer Works firmly believes that only by establishing trustworthy and cooperative partnerships with customers and suppliers, deeply understanding customer needs, and creating close, flexible collaboration mechanisms with suppliers, can we develop innovative products and services that exceed customer expectations. Adhering to strict operational and sales management, Wafer Works has never been heavily fined for violating laws and regulations in the provision and use of its products and services, nor involved in any legal actions related to anti-competitive behavior, antitrust, or monopolistic practices. Customer-centric and committed to our promises, Wafer Works operates with integrity to create and share a win-win-win scenario for the Company, customers, and suppliers. At the same time, we focus on our employees, recruiting and retaining top talent through our core corporate values. We are committed to creating a safe and inclusive workplace, ensuring that every employee enjoys human rights, skill development, and a safe, friendly work environment, sharing in the Company's success.

With sustainable development as the highest guiding principle, Wafer Works Corporation is committed to progressing toward the goal of becoming a customer-centric semiconductor materials supplier. This is achieved through six key pillars: corporate governance, diversity and inclusion, environmental sustainability, customer service, supply chain management, and social engagement. Through these efforts, the Company continues to deliver greater services and contributions to society, striving for continuous improvement in sustainability. Upholding the concept of corporate sustainability, the Company published its first Corporate Social Responsibility Report in 2012. In recent years, as ecological and environmental issues have gained increasing attention, the scope of subsequent reports has gradually expanded to encompass various aspects of sustainable development and corporate social responsibility. Continuing the spirit of previous reports, this Sustainability Report provides comprehensive information on business strategies, risk management, environmental management systems, and more, offering full transparency to the public and investment partners interested in Wafer Works' development. It reflects the Company's steadfast commitment to fulfilling its social responsibilities and pursuing sustainable growth, while also sharing the outcomes of its sustainable operations.



▲ Wafer Works Yangmei Fab



▲ Wafer Works Longtan Fab Headquarters

Wafer Works Business Philosophy



Basic Company Information

Company Name	Wafer Works Corporation
Date of Establishment	July 1997
Market	OTC (Over-the-Counter)
Stock Code	6182
Industry	Semiconductor
Listing Date	May 2002
Chairman	Pat Chiao
Number of Employees	1,056
Paid-in Capital	NT$5,732,436K
Main Products	Polished silicon wafers, epitaxial silicon wafers
Certifications	ISO 9001:2015、IATF 16949:2016 、ISO 50001:2018、ISO 14001:2015、ISO 14064-1:2006、ISO 14064-1:2018、ISO 45001:2018、ISO 59004:2024、ISO/IEC 27001:2022
Headquarters	No. 100, Longyuan 1st Road, Longtan Science Park, Longtan District, Taoyuan City 325002

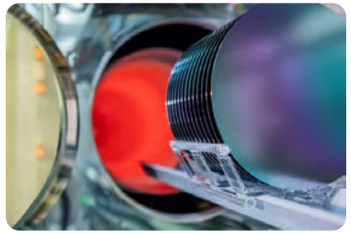
Company History

Wafer Works was founded on July 24, 1997, with a capital of NT$5 million. Its primary operations include the research and development, design, manufacturing, import and export, and agency sales of semiconductor products.

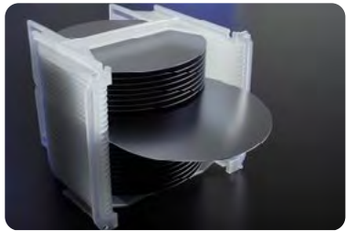
Historical Milestones of Wafer Works

July 1997	Established Wafer Works with a capital of NT$5 million.
November 1997	Acquired Helitek Company Ltd. in the United States.
May 1999	Inaugurated the Yangmei Fab and commenced production.
October 2001	Appointed Mr. Pat Chiao as Chairman.
May 2002	Listed company stocks.
March 2004	Acquired 75% equity interest in Shanghai Silicon Materials Co., Ltd.
September 2005	Held a groundbreaking ceremony for investee Wafer Works Epitaxial Corp.
October 2005	Commenced production at Wafer Works Epitaxial Corp.
June 2007	Established Wafer Works Optronics Corp.
June 2007	Received customer certification for epitaxial wafers and commenced mass production for shipment.
March 2008	Listed investee Solargiga Energy Holdings Limited in Hong Kong.
August 2009	Mass produced and shipped 8-inch heavily-doped epitaxial wafers.
April 2010	Held a groundbreaking ceremony for the Longtan Fab.
July 2010	Completed Phase 1.5 expansion at the Yangmei Fab.
January 2011	Expanded Phase 2 epitaxial production capacity at Wafer Works Epitaxial Corp.
October 2011	Commenced production at the Longtan Fab.
September 2015	Acquired 51% equity interest in Wafer Works (Yangzhou) by Wafer Works (Shanghai).
March 2016	Merged with investee Wafer Works Optronics Corp
May 2016	Produced 12-inch ultra-low resistance silicon rods.
November 2016	Completed equity restructuring through capital increase and share swap for Wafer Works (Shanghai), and merged with Wafer Works Epitaxial Corp., and Wafer Works (Yangzhou).
December 2016	Henan Xinggang Rongchuang Industrial Development Fund invested 700 million yuan to acquire 37.6% equity interest in Wafer Works (Shanghai), funding the construction of an 8-inch silicon wafer plant at the Zhengzhou Airport Economy Zone.
February 2017	Completed registration for Wafer Works (Zhengzhou).
July 2017	Held a groundbreaking ceremony for Wafer Works (Zhengzhou).
October 2018	Commissioned Wafer Works (Zhengzhou).
November 2018	Relocated Wafer Works (Shanghai).
July 2019	Held a groundbreaking ceremony for the Longtan Phase II Crystal Growth Center.
November 2019	Completed registration for Wafer Works (Zhengzhou Airport Economy Zone) Corp.
October 2020	Commissioned the Longtan Phase II Crystal Growth Center.
March 2021	Completed Wafer Works (Shanghai) relocation.
October 2022	Constructed 12-inch R&D production line and clean room at the Longtan Fab.
August 2023	Relocated headquarters to No. 100, Longyuan 1st Road, Longtan Science Park, Longtan District, Taoyuan City.
August 2023	Held a groundbreaking ceremony for the Erlin Fab.
September 2023	Groundbreaking ceremony for Phase II of the Zhengzhou Plant.
February 2024	Wafer Works (Shanghai) Co., Ltd. was listed on the STAR Market of the Shanghai Stock Exchange.
December 2024	Beam-raising ceremony for the Erlin Plant.
March 2025	Establishment of Silicon Works Technology Corporation.

Main Products and Services



▲ Epitaxial Silicon Wafers



▲ Polished Silicon Wafers

Wafer Works primarily offers semiconductor epitaxial silicon wafers, semiconductor polished silicon wafers (single-sided and double-sided polished wafers), and silicon-on-insulator (SOI) wafer products (or services). We strive to provide customers with suitable materials, applicable and legal products, and achieve better quality. We are committed to developing and researching products that enable customers to use and sell better products. During transactions, we ensure that customers receive high-quality and prompt service. All products produced by Wafer Works comply with relevant laws and regulations, maintain product quality, comply with regulatory standards, and improve product yield for better products. Below is the sales statistics for each region for the year 2024:

Sales Region	Sales Amount (NT$K)
Taiwan	2,742,583
China (including Hong Kong)	2,644,103
Americas	962,447
Other Country	2,371,990

Global Deployment

Operating and Production Sites



The silicon wafer products provided by Wafer Works are applicable to various end-use applications, including automotive and industrial applications, 5G, Internet of Things (IoT), mobile devices, and 3C products. Six-inch silicon wafers are primarily used for automotive electronic power MOSFETs and power management components. In addition to automotive electronic power MOSFETs and power management components, 8-inch silicon wafers can also be used for power management components, microcontrollers, analog ICs, and CIS image sensors in 3C products, mobile devices, IoT products, etc. Our customer base includes internationally renowned integrated device manufacturers (IDMs) such as Infineon, NXP, ON Semiconductor, as well as wafer foundries such as TSMC, UMC, SMIC, with customers spread across China, Taiwan, and Europe and the United States.

Wafer Works is a world-class semiconductor silicon wafer supplier, committed to providing high-quality products and services to global customers. Our product range includes various doped 12-inch (and below) polished silicon wafers, epitaxial silicon wafers, double-polished silicon wafers, ground silicon wafers, etched silicon wafers, ultra-thin silicon wafers, and SOI silicon wafers (silicon-on-insulator wafers), holding a significant position in the global market.

As of the end of 2024, the total number of employees was 1,056, with operations spanning six locations. The production equivalent of 6-inch wafers reached approximately 10,731,955 units, all sourced from owned facilities. Wafer Works achieved an annual revenue of NT$8,721,123K in 2024, with a paid-in capital of NT$5,732,436K. The ownership structure is detailed in the table below:

Shareholder Structure / Quantity (Units)	Government Agencies	Financial Institutions	Other Legal Entities	Individuals	Foreign Institutions & Individuals	Total
Number of Shareholders	1	2	380	122,147	258	122,788
Number of Shares Held	14	1,280,000	35,917,742	442,365,267	63,180,707	542,743,730
Shareholding (%)	0	0.24	6.61	81.51	11.64	100

Note: Cut-off Date: September 30, 2024; for the most recent shareholding structure as of the report issuance date, please refer to the 2024 Annual Report of Wafer Works Corporation.



To enhance exchanges between industry, government, academia, and institutes, Wafer Works actively participates in various domestic and international semiconductor industry associations and unions. Through these interactions, we strengthen our research and development, production and sales, and collaboration with other industries. The external organizations in which we participate include:

Association	Membership
Allied Association for Science Park Industries	Member
Semiconductor Equipment and Materials International (SEMI)	Member (Power and Compound Semiconductor)
Taiwan Institute of Directors	Member
Association of Taiwan Listed Companies	Member
The Formosa Association of Resource Recycling	Member
Photonics Industry & Technology Development Association	Member
Heterogeneously Integrated Silicon Photonics Alliance (HiSPA)	Member

2.2 Operational Performance

GRI: 201-1、201-4

Operational Performance – Optimization of 12-inch Product Portfolio

The global economic system faced many challenges in 2024 due to continued geopolitical instability, supply chain shifts caused by the constantly evolving international trade relations, cost fluctuations and rising prices. Many countries reduced interest rates to stimulate economic activity, but end-market demand remained weak; creating headwinds for the expected economic recovery.In the semiconductor industry, the rebound of the market for mature process technologies was slower than anticipated as capital investment flowed primarily into advanced process technologies.According to Semiconductor Equipment and Materials International (SEMI), global silicon wafer shipments in 2024 totaled 12.2 billion square inches, sales revenue reached US$11.5 billion, marking a year-over-year decline of 6.5%.Amid this challenging business environment, the company continued to allocate more resources to R&D, focusing its efforts on making breakthroughs in heavy-doped silicon technology and the development of light-doped 12-inch wafers. The team worked actively with our strategic partners by strengthening the existing relationships and securing additional business, we managed to achieve consolidated revenue of NT$8.721 billion, maintaining break-even performance despite the tough market conditions. Revenue from 12-inch products in 2024 grew by nearly 400% compared to 2023. In addition, our Shanghai subsidiary successfully went public on the STAR Market of the Shanghai Stock Exchange. Our dedicated team once again demonstrated our ability to be resilient, flexible and adaptive in adverse situations.

Looking ahead to 2025, the global political uncertainties will remain, and the competitive landscape of the semiconductor industry will persist. The company will execute a strategic expansion plan which will put us in a position to capture the potential business up-side when market demand surges. The company will also implement corporate level strategies to align with customer requirements. In response to the growing demands from our customers, we have outlined our 2025 operational plans based on three key directions: (1) operational efficiency, (2) technology innovation and product advancement, and (3) global strategy and diversification.

Financial Information

The table below presents various financial information for Wafer Works, including disclosure of employee salaries and social investments:

Item (NT$K)	2022	2023	2024
Revenue	12,677,431	10,047,814	8,721,123
Operating Costs	7,510,616	6,801,309	6,612,467
Employee Salaries and Benefits	581,950	564,496	515,150
Payments to Investors	1,109,699	1,726,570	523,863
Payments to Government	707,873	347,154	75,108
Community Investments	1,518	1,012	1,212
Retained Economic Value	2,765,775	607,273	993,323

During the reporting period, Wafer Works received financial subsidies from the following government units:

Item	Granting Authority	Grant Amount (NT$K)
Interest subsidies for loans obtained by overseas Taiwanese companies returning to Taiwan	Land Bank of Taiwan, Taiwan Cooperative Bank, Chang Hwa Commercial Bank, Hua Nan Commercial Bank, Taiwan Business Bank	18,817
Urban supporting fee incentive	Chinese Government	18,894
Import discount interest subsidy	Chinese Government	36,971
Industrial development grant fund	Chinese Government	159,629
High-quality development grant	Chinese Government	37,672
Technology renovation grant	Chinese Government	12,223
Power supply bureau subsidy	Chinese Government	1,672
Technology renovation grant	Chinese Government	1,209
Total		387,969

Note: The subsidies from the Chinese government are obtained by Wafer Works' subsidiaries in China.

2.3 Corporate Governance

GRI 2-9、2-10、2-11、2-15、2-17、2-18、2-19、2-20、2-21、405-1

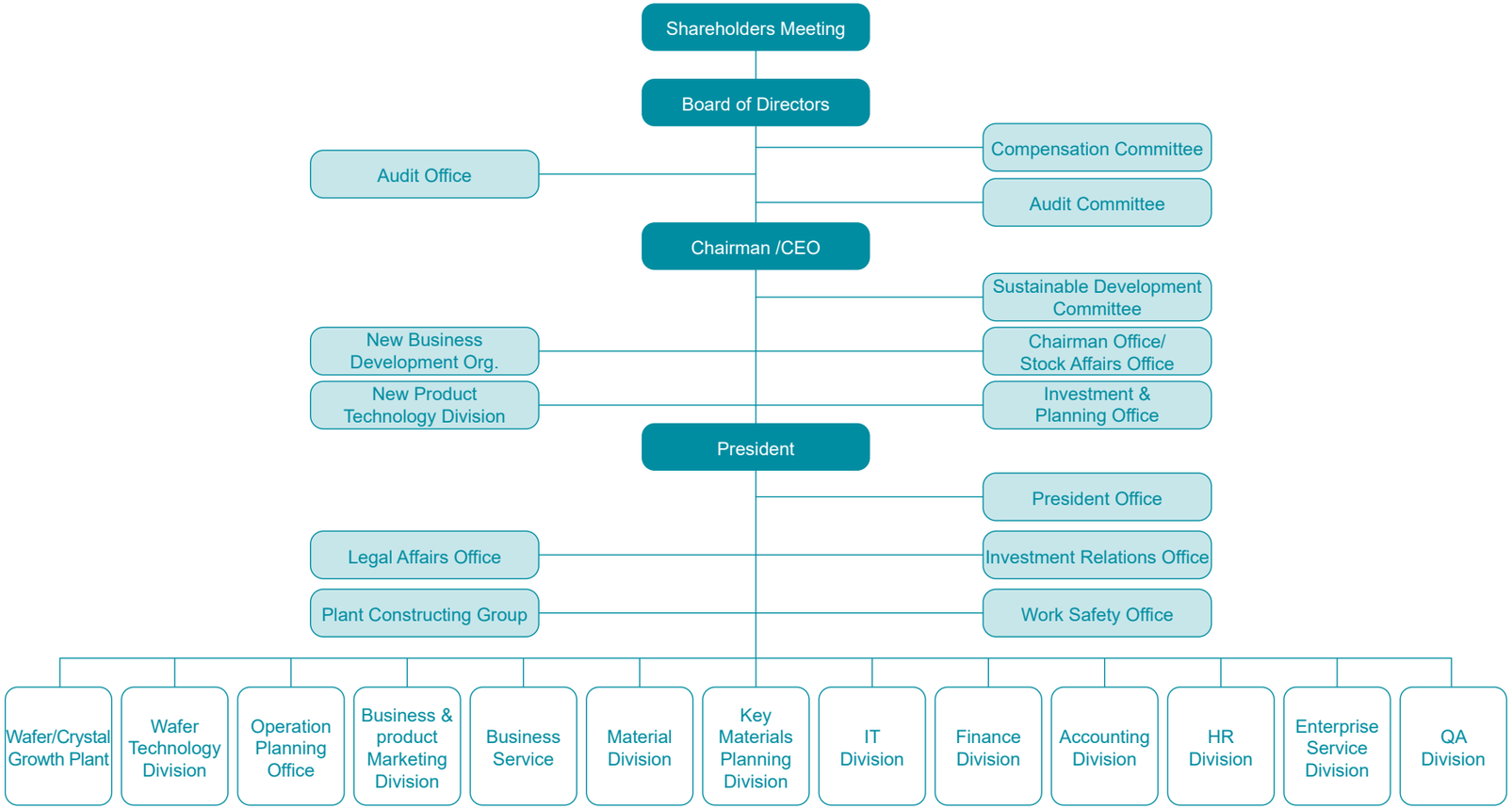
Organizational Structure

Wafer Works is listed on the OTC market, with the Board of Directors as the highest governing body. The Board of Directors authorizes the establishment of the Audit Committee and the Compensation Committee, both of which are composed entirely of independent directors. These committees assist the Board of Directors in fulfilling its supervisory duties, with each committee chair regularly reporting their activities and decisions to the Board of Directors.

The responsibilities of the Board of Directors include appointing and supervising the Company's management team, overseeing operational performance, preventing conflicts of interest, and ensuring that Wafer Works complies with various laws, articles of incorporation, or resolutions adopted by the shareholders' meeting, while striving to maximize shareholder value.



Wafer Works Organizational Chart



Business Operations of Major Departments

Department	Business Operations
Chairman/CEO	• Establish company vision and goals, business strategies, and operational policies. • Execute resolutions and assignments from the Board of Directors. • Execute resolutions of the Shareholders' Meeting.
President	• Report to the Chairman, execute resolutions and assignments from the Board of Directors. • Draft the Company's operational plan and assume all executive responsibilities for the Board of Directors. • Establish systems, cultivate talent, and lay the foundation for long-term company development.
Investor Relations Office	• Responsible for material information disclosures, establishing and maintaining relationships with domestic and foreign investors, and maintaining media relations.
Audit Office	• Assist in supervising the operation of internal control systems. • Responsible for internal audit operations.
Operations Planning Office	• Execute operation resource analysis and cost control projects. • Integrate and improve operational processes and systems to assist in boosting operational efficiency.
Investment Planning Office	• Assisting in formulating the Company's future development goals, strategies, and investment plans. • Provide strategic and investment advice to enhance value.
Chairman's Office / Stock Affairs Office	• Responsible for secretarial matters of the Board of Directors, Audit Committee, and Compensation Committee. • Responsible for the Company's shareholder services and liaison. • Promote corporate governance in accordance with laws.
New Business Development Organization	• Develop SOI-related technologies (Thick/Thin SOI wafer) . • Responsible for the development and mass production of SOI products. • Responsible for market development and revenue and profitability of SOI new business.
New Product Technology Division	• Promote new material development and new venture development. • Plan patent deployments for new materials and new ventures. • Responsible for tracking new material samples and industry-academia technology exchanges.
Plant Constructing Group	• Conducting the planning, design, building, and local public relations for the 300mm new fab. • Ensure the achievement of project schedule, quality, and budget goals.

Department	Business Operations
Wafer Technology Division	• Responsible for promoting chip production technology development and process integration. • Handle technical complaints.
Work Safety Office	• Ensure the planning, management, and supervision of fab safety and health. • Plan occupational safety and health management systems and implement them.
Legal Affairs Office	• Responsible for drafting, modifying, and reviewing various contracts and legal documents Coordinate the protection and management of intellectual property rights. • Assist in legal compliance, execute legal risk management, and handle litigation cases.
Business Service	• Plan and execute company market and customer development strategies. • Develop annual sales plans and pricing policies to increase company turnover, profits, and business items. • Manage and plan sales channels. • Assist in accounts receivable collection and customer credit limit control. • Provide professional technical services to customers and offer product development insights and strategies based on application-specific characteristics. • Implement new product launches according to global market product marketing strategies to raise market share.
Business & Product Marketing Division	• Develop new markets and new customers. • Develop product development blueprints and plan marketing strategies and promotional activities. • Coordinate group marketing planning and activities.
IT Division	• Formulate information security policies and audits. • Responsible for planning, executing, and maintaining production automation and enterprise resource application systems. • Responsible for planning and managing network management systems, OA application systems • Maintain and update information equipment.
Finance & Accounting Division	• Analyze exchange rates, interest rates, and financial risks and control them. • Responsible for the establishment, maintenance, and implementation of the accounting system. • Execute financial statement settlement and analysis, cost settlement and analysis, business performance analysis. • Responsible for budgeting and management, public information disclosure reporting, tax work planning and management.

Department	Business Operations
QA Division	• Establish the Company's quality policy and quality operating system. • Establish standards for incoming and outgoing quality inspections. • Responsible for establishing and managing the DCC document control system. • Responsible for ISO 9001, IATF 16949:2016 management system planning, maintenance, and execution.
Material Division	• Responsible for the procurement and inventory management of equipment, raw materials, and parts. • Assist factories and R&D units in establishing supply chains for raw materials and equipment parts. • Ensure the accuracy of material accounts. • Responsible for import and export business and the formulation and implementation of annual customs inventory plans.
Key Materials Planning Division	• Responsible for planning and procurement of critical materials for crystal growth and chips.
HR Division	• Establish the Company's organizational system and job system. • Promote performance appraisal system, establish a performance-oriented compensation framework. • Coordinate with company development strategies to formulate manpower plans and talent recruitment. • Develop talent cultivation and learning development systems, execute and manage training plans Promote industry-academia cooperation and semiconductor material talent training programs.
Enterprise Service Division	• Responsible for foreign affairs and public relations of the Company. • Establish administrative and general affairs system and drive the implementation of the program. • Ensure the environment, security and cleanliness of the factory and supervise the implementation.
Wafer/Crystal Growth Plant	• Jointly responsible for the procurement and inventory management of equipment, raw materials, and parts. • Responsible for the operation of functions such as crystal growth/wafer/epitaxial process, equipment, manufacturing, and plant management. • Execute process improvement/yield improvement, equipment maintenance/improvement of availability rate, production scheduling, production management and quality improvement, plant system operation.

Note: The Chairman and President of the Company are held by different individuals, and there is no case of Chairman concurrently serving as President .

Board of Directors

Wafer Works adopts the candidate nomination system stipulated in Article 192-1 of the Company Act for the election of directors, with a term of three years. The independence of independent director candidates must also comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." The current board of directors consists of seven male directors and two female director, four of whom are independent directors. The average age range is mostly over 60 years old. Directors serve a three-year term, and each director has at least 30 years of work experience in business, legal, financial, accounting, or corporate affairs fields. Their expertise spans industries such as semiconductors, optoelectronics, and venture capital, demonstrating rich knowledge, personal insight, and business judgment, providing valuable advice on Wafer Works' operational strategies and development direction. To enhance the professional knowledge, legal literacy, and sustainability awareness of Board members, the Company proactively arranges at least three hours of annual training courses conducted by external professional instructors. In 2024, the total training hours completed by the Board of Directors amounted to 98.5 hours, of which 32 hours were related to sustainable development, accounting for 32.5% of the total. For details regarding Board training, please refer to Wafer Works's 2024 Annual Report. The Board of Directors held a total of 9 meetings in 2024, representing an increase compared to 2023, in response to the Company's business challenges and sustainability goals.

The Company has established the "Procedures for Managing the Acquisition or Disposal of Assets," "Regulations Governing the Election of Directors," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Procedures for Handling Material Inside Information and Preventing Insider Trading," and "Rules of Procedure for Board of Directors Meetings." These documents cover various aspects including the prevention of conflicts of interest, avoiding opportunities for personal gain, confidentiality responsibilities, fair trading, protection and proper use of company assets, compliance with laws and regulations, encouragement to report any illegal or unethical behavior, and disciplinary measures. All related guidelines have been approved by the Board of Directors and are implemented accordingly. Disclosure of cross-shareholding, transactions, and outstanding balances between the highest governing body members and critical suppliers will be made in the future. For information on the highest governing body members serving on other boards, please refer to the corporate governance report in the Company's 2024 Annual Report , specifically the sections on Board Member Information (I) and Director Information (II). Directors must abstain from voting on proposals in which they have a personal interest, ensuring no cross-shareholding situations with stakeholders.



The education, experience, and attendance of the Board members are shown in the table below:

Title	Name	Gender	Education & Work Experience		Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate	Remarks
Chairman	Ping-Hai, Chiao	Male	**Education：** • MS Chemical Engineering, San Jose State University **Experience：** • Chairman of the Board of Directors, Solargiga Energy Holdings Limited • Founder and President of Helitek • Sr. Manager of Lite-on Semiconductor Corp. • PE Manager of Siltec	**Current Positions：** • Chairman and CEO of Wafer Works Corporation • President of Helitek Company Ltd. • Chairman of HELI-VANTECH CORP. • Director of Silicon Technology Investment (Cayman) Corp., • Director of Wafer Works (Shanghai) Co., Ltd. • Director of Wafer Works Epitaxial Corp. • Director of Wafer Works Investment Corp. • Director of Wafermaster Investment Corp.	9	0	100%	
Director	Nan-Yang, Wu	Male	**Education：** • Master Degree, Stanford University **Experience：** • President of Central Technology Venture Capital, Inc. • President of Legend Technology Venture Capital Investment Corp. • Team Leader of Optoelectronic Laboratory, ITRI	**Current Positions：** • Director of Edison Opto Corporation • Director of APT Electronics Co., Ltd. • Director of Advanced Photoelectronic Technology Ltd.	7	2	77.8%	
Director	Hua Eng Wire & Cable Co., Ltd. Rep: Hsiu-Mei, Liu	Female	**Education：** • MS Accounting, Long Island University, New York **Experience：** • Vice President of Management Division of Hue Eng Wire & Cable Co., Ltd.	**Current Positions：** • Director of China Ecotek Corporation • Director of Co-tech Development Corp. • Director of Bionime Corporation	8	1	88.9%	
Director	Chung-Hou, Tai	Male	**Education：** • MS in Management Science, Tamkang University • BS Electric and Control Engineering, NCTU **Experience：** • Chairman of Investar Corporation • Co-founder of Acer Corp.	**Current Positions：** • Chairman of INVESTAR CORPORATION • Director of DIGITIMES Inc. • Independent Director of ASUSTeK Computer Inc. • Director of Chief Telecom Inc. • Director of FULLERTON TECHNOLOGY CO., LTD. • Director of 21Vianet Group, Inc. • Director of Lumens Digital Optics Inc. • Director of GLOBAL TESTING CORPORATION • Director of Wafer Works (Shanghai) Co., Ltd. • Director of IC Broadcasting Company Limited	6	3	66.7%	

Title	Name	Gender	Education & Work Experience	Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate	Remarks
Director	Grand Sea Investments Limited Rep: Zhen-Tu, Liu	Male	**Education：** • Ph.D. Business Administration, Nova Southeastern University, USA **Experience：** • CFO of USI Group • President of Harbinger Venture Capital • President of Liancheng Venture Capital • Director of MITAC International Corp. • Director of Getac • Director of UPC Technology Corporation • Director of HanTech Venture Capital Corporation • Supervisor of Synnex Technology International Corporation **Current Positions：** • Independent Director of MOSEL VITELIC INC.	6	0	100%	
Independent Director	Feng-I, Lin	Male	**Education：** • MS Economics, Nankai University, Tianjin • BA Accounting, Soochow University **Experience：** • Director and Vice President of Want Want China Holdings Limited **Current Positions：** • Independent Director of Sunjuice Holdings Co., Limited • Director of Shanghai Karon Eco-Valve Manufacturing Co., Ltd.	9	0	100%	
Independent Director	Yong-Song, Tsai	Male	**Education：** • MS International Business Management, NTU • MS Materials Science and Engineering, The Ohio State University, USA **Experience：** Vice President of Walden International Taiwan Co.,Ltd. **Current Positions：** • Partner at APP Capital Independent Director of Silergy Corp.	8	1	88.9%	
Independent Director	De-Wai, Chou	Male	**Education：** • Ph.D. Finance and MS Business Administration, Drexel University, Lebow School of Business, Philadelphia, USA **Experience：** • Director of LUNGTEH SHIPBUILDING CO., LTD. (Representative of National Development Fund) • Dean of College of Management, National Taiwan Normal University • Independent Director of Nanoplus Ltd. • CEO of Double Master Degree Program in International Business Management, National Taiwan Normal University • Science and technology technician of the Ministry of Science and Technology Visiting Scholar of University of Washington • Director of Graduate Institute of Management, National Taiwan Normal University **Current Positions：** • Professor of the Graduate Institute of Management, National Taiwan Normal University • Supervisor of Taiwan Association of Board Governance • Supervisor of Taiwan Institute of Directors; • Executive Director of China Family Offices Association	9	0	100%	

Title	Name	Gender	Education & Work Experience	Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate	Remarks
Independent Director	Rui-Hua, Hong	Female	**Education：** • Doctor of Electrical Engineering, National Sun Yat-sen University (Directly pursue a PhD) • Bachelor of Electrical Engineering, National Cheng Kung University **Experience：** • Department Director of Electronics, National Yang Ming Chiao Tung University • Dean of the Institute of Innovation Industry Promotion National Chung Hsing University **Current Positions：** • Lecture professor of National Yang Ming Chiao Tung University • Independent Director of Apex International Co., Ltd. • Board Member, National Synchrotron Radiation Research Center (8th Board)	5	0	83.3%	

Note: For information on directors' remuneration, concurrent positions held at Wafer Works Corporation and other companies, and resolutions of the Board of Directors, please refer to the Company's 2024 Annual Report.

Audit Committee

To enhance corporate governance and the professional functions of the Board of Directors, Wafer Works established the Audit Committee on June 27, 2018. The committee consists of three independent directors and meets at least once every quarter. In 2024, the committee convened eight times with an average attendance rate of 96.9%.

The primary objectives of the Audit Committee are to assist the Board in performing and supervising the following tasks:

1. Ensuring the fair presentation of the Company's financial statements.
2. Selecting, dismissing, and assessing the independence and performance of the external auditors.
3. Effectively implementing the Company's internal controls.
4. Ensuring the Company's compliance with relevant laws and regulations.
5. Managing existing or potential risks faced by the Company.

According to the Audit Committee Charter, the committee is authorized to conduct any appropriate audits and investigations within its scope of responsibility. It maintains direct communication channels with the Company's internal audit personnel, external auditors, and other relevant individuals. The committee is also empowered to engage legal counsel, accountants, or other professionals to assist in the execution of its duties.

Attendance of Independent Directors at the Audit Committee in 2024:

Title	Name	Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate	Remarks
Independent Director	Feng-I, Lin	8	0	100%	
Independent Director	Yong-Song, Tsai	7	1	87.5%	
Independent Director	De-Wai, Chou	8	0	100%	
Independent Director	Rui-Hua, Hong	4	0	100%	

- For the Audit Committee Charter, please refer to the Wafer Works website .
- For the resolutions of the Audit Committee, please refer to the Wafer Works 2024 Annual Report.

Compensation Committee

To assist the Board of Directors in evaluating the performance of management and to improve the compensation system for directors and managers, Wafer Works established the Compensation Committee on December 29, 2011. The committee is composed of a majority of independent directors and meets at least twice a year. In 2024, the committee held four meetings with an average attendance rate of 100%. The resolutions passed by the committee were submitted to the Board of Directors for discussion and subsequently approved by the board.

The committee's responsibilities include formulating and regularly reviewing the policies, systems, standards, and structures for performance evaluation and compensation for directors and managers. It ensures that individual compensation is tied to company performance in compliance with relevant laws, and is linked to future operational performance and risks. Given the industry's significant economic cycles and profit volatility, and the absence of shareholders with relative control participating in compensation decisions, the directors' remuneration remains stable. Currently, no consultants are involved in setting compensation.

The Company continuously reviews the external market competitiveness of employee salaries and compensation packages, participates in salary surveys to stay informed about market salary levels, and sets salary adjustment policies. It also establishes principles for holiday bonuses, employee bonus plans, outstanding employee incentive measures, and retention bonuses for key talent, recognizing long-serving outstanding employees to attract, motivate, and retain exceptional talent.

To enhance the linkage between performance and compensation for key talent and senior executives, short-term incentive plans focus primarily on performance bonuses, with employee profit sharing as a secondary bonus. Long-term incentives and retention measures consider the Company's financial and operational performance, as well as future development, to retain talent over the long term. From 2022 to 2024, employee restricted stock awards were provided to senior executives and key talent. These rewards were tied to shareholder interests and the outcomes of corporate governance, the economy, the environment, and society initiatives, increasing the Company's competitiveness and maximizing benefits for the Company and its shareholders. In accordance with Article 267 of the Company Act and the Financial Supervisory Commission's "Regulations Governing the Offering and Issuance of Securities by Securities Issuers," the "Regulations on the Issuance of Employee Restricted Stock Awards" for 2022 and 2024 were established to attract and retain key outstanding talent.

The bonuses of directors at Wafer Works are governed by Article 29 of the Company's Articles of Incorporation. In profitable years, Wafer Works shall allocate up to 2% of its profits as director bonuses. However, in the presence of accumulated losses, an amount must be set aside in advance for offset. Article 25 thereof provides that the Chairman and directors of Wafer Works shall be remunerated by the Company for their duties. The amount of such remuneration is determined by the Board of Directors based on their level of involvement and contribution to the Company's operations, while also considering industry standards. In order to implement the spirit of corporate governance and provide a basis for the distribution of compensation to directors at Wafer Works, the "Regulations Governing the Payment of Compensation to Directors" was established. These Regulations were proposed by the Compensation Committee during the first meeting of the fourth term on August 7, 2018, and were subsequently approved by the Board of Directors during the second meeting of the ninth term on August 7, 2018.

In 2024, the highest annual compensation at Wafer Works Corporation was received by the President. The ratio of the President's annual total compensation to the median annual compensation of other employees was 9.6:1. The percentage increase in the President's annual compensation compared to the median compensation increase of all other employees was -33.9%.

Attendance of Independent Directors at the Compensation Committee in 2024:

Title	Name	Actual Attendance Count	Proxy Attendance Count	Actual Attendance Rate	Remarks
Convenor	De-Wai, Chou	3	0	100%	
Member	Feng-I, Lin	3	0	100%	
Member	Yong-Song, Tsai	3	0	100%	
Member	Rui-Hua, Hong	2	0	100%	

- For the Compensation Committee Charter, please refer to the Wafer Works website .
- For the resolutions of the Compensation Committee, please refer to the Wafer Works 2024 Annual Report .

Performance Evaluation of the Board of Directors and Functional Committees

In 2024, Wafer Works carried out an annual performance evaluation of the Board of Directors, including the overall board, individual board members, the Compensation Committee, and the Audit Committee. The evaluation process involves self-assessment through questionnaires. The individual performance of board members is linked to their compensation, and the standards for director compensation are regularly evaluated according to the "Rules for Performance Evaluation of the Board of Directors." Performance criteria for board members include their level of involvement in company operations and their grasp of the Company's short, medium, and long-term goals. The related performance assessments and the reasonableness of compensation have been reviewed by the Compensation Committee and approved by the Board of Directors. The self-assessment of the Board of Directors and functional committees and the self-assessment of board members for the year 2024 had been completed, with performance results rated as good. These results had been submitted to the Board of Directors on March 15, 2025, to serve as a reference for individual director compensation and for the selection or nomination of directors. Wafer Works plans to begin implementing external performance evaluations within the next three years. As of 2024, the Company had not linked ESG development goals and performance with individual director compensation. However, this is planned for inclusion in the future to enhance the effectiveness of board governance.

2.4 Taxation GRI 207-1

Tax Governance

In response to international trends in tax governance and guided by the principle of ethical management, Wafer Works has established tax governance principles to ensure compliance with tax regulations and promote sustainability and information transparency. The Accounting Department is charged with tax governance, and the Company's tax returns are filed and approved in accordance with the tax laws and regulations. Additionally, the Company supports government policies promoting innovation, research and development, and tax incentives. When necessary, external professional consultants are appointed or consulted to ensure compliance with tax regulations and filing obligations. The income tax expense for 2024 was NT$70,324k, accounting for 1% of the total annual consolidated revenue.

Governance Principles

1. Tax strategies adhere to tax regulations in all locations where we operate, along with the spirit of relevant tax legislation, ensuring timely filing of tax returns and payments, and fulfilling our social responsibility as a taxpayer.
2. Transfer pricing policies for related parties are subject to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, and adhere to the principles of arm's length transactions.
3. Financial reports fully express the content according to relevant regulations, and tax information disclosure is conducted in accordance with relevant laws.
4. Tax planning does not involve using tax havens or low-tax jurisdictions for the purpose of tax avoidance.
5. Based on ethical principles, Wafer Works maintains mutually respectful relationships with tax authorities in tax jurisdictions.
6. Significant transactions and operational decisions take into account the tax implications.

Tax Information for the Past Three Years

Income Tax Information	2022	2023	2024
Profit Before Tax	2,680,620	755,141	15,302
Income Tax Expense	515,681	186,386	11,269
Income Tax Rate (%)	19.24%	24.68%	73.64%
Income Taxes Paid	132,762	269,112	64,399
Cash Tax Rate (%)	4.95%	35.64%	20.85%

Note 1: For more details, please refer to the Wafer Works 2023 and 2024 parent company-only financial statements.
Note 2: Income Tax Rate = Current Year Income Tax Expense ÷Current Year Profit Before Tax; Cash Tax Rate = Current Year Income Taxes Paid ÷ Current Year Profit Before Tax



2.5 Risk Management GRI 2-12

Risk Assessment

Wafer Works is committed to sustainable business practices, environmental and energy resources protection, and ensuring employee safety and health. Through a structured risk assessment process, we identify, evaluate, and respond to risks in economic, legal, operational, environmental, safety, health, and cybersecurity areas. We adhere to risk management procedures outlined in management systems such as ISO 9001:2015、IATF 16949:2016 、ISO 50001:2018、ISO 14001:2015、ISO 14064-1:2006、ISO 14064-1:2018、ISO 45001:2018、ISO 59004:2024、ISO/IEC 27001:2022. These procedures enable us to thoroughly assess potential emergencies, natural disasters, environmental impacts, and occupational risks, and to implement comprehensive response plans and processes. The risk assessment outcomes for 2023 were reported to the Board of Directors quarterly in 2024. Each department within Wafer Works conducts risk assessments and formulates management strategies relevant to their respective responsibilities, as detailed below:

Risk Assessment Process

Hazard Identification

Identifying risks/events that could adversely impact business objectives.

Risk Evaluation

Assessing the severity of risk impacts from each adverse event.

Risk Response

Evaluating possible response plans to the hazards that may result from the risk.

Wafer Works Risk Management Strategy

Business Risk Management

Product Diversification：

Product Diversification: As the Group expands, Wafer Works has consistently sought to mitigate the risk of over-reliance on a single product by identifying niche products. Our efforts include improving the performance of critical materials for power discrete devices to outpace competitors and actively developing P-type and MEMS (Micro-Electro-Mechanical Systems) related products. After years of research and development, our new 12-inch epitaxial wafers have received customer certification and has entered mass production.

Customer Diversification：

We actively seek new customers and applications, ensuring that our customer base is spread across Europe, the Americas, Japan, Taiwan, China, and the Asia-Pacific region. By serving internationally recognized IDMs and foundries, we mitigate the risk of revenue concentration from a limited number of clients.

Supplier Diversification and Raw Material Sources Management：

We diversify our procurement sources to ensure a stable supply of raw materials and reduce the risk associated with concentrated purchasing. Annual evaluations and assessments of suppliers strengthen our relationships and enable effective monitoring of supplier status.

Separation of R&D and Production：

To continually meet market demands for new technologies and materials, we have separated our R&D and production units. This organizational structure prevents resource wastage and ensures balanced utilization.

Strategic Alliances Development：

In response to market trends and industry changes, Wafer Works actively seeks strategic and investment partners to develop flexible and diverse alliances. These partnerships aim to foster new technologies, new products, and capacity expansion.

Economic Risk Management

Exchange Rate and Interest Rate Risk：

As Wafer Works' primary revenue is denominated in US dollars, we hold net assets in dollars. Significant depreciation of the dollar can negatively impact our financial standing. We continuously monitor foreign currency positions and exchange rate fluctuations, particularly in USD and JPY. In addition to natural hedging through balancing foreign currency assets and liabilities, we take appropriate measures to mitigate exchange rate risks. Interest rate risk primarily arises from long-term debt used for operations and capital expenditures. To address this risk, Wafer Works strategically arranges liability maturities and uses a fixed or variable interest rate structures to minimize interest rate exposure.

Inflation：

Inflation may lead to increased costs for Wafer Works. To cope with this concern, we focus on improving processes and reducing costs while aiming to develop high-value-added products.

Credit Risk：

We carefully select trading partners and assess customer credit limits and contract terms based on our credit regulations and customers' financial and business conditions to minimize the risk of default or delayed settlement after payments or contract signing.

Accounts Receivable：

We evaluate and control customer credit limits, implement effective collection follow-up, and regularly assess allowance for doubtful accounts to ensure customer credit issues do not disrupt operations.

Financial Institutions: We borrow from financially stable institutions to avoid operational disruptions due to the financial problems of these institutions.

Liquidity Risk Management：

We diversify financing channels, such as flexible use of cash capital increase, convertible bonds, and bank loans, to ensure that single unexpected events do not cause short-term asset value to fall short of covering short-term liabilities or lead to unanticipated cash outflows. We also expand our business to avoid over-reliance on a few major customers, reducing the risk of failing to complete transactions at ideal times due to customer-related issues.

Budget Preparation：

Our management team is tasked with preparing both short- and long-term budgets that outline future operational policies and guidelines. We regularly analyze variances between budgeted figures and actual performance.

Fund Management: We avoid using short-term funds for long-term purposes and continuously monitor cash flows, maintaining bank credit lines of no less than monthly revenue to ensure liquidity. By raising capital and issuing convertible bonds, we increase our equity ratio and reduce our debt ratio.

Investment Management: Long-term and strategic investments are focused on long-term development and do not involve liquidity risk. For short-term funds, we primarily use time deposits or highly liquid fixed-income bonds to reduce liquidity risk. Wafer Works regularly evaluates market funding conditions and bank interest rates to make prudent financing decisions. We assess the benefits of medium- to long-term investments and actively collaborate with Business entities to seek strategic targets, handling non-core investments in due time to reduce, transfer, or avoid risks.

Legal Risk Management

Wafer Works, with clients distributed globally and operations covering major countries on every continent, has always closely monitored any policies and legal changes that may affect the Company's business or finances. This is done to promptly assess the impacts and adjust operations accordingly in compliance with regulations. The Company has dedicated legal units staffed with professionals and supplemented by external legal consultants to review contracts, provide legal advice and assistance to departments, taking relevant measures to mitigate legal risks.

The Company also arranges internal and external compliance education and training to ensure that employees are familiar with the latest legal regulations. Operating procedures are promptly updated in response to legal changes, ensuring that employees at all levels adhere strictly to laws and regulations.

Operational Risk Management

We establish internal control systems and standard operating procedures for various operations, and have them verified through ISO-related quality management systems and environmental management systems.

We establish internal control systems, quality management, environmental management, and other audit systems, with relevant internal audit units tasked with executing audit work.

We conduct annual audits and self-assessments of internal control systems, reviewing whether relevant operational risks are controlled through reasonable operational procedures.

We offer education and training, continuously promoting a high standard of professional ethics culture through education, training, and advocacy. The Company regularly arranges in-house training programs or courses for employees, enabling them to integrate the concept of operational risk into daily management practices.

Environmental, Health, and Safety Management

Based on the principles of sustainable business operation and a commitment to environmental and energy resources protection, as well as ensuring the safety and health of employees, Wafer Works performed detailed assessments of all potential emergencies, natural disasters, environmental impacts, and workplace risks. We have comprehensive response plans and procedures in place.

Cyber Security Risk Management

Framework for Cyber Security Risk Management ： We have established a Cyber Security Committee to review and revise the Regulations Governing Cyber Security Policies and enforcement rules thereof. The Information Technology department is tasked with implementing measures such as conducting risk assessments and analyses, discussing system security requirements, and carrying out management and protection protocols. We perform both regular and ad hoc audits and reviews in alignment with internal audit and control procedures, providing regular reports to the board of directors.

Awareness of Cyber Security Risks: We regularly train and educate employees on cyber security policies. Cybersecurity policy advocacy materials are prominently displayed on computer startup screens, and clear procedures for personnel onboarding, changes, and departures are in place. Employees are required to sign confidentiality agreements to ensure they are briefed on how to handle sensitive information appropriately.

External Intrusion Threats: We regularly monitor computer network systems and email security mechanisms, including firewall settings, antivirus protection, phishing prevention, and malware isolation, among other measures, to detect and patch vulnerabilities.

Sensitive Data Leakage: We classify and manage sensitive data, make appropriate access controls according to authorized mechanisms, and maintain system logs of critical data that have been improperly altered or accessed without authorization.

System Security Management: We implement measures such as system access authentication, management of portable storage devices (e.g., USB drives), physical access control, and inventory management of information equipment to control access and prevent unauthorized access to systems, networks, information, and information hosting equipment.

System Operation Interruption: To ensure business continuity and prevent system hardware, software, and database failures, we regularly perform information system backups and disaster drills to ensure timely recovery of critical business activities.

Force Majeure Events: Adhering to the principle of risk sharing, we evaluate the necessity of cybersecurity insurance. Due to the lack of clarity regarding specific coverage and claims assessment, we have not yet procured cybersecurity insurance. Instead, we have entered into maintenance contracts with hardware and software vendors to mitigate potential disruptions to information system services.

Cyber Security Incident Reporting and Handling: We have established procedures for reporting information security incidents and conduct occasional emergency response drills to swiftly respond to unexpected cybersecurity incidents and improve incident handling procedures.

Internal Control Operations

We ensure the effectiveness and efficiency of operations, reasonably ensuring that reports are reliable, timely, transparent, and compliant with relevant regulations and laws.

Internal Audit Operations

- The audit unit formulates annual audit plans based on risk assessment results and conducts audits accordingly, including special audits assigned by superiors, to ensure the proper implementation of internal control systems.
- Internal auditors disclose their findings truthfully in audit reports, submit them to relevant supervisors and the Audit Committee, and regularly monitor improvements.
- Internal auditors maintain an attitude of independence and objectivity, faithfully executing their duties and regularly reporting audit activities to the Board of Directors and Audit Committee.

Business Continuity Management (BCM)

Wafer Works Corporation continues to promote Business Continuity Management (BCM). Based on risk assessment outcomes, the Company focuses on high-risk events such as extreme weather, fires, earthquakes, and information security threats. On April 3, 2024, a magnitude-5 earthquake in Taiwan caused an operational interruption. The Company immediately activated its BCP (Business Continuity Plan) emergency response team to implement its earthquake response plan. BCM execution was tested, and operations were restored within 12 hours, with no significant impact. Following an incident in the industry where operations were disrupted by a malicious cyberattack, the Company reviewed and updated its virus attack response BCP to enhance its information security BCM preparedness.



2.6 Legal Compliance

GRI: 2-26、2-27、205-1、205-2、205-3、206-1、406-1、408-1、409-1 SASB: TC-SC-520.a.1

Ethical Corporate Management

"Honesty and Innovation" serves as the foundation of our operational ethos, dedicated to advancing corporate governance with elevated ethical standards, and upholding the principles of fairness, honesty, trustworthiness, and transparency in all business endeavors.

To embody the spirit of ethical management, Wafer Works has established the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Procedures for Handling Material Inside Information and Preventing Insider Trading," which have been approved by the Board of Directors. These guidelines regulate the behavior of board members and company employees. Furthermore, in alignment with the principles advocated by the Responsible Business Alliance (RBA), Wafer Works has implemented the "Code of Ethical Business Conduct" to promote ethical behavior among all employees. This initiative seeks to standardize behavior during business operations, emphasizing the importance of professional competence and ethical judgment in protecting the Company's assets, interests, and reputation.

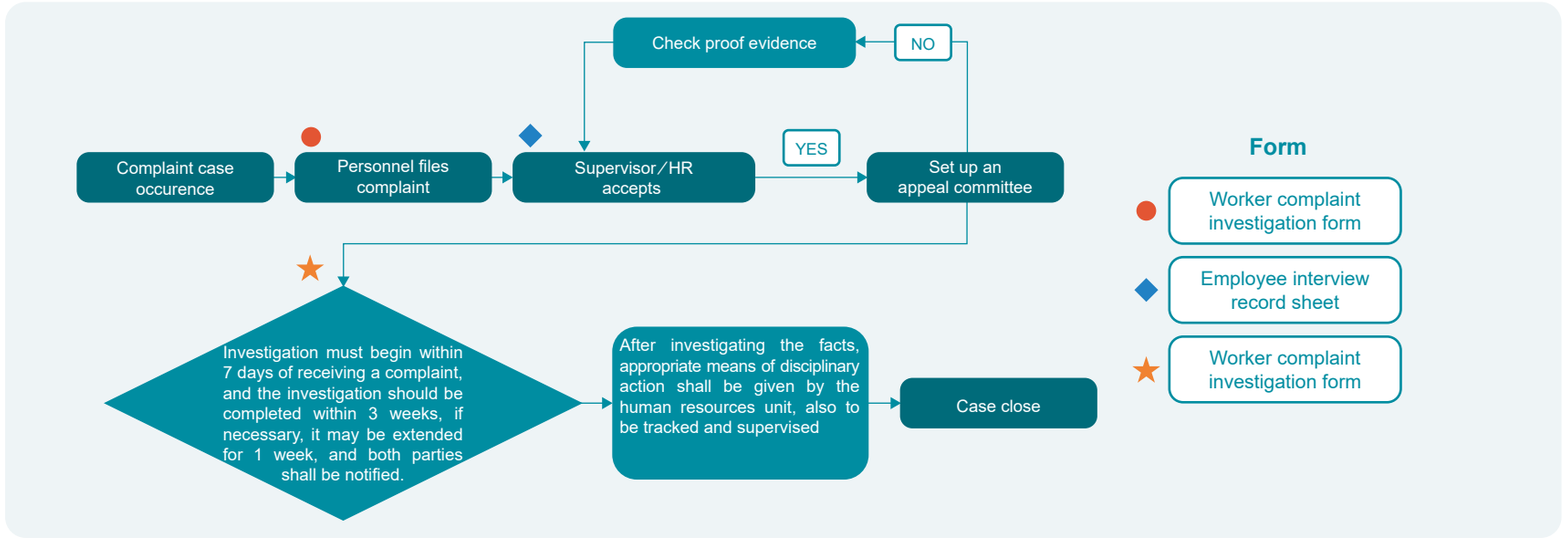
To ensure that daily operations meet high ethical standards, Wafer Works has established basic conduct guidelines for directors, managers, general employees, and business partners while performing their duties, including the "Code of Ethical Business Conduct" and "RBA Code of Conduct Identification and Management Guidelines." Commitment to these standards includes: (1) Ethical principles; (2) Respect for individuals and customers; (3) Avoidance of conflicts of interest; (4) Gifts and business hospitality; (5) Facilitation payment; (6) Provision of complete, proper, accurate, timely, and understandable information disclosure; (7) Reporting, protection, and immunity; and (8) Corporate social responsibility. We advocate for a culture of integrity and, in the face of various challenges in industry competition, are obligated to collectively uphold the Company's reputation to earn the respect and trust of customers, suppliers, and the industry, ensuring the sustainable operation and development of Wafer Works. In 2024, a "Wafer Works Supplier Code of Conduct Compliance Statement" was issued to critical and important suppliers, with a signing and returning rate of 99%.Looking ahead to 2025, Wafer Works Corporation will remain committed to working with key and critical suppliers to ensure the ongoing execution of the "Supplier Code of Conduct Compliance Declaration."

Wafer Works adheres to the principles of integrity and pragmatism, complying with government laws and regulations, and is committed to abiding by government social and economic policies, fulfilling its corporate social responsibility. During the reporting period, Wafer Works did not incur any fines for violations of environmental, social, or product (or service) regulations, nor did it face any antitrust or anti-monopolistic lawsuits.

Wafer Works regularly conducts educational training and awareness programs to ensure that employees fully understand the Company's commitment to ethical operations, policies, preventive measures, and the consequences of unethical behavior. We uphold a positive pursuit and quality assurance, aspiring to innovate for the future and sustain operations based on these principles.

At Wafer Works, we respect the diversity of employee backgrounds and abilities, striving for balanced development in employees' work and life quality. In human resources management, we balance institutionalization with humanization, treating all employees fairly and justly. We establish mutual trust and open communication channels, providing a work environment free from any discrimination or unequal treatment, enabling employees to contribute their best and become important long-term partners. Wafer Works provides a complaint process (as shown in the diagram below) for handling relevant issues, and there were no incidents of discrimination this year.

Complaint Process



Following an analysis of stakeholder communication and impact, the management of wastewater and waste disposal is crucial for Wafer Works. Failure to manage wastewater and waste could lead to regulatory penalties in the future. Responsible management of wastewater and waste can mitigate cost risks for Wafer Works and enhance the Company's competitiveness in sustainability. Currently, environmental issues are handled by the occupational safety and health office or facility management department at each fab, and there were no major incidents of liquid or gas leakage resulting in penalties during the reporting year.

Anti-Corruption System

Wafer Works Corporation adheres to the Code of Ethical Conduct and the RBA Code of Business Ethics. In accordance with the "RBA Risk Assessment Management Guidelines," the Company conducts anti-corruption risk assessments for directors, supervisors, managers, and employees. Based on the "RBA Code of Business Ethics," the Company regularly conducts training and awareness sessions. In 2024, RBA and ethical business (anti-corruption and insider trading prevention) training courses were held, with 100% Board member participation rate and a total of 1,108 employee participants. These trainings aim to ensure that the governance units and all employees understand the Company's commitment to ethical business practices, related policies, preventive measures, and consequences of misconduct. "Integrity First" is the core business philosophy of Wafer Works Corporation. All directors and employees at job grade 9 and above signed the Anti-Corruption Commitment Declaration, with a 100% completion rate, demonstrating the Company's strong anti-corruption stance. In 2024, corruption risk assessments were conducted at the Longtan and Yangmei sites, and no corruption risks were identified. There were no corruption incidents or complaints of suspected corruption reported throughout the year.

Number of Corruption Incidents / Suspected Corruption Complaints:

Year	2022	2023	2024
Number of corruption incidents	0	0	0
Number of suspected corruption complaints	0	0	0




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Regarding business ethics risk assessment, Wafer Works prioritizes a reasonable division of labor and an authorization system to enhance efficiency and mitigate risks, including corruption. The Company has implemented the "RBA Risk Assessment Management Guidelines" to evaluate risks related to ethical management. Upon identifying any risks, relevant units must promptly review their procedures and propose improvement measures to eliminate these risks.

Regarding whistleblowing and complaint channels, to provide employees with avenues to express concerns and report illegal activities, Wafer Works has established a physical employee suggestion box. Additionally, the "RBA Handbook" clearly outlines the reporting channels. Employees who observe illegal behavior must report it via email or in writing to the Chairman, President, Audit Supervisor, or other appropriate personnel. The designated whistleblower email is public01@waferworks.com。

Adhering to the principles of ethical management and honesty and innovation, Wafer Works integrates integrity and customer orientation into its core competencies for employees and includes these values in performance evaluations. Annual employee assessments are conducted to ensure that organizational culture and employee behavior align with the Company's sustainable development principles. Through long-term strategic planning, Wafer Works aims to achieve sustainable development performance.

To instill correct legal concepts and behavioral standards across the Company and reduce corporate governance risks, Wafer Works offers training and advocacy programs on professional ethics, insider trading, commercial bribery, and anti-corruption in alignment with the core competencies of honesty and innovation. Each employee is required to sign declarations on information security and trade secrets. These measures ensure that employees adhere to ethical principles, behaviors, and standards in their work and possess the correct legal concepts, thus reinforcing the Company's competitiveness and commitment to sustainable development.

2.7 Information Security and Transparency GRI:3-3

Material Topic | Information Security and Transparency

Potential Positive Impacts
Enhancing trust among investors and consumers, creating business value and reputation, aiding in boosting sales, and attracting investments.

Potential Negative Impacts
Poor cybersecurity image could directly affect reputation and may lead to order losses or legal issues.

Commitments and Policies
| Cyber Security Protection, Comprehensive Assurance

Topic Boundaries | Wafer Works Longtan and Yangmei fabs

2024 Goals and Achievements
- Obtained ISO/IEC 27001:2013 certification for information security management system in 2024.
- Enhanced employee awareness of cyber security (annual education and training, social engineering drills).
- Performed regular cyber security checks, monitoring and analysis of potential threats on internal and external networks (introduced the XVR Threat Protection Cross-Source Integration System with visualization capabilities, and established an integrated SOC or SIEM system platform).
- Replaced outdated core network switches in the data center.

Short, Medium, and Long-Term Goals

Short-Term
- Zero major cyber security incidents.
- ISO/IEC 27001:2022 Certification Upgrade and Review

Medium to Long-Term
- Zero major security incidents.
- Strengthen employee cybersecurity awareness.
- Enhance IT intrusion protection infrastructure.
- Optimize disaster recovery processes and drills.
- Regular system security assessments.

Responsibilities & Resources
- Compliance with information security regulations and continuous investment in hardware and software resources to prevent potential security threats.

Specific Actions
- Preventive/Remedial Measures: Planned implementation of continuous improvement in cyber security, ensuring the effective execution of protective systems or measures.
- Management Measures: Regular inventory of information and communication systems, establishment of an inventory of core system information assets, regular execution of cyber security risk assessments, and implementation of corresponding control measures.
- On December 26, 2024, a material information announcement was released regarding a cybersecurity incident at the subsidiary Helitek. As Helitek operates on an independent network and connects to the parent company only via MPLS VPN—which happened to be disconnected due to a line equipment failure at the time of the incident—there was no connectivity between the networks. External cybersecurity experts were engaged to contain and clean affected computer systems. After evaluation, no significant impact was found. The Company continues to strengthen its information security mechanisms and awareness, and closely monitors related developments.

Effectiveness Tracking
- Annual cyber security management review meetings to continuously track annual security objectives and the progress of major security projects.

Information Security Policy

Wafer Works Information Security Policy

To ensure the confidentiality, integrity, and availability of corporate information, Wafer Works has established information security policies in accordance with company operational requirements and relevant legal regulations. These policies serve as guiding principles for information security management and are implemented through the operation of internal cyber security organizations. Additionally, employees should be made aware of cyber security risks and the security objectives of information collection, processing, transmission, storage, and circulation should be achieved through management procedures and security protection technology.

1. Adhere to relevant information security laws and provide appropriate protection measures for the Company's information assets to ensure their confidentiality, integrity, and availability, serving as the highest guiding policy for the Company's information security management and operations.
2. Regularly assess potential hazards or impacts on the Company's information assets, establish emergency response measures and recovery plans for critical information assets and key business operations to ensure the continuity of corporate operations.
3. Regularly execute cyber security audits to ensure the implementation of information security measures.
4. Ensure the continuous operation of information operations.
5. Advocate for employees to implement information security protection work, establish responsibilities, concepts, and behavioral norms for information security in relevant business areas.
6. Engage vendors, customers, or third parties who use or access the Company's information environment to collectively observe relevant provisions of the Company's information security policy.

Information Security Organization, Members, and Oversight

The Company has established an Information Security Committee tasked with formulating and reviewing information security policies, resource allocation, and reviewing the implementation of various measures. Senior management executives serve as management representatives, responsible for coordinating and promoting information security management matters. Regular cyber security meetings are held, and reports are submitted to the board of directors.

Information Security Management Plan

Wafer Works Information Security Management Plan

- User Permission Management: Users are assigned different permissions based on security levels.
- Operating System Permission Security Management: Operating systems are installed according to company regulations and joined to the company domain for centralized management. Regular security updates are applied to operating systems, and antivirus software is installed on company hosts and computers, with scanning engines and virus patterns downloaded and updated automatically daily. Passwords for user accounts are regularly updated.
- Application Software Security Management: In addition to installing application software, tool software, and packaged software necessary for information operations, any other special software requires a separate application process and approval before installation. The firewall is configured with a filtering mechanism to block unauthorized software and URLs, thereby safeguarding the quality and security of the internet.
- Network Communication Security Management: External VPN (remote) access and internal access (FTP), instant messaging app (LINE), special connection (HTTPS), and other network applications are subject to review by the IT unit and approval by the authority supervisor for use.
- Application System Security Management: IT units must restrict access to the original code and updates to authorized processors only; and set different program execution permissions for users according to business needs.
- Remote Backup Management: Measures for system disaster recovery and database backup management are in place.
- Asset Management: Assets such as data center equipment and personal computers are managed through asset numbering and regular inventory.
- Continuous promotion of information security to heighten employees' awareness of cyber security.

Wafer Works is comprehensively enhancing its cyber security management. The cyber security resource investment for 2024 includes the following projects:

Project	Key Points	Execution Benefits	Resource Input
2024 ISO/IEC 27001:2022 Information Security Management System Certification Upgrade Project	The core focus of ISO/IEC 27001:2022 is to assist organizations in establishing an information security management system (ISMS) that ensures confidentiality, integrity, and availability. By conducting risk assessments and identifying potential issues, the standard guides organizations in implementing preventive measures to address known risks, thereby reducing the likelihood and impact of future data breaches through effective risk treatment.	1. Effectively control risks and mitigate negative outcomes to reduce organizational costs and enhance customer trust. 2. Implement the PDCA (Plan-Do-Check-Act) cycle to clarify and stabilize business processes, thereby improving performance. 3. Promote organizational change and foster innovation. 4. Emphasize the involvement of senior management to build internal consensus and boost overall employee engagement. 5. Focus on process documentation to retain traceable evidence and establish an organizational knowledge base. 6. Enhance corporate reputation.	NT$500,000
2024 Information Security Project – XVR Solution System Maintenance	Continued operation of the visualized XVR threat protection system, with integrated SOC/SIEM platform to monitor suspicious and abnormal activities.	Diverging from conventional intrusion detection systems, which rely solely on threat indicators for detection, cross-source cyber security visibility combines endpoints, network traffic, and additional data sources. This integration facilitates thorough and accurate detection and response through multi-level anomaly detection, fulfilling the requirements for proactive prevention, mid-event response, and post-event response in enterprise settings.	NT$200,000
2024 Windows Server AD System Upgrade Project	Upgraded the Windows Server Active Directory system.	Upgraded AD root domain to Windows Server 2022, decommissioned older, vulnerable version (Windows Server 2008R2) to reduce risk.	NT$2,000,000
2024 DNS Version Upgrade Project	Upgraded DNS (Ubuntu OS) and disabled DNS recursive queries to prevent exploitation via known security vulnerabilities.	Improved server platform security.	NT$0

03

Sustainable Partnerships

3.1 Product Quality and Service

3.2 Customer Relationships and Privacy

3.3 Supply Chain Management



Performance

In 2024, Wafer Works administered satisfaction surveys for the top 30 customers, receiving a score of 88.21 in the survey results.

17.17

In 2024, a 100% recovery rate was achieved for RoHS reports and commitments to prohibit the use of hazardous substances.

12.4

In 2024, Wafer Works completed RBA annual assessments for 103 suppliers, with no significant non-compliance issues found.

12.8

3.1 Product Quality and Services

GRI:3-3、SASB:TC-SC-410.a.1

Material Topic | Product Quality and Services

Actual Positive Impacts

High-quality products and services can enhance customer satisfaction, safeguard customer rights, and increase corporate revenue, ensuring stable growth.

Potential Negative Impacts

Instability in product quality and services may lead to increased production costs or even affect customer usage, impacting the Company's revenue and reputation.

Commitments and Policies

- Wafer Works strictly adheres to management regulations and operational specifications to enhance the execution of quality systems, implement continuous improvement policies, pursue optimal quality goals, and strive to meet current and future customer needs for customer satisfaction.
- Wafer Works commits to producing ingots and wafers that meet customer expectations and requirements, ensuring continuous improvement to address deficiencies and enhance yields, striving for optimal quality. Additionally, the Company follows international, regional, and national standards such as RoHS and REACH/SVHC to ensure products are fully compliant with hazardous substance free requirements and satisfy customer demands.

Topic Boundaries

| Wafer Works Longtan and Yangmei fabs

2024 Goals and Achievements

Green Products

- Achieved a 100% recovery rate from suppliers who submitted RoHS reports and commitments to prohibit the use of hazardous substances.

Continuous Improvement Activities

- Quality Control Circle (QCC): 32 improvement plans generated.
- Improvement Proposals: 168 proposals generated.

Short, Medium, and Long-Term Goals

Short-term

Green Products

Drive suppliers to submit RoHS and REACH/SVHC compliance data on time to ensure 100% compliance with regulations and customer requirements.

Continuous Improvement Activities:

- QCC: Aim for 35 improvement plans generated within 3 years.
- Improvement Proposals: Aim for more than 170 proposals within 3 years.

Medium to Long-term

Green Products

- In addition to ensuring 100% compliance with regulations and customer requirements, continue to strengthen supplier management to build a sustainable supply chain.

Continuous Improvement Activities

- QCC: Aim for over 40 improvement plans by 2028.
- Improvement Proposals: Aim for 180 proposals by 2028

Responsibilities & Resources

- Managed by the Quality Assurance Department
- For green products, the Quality Assurance Department team drives and manages the process. Apart from regularly requiring suppliers to provide testing reports, audits are arranged to verify compliance. Regarding verification of products from Wafer Works, funds are allocated for regular outsourced testing to ensure compliance with RoHS, REACH/SVHC, and customer requirements.
- For continuous improvement, Wafer Works has quality management representatives, along with dedicated personnel assigned to each quality management system to maintain operations and implement ongoing improvement activities. Specific units and personnel are designated to lead internal continuous improvement efforts, encouraging participation from all employees.

Specific Actions

Preventive Measures

Regularly monitor performance and initiate improvement measures when deviations or non-compliance are detected.

Management Measures

- Adhere to ISO 9001:2015 and IATF 16949:2016 international standards to ensure the operation of Wafer Works quality management systems fulfills requirements and expectations.
- Establish a green material management mechanism and formulate the Green Product-Related Substance Management Guidelines to ensure 100% compliance with RoHS and REACH/SVHC regulations. This approach aims to meet customer and international environmental requirements while contributing to environmental protection efforts.

Effectiveness Tracking

To ensure the effectiveness of actions, apart from regular performance monitoring, internal audits are conducted annually, and management review processes are initiated. Any non-compliance issues discovered are immediately addressed through improvement and continuous optimization efforts.

Product Safety

To fulfill its social responsibility, Wafer Works observes the Responsible Business Alliance (RBA) Code of Conduct and undergoes RBA-VAP verification by a third party. The Company has also obtained certifications such as ISO 9001:2015、IATF 16949:2016 、ISO 50001:2018、ISO 14001:2015、ISO 14064-1:2006、ISO 14064-1:2018、ISO 45001:2018、ISO 59004:2024、ISO/IEC 27001:2022Certificate, Wafer Works identifies and formulates response measures for risks encountered at all levels of its operations, ensuring more stable and smooth business management.

Wafer Works' products comply with regulatory requirements and are clearly labeled with detailed information such as origin, ingredients, and warnings. During the reporting period, there were no instances of violations related to product and service information and labeling, nor were there any breaches of regulations governing product marketing communications (including advertising, promotions, and sponsorships). Consequently, there were no severe penalties or significant fines.

The products provided by Wafer Works have no significant impact on health and safety and meet the needs of customers and other stakeholders. In 2024, the Company achieved a 100% recovery rate from suppliers who submitted RoHS reports and declarations of compliance with the prohibition of hazardous substances.

List of Products or Services with Safety Certifications

Product or Service	Safety Certification
Wafers	RoHS , REACH/SVHC third-party test reports

Product Quality

Wafer Works has obtained ISO 9001 : 2015 and IATF 16949 : 2016 certifications for its quality management system. Guided by the principles of these systems, we monitor the performance of our products, processes, and systems using a process-based approach. This involves continuous measurement, analysis, review, and improvement of all processes to ensure effectiveness.

As stated in Wafer Works' quality policy: "Strictly adhere to management procedures and operational standards, enhance the execution of the quality system, implement continuous improvement strategies, pursue optimal quality goals, and strive to meet current and future customer needs to achieve customer satisfaction." Wafer Works is dedicated to promoting continuous improvement activities within the organization, embedding a culture of quality improvement deeply within the Company. To this end, Wafer Works encourages all employees to suggest improvements in their work areas to boost the effectiveness of various processes, including product quality, cost efficiency, and lean production. Through these ongoing improvement initiatives, our objective is to bolster our internal quality capabilities and ethos, thereby delivering consistent, top-tier products to our customers and attaining excellence.

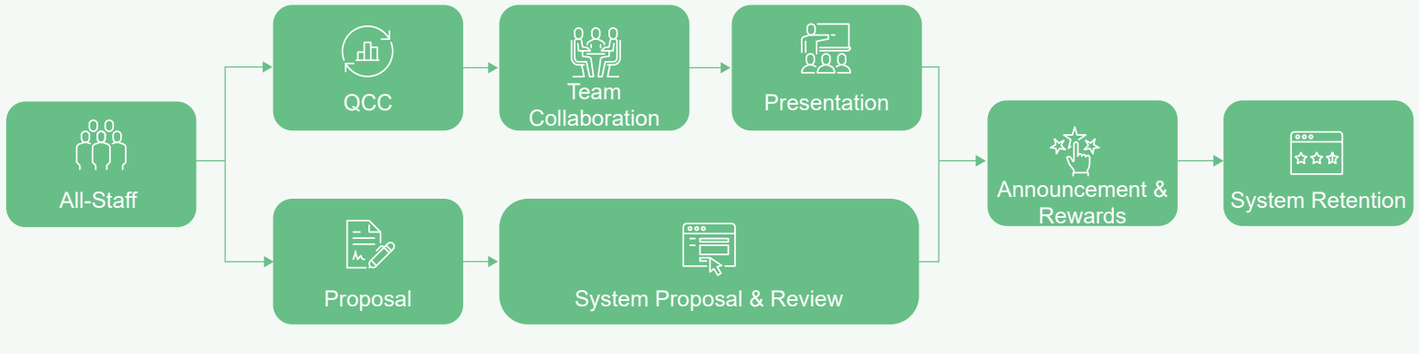
To enhance production quality, specific yield targets were set as KPIs. To meet these targets, the Company not only reviews daily production statistics and provides monthly progress reports during management meetings, but also holds weekly crystal growth technology meetings and engineering technical symposiums. These efforts begin at the product source, aiming to improve technologies and quality while simultaneously achieving energy conservation, carbon reduction, and cost competitiveness.

In addition to internal improvements, the Company also invites external consultants for technical exchanges and training sessions to acquire professional knowledge, enhance product quality, optimize product portfolios and capacity utilization, and develop new products and process technologies to better serve a wider range of customers.

In 2024, 10 Quality Control Circle (QCC) improvement teams were formed by employees at Wafer Works. These team members collaborated to analyze the current situation using quality tools and proposed improvement solutions to optimize existing processes. Throughout the year, they completed 32 improvement projects, which significantly benefited the production line operations.

In addition to the QCC, Wafer Works encourages all employees to participate in the improvement proposal program. Every employee can submit improvement suggestions through the system. We value the wisdom and experience of every employee. If a proposal is deemed feasible after review and evaluation, it is implemented promptly to directly and quickly enhance or optimize current operations. Meanwhile, employees who submit proposals are rewarded accordingly. In 2024, Wafer Works received 168 proposals, with 17 being recognized as highly effective and excellent suggestions.

Continuous Improvement Flowchart



Excellent Improvement Proposal Project

BSDC Concentration Controller Abnormality Prevention Mechanism Project

Project Information

- Proposal Number: I003141
- Proposal Title: BSDC Concentration Controller Abnormality Prevention Mechanism
- Proposal Date: 2024/04/04

Execution Details

- Added a new concentration value screen to the BSDC machine panel to facilitate real-time monitoring by production line operators. Added an abnormal alarm mechanism for the concentration automatic control system at the machine end.

Added concentration value display on main system interface

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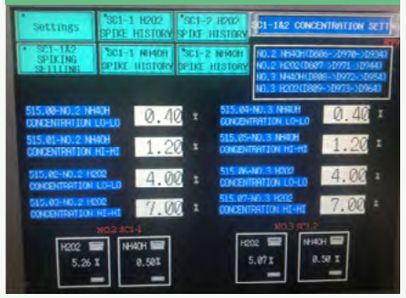


Added machine-side concentration abnormality alert

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由濃度控制系統主機通知機台端

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Added abnormal acid replenishment frequency alert

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NA

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Improvement Benefits

Tangible Effects:

Previously, when the main automatic concentration control system encountered a malfunction, the product risk window could extend up to 4 hours. With the new acid-supply abnormality alert mechanism, the risk window is now shortened to a maximum of 1 hour. On April 29, the system successfully detected a concentration anomaly caused by a disconnection between the machine and the control system, and promptly stopped material feeding.

Intangible Effects:

The location for inspecting concentration values was changed from the surface finishing area to the polishing area, which reduced operators' resistance to inspection tasks and increased their vigilance toward machine concentration abnormalities.

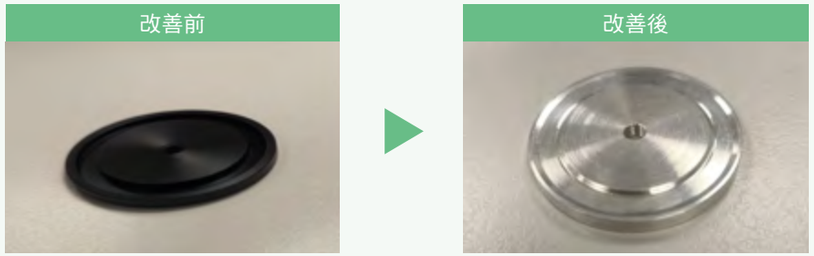
Thinned Wafer Surface Damage Prevention Project

Project Information

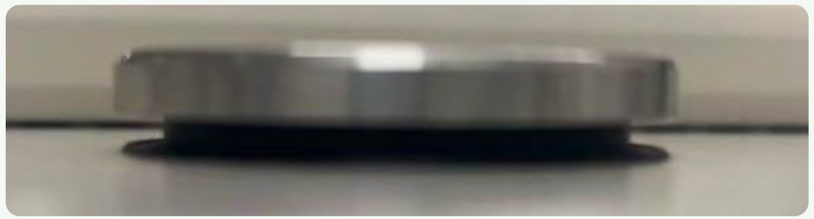
- Proposal Number: I003142
- Proposal Title: Thinned Product Surface Damage – Disco Suction Pad Improvement
- Proposal Date: 2023/5/15

Execution Details

1. Redesigned and fabricated a new suction pad base for the transfer arm.



2.Outsourced the fabrication of completed binding pads.

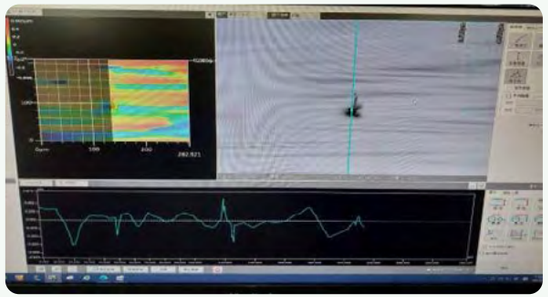


11/24 XT DiscoAdjust vacuum value 90Kpa → 65Kpa





After testing 4 wafers, the deepest observed indentation was 0.6 μm, which was deemed acceptable for production.



Improvement Benefits

Tangible Effects:

- Since November 24, 2023, no products have sustained damage from the Disco transfer arm. Original suction pads cost NT$1,130 per unit; the redesigned pads cost NT$550 per unit, saving NT$580 per pad.
- **Intangible Effects:**
- Reduced the need for operators to frequently check for foreign objects on suction pads, which in turn improved the Disco machine utilization rate.

Intellectual Property

To strengthen Wafer Works' leadership position in the industry and ensure legal protection for advanced research and development results in the market, thereby preventing infringement disputes, reducing operational risks, and enhancing competitiveness, Wafer Works attaches great importance to intellectual property rights. In alignment with our technical R&D projects, we strategize our patent portfolio, filing internal patent applications using the Company's patent application system and adhering to patent application management regulations. Collaborating with patent law firms, we facilitate patent retrieval, application, and review processes to enhance the likelihood of patent approval. This strategic approach aims to prepare for future product rollouts and mitigate infringement risks.

Wafer Works has established the "R&D Innovation and Creation Incentive Guidelines" to motivate employees to innovate actively. In conjunction with the Company's development strategy, the output of intellectual property rights is increased to ensure the uniqueness of the Company's products and technology. Regular patent inventories are conducted to assess the value of each patent and to monitor the progress of each patent application, the validity period, and certificate filing. Over the past three years, we have exceeded 46 patent applications, and the target for the number of patent applications in 2024 had been met. Wafer Works will adjust next year's plan to analyze both our own patent map and that of our competitors.



3.2 Customer Relations and Privacy GRI3-3、GRI418-1

Material Topic | Customer Relations and Privacy

Potential Positive Impacts

Maintaining good relations with customers and ensuring customer privacy can enhance the Company's reputation and bring benefits.

Potential Negative Impacts

Failure to maintain good relations with customers or privacy breaches may result in economic losses or even legal issues.

Commitments and Policies

Wafer Works adheres to customer-centric principles, providing customers with one-stop shopping services and high-quality product quality to meet current and future customer needs. Providing customers with the best service and being a trusted partner to customers.

Topic Boundaries | Wafer Works Longtan and Yangmei fabs

2024 Goals and Achievements

- Annual customer satisfaction survey scores must reach 80 points — Achievements: The actual score for 2024 was 88.21.
- Completed at least 10 QBR meetings or training sessions — In 2024, a total of 27 QBR meetings were held, and 176 product promotion, technical exchange, training, and ESG-related activities were conducted.

Short, Medium, and Long-Term Goals

Short-term

- Customer Privacy: Control access to customer information (information systems have completed access control)
- Annual customer satisfaction > 80 points

Medium to Long-term

Regular and irregularly hold QBR/ educational training with customers: Close interaction with customers and briefing customers on the Company's latest information. Target of > 8 QBR/educational training activities per month with customers.

Responsibility & Resources

Sales service

Specific Actions

- Preventive Measures:Regular contact with customers to ensure stable customer relations.
- Management Measures:Wafer Works holds meetings or organizes educational training courses from time to time to address customer service issues and needs, in addition to regularly analyzing customer satisfaction reports and supplier rating tables for improvement.

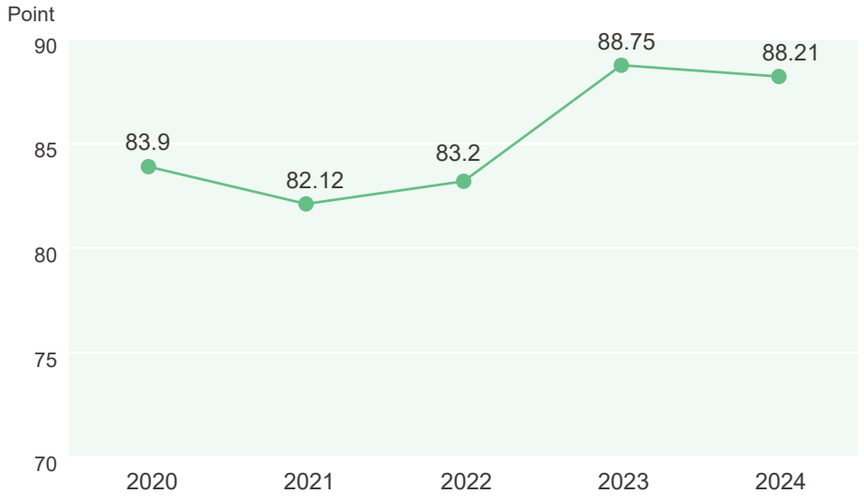
Effectiveness Tracking

- Monthly KPI review
- Review Annual Sustainable Development Committee review

Customer Satisfaction

Wafer Works Corporation adheres to a customer-centric approach, striving to meet both current and future customer needs. The Company is committed to maintaining high quality standards to enhance customer satisfaction. In 2024, Wafer Works conducted a customer satisfaction survey targeting its top 30 customers, achieving a score of 88.21. Customers gave high evaluations of the Company's product quality and services, surpassing the annual target of 80 points and showing significant improvement. Moving forward, the Company will continue to manage customer-related issues to meet and exceed customer expectations.

Recent Trends in Customer Satisfaction Performance



Customer Privacy

"Honesty and Innovation" is one of Wafer Works' core business principles. Before initiating any business relationship, a Non-Disclosure Agreement (NDA) is signed to ensure the confidentiality of shared information. Internally, employees are required to sign confidentiality agreements and regularly participate in training sessions and awareness programs to emphasize the importance of data protection and confidentiality. To further safeguard Wafer Works' data, USB access on all employee computers is disabled. The legal affairs department conducts educational training to reinforce these measures. Additionally, the Company employs firewalls, electronic file encryption systems, and electronic personal data storage platforms to control and audit the access and usage records of relevant personnel, ensuring robust customer data protection.

Wafer Works has established a Code of Ethical Business Conduct to protect the personal data and privacy of all business associates, including suppliers, customers, consumers, and employees. This code ensures compliance with privacy and information security laws and regulatory requirements during the collection, storage, processing, transmission, and sharing of personal data. In 2024, Wafer Works received no complaints regarding customer privacy violations or data loss.

In terms of personnel management, Wafer Works raises employees' information security awareness. New hires undergo onboarding training and sign an "Employee Code of Conduct Statement," while current employees receive ongoing information security briefings. Data access is tiered to ensure secure handling, and CRM/ERP system management data is protected at the highest level of confidentiality. Wafer Works has also refined its information security management system, continuously strengthening system and data security. This includes the building of comprehensive gateway control devices, antivirus systems, network access control systems, system vulnerability enhancements, and file encryption systems. Company regulations are established to prevent data leakage incidents.





3.3 Supply Chain Management

GRI: 308-1、308-2、414-1、414-2、SASB: TC-SC-440.a.1

Wafer Works is committed to establishing long-term partnerships with suppliers to ensure supply chain stability. By signing contracts, we secure a better and more stable source of raw materials, thereby enhancing the Company's competitiveness. Additionally, through the establishment of an integrated system, we conduct supplier evaluations considering factors such as "price," "quality," "delivery time," and "sustainable development." This evaluation process ensures that suppliers abide by regulatory and environmental requirements. These measures help us select the most suitable domestic suppliers, strengthening supply chain management and contributing to the sustainable development of the supply chain.

Green Supply Chain

1. Establish a green product related substance management program

To implement sustainable development and fulfill social responsibility, Wahaha Technology has established a green material management mechanism.

2. Confirmation of regulations and customer needs

According to the Green Product Related Substance Management Measures (QS-2-701), relevant regulations and customer requirements must be confirmed, including the EU Restriction of Hazardous Substances Directive RoHS and REACH regulations, substances of very high concern (SVHC), heavy metals, and other chemicals that are harmful to humans or the environment.

3. Supplier provides inspection report and declaration

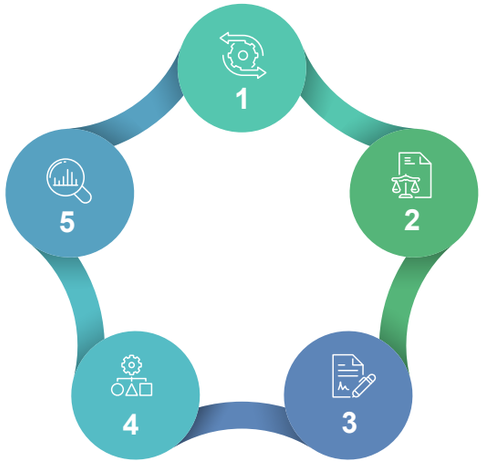
Annually, suppliers of raw materials and packaging materials are requested to provide:
1. Third-party verification report
2. Letter of commitment regarding the prohibition of hazardous substances

4. Supplier management

Supplier performance is assessed every six months, and supplier audits are arranged annually to ensure that suppliers meet requirements.

5. Product testing

We regularly commission third-party verification laboratories to test our products to ensure that all substances of concern are regulated, achieving green product standards and the ultimate goal of reducing the impact of our products on the natural environment.



Supply Chain Interaction

By actively investing manpower and resources in the investigation and verification of raw material suppliers, Wafer Works has developed comprehensive supply chain management guidelines and measures to lead suppliers in mutual growth. This includes supplier management, supplier evaluation, supplier audits, and green material requirements, guiding suppliers to meet green supply chain requirements and mitigate supply chain risks.

When introducing new suppliers for critical and important raw materials, Wafer Works requires suppliers to sign the "Supplier Evaluation Form" and "RBA Code of Conduct". Additionally, they must provide a "Third-party Quality System Certificate," "Supplier Process/Product Change Notice (PCN) Management Principles," and sign the "Commitment to Prohibit the Use of Hazardous Substances" and "Declaration of Non-Use of Conflict Minerals" before collaboration can commence.

To effectively manage harmful substance data internally, we incorporate environmental principles into our supplier management mechanism. Since 2018, Wafer Works, by referencing RoHS regulations and customer requirements for prohibited substance control, has mandated that all suppliers of critical and important materials use raw materials and packages that observe environmental regulations and refrain from using metals produced in countries with conflict minerals. We collaborate with supplier partners to seek and develop greener products that are of superior quality and environmentally sustainable.

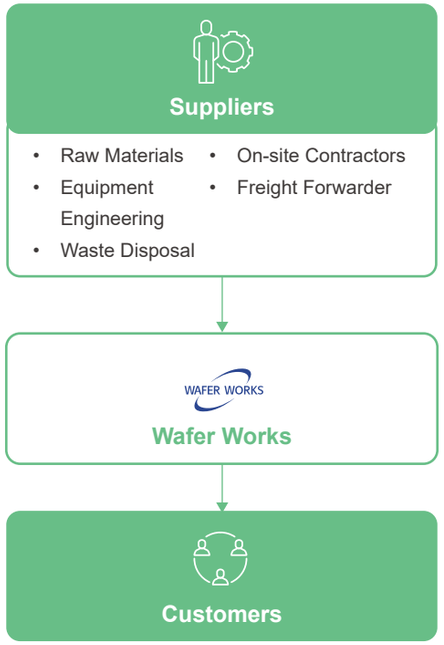
Furthermore, Wafer Works contributes to local socio-economic development through procurement practices. To ensure compliance with our requirements, Wafer Works regularly assesses the compliance of suppliers handling critical materials (those directly exposed to the product) and important materials (those posing a risk of appearance difference during manufacturing). This evaluation follows the guidelines of the qualified supplier evaluation and assessment. If any non-compliance issues arise, suppliers are mandated to rectify them promptly.

In Response to the Climate Change Response Act, Wafer Works has engaged with suppliers in the field of greenhouse gas verification by reviewing the current status of suppliers' ISO 14064-1:2018 certifications. For those suppliers who have not yet obtained the certification, the Company has initiated guidance and support programs to assist them in compliance.

Supply Chain Organization

The upstream and downstream relationships of Wafer Works in its supply chain are illustrated below. The Company's suppliers mainly consist of raw material suppliers, equipment engineering suppliers, waste disposal firms, on-site contractors (such as security and cleaning personnel), as well as land, sea, and air freight forwarders. These partnerships are predominantly long-term, and we maintain good procurement relationships with our suppliers unless significant changes in demand or supply necessitate seeking new suppliers or adjusting procurement proportions.

Upstream and Downstream Relationships



The Structure and Management Policies of Critical and Important Raw Material Suppliers:

Attributes of Raw Material Suppliers	Definitions	Management Strategies
Sole Supplier	The material is exclusively produced, with no alternative suppliers currently available.	Strive for optimal cooperation in terms of quality, delivery time, service, price, etc.
Single Supplier	The material has multiple alternative suppliers, but due to product attribute differences, Wafer Works has certified only one supplier based on product attribute requirements.	• Strive for optimal cooperation in terms of quality, delivery time, service, price, etc. • Early participation in cost analysis strategy • Promotion of the SECOND SOURCE program
Multiple Suppliers	The material has multiple alternative suppliers, and Wafer Works has certified multiple suppliers.	Strive for optimal cooperation in terms of quality, delivery time, service, price, etc. • Establish a competitive supply environment • Select suppliers by eliminating inferior options and retaining strong ones • Cost reduction and risk diversification

In terms of risk management measures, the company has established a comprehensive natural disaster response plan to address potential extreme weather events, earthquakes, and other natural disasters to ensure business continuity. To reduce risks in the supply chain, Wafer Works implements a diversification strategy to minimize reliance on single regions or materials and enhance adaptability. Through material monitoring, the company sets safety stock levels and follows internal management procedures to coordinate material allocation in case of emergencies.

Currently, Wafer Works predominantly sources materials from Taiwan. To facilitate comprehensive business operations, we partner with procurement entities to actively promote ESG and green procurement initiatives, fostering material localization to bolster the growth of local suppliers. This strategy not only cuts down on unnecessary air and sea freight expenses but also diminishes the carbon footprint associated with material transportation.

Wafer Works also implements environmental protection mechanisms. In addition to pallets and PP buffer materials being recycled and reused by warehouse personnel, measures such as using recycled materials for packaging corner paper and recycling shipping boxes have been undertaken to reduce costs and minimize resource waste.

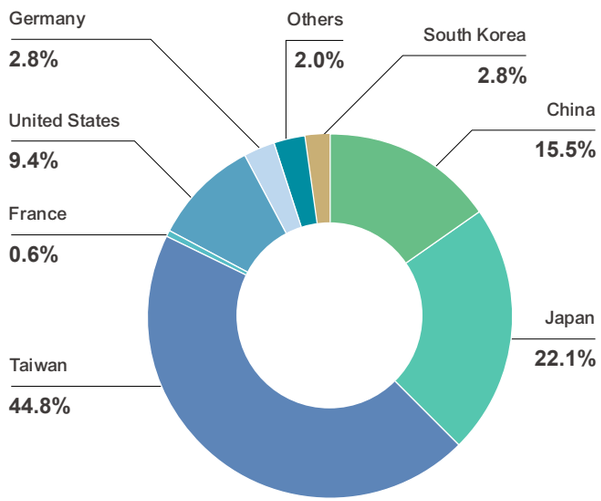
Percentage of Pallets, PP Buffer Materials, and Shipping Boxes Recycled in 2024	
PP buffer materials	9,760 (recycled) / 134,286 (total usage) * 100% = 7.3%
Pallets	805 (recycled) / 12,197 (total usage) * 100% = 7%
Shipping boxes	23,458 (recycled) / 276,193 (total usage) * 100% = 8.5%

Furthermore, Wafer Works has introduced Hy-Box pallet logistics containers to reduce the use of cardboard boxes and wooden pallets, thereby minimizing resource waste and promoting environmental sustainability. In 2024, this initiative resulted in savings of 3,960 cardboard boxes and 220 pallets. In addition, the Company continued to expand environmental sustainability projects in 2024. One of these initiatives includes the recycling of empty alcohol barrels, with a 30% recovery rate achieved in 2024. Wafer Works will continue to advance and implement this recycling program. The Company is also actively involved in green environmental policies. In 2024, it participated in the ESG Green Transportation Program for the Semiconductor Industry, promoting green logistics through the use of electric trucks and precision route planning to realize circular logistics integration.

Wafer Works views suppliers as important partners in co-creating value. Together with our brand customers, we aim to influence the supply chain to uphold business ethics and social responsibility, thereby reducing environmental resource consumption and impact. This enhances our ability to create value for the overall corporate governance, the economy, the environment, and society, fostering industry growth and sustainable development

Below is the regional distribution of Wafer Works' suppliers to mitigate concentration risk. We employ a multi-region strategy to develop suppliers:

2024 Supplier Distribution by Region (%)



Country	Percentage in 2022	Percentage in 2023	Percentage in 2024
China	11.0%	15.1%	15.5%
Japan	20.7%	22.6%	22.1%
Taiwan	47.6%	43.4%	44.8%
France	0.6%	0.6%	0.6%
United States	11.6%	10.7%	9.4%
Germany	3.0%	2.5%	2.8%
South Korea	3.0%	3.1%	2.8%
Others	2.4%	1.9%	2.0%
total	100%	100.0%	100%



Supplier Management

Wafer Works carries out evaluations of new suppliers based on comprehensive supplier selection, assessment, and sample approval processes to ensure that selected suppliers and materials meet requirements. Upstream suppliers must comply with RoHS standards, national regulations regarding occupational safety qualifications, and ISO certifications. They must label shipments containing hazardous materials, properly recycle containers and loading tools, and adhere to fair trade principles. We are committed to ensuring that trading partners fulfil environmental, occupational safety, and human rights requirements. Failure to comply with regulations will result in rejection and inclusion in the vendor evaluation process.

Furthermore, in response to the increasing emphasis on international human rights issues in recent years, when purchasing materials, parts, or products containing metal components, suppliers are required to thoroughly investigate compliance with "conflict-free metals" to ensure that purchased raw materials are obtained through legal channels. We ensure that the working environment is safe, employees' rights are protected and respected, pollution prevention is implemented in processes and products, and social responsibilities are fulfilled.

To ensure legal waste management practices, annual on-site audits are performed for all waste disposal providers to verify their proper handling of the waste entrusted to them.

Wafer Works is committed to refining and implementing its supply chain management policies. Looking ahead, the company will continue to collaborate closely with its suppliers to promote sustainable development strategies and further optimize existing supply chain management practices.



Supplier Management Vision

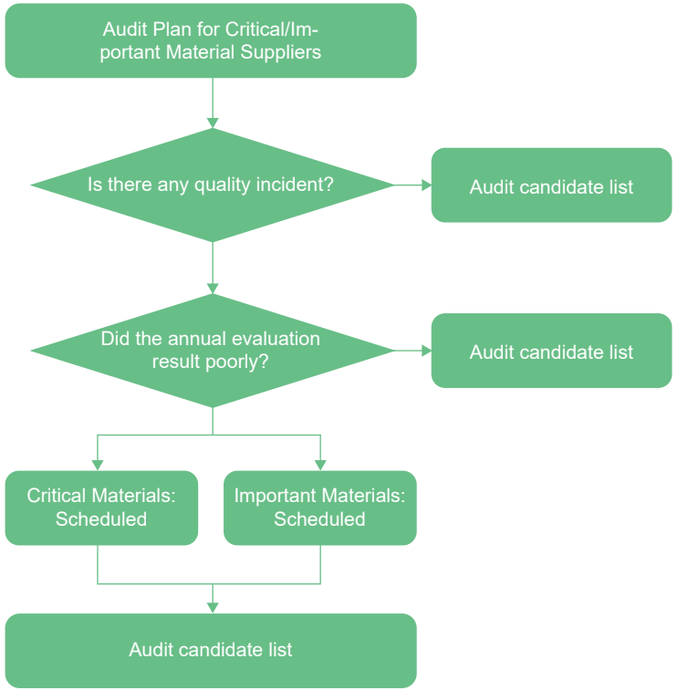
Wafer Works envisions strengthening product quality through collaboration with suppliers, balancing the effectiveness of supplier management and quality costs, and thereby enhancing customer service efficiency and satisfaction. This aims to build a win-win partnership within the supply chain with customers and suppliers.

Supplier management follows a process of retaining high-performing suppliers and phasing out underperformers. After a supplier is approved, a cross-functional team comprising engineering, procurement, and quality assurance departments conducts annual evaluations based on document submissions, material quality, lead time control, and overall performance. According to the internal supplier audit plan, once any instability is detected, the supplier will be urged to initiate continuous improvement.

Supplier Performance Monitoring Process



Supplier Audit Procedure



Supplier Evaluation

According to the "Qualified Supplier Evaluation and Assessment Regulations," Wafer Works conducts assessments of suppliers in terms of quality, delivery, pricing, cooperation, and sustainability every six months. Additionally, annual supplier audits are carried out to ensure that supplier performance meets the required standards. In the 2024 annual supplier evaluation, a total of 103 critical and important material suppliers were evaluated.

The results showed that 100% of the suppliers were graded B or above, matching expectations. Suppliers who fell short of the target were required to implement continuous improvement activities, with their progress monitored, and were included in the next year's audit plan. In 2023, three suppliers were listed for improvement tracking and all completed verification audits in 2024, meeting expectations. For the first half of 2024, three suppliers were rated below B, mainly due to quality issues. They were requested to peruse and sign the assessment report and provide improvement plans, with follow-up reviews completed by the Quality Assurance department in October 2023. In the second half of 2024, no suppliers received a grade below B, reaching the set target.

2024 Supplier Evaluation Results

Evaluation Period	2022 1st Half	2022 2nd Half	2023 1st Half	2023 2nd Half	2024 1st Half	2024 2nd Half
Number of suppliers	55	65	54	51	53	50
Actual number of suppliers evaluated	55	65	54	51	53	50
Number of suppliers with Grade B or above	53	60	51	51	53	50
Number of suppliers with Grade C or below	2	5	3	0	0	0
Percentage of suppliers with Grade B or above	96%	92%	94%	100%	100%	100%

Green Materials

To uphold sustainable development and fulfill social responsibility, Wafer Works has established a green material management mechanism. In accordance with the "Green Product-Related Substance Management Guidelines," relevant regulations such as RoHS , REACH/SVHC, and customer requirements, suppliers are requested each year to provide third-party laboratory test reports, commitments, or warranty letters to confirm that the related materials conform to RoHS and REACH/SVHC. The test results for heavy metals, and other harmful chemicals are all found to be "Not detected," ensuring that the company's products are safe for both humans and the environment.

Wafer Works consistently promotes green procurement, mandating suppliers of raw materials and packaging materials to provide certificates guaranteeing that their products do not contain environmentally harmful substances. Additionally, they are requested to provide test reports to ensure compliance with customer requirements and relevant regulations, as well as to confirm that materials from conflict areas are not used. Suppliers of raw materials and packaging materials are also obligated to provide commitments pledging not to use any materials from conflict areas. Wafer Works has drawn up the "Green Product-Related Substance Management Guidelines," which cover supplier management, raw materials, packaging material inspection, product verification, internal audits, and customer inquiries. Regarding regulations or directives governing harmful substances, such as RoHS and SONY SS-00259, which customers are concerned about, the official instructions are disseminated to company employees through the Knowledge Management System (KMS).

Wafer Works undertakes product compliance assessments in accordance with regulations or directives to ensure that all relevant substances are regulated and compliant with RoHS , REACH/SVHC, and customer requirements. This effort aims to meet the standards for green products and minimize the impact of products on the natural environment.

Green Product-Related Substance Management Procedure

Regulations/Directives/ Customer Requirements

- Regulatory Confirmation
- Customer Requirement Confirmation
- Compliance with RoHS , REACH/SVHC, SONY SS-00259
- Conflict minerals

Supplier Management & Audit

- Regulatory standards
- Customer requirements
- Request for submission of Safety Data Sheets (SDS), Hazardous Substance

Product Testing

- Annual requirement for third-party lab to provide HSF test results
- Verification that all results comply with regulatory and customer requirements

Green Procurement

Using products with environmental labels can reduce resource consumption, minimize environmental pollution, and lessen the impact on the planet. As a responsible global citizen, Wafer Works actively advocates for the procurement of green products to fulfill its corporate social responsibility, preserve the Earth's environment, and enforce green product policies. Furthermore, material suppliers are required to submit inspection reports batch by batch or on a periodic basis to prove compliance with diverse international environmental regulations on prohibited and restricted substances and to fulfill customer requirements, thereby endorsing the principles and dedication of green supply chain management.

Conflict Minerals

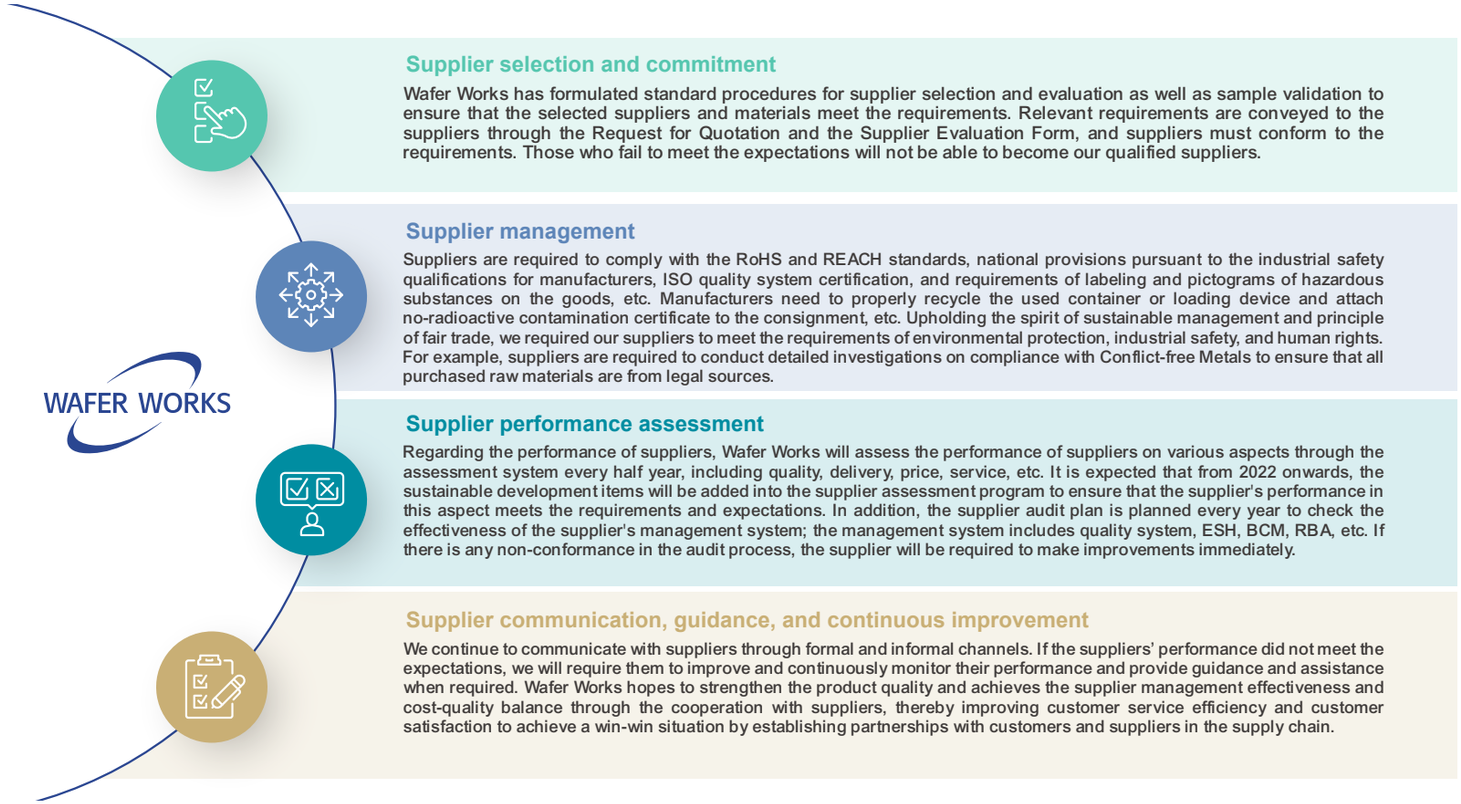
Wafer Works has incorporated the prohibition of "conflict minerals" into its supplier management policy. As a global citizen, we declare and pledge not to accept metals sourced from conflict areas. Furthermore, suppliers are obliged to commit to not using metals from such conflict areas in their products, thus leveraging market mechanisms to eliminate such practices.



Human Rights-Related Issues

Wafer Works Corporation requires suppliers to sign the Supplier Evaluation Form and the Wafer Works Supplier Code of Conduct. Suppliers must also complete a self-assessment questionnaire as requested by the Company to ensure that they do not employ forced labor (including bonded labor, involuntary prison labor, or slavery), and do not engage in discriminatory practices in recruitment or employment activities (such as promotion and compensation) based on race, color, age, gender, sexual orientation, disability, pregnancy, religion, political affiliation, union membership, or marital status. Additionally, suppliers must not violate child labor laws or corporate social responsibility standards. In the event of any deviations found at a supplier's operational site, the Company will initiate corresponding corrective actions.

Supplier Management Procedures



Supplier selection and commitment

Wafer Works has formulated standard procedures for supplier selection and evaluation as well as sample validation to ensure that the selected suppliers and materials meet the requirements. Relevant requirements are conveyed to the suppliers through the Request for Quotation and the Supplier Evaluation Form, and suppliers must conform to the requirements. Those who fail to meet the expectations will not be able to become our qualified suppliers.

Supplier management

Suppliers are required to comply with the RoHS and REACH standards, national provisions pursuant to the industrial safety qualifications for manufacturers, ISO quality system certification, and requirements of labeling and pictograms of hazardous substances on the goods, etc. Manufacturers need to properly recycle the used container or loading device and attach no-radioactive contamination certificate to the consignment, etc. Upholding the spirit of sustainable management and principle of fair trade, we required our suppliers to meet the requirements of environmental protection, industrial safety, and human rights. For example, suppliers are required to conduct detailed investigations on compliance with Conflict-free Metals to ensure that all purchased raw materials are from legal sources.

Supplier performance assessment

Regarding the performance of suppliers, Wafer Works will assess the performance of suppliers on various aspects through the assessment system every half year, including quality, delivery, price, service, etc. It is expected that from 2022 onwards, the sustainable development items will be added into the supplier assessment program to ensure that the supplier's performance in this aspect meets the requirements and expectations. In addition, the supplier audit plan is planned every year to check the effectiveness of the supplier's management system; the management system includes quality system, ESH, BCM, RBA, etc. If there is any non-conformance in the audit process, the supplier will be required to make improvements immediately.

Supplier communication, guidance, and continuous improvement

We continue to communicate with suppliers through formal and informal channels. If the suppliers' performance did not meet the expectations, we will require them to improve and continuously monitor their performance and provide guidance and assistance when required. Wafer Works hopes to strengthen the product quality and achieves the supplier management effectiveness and cost-quality balance through the cooperation with suppliers, thereby improving customer service efficiency and customer satisfaction to achieve a win-win situation by establishing partnerships with customers and suppliers in the supply chain.

04

Environmental Sustainability

4.1 Energy Conservation and Water Recycling Strategies

4.2 Climate Change and Carbon Emissions

4.3 Pollution Prevention and Management

4.4 Circular Economy and Waste Management



Performance

In 2024, the Company did not violate any environmental regulations and incurred no environmental fines.

12.8

Wafer Works actively promoted energy-saving measures, achieving energy savings of 1,800,485 kWh at the Longtan Plant and 1,576,519 kWh at the Yangmei Plant in 2024. The Company met its annual energy-saving target of 1.5%, and the total electricity savings increased by 2.8% compared to the previous year.

7.3

In 2024, Wafer Works achieved a waste recycling rate of 87%, meeting the target and contributing efforts to reduce waste and promote recycling.

12.5

4.1 Energy Conservation and Water Recycling Strategies

GRI: 3-3、303-1、303-2、303-3、303-4、303-5、305-5 SASB: TC-SC-130.a.1、TC-SC-140.a.1

Material Topic | Energy Conservation and Water Recycling Strategies

Actual Positive Impact

Purchasing green electricity to reduce carbon emissions, implementing energy-saving measures, recycling and reusing water within the plants, and investing in recycling technologies.

Actual Negative Impact

Carbon fee imposition, high costs of replacing filters for exhaust treatment equipment (local scrubbers), high costs for energy-saving and water recycling facilities, and the need for continuous improvement in water-saving measures for manufacturing processes.

Commitments and Policies

- Energy-saving target: 1.5% reduction compared to the previous year
- Water usage target: 1% reduction compared to the previous year
- Continuously promote water recycling programs annually to reduce water usage and protect water resources

Topic Boundaries | Wafer Works Longtan and Yangmei fabs

2024 Goals and Achievements

- Target electricity savings: 3,852,280 kWh/year
- Actual electricity savings: 3,377,004 kWh/year
- Target water savings: 79,632 tons/year
- Actual water savings: 32,042 tons/year

Short, Medium, and Long-Term Goals

Short-term Goals for 2030

- Carbon reduction target: 1.5% annual electricity savings
- Water conservation target: 1% annual reduction in total water usage

Mid-term Goals for 2035

- Carbon reduction target: 14% reduction
- Continued reduction efforts and promotion of water recycling programs

Long-term Goals for 2050

- Carbon reduction target: Net zero emissions
- Continued reduction of wastewater and effluent discharge

Responsibilities & Resources

- Responsible Unit:Facility Management
- Funding:Conduct water-saving projects annually and submit budget proposals for review

Specific Actions

- Preventive/Corrective Measures:Track and review progress of each water-saving/electricity-saving project using PDCA cycle
- Management Measures: Quarterly tracking of electricity, gas, and water savings effectiveness

Effectiveness Tracking

- Purchasing 8% of contract capacity for green energy
- Quarterly tracking of electricity and gas savings, reporting to the Sustainable Development Committee
- Quarterly holding management review meetings to track ISO 50001 effectiveness, and obtaining third-party verification
- Quarterly board reporting on electricity savings
- Quarterly tracking of water savings, reporting to the Sustainable Development Committee
- Daily receipt of data on the previous day's water usage and effluent volumes by relevant units, with abnormal conditions reviewed
- CDP Water Security Rating upgraded from D to B
- Wastewater discharged into water bodies undergoes quarterly water quality testing at third-party laboratories, assessing the wastewater/effluent quality. Wastewater discharged into municipal systems undergoes wastewater/effluent quality testing semi-annually
- Every day, facility personnel conduct effluent quality testing and compare it with online readings, making adjustments as necessary. Additionally, every other week, water samples are collected and sent to third-party laboratories for further testing and verification

Water Usage and Recycling

Wafer Works' water intake has had minimal impact on the local area. Both the Yangmei and Longtan fabs are situated in Taoyuan City. According to the World Resources Institute's "Aqueduct Water Risk Atlas," the areas where Wafer Works operates face a medium to low risk of water resource stress. The Longtan fab draws water from third-party providers (tap water) and utilizes surface water collected from rainwater. This water undergoes sedimentation in settling tanks before being recycled for various purposes. Similarly, the Yangmei fab obtains water from third-party providers (tap water) and licensed underground wells. During the establishment and expansion of our facilities, we had consistently submitted water usage plans, which had been approved by the relevant regulatory authorities. These plans were then evaluated by the Taiwan Water Corporation Second Branch to ensure they meet the required water demand. The water source is drawn from the Shihmen Reservoir, which provided an average water supply of 556,730,000 tonnes annually from 2018 to 2022. According to the 46th issue of the 2023 Taiwan Water Corporation Annual Statistics Report, the total water output from the Second District Management Office was 388,825,012 metric tons. In 2024, the Company's total water withdrawal amounted to 1,996,590 metric tons (756,010 tons + 1,240,580 tons), accounting for 0.51% of the total water withdrawal, indicating no significant impact on local water resources.

Air conditioning condensate was recycled for use in scrubbers, equipment water was recovered, facility processing units were adjusted for water reuse, and CT system leakage losses were reduced.

Effluent Discharge

Wafer Works treats all wastewater through proper sewage facilities, ensuring that effluent quality meets the regulatory discharge standards. Regular testing is performed to ensure that the effluent does not significantly impact nearby water bodies. Moreover, Wafer Works has a monitoring and data acquisition system in place to oversee various indices during the wastewater treatment process, including Chemical Oxygen Demand (COD), Suspended Solids (SS), fluoride concentration (F-), and pH levels. This system allows for immediate action in case of any malfunction, preventing environmental contamination. If abnormal water quality is detected, the monitoring system promptly alerts on-duty personnel to take appropriate measures to prevent violations and environmental pollution. Since its inception, Wafer Works has placed a premium on water pollution prevention and water resource management. We continue to promote water recycling initiatives annually, striving to reduce water consumption and protect water resources.

Water Quality Testing	SS		COD		Nitrate Nitrogen		Ammonia Nitrogen		Fluoride		pH	
Fab	Longtan	Yangmei	Longtan	Yangmei	Longtan	Yangmei	Longtan	Yangmei	Longtan	Yangmei	Longtan	Yangmei
Discharge Standard	300	30	500	100	50	50	50	30	15	15	6-9	6-9
Test Results	38.4	1.7	227	32.0	30.4	0.3	30.8	9.9	7.2	6.5	8.2	7.4

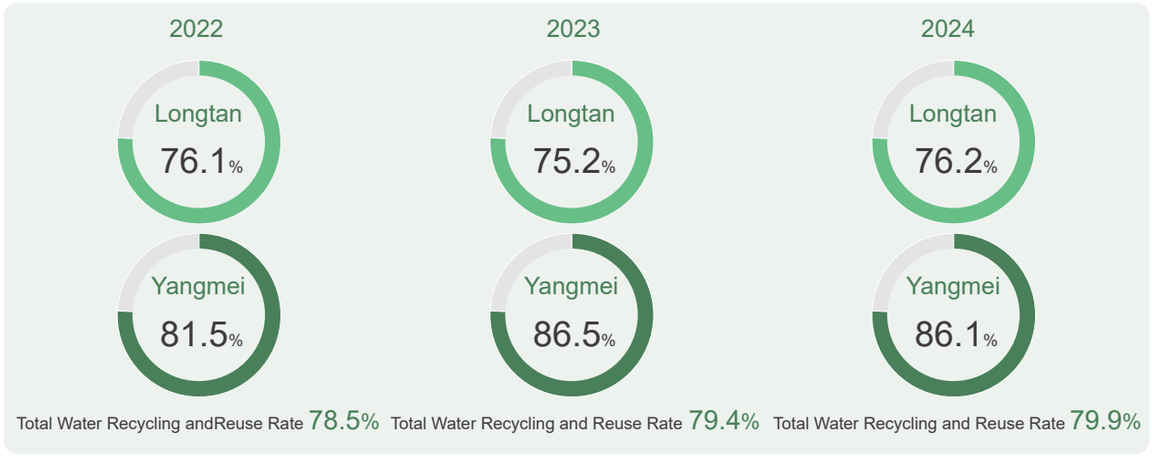
During the reporting period, Wafer Works' water intake was 756.01 million liters for the Yangmei fab and 1,240.58 million liters for the Longtan fab. The total wastewater produced was 708.44 million liters for the Yangmei fab and 1,050.31 million liters for the Longtan fab.

The monitored values of water intake and discharge for Wafer Works' Longtan and Yangmei fabs during the reporting period are as follows

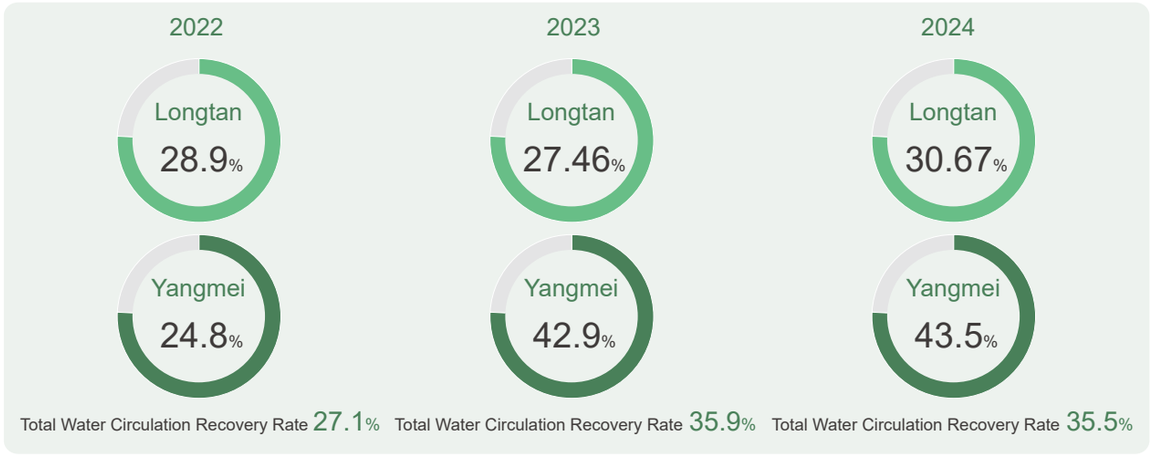
Year	2022		2023		2024	
Plant	Longtan	Yangmei	Longtan	Yangmei	Longtan	Yangmei
Water Intake (Million Liters)	1,314.02	1,039.77	1,218.26	720.95	1,240.58	756.01
Total Water Withdrawal (in million liters)	2,353.79		1,939.21		1,996.59	
Water Discharge (Million Liters)	1,102.42	948.92	1,020.82	646.52	1,050.31	708.44
Total Wastewater Discharge (in million liters)	2,051.34		1,667.34		1,758.75	
Water Consumption (Million Liters)	211.60	90.85	198.8	74.95	190.27	47.57
Total Water Consumption (in million liters)	302.45		273.75		237.84	
Internal Recycled Water Usage (Million Liters)	380.45	258	386.5	309	380.5	329
Total Internal Water Reuse (in million liters)	638.45		695.5		709.5	
Water Recycling Rate (%)	76.1	81.5	75.20	86.5	76.2	86.1
Total Water Recycling and Reuse Rate (%)	78.5		79.4		79.9	
Water Circulation Recycling Rate (%)	28.9	24.8	27.46	42.9	30.67	43.5
Total Water Circulation Recovery Rate (%)	27.1		35.9		35.5	
Revenue (Million NTD)	12,677.43		10,047.81		8,721.12	
Water Intake Intensity (Million Liters/Million NTD)	0.186		0.193		0.229	

Note 1: Water Recycling and Reuse Rate = (Condensate and rainwater recovery + Process water treatment recovery + Scrubber wastewater recovery) ÷ ((Raw water + Condensate and rainwater recovery + Process water treatment recovery + Scrubber wastewater recovery) – Evaporation loss from cooling towers and scrubbers)
Note 2: Water Circulation Recovery Rate = Internal water reuse volume ÷ Water withdrawal volume
Note 3: Wastewater discharge destinations: third-party treatment (Longtan Plant); surface water (Yangmei Plant)

Water recycling rate



Water Circulation Recycling Rate



Energy Management and Policy

Wafer Works Energy Management and Policy

As a professional supplier of semiconductor materials, Wafer Works is dedicated to implementing an energy-efficient and low-carbon operational environment, fulfilling its corporate social responsibility for environmental safety and continuous improvement. Wafer Works pledges to fully implement an energy management system. To demonstrate our support and devotion to the overall energy management goals and to communicate the correct message to all employees and stakeholders, Wafer Works commits to the following:

1. Adhering to energy laws and related regulations.
2. Supporting the use of energy-efficient products and services, ensuring the acquisition of information resources.
3. Undertaking to continuously improve energy performance and implement an energy management system.
4. Achieving energy goals and targets and conducting regular reviews.
5. Engaging all employees in energy conservation and carbon reduction to minimize greenhouse gas emissions.

The energy usage of Wafer Works' Longtan Plant during the reporting period is shown in the table below. In 2024, the Longtan Plant saved 1,800,485 kWh of electricity, reducing energy usage by 6,482 GJ with an energy-saving rate of 2.2%. In the same year, the Yangmei Plant saved 1,576,519 kWh, reducing energy usage by 5,675 GJ, with an energy-saving rate of 4.0%.

Longtan Plant				
Quantitative Indicators	Unit	2022	2023	2024
Diesel Usage	L/Year	1,018	4,062	770
Diesel Usage	GJ	35.77	142.76	27.06
Electricity Usage	kWh/Year	88,076,800	83,050,800	88,407,600
Electricity Usage	GJ	317,076.48	298,982.88	318,267.36
Renewable Energy Usage	kWh/Year	0	826,000	826,000
Renewable Energy Usage	GJ	0	2,973.60	2,973.60
Percentage of Renewable Energy	%	0	0.98%	0.93%
Total	GJ	317,112.26	302,099.24	321,268.02

Note 1: One kilowatt-hour (kWh) equals 3.6 million joules, and one gigajoule (GJ) equals 109 joules (source: https://zh.wikipedia.org/zh-tw/%E5%8D%83%E7%93%A6%C2%B7%E6%99%82). The heating value of diesel is 8,400 Kcal per liter, and the heating value of LNG is 8,000 Kcal per cubic meter (referenced from the Greenhouse Gas Emission Factor Management Table 6.0.4 edition). One Kcal equals 4,184 joules (source: https://www.rapidtables.org/zh-TW/convert/energy/kcal-to-joule.html).
Note 2: Both fabs started purchasing green electricity certificates in May 2023.
Note 3: The Company did not sell any energy.
Note 4: The statistical errors in diesel usage in 2022 and 2023 have been corrected, so the total energy usage has also been corrected

Yangmei Plant				
Quantitative Indicators	Unit	2022	2023	2024
Diesel Usage	L/Year	4,920	6,305	4,164
Diesel Usage	GJ	172.92	221.59	146.35
Liquefied Natural Gas (LNG) Usage	m^3/Year	568,658	414,459	540,112
Liquefied Natural Gas (LNG) Usage	GJ	19,034.12	13,872.77	18,078.63
Electricity Usage	kWh/Year	52,586,800	40,051,200	39,503,024
Electricity Usage	GJ	189,348.48	144,184.32	142,210.89
Renewable Energy Usage	kWh/Year	0	810,000	810,000
Renewable Energy Usage	GJ	0	2,916	2,916
Percentage of Renewable Energy	%	0	1.81%	2.05%
Total	GJ	208,555.52	161,194.68	163,351.86

Note 1: One kilowatt-hour (kWh) equals 3.6 million joules, and one gigajoule (GJ) equals 109 joules (source: https://zh.wikipedia.org/zh-tw/%E5%8D%83%E7%93%A6%C2%B7%E6%99%82). The heating value of diesel is 8,400 Kcal per liter, and the heating value of LNG is 8,000 Kcal per cubic meter (referenced from the Greenhouse Gas Emission Factor Management Table 6.0.4 edition). One Kcal equals 4,184 joules (source: https://www.rapidtables.org/zh-TW/convert/energy/kcal-to-joule.html).
Note 2: Both fabs started purchasing green electricity certificates in May 2023.
Note 3: The Company did not sell any energy.

Longtan Plant			
Item	2022	2023	2024
Annual Electricity Saved (kWh)	1,041,752	1,187,672	1,800,485
Annual Electricity Consumption (kWh)	88,076,800	83,050,800	88,407,600
Average Annual Energy-Saving Rate (%)	1%	1%	2%

Note 1: Average Annual Energy-Saving Rate (%) = Annual Electricity Saved ÷ (Annual Electricity Saved + Annual Electricity Consumption)
Note 2: The calculation period for energy savings from energy-saving measures is up to a maximum of 12 months starting from the month of implementation. If the calculation period spans across years, the saved electricity should be recorded according to the respective year.

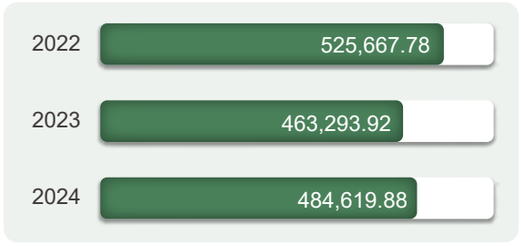
Yangmei Plant			
Item	2022	2023	2024
Annual Electricity Saved (kWh)	1,476,833	897,318	1,576,519
Annual Electricity Consumption (kWh)	52,586,800	39,241,200	39,503,024
Average Annual Energy-Saving Rate (%)	3%	2%	4%

Note 1: Average Annual Energy-Saving Rate (%) = Annual Electricity Saved ÷ (Annual Electricity Saved + Annual Electricity Consumption)
Note 2: The calculation period for energy savings from energy-saving measures is up to a maximum of 12 months starting from the month of implementation. If the calculation period spans across years, the saved electricity should be recorded according to the respective year.

Energy Intensity

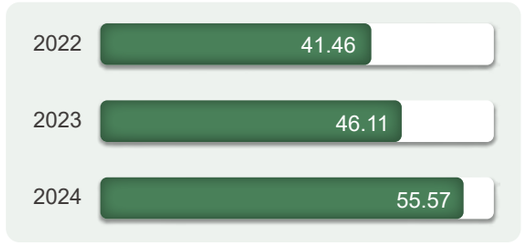
Total Energy Usage

unit：GJ



Energy Intensity

Unit: GJ/million revenue



Note: The total energy use and energy intensity will be revised in 2022 and 2023.

Energy Saving Achievements

Longtan Plant				
No.	Energy-Saving Measures	Specific Actions	Estimated Energy Savings (GJ)	Carbon Emissions Reduction (tCO_2e)
1	Temperature Increase in Class 1,000 Cleanroom	Adjustment of cleanroom temperature and humidity (from 23° C 50%RH to 23.5° C 55%RH)	368	50.45
2	Replacement of T5 with LED in Class 1,000 Cleanroom Lighting	Replaced 2,000 T5 fluorescent tubes with T5 LED tubes	152	20.87
3	Water Conservation Measures Reducing Load on Wastewater Treatment System	1. Equipment Disco #1 to #5, TCFD#01 2. Reclaimed water in facilities processing units 3. Recovery system (UF) restoration and related improvements	191	26.18
4	Stopping Intermediate Pump Operation to Reduce Power Consumption	Changed BD equipment water supply to direct supply from ROW pumps, reducing electricity use from 7.5HP intermediate pumps	177	24.23
5	Replacement of T5 with LED in General Plant Lighting	1. Replaced 190 T5 28W tubes with 16W LED tubes 2. Replaced 53 26W recessed lights with 15W LED recessed lights	90	12.39
6	Replacement of T5 with LED in Wafer Manufacturing Area Lighting	Replaced 413 T5 tubes with LED tubes	96	13.20
7	Variable Frequency Operation of AHUs in Electrical/Power Stations	1. Air handling units in all floors operate at full load 2. Plan to apply VFD to 12 units (2HP×1, 5HP×7, 10HP×1, 15HP×3) totaling 68.2kW 3. Operating frequency reduced from 60Hz to 50Hz	380	52.08
8	Replacement of Blowers in Wastewater Facility with Turbo Blowers	1. Currently using two 40HP Roots blowers for tank agitation 2. Plan to use turbo blowers with air foil bearings and high-speed permanent magnet motors, expected to save 20–40% energy	123	16.84

Longtan Plant				
No.	Energy-Saving Measures	Specific Actions	Estimated Energy Savings (GJ)	Carbon Emissions Reduction (tCO_2e)
9	VFD Control for Scrubber Circulation Pumps	1. Two 15HP pumps currently operate at full load with throttling valves 2. VFD control to reduce frequency from 60Hz to 40Hz	166	22.78
10	Variable Frequency Operation of AHUs in Non-Production Areas	1. Non-production area AHUs operate at full load 2. Plan to apply VFD to 12 units (1HP×1, 2HP×1, 5HP×2, 7.5HP×1, 10HP×4, 15HP×3) 3. By implementing variable frequency drive (VFD) control, the operating frequency can be reduced from 60Hz to 50Hz	438	60.15
11	Replacement of T5 with LED in Phase I Crystal Growth (Outdoor & Evaluation Room)	1. 65 fixtures with 138 T5 28W tubes 2. Replaced all 138 tubes with T5 LED tubes	26	3.50
12	MAU Condensate Recovery for Cooling Towers	1. 6 MAUs in the plant, total airflow 365,000 CMH 2. Dehumidification condensate at ~12° C reused for cooling towers, providing water and energy saving 3. Daily recovery ~76 CMD, reducing fan airflow by 380 CMM	70	9.58
13	Cleanroom Temperature/ Humidity Adjustment in Polycrystal Cleaning Area (23℃ 50RH%→23.5℃ 55RH%)	1. Previously controlled at 23° C 50%RH 2. Adjusted to 23.5° C 55%RH without affecting comfort/cleanliness 3. External airflow 117 CMM, saving 10,423 kWh/ year	38	5.15
14	Replacement of T5 with LED in Class 1,000 Cleanroom of Surface Treatment Area	LED lighting replacement resulted in 8,494 kWh/ year energy savings	30	4.15
15	Reduction of Waste from LSR1 Backwash Pump P-710C Operation	1. Currently, 15DI reclaimed water is first sent to LSR1. If it exceeds LSR1 capacity, excess water is pumped to LSR2 via pump P-710C. 2. By adjusting the tank level of LSR1 to accommodate all 15DI water, pump activation frequency is reduced. 3. Estimated savings: 20,515 kWh/year	74	10.13

Longtan Plant				
No.	Energy-Saving Measures	Specific Actions	Estimated Energy Savings (GJ)	Carbon Emissions Reduction (tCO_2e)
16	VFD Control for A003 Scrubber Circulation Pumps	1. Two 10HP pumps currently run at full load with total flow ~1,500 lpm; operating minimum required is 700 lpm. 2. With VFD, reduce frequency from 60Hz to 40Hz; total flow reduced to 1,000 lpm.	111	15.19
17	VFD Control for A005 Scrubber Circulation Pumps	1. Two 10HP pumps currently run at full load with total flow ~1,500 lpm; operating minimum required is 800 lpm. 2. With VFD, reduce frequency from 60Hz to 48Hz; total flow reduced to 1,200 lpm.	77	10.53
18	Upgrade Lighting in Polycrystal Processing Area (T8 to LED)	1. The polycrystal cleaning area was equipped with 213 fixtures using 213 T8 fluorescent tubes (28W each). 2. Replaced 213 28W T8 tubes with T8 LED tubes.	43	5.85
19	Raise Temperature in Class 1,000 Cleanroom of Production Area 4 (from 23° C 50%RH to 23.5° C 55%RH)	1. Conducted process feasibility assessment. 2. Based on inlet airflow of ~1,050 CMM, estimated energy savings through temp/humidity adjustment.	128	17.63
20	RO Booster Pump Efficiency Improvement	1. Five RO units with eight high-pressure pumps. 2. Four 20HP pumps require 60Hz to meet 50Hz flowrate of new units. 3. Replacing underperforming pumps improves efficiency.	216	29.61
21	Dynamic Adjustment of 12° C Chilled Water Outlet Temperature and Load	1. 12° C chilled water serves PCW in Crystal Growth Phase I / Production building / AHU / dry coil exchanger. 2. Raising outlet temp and increasing chiller load improves operating efficiency.	1,735	238.10

Longtan Plant				
No.	Energy-Saving Measures	Specific Actions	Estimated Energy Savings (GJ)	Carbon Emissions Reduction (tCO_2e)
22	Switch from Wire Saw to Diamond Wire Saw (DWS)	1. Introduced 12 DWS units to reduce slurry-type WS machines. 2. Power use: DWS = 148 kWh/day; WS = 241 kWh/day. 3. Annual electricity savings ~173,242 kWh.	624	85.58
23	Buffer Tank Insulation	Installed thermal insulation on buffer tanks to reduce heat loss and improve energy efficiency.	86	11.86
24	Equipment Lighting LED Replacement	Replaced a total of 112 LED fixtures; annual savings ~12,529 kWh.	45	6.19
25	Reduction of General Exhaust from Equipment	1. Reduced general exhaust by lowering fan frequency. 2. Reduced exhaust from 12-inch auto-adhesion/ detachment machines and HVAC.	260	35.65
26	Energy-Efficient Hot Zone in Crystal Growth (3 units, Longtan Plant)	Improved insulation and reduced energy consumption (18" G1 to G3); fewer heating/cooling cycles, shorter crystal growth time.	47	6.40
27	Process Optimization at Crystal Growth Plant	Optimized operations (e.g., material tailing time, temperature test time, motor running time).	229	31.40
28	VFD Installed on Polycrystal Dust Collector	Installed VFD to reduce electricity consumption.	5	0.73
29	Replacement of One IGBT Power Supply Unit (Crystal Growth Plant)	Replaced one IGBT power supply unit to improve efficiency.	348	47.80
30	Night Shutdown of Ovens in Polycrystal and External Areas	Nighttime shutdown of ovens resulted in ~142,568 kWh/year in electricity savings.	51	7.04
31	Lighting LED Upgrade	Replaced T5 with LED lighting in outer corridors of production areas.	39	5.32
32	Lighting LED Upgrade	Replaced T5 with LED lighting in raw materials and finished goods warehouses.	21	2.87
Total			6,482	889.44

Note: The emission reductions refer to the reduction of indirect emissions from electricity consumption (Scope 2). The emission factor for electricity is based on the 2023 value of 0.494 kg CO_2e per kWh.

Yangmei Plant				
No.	Energy-Saving Measures	Specific Actions	Estimated Energy Savings (GJ)	Carbon Emissions Reduction (tCO^2e)
1	AHU07 Air Handling Unit Improvement Project	Converted electric heating rods in the AHU of Area F cleanroom to hot water coil heating	2,970	407.49
2	POLY Area AHU Fan Heating System Improvement	Converted the existing electric heating in the POLY area AHUs to hot water coil heating	381	52.22
3	Scrubber Pump Replacement Project	Replaced IE3 motors with IE4 motors A011, A014, A013, A010, A001	8	1.10
4	A001 Scrubber Fan Replacement Project	Replaced IE1 motors with IE3 motors 30hp *2	17	2.27
5	CDA#2 Power Conversion from UPS-C to Emergency Power	Replaced the low-efficiency UPS-C system for CDA#2 with emergency power, reducing conversion loss from 9% to 0%	322	44.14
6	Condensate Recovery Project for MAUs and AHUs to CT	Recovered condensate water from MAUs and AHUs to cooling towers to reduce CT electricity consumption and evaporation loss	58	7.95
7	Chiller Refrigerant-Side Energy-Saving Project – FRIGAID Additive	Added FRIGAID refrigerant additive to reduce chiller power consumption by 2.79%. Based on a four-year average chiller power usage of 192,442 kWh/year, estimated annual savings: 160,370 kWh	583	80.02
8	Crystal Growth Furnace UPS #B Circuit Converted to Normal Power	Improved power conversion efficiency from 93% to 100% (2 furnaces at 150kW each)	255	34.94
9	Replacing AHU in Chiller Room with Exhaust Fan	Replaced AHU with 5HP exhaust fan and reduced 10RT chilled water usage, saving approximately 59,744 kWh/year	204	28.04
10	The number of operating WS units has been adjusted from 11 units to 4 DWS units and 3 WS units	Introduced DWS to reduce WS usage; to produce 130,000 wafers, only 2 DWS and 2 WS units are needed; significant annual energy savings expected	718	98.55
11	Installation of 5 Additional G3 Hot Zones in Crystal Growth Plant	In May 2024, two furnaces converted to G3 hot zones (10+2 configuration); by November 2024, three more G3 conversions expected (1 per month from Sep to Nov)	161	22.09
Total			5,675	778.8

Note: Emission reductions refer to indirect emissions from electricity consumption (Scope 2). The emission factor for electricity is based on the 2023 value of 0.494 kg CO^2e per kWh.

4.2 Climate Change and Carbon Management

GRI: 3-3、201-2、305-1、305-2、305-3、305-4、305-5
SASB: TC-SC-110.a.1、TC-SC-110.a.2

Material Topic | Climate Change and Carbon Emissions

Actual Positive Impacts

Sustainable Operations

Actual Negative Impact

Global climate anomalies leading to water shortages and operational disruptions due to heavy rainfall

Commitments and Policies

Embracing energy conservation and carbon reduction for sustainable environmental practices, mitigating greenhouse effects

Topic Boundaries | Wafer Works Longtan Fab, Yangmei Fab

2024 Goals and Achievements

- GHG questionnaires based on ISO 14064-1:2018 have been distributed to upstream suppliers to collect and verify data related to transportation emissions.
- TCFD report optimization
- Maintained Management Level in CDP Climate Change Assessment.
- Conducted carbon footprint inventory of key products.

Short, Medium, and Long-Term Goals

Short-Term

- Conduct climate change risk assessments to identify risks and opportunities.
- Install a second Taipower electricity supply feeder to reduce the use of emergency diesel generators.
- Set an annual carbon reduction target of 1.5% compared to the previous year.

Medium-Term

- Achieve a 10% reduction in process gas N_2O emissions
- Obtain ISO 14064-1:2018 verification.
- Apply for a voluntary carbon reduction program.

Long-Term

- Carbon reduction target: net zero emissions

Responsibilities & Resources

Responsible Unit: Occupational Safety and Health Office
Budget:Submit annual budget for review.
Management: 4 project staff members.
Other:Develop carbon reduction plans in collaboration with factory administration and production.

Specific Actions

- Preventive/Remedial Measures: Track high-risk climate change issues quarterly and report to the Sustainability Committee, General Manager, and Chairman
- Management measures:Develop implementation plans for high-risk response measures and conduct follow-up reviews every quarter

Effectiveness Tracking

- Quarterly reporting to the Board of Directors on implementation results of climate-related financial impact response strategies.
- Engage third-party verification body for ISO 14064-2:2019 verification.
- Progress compiled quarterly by the responsible task force and reported to the Sustainability Development Committee and Board of Directors.
- Implementation of voluntary carbon reduction programs.



Climate Change Response

Wafer Works has established internal control and audit systems, as well as risk management measures. Due to global warming leading to extreme weather events and the rising awareness of environmental conservation, energy efficiency, safety, and health, the Company has striven to fulfill its corporate social responsibility to establish a foothold in the industry. Following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), Wafer Works' response can be categorized into governance, strategy, risk management, indicators, and targets. Sustainable Development Committee members identify climate-related risks and opportunities, formulate response strategies, and report to the Board of Directors annually. The Board of Directors oversees the effectiveness of implementation.

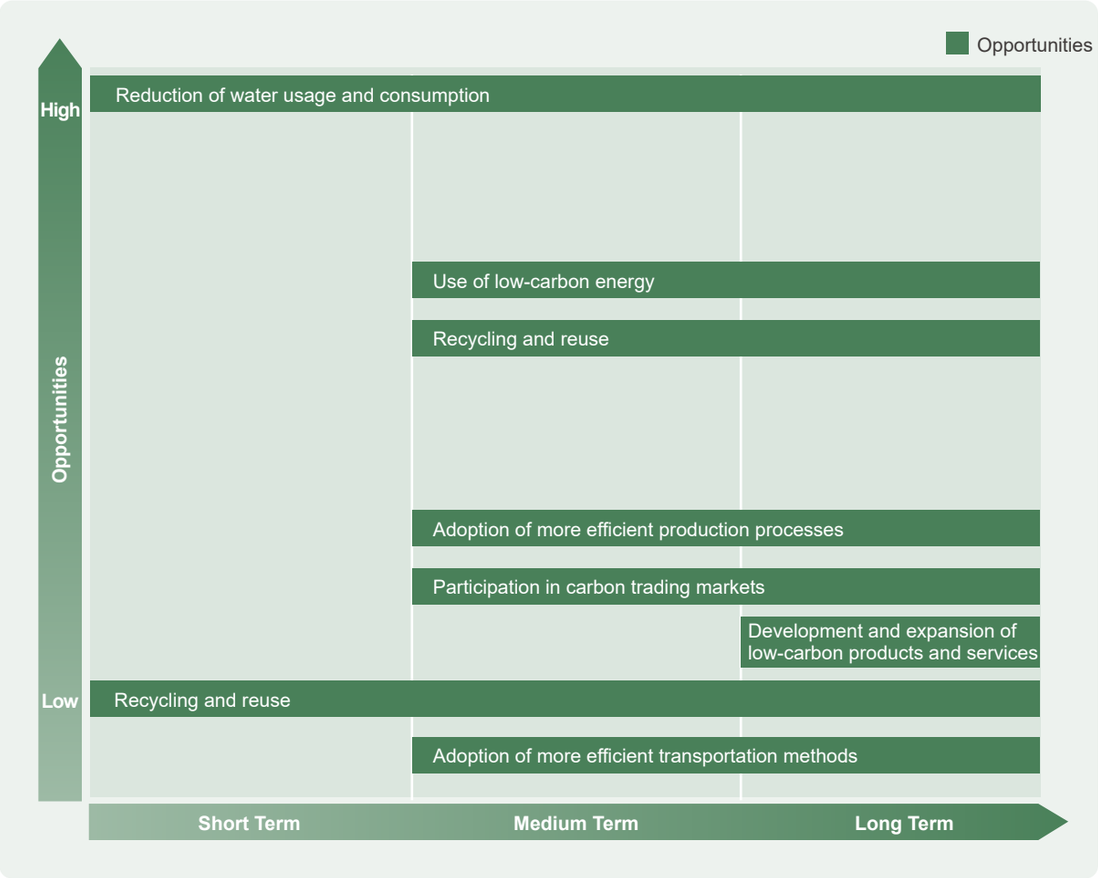


Governance	Strategies	Risk Management	Indicators and Objectives
Governance of Wafer Works' Climate-Related Risks and Opportunities	Business, strategic, and financial planning for actual and potential climate-related impacts	Climate-related Risk Management Process	Indicators and objectives for assessing and managing climate-related issues
The governance of climate risks and opportunities, along with annual sustainability risk management issues, is reported to the Board of Directors by the President annually, with oversight of the implementation effectiveness by the Board of Directors.	Refer to the 2024 Short, Medium, and Long-Term Climate Risk and Opportunity Table	Please refer to the following charts: Risk Strategy: Climate Change Opportunities and Risk Matrix Analysis (Short-, Medium-, and Long-Term) Figure 1, Figure 2 Transition Risks / Climate Opportunities (Table 1) Physical Risks / Climate Opportunities (Table 2)	Completion of greenhouse gas inventory and increased website and public information disclosure in 2024 Greenhouse gas inventory verified by a third party
The President serves as the Chairperson of the Committee for Climate Risk and Opportunity Governance, with first-level unit managers responsible for risk identification, assessment, and handling.	Refer to climate-related impacts		Scope 1 emissions of 6,743.37metric tons; Scope 2 emissions of 63,187.84 metric tons; Scope 3 emissions of 24,38.85metric tons in 2024 Total carbon emissions in 2024 increased by 12% compared to 2023.
	The Company discusses the 2° C Scenario (2DS) at risk committee meetings, using tools provided by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP) to assess physical climate change risk scenarios, ultimately choosing the 2DS / RCP2.6 scenario as the Company's physical climate change risk scenario. In this scenario, topic descriptions of climate change risks and opportunities are provided for physical risks, regulatory transition risks, etc.	The Company's risk management system has incorporated climate risks and opportunities into the operations of each unit	Achievement of a 5.2% renewable energy usage rate by 2030

Note 1: Short-term refers to 1-5 years, medium-term refers to 5-10 years, and long-term refers to over 10 years

Risk Strategy: Climate Change Opportunities and Risk Matrix Analysis (Short-, Medium-, and Long-Term)

Climate Change Opportunity Matrix (Figure 1)



Climate Change Opportunity Matrix (Figure 2)

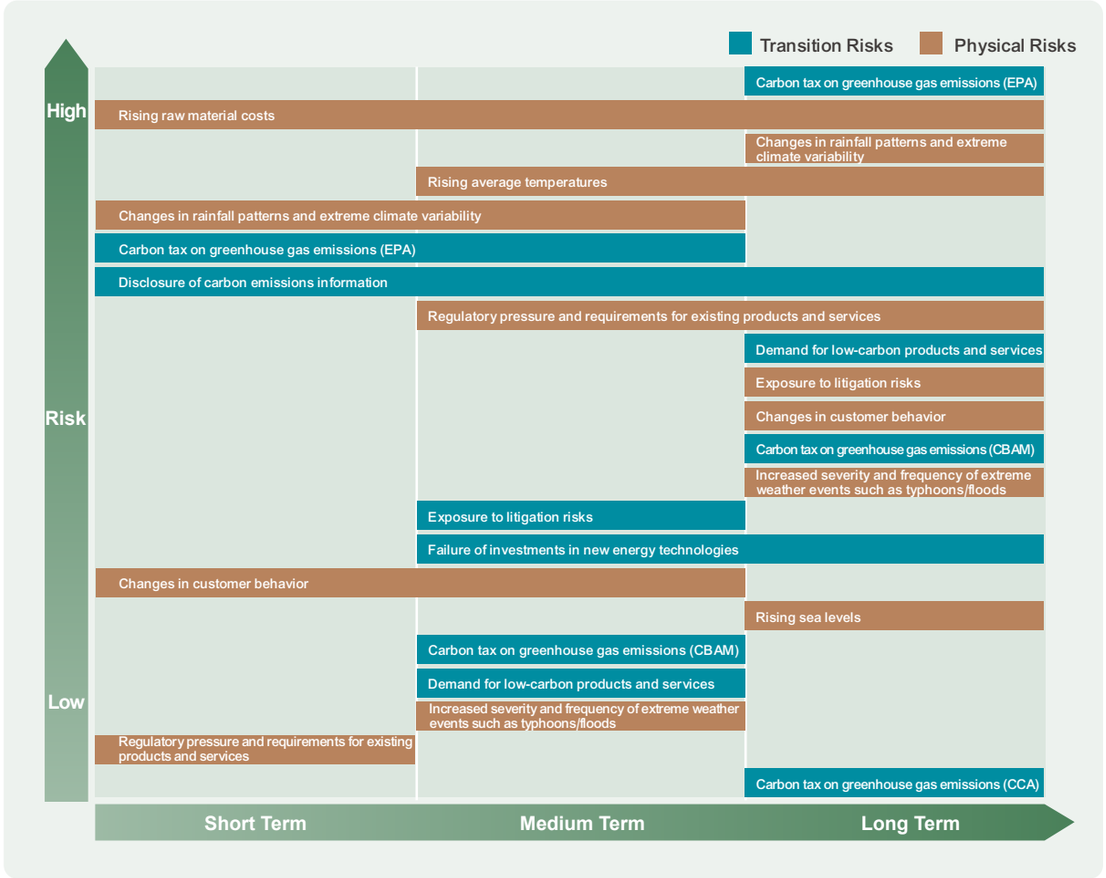


Table 1

Transition Risks / Climate Opportunities		
★ Risk / ● Opportunity	Potential Financial Impact -/+	Key Mitigation Strategies
★ Carbon tax on greenhouse gas emissions (EPA)	-Increase in operating costs	☑Set carbon reduction targets and apply for voluntary carbon reduction programs to lower carbon tax rates ☑Install solar equipment and utilize green energy to reduce carbon emissions
★ Carbon tax on greenhouse gas emissions (CBAM)		
★ Carbon tax on greenhouse gas emissions (CCA)		
● Adoption of low-carbon energy	+Reduced carbon emissions, lowering carbon tax costs	☑Replace process gases with low-carbon alternatives
● Use of more efficient production processes		☑Upgrade process equipment through smart transformation using AI analysis
● Participation in the carbon trading market		☑Execute voluntary carbon reduction programs and procure renewable energy to prepare for future mandatory emissions trading under total quantity control
● Disclosure of carbon emissions data	+Competitive advantage by helping customers reduce Scope 3 emissions, leading to increased revenue	☑Participate in the CDP disclosure project, enabling both market and clients to access third-party climate scores and gain competitive advantage
● Development and expansion of low-carbon products and services	+Meeting customer demand for energy-saving products, resulting in increased revenue	☑Develop low-resistance wafers to enable more energy-efficient chips
● Adoption of more efficient transportation methods	+Reduction in the Company's Scope 3 emissions, aligned with client reduction goals, contributing to revenue growth	☑Join the electric truck transportation alliance to promote green logistics
● Increased demand for low-carbon products and services	-Increase in operating costs	☑Conduct carbon footprint inventories for products and services to identify high-emission sources and implement reduction plans

Table 2

Physical Risks / Climate Opportunities		
★ Risk / ● Opportunity	Potential Financial Impact -/+	Key Mitigation Strategies
★ Rising raw material costs	-Increase in operating costs	☑Develop alternative raw materials or identify second-source suppliers
★ Changes in rainfall (water) patterns and extreme weather events	-Water shortages may cause operational interruptions or require trucked-in water, increasing costs	☑Maintain a reserve water supply sufficient for at least three days of operations ☑Establish a company-level water shortage management policy
● Reduction in water use and water consumption	+Reduction in water expenses	☑Implement water reuse strategies
● Recycling and reuse	+Lower operational costs from reduced waste, raw material, and packaging usage	☑Promote raw material recycling ☑Promote waste recycling ☑Promote packaging recycling
★ Increasing requirements and oversight of existing products and services	-Increase in operational costs due to implementation of energy-saving/carbon reduction activities	☑Use renewable energy ☑Execute carbon reduction actions
★ Changes in customer behavior	-Trend toward net-zero emissions may require supply chain participation, increasing costs	☑Develop carbon reduction pathways in response to customer requirements
★ Rising average temperatures	-Impacts on infrastructure and production facility performance, increasing maintenance costs	☑Choose equipment with better heat dissipation when replacing machinery
★ Increased severity and frequency of extreme weather events such as typhoons and floods	-Disruption of transportation networks, employee safety risks, disturbances in production and sales allocation, increasing costs and reducing revenue	☑Provide taxi subsidies for employees commuting during typhoons to ensure safety ☑Operate at minimum capacity to reduce required workforce during severe weather ☑Make early preparations for typhoons
★ Rising sea levels	-Due to Taiwan's location and ocean current effects, sea level rise around Taiwan is occurring at twice the global average. Combined with increasing frequency and intensity of typhoons, the risk of flooding rises, leading to possible transport or operational interruptions and revenue losses	☑Ship products in advance of approaching typhoons ☑Maintain regular drainage maintenance to prevent factory flooding

Implementation Plan for Achieving the 2030 Renewable Energy Usage Target of 5.2%

- Procure environmentally labeled infrastructure equipment through green purchasing (Implementation Period: 2023–2025)
- Purchase energy storage and power regulation systems to enhance energy efficiency (Implementation Period: 2026–2030)
- Purchase green electricity and solar power (Implementation Period: 2025–2030)
- Continue implementing the ISO 50001:2018 Energy Management System and execute annual energy-saving projects (Implementation Period: 2023–2030)

Greenhouse Gas Management

In 2024, Wafer Works' total greenhouse gas emissions (Scope 1 and Scope 2) amounted to 69,931.21metric tons of carbon dioxide equivalent. The primary emissions came from Scope 2 purchased electricity, followed by process emissions, including perfluoropropane (C_3F8) and nitrous oxide (N_2O). For the first time in 2022, Scope 3 emissions were included in the inventory, primarily focusing on other indirect emissions generated from outsourced activities, with emissions sources owned or controlled by other companies.

Total Greenhouse Gas Emissions Increased in 2024: Due to the addition of a 12-inch production line at the Longtan Plant, total carbon emissions rose in 2024. In response, the annual energy-saving target was set at 1.5%. The combined energy savings from both plants in 2024 reached a 2.7% reduction compared to the previous year, thereby achieving the carbon reduction target.

Wafer Works Carbon Reduction Goals

Short-Term Target

Annual energy reduction of 1%

Medium-Term Target

Annual energy reduction of 1.5%

Long-Term Target

Fulfill the Environmental Protection Administration's voluntary carbon reduction plan and meet customers' carbon reduction requirements to support corporate sustainability

The greenhouse gas emissions for the past three years (Scope 1) are as follows:

Plant	Year	Seven GHG Types	CO_2	CH_4	N_2O	HFCs	PFCs	SF_6	NF_3	Total Emission Equivalent
Yangmei	2024	tCO_2e/年	1036.3065	36.5016	140.5677	47.4209	934.5600	0.0000	0.0000	2195.358
	2023		793.6968	38.9345	111.2202	47.4209	532.3421	0.0000	0.0000	1523.615
	2022		1081.3552	50.1726	155.9376	42.6456	798.6924	0.0000	0.0000	2128.803
Longtan	2024	tCO_2e/年	32.7943	64.6555	1036.3353	105.6462	3308.5780	0.0000	0.0000	4548.009
	2023		33.4920	70.3806	605.6232	10.7418	1624.9155	0.0000	0.0000	2345.153
	2022		29.2772	87.8172	1166.0724	6.2436	4581.2547	0.0000	0.0000	5870.665

Note: The erroneous values for 2022-2024 are the seven major greenhouse gas emissions of the entire plant. Corrected greenhouse gas emissions (category 1) Seven major greenhouse gas emissions

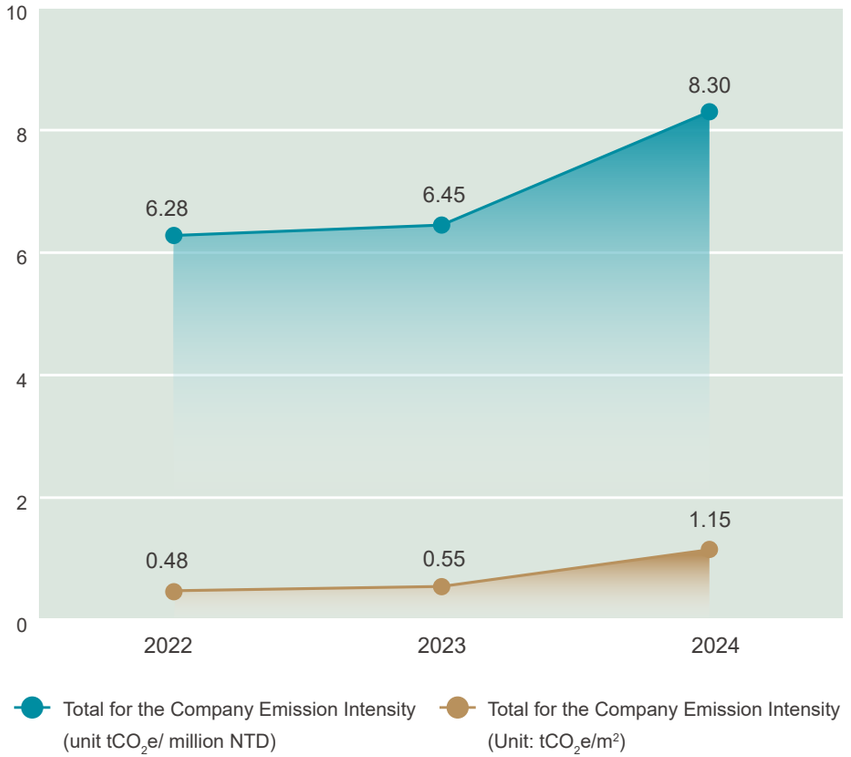
Plant	Year	Fluorinated Greenhouse Gases	HFCs	PFCs	SF_6	NF_3	Total
Combined for Both Fabs	2024	Emission Equivalent (metric tons CO_2e/year)	153.0671	4243.1380	0.0000	0.0000	4396.205
	2023		58.1627	2157.2576	0.0000	0.0000	2215.420
	2022		48.8892	5379.9471	0.0000	0.0000	5428.836

Unit：tCO_2e

Year	2022		2023		2024	
Plant	Yangmei	Longtan	Yangmei	Longtan	Yangmei	Longtan
Scope 1	2,128.8034	5,870.6651	1,523.6145	2,345.1531	2,195.3567	4,548.0093
Scope 1 (Total)	7,999.4685		3,868.7676		6,743.3660	
Scope 2	26,771.7712	44,831.0912	19,385.1528	41,519.0165	19,514.4939	43,673.3544
Scope 2 (Total)	71,602.8624		60,904.1693		63,187.8483	
Scope 3	4,727.7741	4,050.3196	1,357.2230	3,709.7170	472.0791	1,966.7667
Scope 3 (Total)	8,778.0937		5,066.9400		2,438.8458	
Total for the Fabs	33,628.349	54,752.076	22,265.990	47,573.887	2,2181.930	50,188.130
Total for the Company	88,380.425		69,838.877		72,370.060	
Total for the Company Emission Intensity (unit tCO_2e / million NTD)	6.28		6.45		8.30	
Total for the Company Emission Intensity (Unit: tCO_2e/m^2)	0.48		0.55		1.15	

Note 1: The 2024 data source has been verified by the British Standards Institution (BSI) Taiwan Branch. The Greenhouse Gas Inventory Statement is expected to be issued by the end of May 2025.
Note 2: In accordance with EPA requirements, the Global Warming Potential (GWP) values have been updated to the AR5 version, with 2023 designated as the Company's new base year.
Note 3: GWP reference source: IPCC Fifth Assessment Report (2013)
Note 4: Methodology for consolidating greenhouse gas emissions: operational control approach; calculation based on the Greenhouse Gas Emission Factor Management Table v6.0.4 using the formula: Activity Data × Emission Factor × GWP Value.
Note 5: Emission intensity (tCO_2e/m^2) = Company's carbon emissions (tCO_2e) ÷ Capacity area (m^2)

Total emissions intensity for the entire company



4.3 Pollution Prevention and Management

Environmental, Health and Safety Policy

Wafer Works' Environmental, Health and Safety Policy

Wafer Works Co., Ltd., as a professional semiconductor materials supplier, is committed to establishing an operational environment that adheres to environmental protection and occupational safety and health standards. In fulfilling our corporate social responsibility towards the environment, safety, and continuous improvement, we pledge to fully implement an environmental and occupational safety and health management system. To demonstrate our commitment to our overall environmental, safety, and health objectives and to convey the correct message to our employees and all stakeholders, we promise the following:

1. Comply with environmental protection, occupational safety, and health laws, and meet the expectations and requirements of stakeholders.
2. Develop technologies that reduce environmental impact and resource consumption to achieve environmental sustainability.
3. Continuously improve our operations to reduce potential risks and prevent occupational hazards and diseases.
4. Establish effective communication and consultation channels to enhance interactions with employees, suppliers, contractors, and customers.

Wafer Works has established operation and maintenance procedures for air pollution control, water pollution prevention, and waste management. Relevant departments strictly adhere to these procedures to ensure all facilities operate at maximum efficiency. Various monitoring systems are installed at the discharge points of pollution control facilities. If monitoring values exceed alarm thresholds, operators will follow emergency response and notification procedures to address the issue immediately. Each year, we carry out emergency response drills for air and water pollution control and enhance internal environmental awareness to prevent environmental pollution and legal violations. Under this comprehensive pollution control monitoring and management system, Wafer Works did not contravene any environmental regulations from 2022 to 2024.

Drill Locations	Longtan Fab Environmental Emergency Response Drill		Yangmei Fab Environmental Emergency Response Drill	
Drill Items	Air Pollution Emergency Response Training	Water Pollution Emergency Response Training	Air Pollution Emergency Response Training	Water Pollution Emergency Response Training
Drill Dates	2024/11/21	2024/11/21	2024/06/19	2024/09/30
Response Personnel	8	8	6	8

Air Pollution Control

Wafer Works' strategy for air pollution control starts by optimizing processes to minimize the introduction of pollutants into exhaust gases. Subsequently, high-efficiency equipment is deployed to treat pollutants within the exhaust, guaranteeing compliance with government standards regarding the level of pollutants emitted into the atmosphere. Wafer Works classifies emissions into alkaline exhaust, acidic exhaust, and volatile organic compounds (VOCs). The air pollution control equipment varies based on the type of pollutants being treated, and all emissions comply with the regulations set by the Environmental Protection Administration. Wafer Works also prioritizes the rights of neighboring companies and community residents. All equipment operations are centrally monitored by staff on a 24-hour rotating schedule. Continuous monitoring devices are installed to track VOC emission concentrations. Any variations in operating conditions are under constant monitoring, and if they deviate beyond the preset limits, an immediate alert is sent out.

Fab / Type of Pollutant	VOCs in Metric Tons	Inorganic Acids
Yangmei	2.307	No need for testing
Longtan	7.233	No need for testing

Source: 2024 stationary pollution source emissions reporting data.

Note: Testing for inorganic acids at Yangmei and Longtan fabs is conducted once every five years or upon the implementation of changes in stationary pollution source operation permits. Therefore, no data is available for Yangmei and Longtan fabs for the year 2024.

4.4 Circular Economy and Waste Management

GRI: 3-3、306-1、306-2、306-3、306-4、306-5

Material Topic | Circular Economy and Waste Management

Positive Impacts

Collaborative efforts across supply chains and industries promote the maximization of resource value to drive economic value while minimizing external costs (environmental and social), ushering in a new economic model decoupling resource consumption from economic development

Negative Impacts

Carbon emissions generated by operations

Commitments and Policies

Advancing in four major aspects: circular design, reuse, innovative technologies promoting circular transformation, and circular resources

Topic Boundaries | Wafer Works Longtan, Yangmei fabs

2024 Goals and Achievements

- General industrial waste accounted for 87%, resource recycling accounts for 3%, and incineration of general industry and hazardous waste accounts for 10%.

Short, Medium, and Long-Term Goals

Short-term

- Promote effective waste classification and management
- Collaborate with recycling facilities to reduce incineration volume

Medium to Long-term

- Participate in critical resource guidance to promote sustainable circular solutions, aiming to reduce waste incineration, promote effective resource utilization, and maximize resource value

Responsibilities & Resources

Responsible Unit: Occupational Safety and Health Office
Funding:Allocated based on the Company's waste budget
Human Resources: 3 project personnel
Others:The procurement department reuses relevant packaging materials

Specific Actions

- Preventive/Remedial Measures: The Company develops innovative technologies to promote circular transformation

Effectiveness Tracking

- Regular tracking and review of circular economy and waste management effectiveness by the Sustainable Development Committee

Wafer Works adheres to a circular economy reuse model. In 2024, the Company promoted waste reduction at the source and circular resource utilization through the implementation of ISO 59004:2024 circular economy guidance (focused on waste acid reuse). The optimization of the waste acid recovery system enabled the 2024 hydrofluoric acid (HF) recycling project, in which HF used in the surface treatment process (etching equipment) was recovered and reused in the forming process (acid-alkali etching machines), achieving both waste and carbon reduction benefits. In 2024, a total of 12,320 liters of HF was recycled, resulting in cost savings of approximately NT$2,052,407 (including chemicals, sludge treatment, and raw materials). The reduction in HF production emissions amounted to 48.541 tCO_2e (based on a carbon footprint of 3.94 $kgCO_2e$ per liter of HF; source: Product Carbon Footprint Information Platform). ISO 59004:2024 certification for this program is expected to be obtained in 2025. (Figure 1)

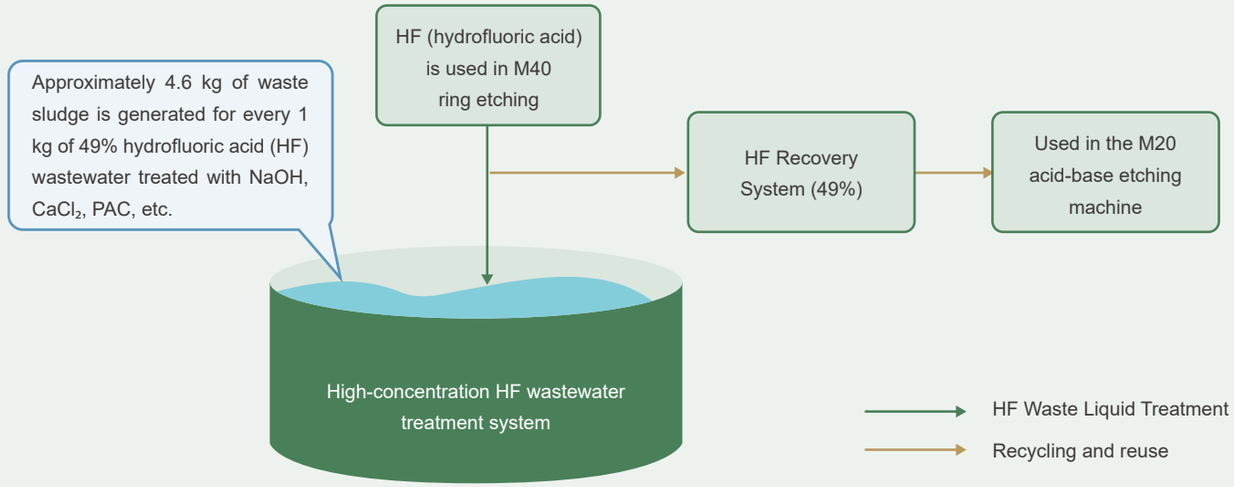
Broken wafer recycling accounted for 34.91% of total production capacity, while recycled crystal ingot top and tail waste and crucible bottom material represented 14.03% of total input volume. In 2024, the Company continued to maintain performance in these operations, contributing to ongoing waste reduction and circular resource use.

Wafer Works has an established waste treatment and recycling mechanism. Waste is strictly categorized, and a dedicated team monitors the waste storage areas to oversee disposal practices. Regular waste-sorting awareness training is provided to all employees, from new hires to existing staff. By implementing comprehensive controls from the source to the point of disposal, the Company reduces carbon emissions associated with incineration. Aligned with circular economy principles that emphasize source reduction, Wafer Works has developed a cutting fluid recycling system for wafer slicing processes, which are carried out using two methods. The first method, steel wire slicing, utilizes a combination of cutting fluid and abrasive slurry. It relies on the tension of steel wires and the friction of abrasive particles to cut silicon ingots into wafers. The resulting waste is classified as non-hazardous oil sludge. Since the slurry retains its process suitability after initial use, centrifugal separation is employed to remove non-conforming particles. The recovered slurry is mixed with fresh material and returned to the production line. Discarded slurry is sent to qualified recyclers for conversion into silicon carbide ingots or powder, which can be reused in steel plants as heating agents or by refractory material manufacturers. Cutting fluid can also be distilled using its boiling point properties and repurposed as antifreeze in colder climates. (Figure 2) The second method, diamond wire slicing, requires only cooling fluid, thereby reducing both material use and waste generation. As the Company gradually phases out steel wire machines in favor of diamond wire machines, it is estimated that full replacement will save approximately 301.49 metric tons of cutting fluid and slurry and reduce non-hazardous oil sludge waste by 534.43 metric tons annually.

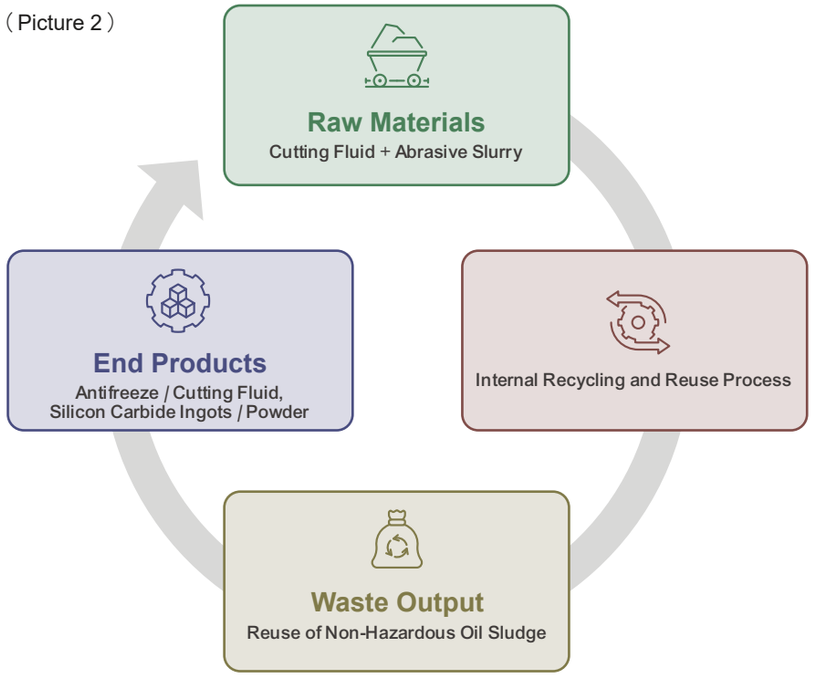
Empty chemical drums (acidic and alkaline) are typically classified as hazardous waste and require incineration. However, the Company works with qualified recycling vendors to clean, crush, and process these drums into non-hazardous plastic pellets for industrial use, promoting circular reuse.

Reusable industrial waste includes sludge, oil sludge, chemical drums, quartz crucibles, graphite crucibles, blue protective films, pallets, and other materials recyclable waste materials such as paper, PET bottles, iron, aluminum cans, recyclable plastics, styrofoam, and metal scraps are sorted and collected, then handed over to certified local waste treatment companies. Non-recyclable waste is disposed of as general waste by certified waste removal vendors and transported to government-designated incineration facilities.

（Picture 1）



（Picture 2）



Wafer Works classifies its waste according to treatment methods into three categories: recyclable industrial waste, incinerated general industrial waste, and reusable general industrial waste. The waste output for each category from 2022 to 2024 is summarized in the table below:

Recyclable Waste

Unit: Weight (metric tons/year)

2022	156.99
2023	135.89
2024	85.9

General Industrial Waste (for incineration)

Unit: Weight (metric tons/year)

2022	271.26
2023	205.01
2024	188.69

General Industrial Waste (for recycling)

Unit: Weight (metric tons/year)

2022	3,020.970
2023	2,445.72
2024	2,186.34

Hazardous Industrial Waste

Unit: Weight (metric tons/year)

2022	63.13
2023	46.96
2024	45.93

Total

Unit: Weight (metric tons/year)

2022	3,512.35
2023	2,833.58
2024	2,506.86

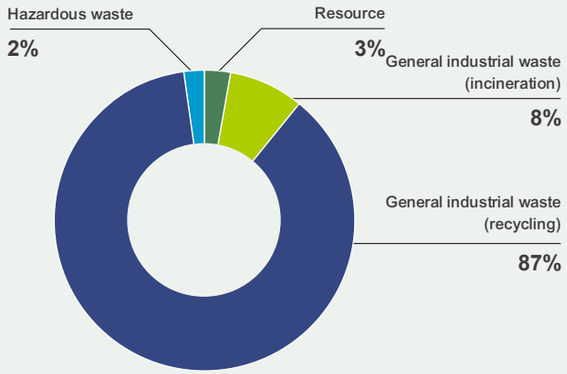
Note: The total waste output table for 2023 has been revised: general industrial waste (incineration) 205.01 tons, general industrial waste (recycling) 2,445.72 tons, and hazardous industrial waste 46.96 tons, totaling 2,833.58 tons.

Wafer Works produces several types of industrial waste: general industrial waste, hazardous industrial waste, empty chemical containers, and recyclable waste. All waste is stored and transported according to legal regulations.

The methods for disposing of industrial waste at Wafer Works are as follows: 87% recycling, 8% incineration, and 2% resource recovery. Please refer to the waste disposal method distribution chart for detailed information. Wafer Works focuses on reducing pollution and managing waste through recycling initiatives. The primary source of hazardous industrial waste is empty chemical containers that contain chemical materials during the manufacturing process. These containers undergo regular annual audits, and each waste shipment is tracked with manifests to collect and monitor related data. The 86% recycling rate includes both general and hazardous industrial waste. In 2023, Wafer Works managed hazardous industrial waste, including empty chemical barrels, through a partnership with recycling processors. The process involves cleaning, neutralization, testing, certification, shredding, and recycling the plastic, with approval from regulatory authorities.

Percentage of Waste Disposal Methods

For both fabs in 2024



Terminology

1. Recycling: Waste is recycled with partners after obtaining approval for recycling from the competent authorities..
2. Resource Recovery: Includes scraps and recyclable waste from employees, such as paper, plastic packaging, PET bottles, and foil pouches.
3. Incineration: Waste is sent to incineration plants for burning.
4. Hazardous Industrial Waste: Hazardous industrial waste is sent to Class A treatment facilities for incineration.

05

Social prosperity

5.1 Employment

5.2 Workforce Structure

5.3 Employee Benefits

5.4 Talent Training

5.5 Safety and Health Promotion

5.6 Social Welfare



Performance

In 2024, 915 employees at Wafer Works underwent general health check-ups, achieving a 99.9% participation rate. Additionally, 384 special health check-ups were conducted.

8.8

Wafer Works places a strong emphasis on employee education and training. In 2024, the average training hours per employee were 26.5 hours, with male employees averaging 26.7 hours and female employees averaging 26.2 hours.

4.3

The Company also implemented safety and health education for new hires, on-the-job safety and health training, and ERT personnel training (including practical training in wearing A & C level protective clothing and firefighting gear). The total number of participants in these training sessions exceeded 2,400.

8.8

To enhance harmonious relations with the local community and improve employee stability, Wafer Works prioritizes hiring local residents. The proportion of Taiwanese residents in managerial positions at the Company is 100%.

8.9

Wafer Works values gender equality, maintaining a basic salary and compensation ratio of 1.02:1 for men to women in managerial positions and 1:1 in non-managerial positions.

8.5

The Company is actively involved in social welfare, addressing the needs of communities and disadvantaged groups through donations. In 2024, Wafer Works hosted five major charity events, donating a total of NT$1,026,400.

1.4

5.1 Employment

GRI: 402-1、408-1、409-1 SASB: TC-SC-330.a.1、TC-SC-410.a.2

Human Resources Policy

Human resources management is a key activity integrating Wafer Works' sustainable operations and core values. Establishing a human resources policy aligned with Wafer Works' future vision, operational strategies, and goals is crucial for the Company's success.

Wafer Works, A Friendly Workplace: We respect the diversity of our employees' backgrounds and abilities, strive for a balance between work and life, and blend systematic and humane approaches. Upholding principles of fairness and justice, we foster a mutually supportive, trustworthy, and open communication environment, providing a workplace free from discrimination and unequal treatment. This enables employees to fully utilize their potential, becoming key partners in Wafer Works' long-term development.

Human Resources Policy includes the following items:

1. Complying with domestic labor laws, international human rights and labor standards, and the Responsible Business Alliance (RBA) Code of Conduct to protect employee rights.
2. Prohibiting child labor and instituting protective measures against its misuse.
3. Abiding by legal requirements for working hours and compensation: providing legally compliant wages and benefits, strictly managing working hours, and ensuring all overtime is voluntary.
4. Offering a safe, healthy, and comfortable work environment, promoting physical and mental well-being.
5. Prohibiting forced labor and ensuring that workers have the right to leave or terminate their employment contracts at any time; treating employees humanely without harsh disciplinary practices.
6. Ensuring no discrimination or harassment based on race, color, ethnicity, class, language, ideology, religion, political affiliation, group background, veteran status, native place, birthplace, gender, sexual orientation, gender identity and expression, age, marital status, appearance, pregnancy, disability, protected genetic information, etc.
7. Respecting employees' rights to collective bargaining, free association, and participation in various peaceful assemblies.
8. Providing necessary professional knowledge and skills for each position, enhancing organizational competitiveness, and supporting comprehensive career planning.

Employee Recruitment

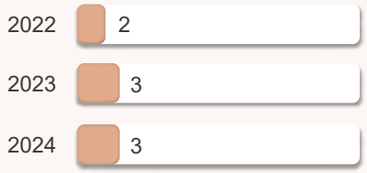
Wafer Works recruits employees based on the Company's operational strategy and annual human resource goals, ensuring compliance with local labor laws, competitive compensation, and inclusive hiring practices. In collaboration with local government employment initiatives, the Company prioritizes the hiring of local residents and adopts various measures to increase local employment opportunities. Talent is recruited through multiple channels, including online job banks, campus recruitment, industry-academia collaboration programs, R&D substitute military service, job fairs, and employment service center job matching. These efforts strengthen the integration of academic and industrial talent, enhance Wafer Works' R&D capabilities, and provide developmental opportunities for Ph.D. professionals in academic fields, thus contributing to the training of high-level personnel. In response to Taiwan's declining birth rate and the shortage of local technical staff, the Company has also begun recruiting engineering and technical talent from overseas, expanding channels to attract multinational professionals.

1. Collaborating with the National Science and Technology Council to sponsor doctoral students in the fields of gallium nitride (GaN) and insulated gate bipolar transistor (IGBT) research.
2. Participating in the Ministry of the Interior's R&D Substitute Military Service program to cultivate high-quality research and development talents.
3. Cooperating with the Taoyuan City Government to promote the "Taoyuan Youth Employment Incentive Program."
4. Mid-Level Technical Talent (Foreign Migrant Workers): Wafer Works actively cultivates young, cross-border technical professionals and provides promotion pathways for migrant workers to become technical backbones of the Company. In 2024, the Company launched its first "Foreign Migrant Worker Promotion Review Committee" system. Three long-serving migrant workers (each with over six years of work experience in Taiwan) were promoted and re-employed as foreign mid-level technical personnel. These individuals received training to enhance their bilingual communication skills and were assigned roles as training specialists or quality technicians responsible for mentoring and guiding other migrant workers.
5. Foreign Professionals (Former Migrant Workers): Wafer Works continues to rehire outstanding migrant workers who have completed 12 years of service with the Company under the status of general foreign professionals. In 2024, one former migrant worker was reappointed as a white-collar foreign professional in the position of Quality Technician to support cross-cultural communication within the team. Through an inclusive and accessible promotion system, the Company strengthens the stability of multinational talent and fosters a competitive and sustainable working environment.

Numbers of Ph.D Scholarship, R&D Substitute Military Service,Youth Placement Subsidy in Taoyuan, Employees with Disabilities, and Foreign Professionals over the past three years.

Unit: person

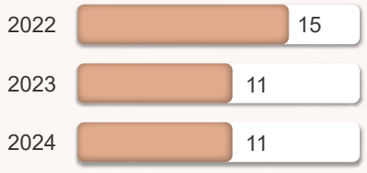
Ph.D Scholarship



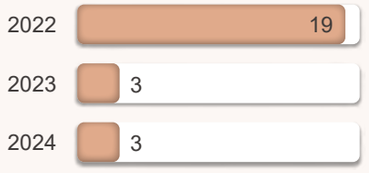
R&D Substitute Military Service



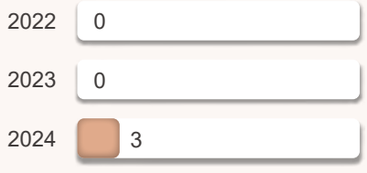
Employees with Disabilities



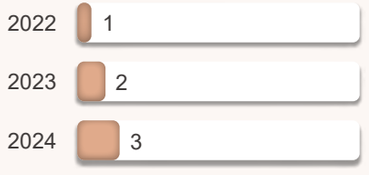
Youth Placement Subsidy in Taoyuan



Mid-Level Technical Personnel (Foreign Migrant Workers)



Foreign Professionals (Former Migrant Workers)



Before hiring employees, a thorough screening process and fair salary mechanism are implemented. We treat all applicants equally, regardless of their region, gender, age, or ethnicity. Additionally, we employ people with disabilities, encouraging the contributions of vulnerable groups in the workforce. The Company provides appropriate assistance such as arranging sign language interpreters for regular translation and care, ensuring a secure working environment for employees with disabilities.

Minimum Notice Period for Operational Changes

To safeguard employee rights and comply with the Labor Standards Act, Wafer Works adheres to regulations regarding significant operational changes or termination of employment relationships. In the event of major operational changes that may affect employees, the Company will notify the relevant authorities 60 days in advance, as stipulated by the Act for Worker Protection of Mass Redundancy. Ten days following notification, affected employees will be informed. There were no incidents of mass layoffs this year; employees with poor performance are managed according to performance management procedures and reported to the relevant authorities.

Management of Forced Labor Risks

In order to ensure employees' living conditions, provide good working conditions, meet their needs, and fulfill corporate social responsibility in areas such as ethics, labor rights, environment, health and safety, and management systems, risk management and operational continuity plans are implemented.

According to relevant business practice studies, there is a significant correlation between decreased productivity, increased staff turnover, and increased injuries and illnesses with employee fatigue. Therefore, working hours should not exceed the maximum limit set by local laws. In addition, weekly working hours should not exceed 60 hours (including overtime), except in emergencies or special circumstances. Overtime must be voluntary. Laborers should be allowed at least one day of rest every seven days.

According to the RBA (Responsible Business Alliance) Code of Conduct, no worker should be required to pay recruitment fees to obtain employment. This means that foreign workers must not be charged for expenses such as airfare, visa processing, or health checkups at any point from their home country up to the start of employment. As a member of the RBA and in line with its commitment to eradicating forced labor, Wafer Works established a Zero Recruitment Fee Policy in June 2022. The Company proactively investigates whether employees were charged any fees by brokers or third parties before onboarding, ensuring no recruitment-related costs are borne by the workers. From March to May 2024, Wafer Works refunded a total of NT$14,207,484 in recruitment-related expenses to its foreign employees.

Non-discrimination and Prohibition of Child Labor

Wafer Works is committed to protecting the rights and privacy of employees and prohibits discrimination. In talent recruitment, we adhere strictly to principles of fairness, impartiality, and integrity. Our recruitment, selection, and hiring processes comply with government regulations and do not discriminate or offer differential pay based on race, class, language, ideology, religion, political affiliation, native place, birthplace, gender, sexual orientation, age, marital status, appearance, facial features, disability, or union membership. We explicitly forbid the use of child labor to ensure that no child workers below the legal minimum employment age are hired and that the health and safety of underage employees are safeguarded, with dangerous work being strictly prohibited. Wafer Works During the reporting period, Wafer Works had no incidents of child labor violations. Additionally, we require our suppliers to observe the Wafer Works Supplier Code of Conduct, which prohibits the use of child labor in any manufacturing processes. Should any instances of employing child labor be discovered, Wafer Works will render assistance and offer remedial measures.

5.2Workforce Structure

GRI: 2-7、2-8、202-2、401-1、401-2、401-3、405-1、406-1、407-1、408-1、409-1、411-1、SASB: TC-SC-330.a1

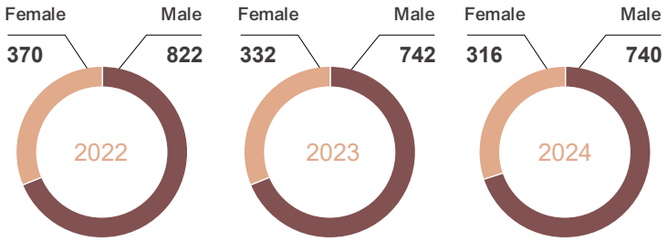
Employee Distribution and Structure

As of the reporting period, Wafer Works employed a total of 1,056 people, with a foreign employee ratio of 23.3% and an overseas employee ratio of 0.1%. The detailed distribution of employee types and genders during the reporting period is shown in the table below:

Total number of employees in recent years



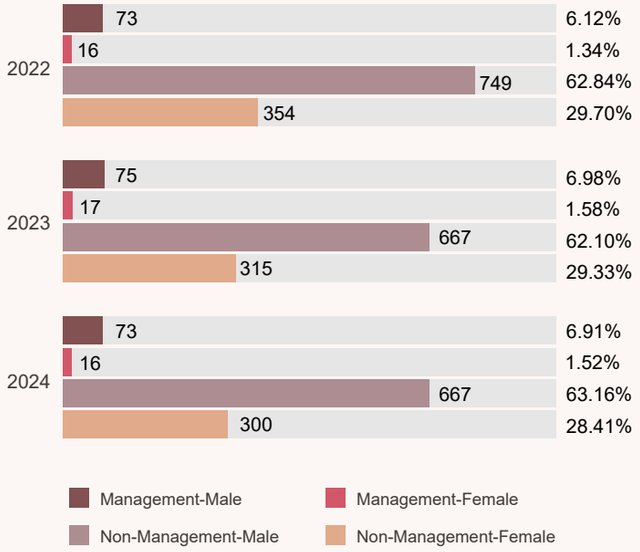
Employee gender distribution



Note 1: All employees of the Company are full-time employees with standard working hours under non-fixed term contracts, with no part-time or partial-hour employees.
Note 2: The non-employee workers of the Company consist of 31 contracted service personnel, including 7 security personnel, 14 cleaners, and 9 cafeteria staff.
Note 3: There is no significant difference in numbers compared to 2023 (changes in numbers exceeding 10% are considered significant).

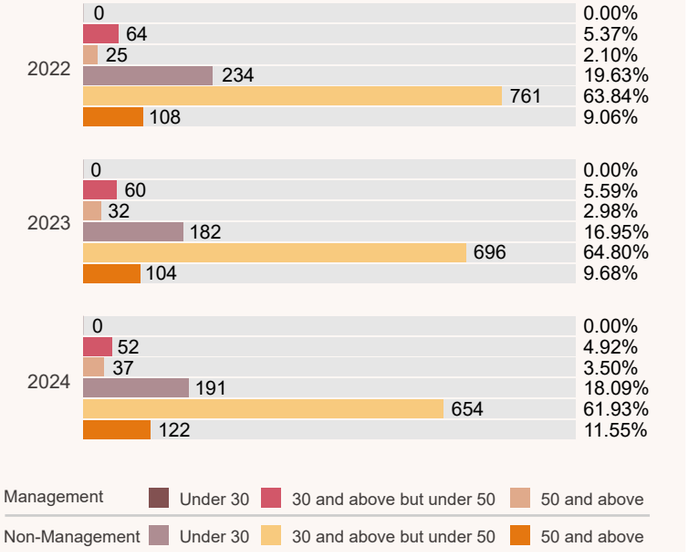
To strengthen community relations and enhance job stability, Wafer Works prioritizes hiring local residents when expanding personnel. As a result, 100% of management positions at level 9 and above are filled by local Taiwanese residents. The following statistics show the number of employees, gender distribution, and categories over the past three years:

Gender



Note: Calculation Formula: Percentage of Personnel = (Number of Personnel in the Category / Total Number of Employees at the End of the Year) * 100%

Age



Note: Calculation Formula: Percentage of Personnel = (Number of Personnel in the Category / Total Number of Employees at the End of the Year) * 100%

Employment of a Diverse Workforce

Wafer Works abides by the regulations of the "People with Disabilities Rights Protection Act," ensuring that employees with disabilities make up at least one percent of the total workforce. By actively hiring individuals with disabilities, Wafer Works fosters an innovative and inclusive workplace and implements job redesign measures. The distribution of our diverse workforce is as follows:

Year			2022	2023	2024
Item/Gender		Age	Number	Number	Number
Migrant Workers	Male	Under 30	55	36	56
		30 and above but under 50	120	118	126
		50 and above	0	0	0
	Female	Under 30	27	18	20
		30 and above but under 50	50	48	44
		50 and above	0	0	0
Persons with Disabilities	Male	Under 30	1	1	2
		30 and above but under 50	5	8	2
		50 and above	2	2	6
	Female	Under 30	1	1	0
		30 and above but under 50	1	1	1
		50 and above	2	2	0

Taiwan is an island with a rich diversity of ethnic groups and cultural backgrounds. Embracing this spirit of multiculturalism, Wafer Works actively hires indigenous peoples and foreign spouses, thereby enhancing their employment opportunities. In compliance with regulations, we grant indigenous employees a day off during traditional festivals. Our workforce is characterized by diversity and inclusivity, and we treat all employees equally and with respect. In 2024, there were no incidents of infringement upon the rights of aborigines.

New Hires

In 2024, Wafer Works hired 211 new employees and saw 203 departures, resulting in a net decrease of 18 employees compared to 2023. The Company attracts talent through diverse recruitment channels and offers competitive benefits and a quality work environment. Among the new hires in 2024, 141 were male (66.82%) and 70 were female (33.18%). Additionally, 125 new hires were under 30 years old (59.24%), 82 were between 30 and under 50 years old (38.86%), and 4 were over 50 years old (1.90%).

Statistics on New Hires/Year		2022		2023		2024	
		Total	%	Total	%	Total	%
Age	Under 30	156	38.05%	47	40.87%	125	59.24%
	30 and above but under 50	233	56.83%	63	54.78%	82	38.86%
	50 and above	21	5.12%	5	4.35%	4	1.90%
Gender	Male	285	69.51%	76	66.09%	141	66.82%
	Female	125	30.49%	39	33.91%	70	33.18%

Note 1: New hire rate = (Total number of new hires in the specific category during the year / Total number of employees in the specific category at the end of the year) * 100%.

Departures

The distribution of departing employees by gender and age group from 2022 to 2024 is as follows:

Departure Statistics/Year		2022		2023		2024	
		Total	%	Total	%	Total	%
Age	Under 30	157	43.0%	74	31.8%	106	42.4%
	30 and above but under 50	199	54.5%	137	58.8%	138	55.2%
	50 and above	9	2.5%	22	9.4%	6	2.4%
Gender	Male	265	72.6%	153	65.7%	152	60.8%
	Female	100	27.4%	80	34.3%	98	39.2%

Note: Departure rate = (Total number of departing employees in the specific category during the year / Total number of employees in the specific category at the end of the year) * 100%. For example, the departure rate for employees under 30 years old = (Total number of departing employees under 30 years old during the year / Total number of employees under 30 years old at the end of the year) * 100%.

To improve the retention rate, Wafer Works focuses on the following human resource management strategies:

- Promoting Employee Career Development: Implementing promotion opportunities and employee education and training systems to increase employees' willingness to develop within the Company and thus boost retention rates.
- Adjusting Human Resource Structure: Recruiting personnel on the R&D substitute military service program and key industry senior talents, and promoting collaboration with various colleges and universities to provide stable talents for the Company.
- Retention Measures: Offering internal job rotations and diverse skill development programs tailored to employees' career aspirations. Additionally, providing appealing employee benefits to incentivize retention.
- New Employee Care: Organizing lively and friendly new employee orientation sessions to facilitate rapid integration into the environment, encouraging open communication to quickly assimilate new members into the team and foster team spirit.
- Team-Building Activities: Organizing team consensus-building activities to bolster organizational cohesion and employee morale.
- Employee Profit Sharing (Employee Bonus): Encouraging employee participation and long-term commitment by sharing business results. The Company allocates bonuses based on annual net profits and individual performance assessments.
- Quarterly Bonuses: Issuing quarterly bonuses contingent on meeting productivity, quality, and other targets to motivate employees and boost job satisfaction.

5.3 Employee Benefits

GRI 2-30、201-3、202-1、402-1、405-2、407-1

Recognizing that talent is the cornerstone of business operations, Wafer Works upholds the spirit of "co-creation, co-prosperity, and sharing." The Company is dedicated to providing employees with quality working conditions and creating a happy workplace. This includes offering a comfortable office environment, competitive salaries, equal opportunities, and a diverse range of benefits to retain talent and attract outstanding individuals to join Wafer Works, thereby creating an unlimited future together.

Comfortable Office Environment







Employee Stock Ownership Trust



Competitive Salaries

To ensure the Company's long-term development while maintaining employees' living standards, Wafer Works places importance on salary and benefits. Every year, the Company evaluates market and regional salary levels through various channels and makes appropriate adjustments to ensure competitive compensation, attracting talent to the Company.

Wafer Works ensures pay equity among employees regardless of gender, race, nationality, age, etc. However, salary decisions are determined by professional capabilities and qualifications during the hiring process. Following employment, annual salary adjustments are conducted based on individual performance and overall company performance, leading to variations in pay scales across job categories.

As of the end of the reporting period, the salary ratio between men and women and the starting salary levels are as follows:

Basic Salary and Compensation Ratio			Ratio					
			2022		2023		2024	
Key Operational Location	Employee Category	Item	Male	Female	Male	Female	Male	Female
Taiwan	Management	Basic Salary	1.02	1	1.02	1	1.02	1
		Compensation	1.02	1	1.02	1	1.02	1
	Non-Management	Basic Salary	1	1	1	1	1	1
		Compensation	1	1	1	1	1	1

Note 1: "Managerial positions" refer to team leader-level frontline supervisors. "Base salary" refers to the minimum fixed amount paid to an employee to fulfill their job responsibilities and does not include any additional compensation such as overtime pay, bonuses, or allowances.
Note 2: Compensation refers to the basic salary plus additional amounts paid to workers. "Additional amounts paid to workers" include seniority allowances, bonuses (cash and equity), benefits, overtime pay, rearranged day off, and any other subsidies (such as transportation subsidies, cost-of-living allowances, and childcare subsidies).
Note 3: The Company monitors market fluctuations to ensure employee salaries meet local cost-of-living needs and offers wages above the legal minimum. In 2024, the base salary of non-executive employees—regardless of gender—was 1.06 times the local minimum wage, exceeding regulatory requirements.
Note 4: Approximately 80% of managerial positions are filled through internal promotions. The salary prior to promotion is determined by performance, work achievements, and educational qualifications, with no significant correlation observed between salary and gender.

In addition, non-managerial salaries of the Company are disclosed on the Market Observation Post System

Enhancing Welfare System

Wafer Works aims to establish a comprehensive organization and provide employees with comprehensive protection through the formulation and promotion of various welfare measures. By coordinating funds through the Welfare Committee and implementing welfare measures that surpass the standards set by the Labor Standards Act, we provide a range of diverse welfare options. This fosters greater engagement among employees in planning and executing practical activities, promoting holistic development, and upholding the constitutional freedoms.

Equal Treatment for Every Employee

With the goal of creating equal working conditions and promoting gender equality and ethnic integration, salary design and determination are based on factors such as the applicant's educational background, professional knowledge or skills, professional experience, and job category. There is no differentiation based on gender, race, political stance, marital status, native place and ethnicity, age, or religious belief. All positions are open to equal competition as long as applicants are competent and confident, without any distinction in terms of job responsibilities, promotions, or employee training.

Supportive Spaces for Women

Wafer Works provides lactation rooms in its facilities, each with independent access control and dedicated space separate from other uses, allowing female employees to express milk and breastfeed in a gender-friendly environment.

Welfare Measures

Upon joining the Company, Wafer Works provides employees with labor insurance and health insurance as required by law. Additionally, we offer group insurance for all employees and provide travel and overseas trip insurance. Employees at Wafer Works receive holiday gift certificates, access to employee dormitories, meal subsidies, club subsidies, wedding and funeral subsidies, maternity subsidies, employee travel opportunities, health check-ups, group insurance, and shuttle services for commuting. To embrace cross-cultural backgrounds, monthly town hall meetings, birthday parties, Christmas party with buffet are held for foreign workers, bringing joy for all participants.

Current Benefits at Wafer Works

Flexible Working Hours

Indirect employees at Grade 6 and above are subject to flexible working hours, which provides flexibility for taking care of family and daily commutes. Employees can adjust their work schedules within half an hour based on their personal circumstances (e.g., commuting time, picking up hildren from school, etc.).

Better than Legal Leave

After three months of employment, 7 days of annual leave will be granted.

Employee Stock Options

Allow employees to subscribe for shares by increasing capital in cash.

Bonus

Mid-year (Dragon Boat Festival, Mid-Autumn Festival) bonus and year-end bonus.

Employee Cash Compensation Distribution (Employee Bonuses)

To increase employee participation in the company, encourage long-term employment, and share in the company's operating results, Wafer Works will allocate funds based on annual net profit and distribute 2023 employee bonuses in August 2024 based on individual assessment results.

Long-term Employee Rewards

To express our gratitude to our senior colleagues who have contributed to the growth of Wafer Works, we annually present Wafer Works employees who have completed five, ten, fifteen, and twenty years of service with the company with cash gifts and gold medals as a token of our appreciation. (Employees who have completed fifteen years of service receive an additional five days of honorary leave.)

Employee Subsidies/Benefits

Annual bonus (issued in electronic points), injury and illness hospitalization allowance, disability allowance, children's scholarship and grants.

On-Campus Clinic

Wafer Works employs full-time nurses and has set up a medical room to provide employees with health consultations, health education information, etc.

Meal Allowance

Wafer Works has an employee restaurant and provides employee meal subsidies.

Comprehensive Welfare Care:

- The Employee Welfare Committee provides wedding, funeral, and childbirth subsidies.
- Subsidize sports clubs and various arts and cultural groups to promote employee interaction, such as activities with fellow athletes.
- Yoga and fitness programs cultivate good exercise habits and promote health among employees.
- Plan annual employee trips or subsidies to strengthen relationships between the company, employees, and their families.
- Employee health checkup items, costs, and frequency exceed legal requirements.
- Provide employee dormitories.

Annual Year-End Party

Free Group Insurance for Employees Includes life, injury, accident, medical, hospitalization, cancer, and occupational accident insurance. Family members can join at discounted rates.

Employee Stock Ownership Trust

Taiwanese employees with at least six months of service can choose to participate in the program. A portion of their monthly salary is contributed, and the Company matches 100% of this amount. The combined funds are deposited into a trust account to purchase company stock, allowing employees to share in the Company's success, build long-term wealth, and create a win-win partnership.

Wafer Works Employee Benefits and Facilities



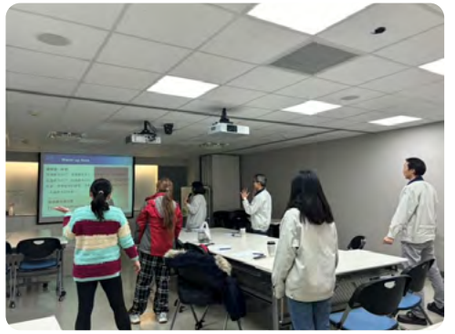
Benefit Amount

In 2024, Wafer Works allocated a total of NT$5,515 K for employee benefits, continuing to foster a supportive and comprehensive workplace.

New Employee Support

Through engaging and friendly orientation sessions, new employees can quickly integrate into the team and express themselves freely. These sessions aim to instill the "One Wafer Works, One Team" spirit. Besides offering light refreshments, the meetings include icebreaker games, inspiring videos, and provide immediate answers to any questions or concerns new employees might have.

New Employee Orientation Meetings



Labor-Management Meetings

Wafer Works is committed to fostering an open and transparent communication environment between employees, management, and peers. Quarterly labor-management meetings are held to establish clear communication channels. During these meetings, the Company reports on its operational status and invites employees to discuss labor conditions and benefits. Additionally, an exemplary employee is elected annually during these meetings, enhancing labor-management harmony.

Labor-Management Meetings





Employee Pension System and Implementation

Wafer Works has established a pension plan in accordance with the Labor Standards Act and the Labor Pension Act. In 1999, the Taoyuan County Government approved the establishment of a Supervisory Committee for Labor Retirement Reserves (document number 88-Fu-Lao-Dong-Zi No. 055925). Since then, Wafer Works has been contributing monthly to a labor retirement fund, which is deposited in a dedicated account at the Bank of Taiwan to manage employee pensions. From July 1, 2015, Wafer Works also began contributing 6% of monthly wages to the individual labor pension accounts at the Bureau of Labor Insurance under the new labor pension system regulations. The retirement plans for employees of overseas subsidiaries are subject to local laws and regulations.For details on post-employment benefit plans, please refer to the Company's fourth-quarter parent company-only financial statements.

Implementation of Unpaid Parental Leave

Wafer Works is committed to providing a balanced and enjoyable work environment for its employees. To ensure employees can comfortably start a family, Wafer Works observes the Labor Standards Act and the Gender Equality in Employment Act to implement a parental leave without pay scheme, as outlined in the "Regulations Governing Leave Without Pay." This system helps employees balance work and family life by allowing those with children under three years old to take unpaid parental leave. Upon the completion of the leave period, employees are reassigned to their original positions and units, ensuring a smooth reintegration into the workplace. The table below provides details on the Company's parental leave information:

Unpaid Parental Leave/Year	Gender	Statistics		
		2022	2023	2024
Number of employees eligible for unpaid parental leave	Male	35	28	26
	Female	18	17	17
Number of employees applying for unpaid parental leave	Male	4	4	2
	Female	5	2	4
Number of employees expected to return to work after unpaid parental leave (A)	Male	5	2	3
	Female	8	5	3
Number of employees who actually returned to work after unpaid parental leave (B) (including early returns)	Male	4	1	1
	Female	5	3	1
Return rate (B/A)	Male	80%	50%	33%
	Female	63%	60%	33%
Number of employees who remained employed twelve months after returning from unpaid parental leave the previous year (C)	Male	0	3	1
	Female	3	4	3
Retention rate (C/previous year B)	Male	N/A	75%	100%
	Female	60%	80%	100%

Note 1: The number of employees eligible for parental leave without pay is based on the number of male and female employees who applied for maternity or paternity leave in the past three years.
Note 2: Return rate = (Total number of employees who actually returned to work during the year / Total number of employees expected to return to work during the year) * 100%
Note 3: Retention rate = (Total number of employees who remained employed twelve months after returning from parental leave the previous year / Total number of employees who actually returned to work the previous year) * 100%
Note 4: Data from 2022 and 2023 were adjusted due to differences in calculation methodology.

5.4 Talent Training

GRI: 404-1、404-3、410-1

Wafer Works is dedicated to creating a diverse and enriching learning environment to cultivate highly committed and engaged employees, establishing a foundation for corporate excellence. The Company continuously invests in areas such as technology, products, trends, and mindset to achieve the dual goals of employee growth and self-fulfillment, alongside improved company performance. The Human Resources Department promotes talent development by conducting annual training surveys and planning, formulating the training plan for the following year, and launching relevant courses.

Training courses are divided into five categories: "New Employee Training," "Core Technology," "Quality and Efficiency," "Effective Leadership," and "Core Competencies."

Comprehensive Training System

Wafer Works offers a comprehensive and professional talent development system, catering to employees at all levels, from new hires to senior executives, to meet the varying needs at different career stages. Based on the Company's operational goals and skill requirements, annual education and training objectives are set. Individual learning and development plans are established by aligning departmental goals with personal goals and career development. Professional competency courses are run to hone employee skills, strengthen organizational competitiveness, and build a complete career system for employees. This is integrated with an E-Learning platform for continuous development.

HR Development System

HR Development System

Join in Wafer Works	• On Board • Prejob Training • New Comer Care
Training & Growth	• General Training • Basic Technical & Quality Training
Technical / Skill Training	• Professional Certification Multi-skilled Workers • Advance Training for Technical • Advance Training for Quality
Talent Developmen	• Promotion/ Performance Appraisal • Job Grade Rationalization • Job-Rotation Training
Retention and Motivation	• Bonus System • Retention System • Motivation System

Learning Map

		Internal Training				Internal/External Training	Internal/External Training
		On-the-Job Training	Work Flow	Professional / Technical	Quality and Efficiency	Organizational Culture	Management
Period	Division Level					Organization Culture	Leadership
	Management Level					Organization & Culture	Management Training
	Team Level					Vision & Mission	
Time	Year 1-2			Advanced Technology/Manufacturing Process/Quality/Functional Training			
	Month 6-12		SOP	Technology/Manufacturing Process Training			
	Month 1-3	Job Competencies Manufacturing Process On-the-Job Training New Recruit Coaching					
	Week 1-2	New Recruit Training (General Education and Basic Course and Employee Care)					

Engineer Training System



In 2024, the enrollment rate for our five training program categories reached an impressive 100%, thanks to a blend of in-person and online courses. Micro courses are deployed to strengthen learning effectiveness. Physical sessions were organized for all employees, focusing on fostering quality awareness, addressing the five priorities, promoting RBA and ethical management (including anti-corruption and anti-insider trading measures), and advancing ESG sustainable development practices. Moreover, every employee underwent training, supported by online course videos aimed at boosting overall training rates and enhancing comprehension of quality, RBA, and ESG principles. Additionally, annual courses covering quality efficiency, core technology, and cybersecurity advocacy were conducted online, allowing for flexible learning without time or space constraints.

In line with the Company's operational goals, we initiated the Competency and Training Roadmap project this year, as outlined below:

2024 Training Roadmap Project

To facilitate knowledge and skill transfer and address the rapid evolution of science and technology, we initiated the Training Roadmap project. This roadmap serves not only to structure educational training for new hires during their probationary period but also to prioritize the promotion and skill development of employees afterwards. Through the Training Roadmap project, we've integrated it with the New Employee Mentorship Handbook, enabling employees to clearly grasp position requirements, seek guidance from mentors or supervisors, self-assess their competencies, and pursue additional education or secondary expertise. This initiative also facilitates rapid training to fill the vacancies, and cultivates multi-skilled workers within the department.

Moving forward, we will pursue two directions based on the training roadmap developed by each department:

1. New Employee Mentorship Handbook: Aligned with the updated training roadmap, it covers departmental general knowledge and core professional technical training.
2. E-Training for Talent Development: New employees, upon passing their evaluations, can access their department’ s training map via the E-Training platform.
3. Skills Inventory: This will help us identify gaps between the roadmap and individual capabilities, enabling us to establish annual training plans and evaluate course directions.

2024 Training Objectives and Focus

New Employee Development - Enhancing New Hire Capabilities

New Employee Development Course:

Pre-employment training for new hires covers a range of topics including company introduction, RBA, HR regulations, process overview, quality awareness, the five quality priorities, common English used in production lines, ESG, general safety and hazard awareness, and an introduction to relevant systems, quality, and regulations. These mandatory courses provide new employees with a comprehensive understanding of the Company's systems, regulations, and operations, facilitating their quick adaptation to their roles.

In 2024, through the implementation of the training roadmap and cross-factory comparison of the same job categories, we conducted an inventory of compulsory courses and on-the-job training that new engineers and shift engineers must complete during their probationary assessment period. This ensures that mentors have a clear understanding during the new hire training period, ensuring the effective transfer of knowledge.

Core Technology - Implementing Professional Certification Standards (Technicians & Engineers Professional Certification)

To enforce the professional certification of technicians and engineers, monthly written exams are administered, with regular monitoring of certification achievement rates. In addition to the written examination system, employees must pass unit mentors and examiners' checks before obtaining and renewing certifications, with individual approvals from immediate supervisors and HR, ensuring the validity of certifications.

Explanation

Through routine quality efficiency courses such as FMEA, 8D, PDCA, etc., employees understand and apply quality system techniques and tools in their work. Training is provided on company quality issues to reduce losses and customer complaints. To heighten employees' quality awareness, we held 16 physical courses on quality awareness and the five priorities in December. All direct and indirect staff and supervisors were arranged for classes and received tests, with a total of 475 participants completing the training.

Course Highlights





Effective Leadership: Talent Development and Building High-Performance Teams – Goal Setting, Execution, and Evaluation

As a continuation of the Company's 2023 focus on performance management, Wafer Works organized the course "Talent Development and Building High-Performance Teams – Goal Setting, Execution, and Evaluation" in 2024 and invited all division- and department-level managers to participate. This training provided both theoretical frameworks and practical methods for performance management processes such as goal setting, execution, review and adjustment, and evaluation. The instructor adopted a clear, approachable teaching style and emphasized the importance of setting ambitious goals. To encourage continuous improvement, micro-learning versions of the course were also made available online, allowing employees to review and reinforce learning at any time.

- Satisfaction Survey:

Two sessions of "Talent Development and Building High-Performance Teams – Goal Setting, Execution, and Evaluation" received satisfaction scores of 93.6 and 92.4, respectively. The positive feedback indicates that both managers and employees found the course applicable to their work, clear in structure, and helpful for goal setting and performance management. The instructor's engaging delivery and interaction with participants were also highly praised. The online course was extended to non-managerial employees, helping to disseminate performance management awareness and practices throughout the organization.

Course Highlights







Core General Education - Enhancing Regulatory Literacy and Strengthening ESG/RBA Awareness

The core general education program includes awareness courses on RBA and ethical corporate management (anti-corruption and insider trading prevention), ESG sustainability and information security promotion, and workplace misconduct prevention. These courses are designed to reinforce the Company's compliance with RBA, ESG, and workplace conduct regulations, uphold employees' fundamental human rights, ensure a healthy and safe working environment, and urge all employees to comply with relevant policies and legal requirements.

- From August to September, the Company conducted RBA and ethical corporate management (anti-corruption and insider trading prevention) courses in both in-person and online formats. All direct and indirect employees, as well as all supervisors, were required to attend and complete an assessment. Supervisors at level 9 and above were invited to sign the Anti-Corruption Statement, resulting in 91 signed declarations and a 100% response rate.
- In September, lecturers from the Taoyuan Lifeline Association were invited to deliver Workplace Misconduct Prevention training, including two in-person sessions and one online session. All employees were required to attend, with a total of 421 completions.
- In October, ESG Sustainability and Implementation courses were held in both physical and online formats, with all indirect personnel and supervisors participating; 393 employees completed the training.
- Additionally, 502 employees completed courses related to various sustainability and ESG information topics.

Course Highlights





▲ Workplace Misconduct Prevention Training



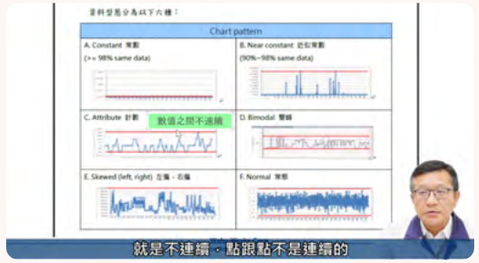


▲ ESG Sustainability and Implementation

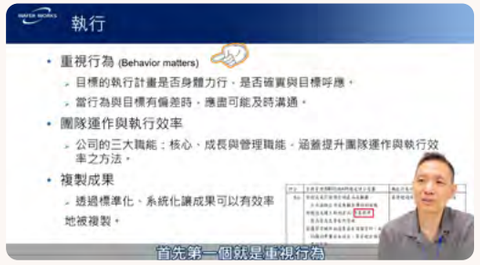
Micro courses – Enhancing the Effectiveness of Online Learning

To improve the effectiveness of online learning, Wafer Works began developing micro courses in 2024. These courses feature structured content, increased interaction between instructors and learners, visual effects, and subtitles to help employees stay focused and reinforce their learning experience. In 2024, the Company developed a series of micro courses programs, including: training on green product-related substance management, MSA report interpretation, PDCA, performance goal setting, execution and evaluation, advanced SPC, product manufacturing processes, and ESG sustainability and implementation.

Course Highlights



▲ Advanced SPC Microlearning



▲ Performance Goal Setting, Execution, and Evaluation Microlearning



▲ PDCA Microlearning

Training on Human Rights Issues

To strengthen the implementation of human rights principles, the Company organized RBA and ethical corporate management (anti-corruption and insider trading prevention) awareness courses in 2024, delivered in both physical and online formats. A total of 1,021 participants completed the training. Moving forward, the Company will continue to focus on human rights protection issues and promote related educational programs to raise awareness and reduce the likelihood of associated risks.

Course Photos





Year/Statistics	Human Rights Training Participants	Total Training Hours	Total Number of Employees	Percentage of Employees Trained
2022	1,158	1,158	1,192	97%
2023	1,011	1,011	1,074	94%
2024	1,021	1,021	1,056	96%

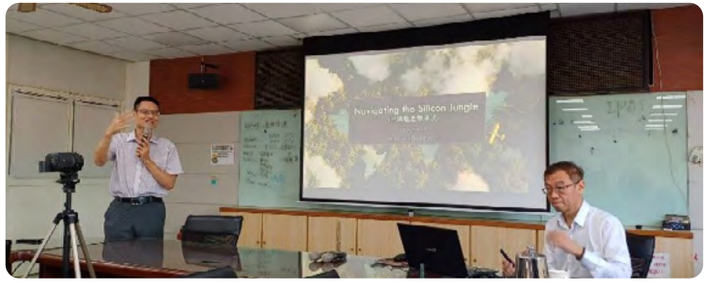
In addition to offering human rights education and training to employees, all newly hired security personnel undergo 100% pre-employment education and training, which includes instruction on human rights-related regulations. They are formally employed only after successfully passing the assessment. The security staff at our company's factory sites are outsourced and are required to adhere to employment regulations. Throughout their training period, they are assigned to various posts to familiarize themselves with different tasks and practical operations, ensuring their compliance with relevant social norms and improving their etiquette in managing access control. The Company from time to time communicates internal regulations to security guards, emphasizing the importance of observing access management procedures for goods, vehicles, and personnel to maintain the security of the factory premises.

Semiconductor Talent Cultivation

In line with the goal of "nurturing semiconductor talent" and fulfilling corporate social responsibility, the Company has long been dedicated to sharpening the skills of both internal and external talent. Additionally, it has redoubled efforts to fulfill its obligation in cultivating semiconductor emerging talent by actively engaging in various industry-academia collaboration initiatives in 2024.

Wafer Works promotes various industry-academia collaboration and internship activities each year. In 2024, the Company partnered with institutions such as Chung Yuan Christian University, Lunghwa University of Science and Technology, and Fan Shu Vocational School, engaging a total of 49 students. From the school stage onward, the Company cultivates talent in semiconductor materials, actively matches students with internship positions, and provides professional courses that enable students to gain deeper knowledge and technical skills in semiconductor materials during their studies. Upon graduation, interns are promoted and retained as full-time employees. In 2024, 9 interns were converted to regular positions, and their development was closely aligned with future talent development pathways, laying a strong foundation for the cultivation of semiconductor professionals and fulfilling the Company’s corporate social responsibility.

National Chin-Yi University of Technology Master Lecture





2024 Annual Industry-Academia Collaboration Achievements

In order to cultivate talents required by the semiconductor industry, Wafer Works participates in the preparation of the College of Semiconductor Technology at Chung Yuan Christian University. The university plans to enroll students starting from the 2024 academic year. The semiconductor program comprises a Master Program in Semiconductor Materials and Optoelectronic Characterization, an On-the-Job Master Program in the Semiconductor Industry, and an On-the-Job Doctoral Program in the Semiconductor Industry. Wafer Works, along with its chairman, has consistently donated related equipment, such as non-destructive Raman and non-linear spectroscopy systems. Moving forward, the Company intends to engage in practical semiconductor materials courses offered by Chung Yuan Christian University, offering instructors possessing industry-specific practical experience.

To prepare for talent needs related to the Erlin Plant expansion, Wafer Works partnered with National Chung Hsing University to launch graduate programs in the chemical and materials industries and with National Chi Nan University to establish a graduate program in optoelectronic materials. In the 2024 academic year, a total of 10 students were admitted to these programs. The Company also actively participated in recruitment events at central Taiwan universities to build its employer brand and attract talent aligned with corporate culture.

Talent Development

In line with the Company's strategic development goals, we continue to cultivate professional and leadership talents. Aligned with the Company's operational objectives, we establish individual goals in conjunction with departmental and job objectives, and develop personal training programs. Through Wafer Works' comprehensive training and performance evaluation mechanisms, we implement a comprehensive talent development plan.

Each year, based on training and performance evaluation results, we conduct performance management and interviews, followed by promotion procedures. For employees with development needs, we have a solid rotation mechanism to enable diverse professional development opportunities.

Performance Management and Career Planning

Consistent attention to employees and team members cultivates a mindset geared towards future enhancements and encourages forward-looking dialogues. At Wafer Works, we execute performance management via an open appraisal system accessible to all permanent staff. Through routine performance evaluations, managers conduct performance interviews with employees, addressing goal attainment, suggestions for skill enhancement, and career feedback. By understanding the differences in task completion and expectations between employees and supervisors, we underscore the mechanism of "prioritizing employee development over performance assessment."

Additionally, timely feedback and support, accessible at any time and from anywhere, facilitate swift improvements, ensuring prompt resolution of any performance issues. The Company highly values communication and feedback, nurturing and developing individual employee capabilities, thereby enhancing competitiveness and overall organizational efficiency, essential for corporate advancement.

In November each year, supervisors, in alignment with departmental goals for the following year and employees' career intentions and personal development needs, devise individual annual development plans. This allows employees to proactively acquire the knowledge and skills required for their positions, preparing them for future career development and achieving performance enhancement and development goals. During the year-end review, the effectiveness of their execution is evaluated based on the goals, job responsibilities, and learning plans set at the beginning of the year.

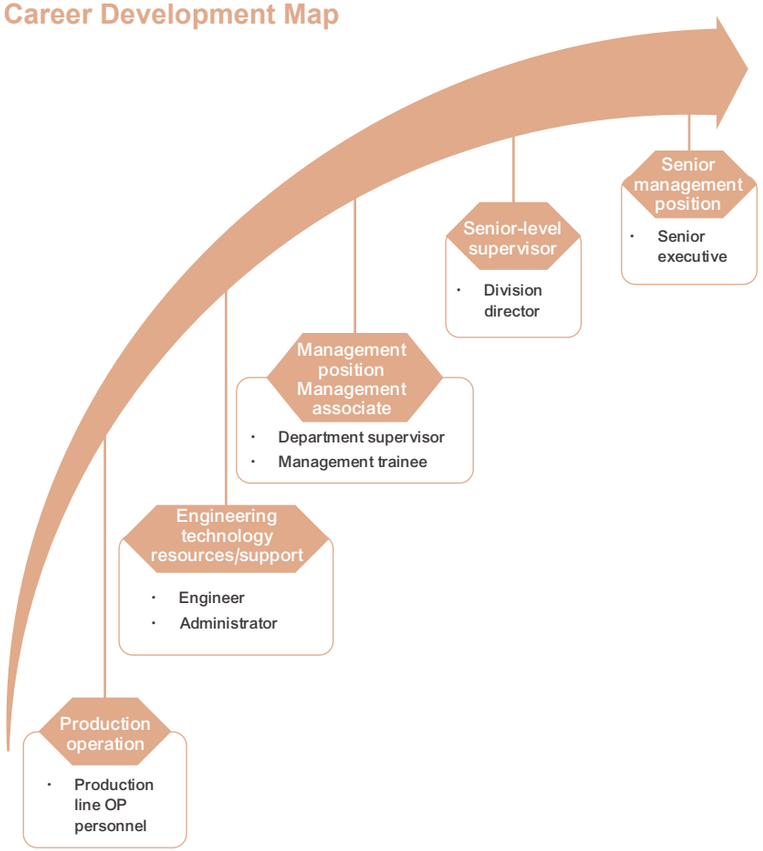
The Company conducts annual performance evaluations, wherein assessment criteria are tailored to job titles and responsibilities, serving as benchmarks for year-end bonuses, promotions, or salary adjustments. As per regulations, all employees with over a month's tenure undergo evaluations, with a 100% participation rate.

Year 2024 Employees Under Review		Number of Employees Reviewed	Number of Employees Eligible for Assessment	Percentage
Gender	Male	711	711	100%
	Female	305	305	100%
Employee Category	Direct	516	516	100%
	Indirect	500	500	100%

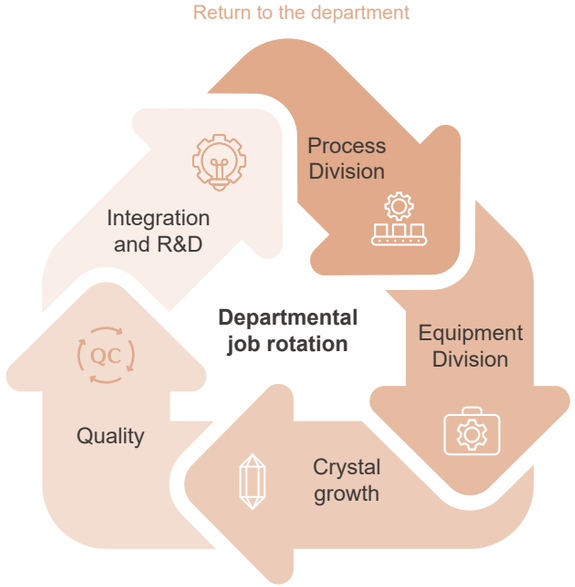
Rotation Mechanism

To enhance employees' skills and broaden their responsibilities while offering opportunities to explore various areas, the Company has adopted a job rotation system aimed at nurturing versatile management personnel. Furthermore, we conduct annual promotions, during which supervisors nominate exceptional individuals based on their performance assessments to incentivize and motivate employees.

Career Development Map



Departmental job rotation (take process engineer as an example)



Training Results

2024 Education and Training Achievements and Costs				
Course Title	Number of Sessions	Total Participants	Total Hours	Total Cost (NT$ K)
New Employee Training	14	2,435	5,287	582
Core Technology	21	1,471	2,580.5	
Departmental Professional Competences	23	314	364.71	
Certification/Multi-skilled Workers	278	3,140	8,355	
Quality Efficiency	55	5,024	3,686.24	
Effective Leadership	3	131	97.5	
Core General Knowledge	36	6,008	7,660	
Total	430	18,523	28,031	

Employee Training Performance Statistics

Statistics/Year		2022	2023	2024
Average Training Hours per Employee		15.5	22.1	26.5
Average Training Hours per Employee by Gender	Male	16.7	24.6	26.7
	Female	12.7	16.5	26.2
Average Training Hours per Employee by Category	Direct	7.3	17.6	23.0
	Indirect	24.2	26.3	29.8

Note 1: Average training hours per employee: Total training hours for all employees in the current year / Total number of employees at the end of the year.
Note 2: Average training hours per female employee: Total training hours for female employees in the current year / Total number of female employees at the end of the year.
Note 3: Average training hours per employee by category: Total training hours for employees in the category in the current year / Total number of employees in the category at the end of the year. (Employee categories are self-defined)
Note 4: Reasons for higher training hours in 2024:
1.Microlearning video courses were launched online in 2024; the content was concise, featured rich animations, and attracted more participants with the ability for repeated viewing.
2.Certification policies were updated in the same year, changing from a biennial to an annual cycle, resulting in an increased number of certification sessions and training hours.

5.5 Safety and Health Promotion

GRI: 3-3、403-1、403-2、403-3、403-4、403-5、403-6、403-7、403-8、403-9、403-10、SASB: TC-SC-320.a.1、TC-SC-320.a.2

Material Topic | Safety and Health Promotion

Potential Positive Impacts

Workplace staff can maintain physical and mental health and reduce the impact of risk factors, thereby preventing occupational injuries and illnesses.

Potential Negative Impacts: Places with specific hazards to health require more protective, monitoring, and risk reduction measures to prevent incidents.

Potential Negative Impacts

Places with specific hazards to health require more protective, monitoring, and risk reduction measures to prevent incidents.

Commitments and Policies | Zero major accidents

Topic Boundaries | Wafer Works Longtan and Yangmei fabs

2024 Goals and Achievements

- Zero major incidents reported in 2024
- Safety observations for high-risk/repetitive tasks: A total of 10 safety observations were conducted, with improvement proposals submitted and completed
- Weekly facility inspections conducted with an average of ≥2 deficiencies identified per week
- Monthly tracking of deficiency improvement rate: 99% response rate for corrective actions
- Healthy Workplace Certification – Extended Health Promotion Mark – Longtan Plant
- Health promotion walking activity: a total of 6,889,826 steps recorded by participants, reducing carbon emissions by 978.4 kg, reducing elevator use, and increasing awareness of energy conservation and environmental protection (Note: Based on the assumption that 10,000 steps ≈ 6 km, each one-way walk can reduce approximately 1.42 kg of CO_2 emissions)

Short, Medium, and Long-Term Goals

Short-term

- Proactive supervision of performance management: Check the manual and automatic safety protection of cleaning machines, observe operational safety, and ensure that protection mechanisms are functioning properly.

Medium to Long-term

- Instill a culture of full awareness among production and manufacturing staff, with the understanding that everyone, from employees, section chiefs, to manufacturing supervisors, is responsible for safety and health by conducting self-audits and supervision.
- Maintain the effectiveness of health promotion labels.

Responsibilities and Resources

Responsible Units: Occupational Safety and Health Office, Manufacturing, Equipment, Processes.

Funding: None.

Personnel: Relevant department supervisors

Others: Safe operation observation, SOP for process modification, and verification of workstation operations.

Specific Actions

Preventive/Remedial Measures:

In the event of accidents, conduct accident investigations to identify root causes and implement improvement and prevention measures.

Management Measures: Implement according to the Company's accident investigation management procedures.

Effectiveness Tracking

Quarterly monitoring of the effectiveness by the Occupational Safety and Health Committee.

Occupational Safety and Health

Wafer Works has adopted an Occupational Safety and Health Management System, gradually implementing safety and health management practices in accordance with the PDCA cycle. The system's implementation and its applicable targets encompass all operational areas across our fabs and all workers. Contractors and subcontractors are governed by their contractual agreements. The management approach includes scheduling annual emergency response drills and training courses, covering emergency instructions, proper gear usage, and response drills. These activities aim to familiarize employees with procedures and mitigation measures for abnormal situations, thereby reducing potential harm and losses. In accordance with the Occupational Safety and Health Act, when an immediate risk arises in the workplace, the employer or workplace supervisor must promptly cease operations and evacuate employees to a safe location. Employees who identify an immediate risk while performing their duties may independently cease operations and evacuate to a safe location without endangering other workers, and must promptly report to their immediate supervisor. Wafer Works will never dismiss, transfer, withhold wages during work stoppage, or take any other adverse actions against employees who exercise this right.

Both Wafer Works' Yangmei and Longtan fabs are certified under the ISO 45001:2018 Occupational Health and Safety Management Systems. This certification ensures continuous and effective safety coverage for all employees, contractors, suppliers, guests, visitors, and other stakeholders within the plant premises, promoting a safe and healthy working environment. Additionally, all processes involving external service rendered by personnel are included to ensure comprehensive safety and health management, aiming to achieve a zero-accident workplace.

Employee Occupational Safety and Health

Employees are a crucial asset to Wafer Works, and the Company is committed to providing a safe, comfortable, and healthy working environment. Wafer Works systematically implements occupational safety and health management tasks by following the PDCA (Plan-Do-Check-Act) cycle within its Occupational Safety and Health Management Systems. An annual occupational safety and health management plan is formulated each year, detailing the execution schedule and content, and is diligently implemented accordingly. Quarterly meetings of the Occupational Safety and Health Committee are convened to review the effectiveness of these implementations. Through execution, auditing, review, and plan adjustments, we consistently keep in check hazard risks within business units via the PDCA cycle, ultimately lessening the occurrence of accidents. The scope includes all employees at Wafer Works, and extends to subcontractor employees, totaling 47,027 individuals, governed by separate contractual agreements and attachments. Each unit performs hazard identification and risk assessment for its operations, prioritizing improvements based on risk levels. The effectiveness of these improvements is evaluated using performance indicators.

To continuously enforce operational safety within the plant, Wafer Works steps up patrols in hazardous areas and mounts safety awareness campaigns for employees to prevent occupational accidents. Detailed statistics on the types of occupational injuries faced by Wafer Works employees, such as lacerations, are as follows:

Statistics/Year		2022	2023	2024
Total Work Hours		2,638,402	2,380,278	2,248,088
Fatal Accidents Caused by Occupational Injuries	Number	0	0	0
	Percentage	0	0	0
Serious Occupational Injuries	Number	0	0	0
	Percentage	0	0	0
Recordable Occupational Injuries	Number	3	3	1
	Percentage	0.2274	0.2520	0.0889
Occupational Diseases	Number	0	0	0
	Percentage	0	0	0
Recordable Occupational Diseases	Number	0	0	0
	Percentage	0	0	0

Notes:
1. Fatality rate from occupational injuries = Number of fatalities from occupational injuries / Work hours * 1,000,000
2. Serious occupational injury rate = Number of serious occupational injuries (excluding fatalities) / Work hours * 1,000,000
3. Recordable occupational injury rate = Recordable occupational injury rate (including fatalities and serious occupational injuries) / Work hours * 200,000

Employee/Non-Employee - Statistics on Occupational Injuries and Occupational Diseases

Type/Year	2022	2023	2024	Hazard and Improvement Explanation
Cutting Injuries	1	1	0	2022 (Longtan fab): Quartz tubes fell from the reinvestment equipment, breaking and causing hand lacerations. Corrective actions: Improved structural stability and operational performance of the equipment. 2023 (Longtan Plant): Employee sustained a finger cut from a silicon block due to not wearing cut-resistant gloves. Corrective actions: Mandatory glove use enforced and safety training provided to manufacturing personnel.
Chemical Contact	1	0	0	In 2022, a warehouse worker at the Longtan fab accidentally dropped an empty chemical barrel while operating a forklift. The worker, wearing cotton gloves, came into contact with residual chemical overflow, resulting in a chemical burn on their hand. Corrective measures included enhancing safety and health education for all warehouse staff and raising employee safety awareness.
Burn Injuries	0	0	0	-
Crushing Injuries	1	1	0	2022 (Yangmei Plant): Employee’s thumbs were injured by the cylinder ring of the polishing machine head. Corrective actions: Use of appropriate jigs to prevent pinching. 2023 (Yangmei Plant): Employee’s hand was injured while servicing equipment. Corrective actions: Use of jigs to prevent mechanical slippage and provision of safety training on equipment maintenance.
Falling Injuries	0	1	1	In 2023, a worker at the Longtan fab accidentally fell while using the ladder. The corrective measure involved enhancing anti-slip treatment on the ladder and installing guardrails. Additionally, safety training was provided to manufacturing staff. 2024 (Longtan fab): Employee slipped in the cleanroom due to inadequate construction site protection. Corrective actions: Enhanced construction safety management and immediate inspections; safety training and supervision implemented for manufacturing personnel.

Supplier Occupational Health and Safety

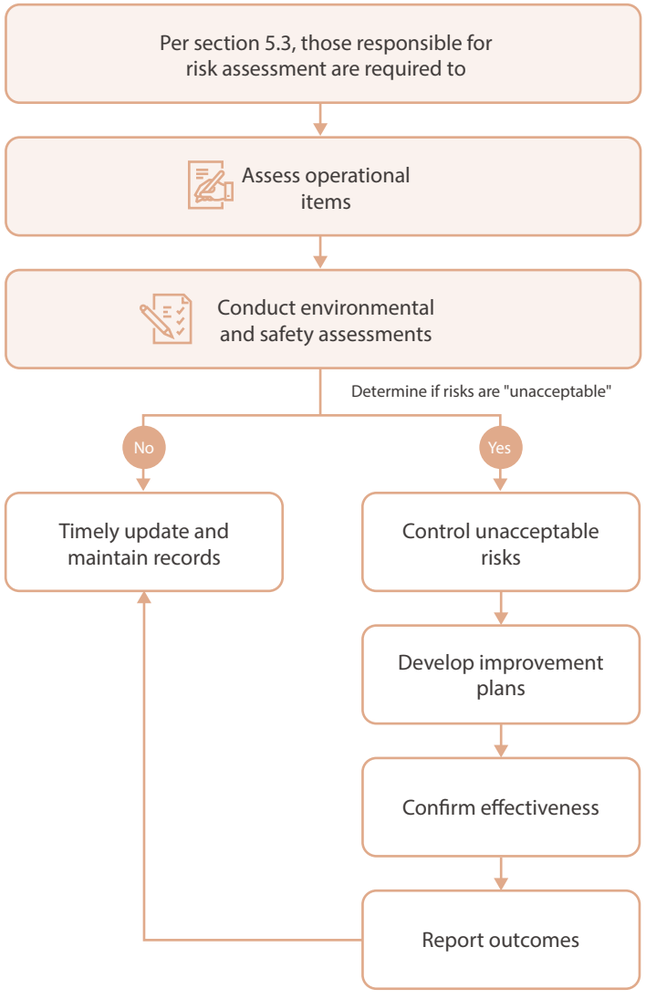
Wafer Works views suppliers as crucial business partners. To ensure the safety of their work, each production site not only implements hazard notification and supervision in accordance with the Occupational Safety and Health Act and related regulations but also promotes various management mechanisms to strengthen supplier occupational health and safety management. The Regulations Governing Contractor Construction Operations have been established, while a system for reviewing supplier qualifications has been instituted. Supplier qualification review forms are issued to suppliers for completion, and after review by relevant departments, a "Qualified Supplier List" is established. Daily hazard notifications and regular coordination meetings are held to review occupational health and safety risks. During the reporting period, we identified no suppliers as potentially high risk in terms of occupational safety. We made regular visits to suppliers with potential risks, and reviewed their improvement status. Meanwhile, efforts were made to enhance the operational quality and occupational health and safety standards of suppliers to meet practical requirements.

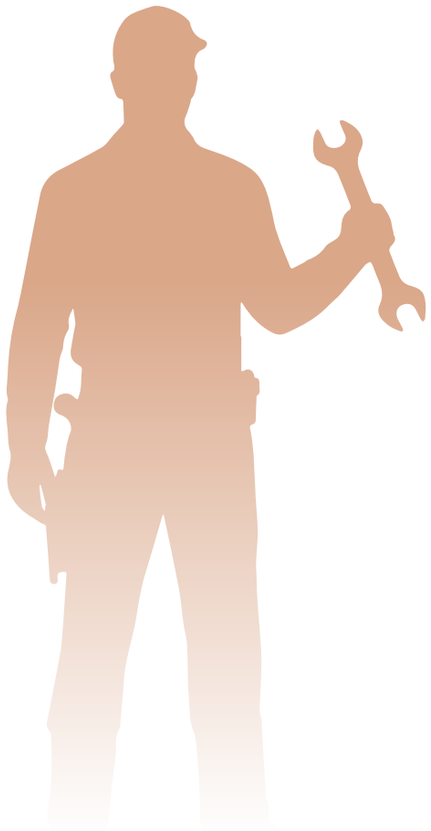
A total of 31 non-employees provide security, cleaning, and catering services in our company. The main workplace injuries are cuts, crush injuries, and falls. In 2024, there were no occupational accidents, and the number and rate of fatalities, serious occupational injuries, and recordable occupational injuries were all null. There were also no complaints of suspected occupational diseases or related occupational diseases found.

Risk Hazard Identification

In accordance with the Occupational Safety and Health Administration's (OSHA) Risk Assessment Technical Guidelines, Wafer Works has established the "Hazard Identification Risk Assessment Management Regulations" and related processes to identify, assess, and control workplace and operational hazards. Under the plant's supervision, hazards arising from operational activities, modifications to the occupational safety and health management system, etc., in the vicinity of the workplace are identified. The results of identified and assessed moderate to high-level risks deemed unacceptable are incorporated into the management plan for improvement to mitigate the risk level, ensuring effective risk control and management system effectiveness.

Risk Hazard Identification Process



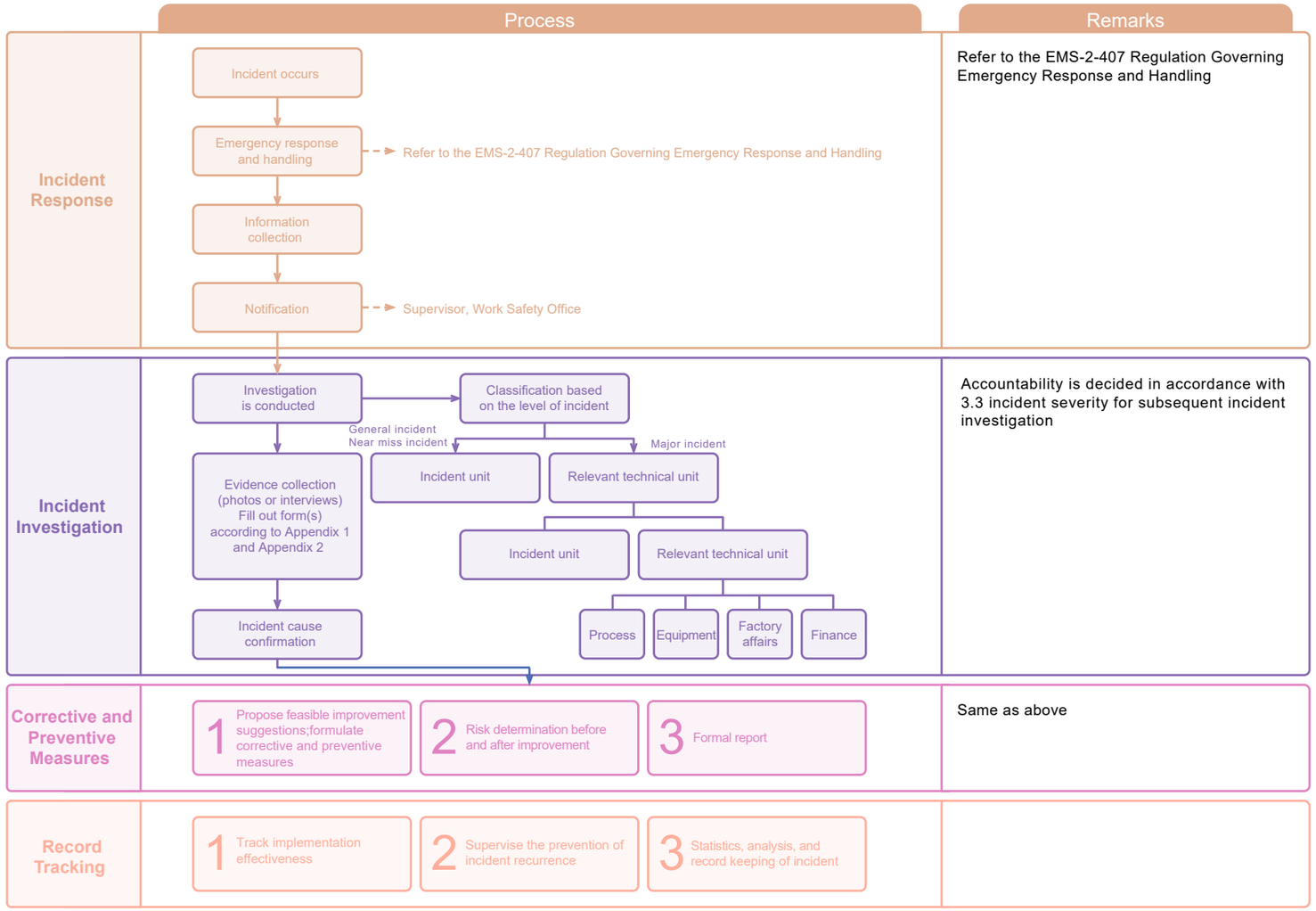


According to the "Emergency Response Procedures," when there is an immediate danger in the workplace, the employer or workplace supervisor must immediately stop operations and evacuate workers to a safe place. To bolster the emergency response readiness of each plant site in managing accidents and thereby mitigate personnel injuries, property damage, and environmental impacts, Wafer Works conducts various emergency response drills tailored to each site's operational risks. This initiative comprises a total of two emergency response and disaster prevention drills.

Each fab's occupational hazard management aims for zero accidents, serving as a benchmark for enhancing various safety activities on the premises. Through incentive methods, zero-accident-related activities are supported, and outstanding units are commended. In terms of the operation mechanism for accident management, the "Accident Investigation Management Regulations" are observed to undertake occupational accident statistics and root cause analysis. Investigation meetings are jointly convened by relevant supervisors, parties involved, etc., to thoroughly understand the issues. Remedial and improvement measures are taken based on the investigation results to eliminate similar event causes, prevent recurrence, and report for review at the Occupational Safety and Health Committee meetings.

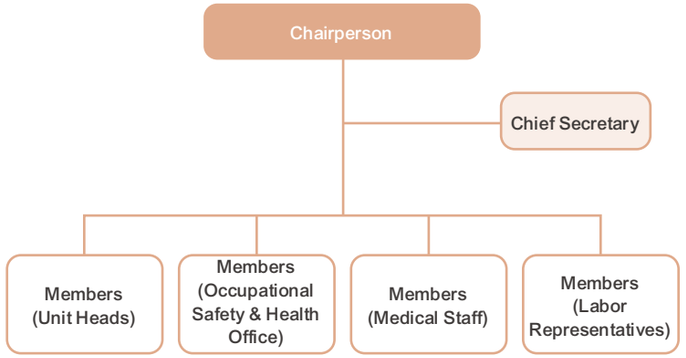


Emergency Response Procedures



Wafer Works, in accordance with the Occupational Safety and Health Act, has established an Occupational Safety and Health Committee comprising 32 labor representatives and 20 management representatives to assist in supervising and advising on occupational health and safety plans. Additionally, in 2024, the committee held four meetings to collectively discuss, deliberate, coordinate, and advise on occupational safety and health management and promotion initiatives, aiming to provide employees with a safer and more comfortable working environment.

Organization of the Occupational Safety and Health Committee



1.1 The organization system and operation mechanism of the Occupational Safety and Health Committee are as follows:

1.1.1 The committee appoints one chairperson, who is the factory manager, responsible for chairing meetings and supervising the committee's operation.

1.1.2 The committee appoints one chief secretary, who is the director of the Occupational Safety and Health Office. This individual is responsible for convening meetings, and overseeing, undertaking, and monitoring all environmental health and safety management activities.

1.1.3 The committee consists of 7-25 members, including the chairperson, heads of the Occupational Safety and Health Office and other units, medical staff, and labor representatives. Labor representatives must constitute at least one-third of the total membership, serving a term of two years and being eligible for re-election successively.

1.1.4 The Occupational Safety and Health Office should prepare a list of committee members and maintain a record of the Occupational Safety and Health Committee membership roster (see Annex 1) for reference in accordance with the Occupational Safety and Health Act.

In compliance with regulatory requirements, to ensure that every employee is familiar with occupational safety and health regulations and the Company's safety and health management mechanisms, we provide regular occupational health and safety education and training sessions. This initiative aims to instill a safety and health culture and concept within the Company, with a 90% employee satisfaction rate with the training.

Implementation of general safety and health training for new employees, on-the-job safety and health training, and ERT personnel training (practical training on wearing A & C level protective clothing and firefighting gear) resulted in training over 2,400 individuals.

To promote the physical and mental well-being of employees, Wafer Works leads employees in stress relief activities, encourages exercise for personal enjoyment, and provides psychological counseling services to assist employees in identifying and resolving issues affecting their job performance.

Health Management

Employees are essential assets to Wafer Works, and the Company prioritizes their health. Every year, comprehensive health check-ups are provided to all employees, along with special health examinations for those engaged in tasks posing specific health hazards within the factory premises. In accordance with the Occupational Safety and Health Act, regular environmental monitoring is conducted in units involved in tasks with special health hazards. Based on the monitoring results, relevant special health examinations are carried out, and the findings are compiled and managed accordingly.

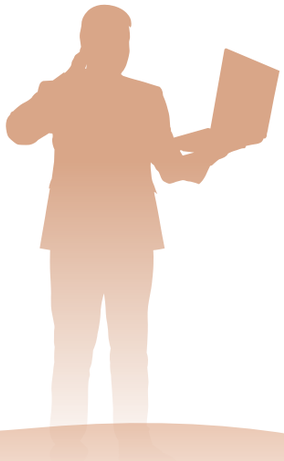
Medical units continue to provide interviews, individual health education guidance, and relevant recommendations for employees classified under level two management. The tables below show the statistics of Wafer Works' general health examinations and the number of individuals undergoing special health examinations in 2024.

General Health Check Statistics		
Expected Number	Actual Number	Attendance Rate
916	915	99.9%

Number and Cost of Employee Health Checks	
General Health Check	
Type	General Labor Health Check
Number of Participants	915
Checkup Cost (NT$ K)	457.5
Special Health Check	
Type	Noise Operation: 218 people; Ionizing Radiation Operation: 69; Arsenic and Its Compounds Operation: 78; Dust Operation: 8; Chromium Acid and Its Salts Operation: 11
Checkup Cost (NT$ K)	56.3

Number of Employees Subject to Special Hazard Operations Health Checks					
Management Level Item	Level 1 Management	Level 2 Management	Level 3 Management	Level 4 Management	Total Inspected Number
Noise Operation		164	0	3	218
Ionizing Radiation Operation	11	58	0	0	69
Arsenic and Its Compounds Operation	37	41	0	0	78
Dust Operation	3	5	0	0	8
Chromium Acid and Its Salts Operation	8	3	0	0	11

Note 1: Three employees undergoing noise exposure-related special health examinations were classified as Level 4. After evaluation by the certified plant occupational physician, all were deemed fit for their current duties. Individual health and hearing protection counseling was provided, and follow-up through annual special health examinations is ongoing.



Healthy Workplace

Wafer Works is committed to promoting a healthy workplace, continuously obtaining certification as a Healthy Workplace (Health Promotion Mark), and providing diverse health care programs while adopting the three-stage, five-level preventive medicine approach. Employees are encouraged to utilize company resources to relieve stress and enhance personal health. This includes monthly on-site medical services provided by the occupational physician, health consultations by nursing staff, health care, monitoring of abnormal health check results, access to gym facilities, blood donation drives, flu vaccinations, and more. Contractors and subcontractors working on-site receive the same health consultation and care services as Wafer Works employees when needed.

To ensure the health of every employee, we actively and continuously promote various measures, including: (1) maternal health protection, (2) prevention of musculoskeletal disorders caused by repetitive tasks, (3) prevention of diseases resulting from abnormal workloads, (4) conducting physical examinations for new employees, (5) providing annual health check-ups for existing employees, and (6) managing other specific health conditions as needed. These measures are implemented through individual case management overseen by our occupational physician and nurse. They conduct one-on-one interviews and comprehensively assess factors such as job tasks, lifestyle, exercise habits, and family medical history. If necessary, they collaborate with department supervisors and the occupational safety and health office to observe the work environment and provide recommendations for improvements or adjustments to ensure employee health.

To enhance awareness of health management among employees and facilitate early detection of health abnormalities for preventive care, Wafer Works collaborates with medical institutions to provide preventive health care services such as flu vaccinations, cancer screenings, and health lectures.

Health Promotion Activities	
Item	Description
Sight Test for Personnel Conducting Visual Inspections	For workers engaged in precision operations, we provide quarterly vision check services and offer relevant eye care education. In 2024, a total of 190 individuals were served.
On-site Physician Services	Occupational specialists are hired to provide services to employees at the factory, including human factors hazard assessment, prevention of diseases caused by abnormal workloads, maternal health protection, occupational disease prevention, abnormal health check-up tracking, and health consultations. In 2024, a total of 206 individuals were served.
Preventive Healthcare Influenza Vaccination	In November 2024, seasonal influenza vaccinations were administered on-site at the factory, with a total of 39 individuals served.
Health Lectures	To prevent employees from experiencing physical and mental stress overload and resulting physiological imbalance, various health seminars were held in 2024, including: Integrated Solutions for Workplace Pain Relief, Metabolic Syndrome and Hepatitis B/C Prevention, TCM Weight Loss Secrets for Boosting Metabolism, and CPR + AED training.
Health Screenings	Cancer and HIV screenings, as promoted by the Health Promotion Administration, were organized with a total of 195 participants.
Blood Donation	In cooperation with the Hsinchu Blood Center, a blood donation drive was held with 41 successful donors, collecting 64 units of blood to benefit the community.
Carbon-Reduction Walking Activity	Participants collectively walked 6,889,826 steps, reducing carbon emissions by 978.4 kg, and reducing elevator usage while enhancing environmental and energy-saving awareness. (Note: Based on the assumption that 10,000 steps ≈ 6 km, each one-way walk can reduce approximately 1.42 kg of CO_2 emissions.)

Healthy Workplace Certification





Highlights of health promotion activities















Health check



Donate blood



Health promotion

For osteoporosis prevention

1 **Weight-Bearing Exercise**
Ex：brisk walking, jogging, stair climbing, and hiking are all weight-bearing activities that work against gravity.

2 **Balanced Diet**
Consume nutrients such as calcium, vitamin D3, and protein, for example: dairy products, calcium-rich soy products, black sesame, dried small fish, and dark green vegetables.

3 **Good habits**
Avoid smoking, alcohol, and staying up late. Get moderate sun exposure for 10－20 minutes daily (avoiding midday) to boost vitamin D levels and enhance calcium absorption.

How to prevent measles

- ✓ Vaccination：Receiving the MMR vaccine is the most effective way to prevent measles, offering up to 95% protection.
  ★ People born after 1981, aged 20–43, are recommended to get vaccinated.
- ✓ Good hygiene practices：Wear a mask when visiting public or crowded places. Wash hands frequently, maintain proper respiratory hygiene, and follow cough etiquette.
- ✓ Avoid poorly ventilated enclosed spaces.
- ✓ Refrain from traveling to countries where measles is prevalent.

Who is suitable for super slow jogging?

Super slow jogging is an exercise anyone can do!

If you meet any of the following conditions:

- You've tried various weight loss methods but always struggle to succeed.
- You hope to improve health issues such as high blood sugar, high cholesterol, or high blood pressure.
- You lack an exercise habit and want to start working out regularly.
- You're an office worker who sits for long hours

It's a great way to make super slow jogging part of your routine and develop a regular exercise habit.

HMPV

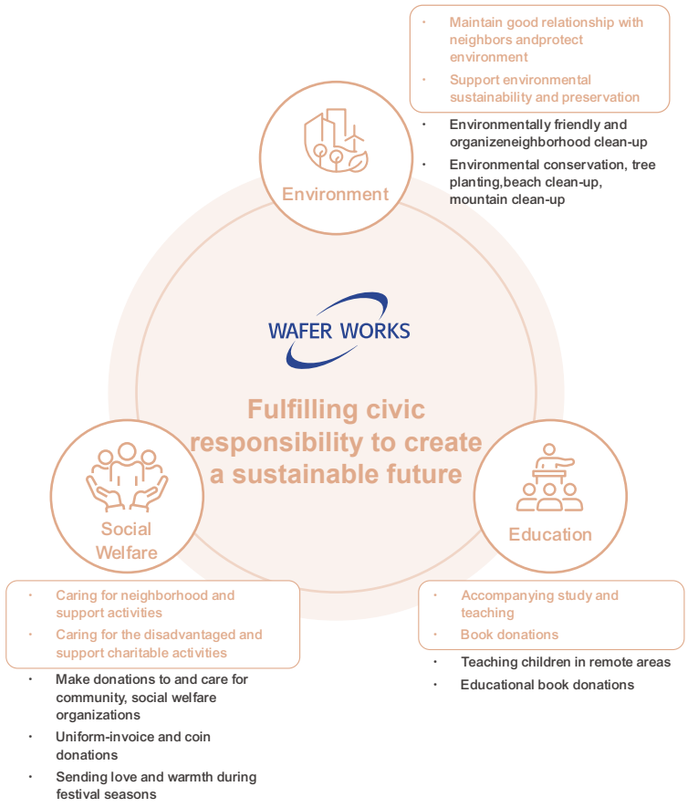
Prevention Methods

1. Maintain good personal hygiene:
   - Wash your hands frequently with soap and water for at least 20 seconds.
   - Avoid touching your mouth, nose, or eyes with unwashed hands.
2. Follow proper cough etiquette:
   - Cover your mouth and nose with your inner elbow or a tissue when coughing or sneezing to prevent the spread of droplets.
   - Dispose of used tissues immediately and wash your hands afterward.
3. Clean and ventilate your environment:
   - Regularly clean and disinfect frequently touched items (e.g., doorknobs, tabletops).
   - Keep indoor spaces well-ventilated to reduce virus concentration.
4. Avoid close contact:
   - Avoid close contact with people showing respiratory symptoms, especially during peak seasons.
   - Stay home and rest when sick to prevent spreading the virus to others.
5. Boost your immune system:
   - Eat a balanced diet and ensure adequate nutrition.
   - Maintain regular exercise, get enough sleep, and manage stress.
6. Stay informed about vaccinations:
   - Get vaccinated with available vaccines such as COVID-19 and flu vaccines to enhance protection and reduce the risk of co-infections.



5.6 Social Welfare GRI: 203-1

Wafer Works' main operating activities are located in the Longtan and Yangmei fabs in Taiwan, and have not had a negative impact on the local communities. We maintain regular/irregular communication with the communities where our factories are located (Bade Borough in Longtan District and Ruiping Borough in Yangmei District), establish communication bridges, and actively give back to society, fulfilling our corporate social responsibility.



2024 Public Welfare Activities		
Project	**Description**	**2024 Implementation**
Total Annual Public Welfare Contributions: NT$1,026,400		
Support and Donations to Eden Social Welfare Foundation (Loose Change/ Invoice Donations)	Since 2016, Wafer Works has continuously supported the Eden Social Welfare Foundation through loose change and invoice donations. Employees are encouraged to donate any amount, providing hope to families in need.	Coin donation boxes were installed at the Longtan and Yangmei fabs. Every two months, the collected funds and invoices were donated.
Community Care and Activity Participation	Since 2013, Wafer Works has annually sponsored community activities.	Sponsoring five events at Bade and Ruiping Borough, such as winter warmth drives, walking events, and holiday activities.
Donations and Care to Social Welfare Organizations	Since 2021, Wafer Works has collaborated with employees to donate supplies to social welfare organizations:	• Teamed up with employees to donate one batch of supplies to the Merry House Social Welfare Foundation. • Teamed up with employees to donate two batches of supplies to the 1919 Food Bank. • Teamed up with employees to donate a batch of supplies to the LOHAS Children's Home
Support for Baking Activities by Mentally Challenged Children	Since 2019, Wafer Works has participated in baking activities by mentally challenged children, purchasing and donating mooncakes to social welfare organizations and the community.	Donated 55 boxes of mooncakes to Huayuan Elementary School, social welfare organizations, and the community.
Donations for Special Teaching and Books to Nearby Elementary Schools	Since 2022, Wafer Works has enhanced the quality of education in nearby elementary schools through book donations and funding for special development programs: • Sponsored the Sanhe Elementary School woodball team, supporting diverse learning opportunities and the continuation of local cultural heritage. • Donated books to inspire the love of reading and support the positive growth of children in nearby elementary schools.	• ponsored the training expenses for the Sanhe Elementary School woodball team. • Donated a batch of books to Sanhe Elementary School. • Donated a batch of books to Delong Elementary School.
Beach Cleanup Family Day	Under the theme "Purify the Beach & the Mind," Wafer Works held a beach cleanup event to give back to the Earth while encouraging inner reflection. Employees and their families were invited to participate, fostering stronger bonds within the Wafer Works community and fulfilling corporate social responsibility.	• Held in October 2024, the event attracted 191 participants and collected 85 kilograms of waste.

Highlights of Public Service Activities

Donation of Books and Training Funds to Sanhe Elementary School

Sanhe Elementary School in Taoyuan is located in a remote area with only seven classes, yet its woodball team has repeatedly achieved national success. In 2024, Wafer Works sponsored their training expenses and donated a batch of books, helping the school to better nurture its outstanding students.



Book Donation to Delong Elementary School

Delong Elementary School in Taoyuan is near the Longtan Science Park. As a member of the park, Wafer Works feels obligated for providing resources. In 2024, we donated a batch of books to enrich the learning resources for the students.



Mid-Autumn Festival Mooncake Donation to Huayuan Elementary School

Huayuan Elementary School is located in the remote Huayuan community of Wufeng Township, Hsinchu County, an indigenous area. During the Mid-Autumn Festival in 2024, Wafer Works donated mooncakes from the Children Are Us bakery to all students, extending our care and love to them.



Winter Warmth Donation in Ruiping Borough, Yangmei District

Ruiping Borough in Yangmei District, Taoyuan, holds an annual winter warmth event. Wafer Works has supported this local initiative for many years, fulfilling its social responsibility. In 2024, we donated 10 cotton quilts to help elders and residents in need have a warm winter.



Donation to 1919 Food Bank

To assist economically disadvantaged families, the 1919 Food Bank collects supplies to provide essential items and reduce daily living expenses for these families. Wafer Works supported the food bank’ s mission and, in March and October 2024, collaborated with employees to donate supplies.



Supplies Donation to LOHAS Children's Home

The LOHAS Children's Home cares for children in need aged 2-18 referred by social welfare departments. In June 2024, Wafer Works and its employees donated supplies to support the institution, hoping to contribute to the children's growth and well-being.



Supplies Donation to Merry House Social Welfare Foundation

The Merry House Social Welfare Foundation in Taoyuan helps individuals with disabilities realize their potential, promoting a society of love, respect, and inclusion. Wafer Works, aligning with this vision, donated supplies in April 2024 with the support of our employees.



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Appendix

Appendix 1: GRI Comparison Table

Appendix 2: SASB Sustainability Accounting Standards Comparison Table

Appendix 3: Taipei Exchange Sustainability Disclosure Indicators - Semiconductor Industry

Appendix 4: Climate-Related Information for Exchange-Listed and OTC-Listed Companies

Appendix 5: List of Entities Preparing Consolidated Financial Statements

Appendix 6:Independent Assurance Opinion Statement



Appendix 1: GRI Comparison Table

GRI Comparison Table	
Statement Of Use	Wafer Works Corporation has Reported, in Accordance with GRI Standards, the Information Covering the Period from January 1, 2023 to December 31, 2024.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	The Company Belongs to the Semiconductor Industry. No GRI Sector Standards are Currently Available.

Index	Disclosures	Chapter	Page	Omission/Remark
General Disclosures				
GRI 2: General Disclosures 2021				
2-1	Organizational details	2.1 Company Profile	17-20	
2-2	Entities included in the organization's sustainability reporting	About This Report	3	
2-3	Reporting period, frequency and contact point	About This Report	3	
2-4	Restatements of information	About This Report	3	
2-5	External assurance	About This Report	3	
2-6	Activities, value chain and other business relationships	2.1 Company Profile	17-21	
2-7	Employees	5.2 Workforce Structure	73-74	
2-8	Workers who are not employees	5.2 Workforce Structure	73	
2-9	Governance structure and composition	2.3 Corporate Governance	23-29	
2-10	Nomination and selection of the highest governance body	2.3 Corporate Governance	23-29	
2-11	Chair of the highest governance body	2.3 Corporate Governance	23-29	

Index	Disclosures	Chapter	Page	Omission/Remark
2-12	Role of the highest governance body in overseeing the management of impacts	1.1 Sustainable Development Strategy 2.5 Risk Management	8-9 31-34	
2-13	Delegation of responsibility for managing impacts	1.1 Sustainable Development Strategy	8-9	
2-14	Role of the highest governance body in sustainability reporting	1.1 Sustainable Development Strategy	8-9	
2-15	Conflicts of interest	2.3 Corporate Governance	25-29	
2-16	Communication of critical concerns	1.1 Sustainable Development Strategy	8-9	
2-17	Collective knowledge of the highest governance body	2.3 Corporate Governance	25-28	
2-18	Evaluation of the performance of the highest governance body	2.3 Corporate Governance	29	
2-19	Remuneration policies	2.3 Corporate Governance	29	
2-20	Process to determine remuneration	2.3 Corporate Governance	29	
2-21	Annual total compensation ratio	2.3 Corporate Governance	29	
2-22	Statement on sustainable development strategy	Message from the Chairman	4	

Index	Disclosures	Chapter	Page	Omission/Remark
2-23	Policy commitments	1.1 Sustainable Development Strategy	7-9	
2-24	Embedding policy commitments	1.1 Sustainable Development Strategy	7-9	
2-25	Processes to remediate negative impacts	1.2 Stakeholders 1.3 Identification of Material Topics 1.4 Value Chain Boundaries of Material Topics 2.7 Information Security and Transparency 3.1 Product Quality and Services 3.2 Customer Relations and Privacy 4.1 Energy Conservation and Water Recycling Strategies 4.2 Climate Change and Carbon Emissions 4.4 Circular Economy and Waste Management 5.5 Safety and Health Promotion	10-15 37 40 44 53 60 67 85	
2-26	Mechanisms for seeking advice and raising concerns	2.6 Legal Compliance	35-36	
2-27	Compliance with laws and regulations	2.6 Legal Compliance	35-36	
2-28	Membership associations	2.1 Company Profile	21	
2-29	Approach to stakeholder engagement	1.2 Stakeholders	10-12	
2-30	Collective bargaining agreements	5.3 Employee Benefits	--	The Company has not signed a collective bargaining agreement with the labor union
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	1.3 Identification of Material Topics	13-14	
3-2	List of material topics	1.4 Value Chain Boundaries of Material Topics	15	

Index	Disclosures	Chapter	Page	Omission/Remark
Climate Change and Carbon Emissions				
GRI 3: Material Topics 2021				
3-3	Management of material topics	4.2 Climate Change and Carbon Emissions	60	
GRI 201: Economic Performance 2016				
201-2	Financial implications and other risks and opportunities due to climate change	4.2 Climate Change and Carbon Emissions	60-63	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	4.2 Climate Change and Carbon Emissions	65	
305-2	Energy indirect (Scope 2) GHG emissions	4.2 Climate Change and Carbon Emissions	65	
305-3	Other indirect (Scope 3) GHG emissions	4.2 Climate Change and Carbon Emissions	65	
305-4	GHG emissions intensity	4.2 Climate Change and Carbon Emissions	65	
305-5	Reduction of GHG emissions	4.1 Energy Conservation and Water Recycling Strategies	57-59	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.3 Pollution Prevention and Management	64	
Circular Economy and Waste Management				
GRI 3: Material Topics 2021				
3-3	Management of material topics	4.4 Circular Economy and Waste Management	67	

Index	Disclosures	Chapter	Page	Omission/Remark
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts	4.4 Circular Economy and Waste Management	67-69	
306-2	Management of significant wasterelated impacts	4.4 Circular Economy and Waste Management	67-69	
306-3	Waste generated	4.4 Circular Economy and Waste Management	67-69	
306-4	Waste diverted from disposal	4.4 Circular Economy and Waste Management	67-69	
306-5	Waste directed to disposal	4.4 Circular Economy and Waste Management	67-69	
Energy Conservation and Water Recycling Strategies				
GRI 3: Material Topics 2021				
3-3	Management of material topics	4.1 Energy Conservation and Water Recycling Strategies	53	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	4.1 Energy Conservation and Water Recycling Strategies	56	
302-2	Energy consumption outside of the organization	Omitted		Information is not available and incomplete. External energy consumption, including upstream and downstream value chain, as well as external fuel and electricity consumption, cannot be obtained
302-3	Energy intensity	4.1 Energy Conservation and Water Recycling Strategies	57	
302-4	Reduction of energy consumption	4.1 Energy Conservation and Water Recycling Strategies	57-59	

Index	Disclosures	Chapter	Page	Omission/ Remark
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	4.1 Energy Conservation and Water Recycling Strategies	54	
303-2	Management of water dischargerelated impacts	4.1 Energy Conservation and Water Recycling Strategies	53-54	
303-3	Water withdrawal	4.1 Energy Conservation and Water Recycling Strategies	54-55	
303-4	Water discharge	4.1 Energy Conservation and Water Recycling Strategies	55	
303-5	Water consumption	4.1 Energy Conservation and Water Recycling Strategies	55	
Safety and Health Promotion				
GRI 3: Material Topics 2021				
3-3	Management of material topics	5.5 Safety and Health Promotion	85	
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	5.5 Safety and Health Promotion	85-87	
403-2	Hazard identification, risk assessment, and incident investigation	5.5 Safety and Health Promotion	87-88	
403-3	Occupational health services	5.5 Safety and Health Promotion	89-92	
403-4	Worker participation, consultation, and communication on occupational health and safety	5.5 Safety and Health Promotion	89-92	
403-5	Worker training on occupational health and safety	5.5 Safety and Health Promotion	89-92	
403-6	Promotion of worker health	5.5 Safety and Health Promotion	89-92	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.5 Safety and Health Promotion	89-92	

Index	Disclosures	Chapter	Page	Omission/ Remark
403-8	Workers covered by an occupational health and safety management system	5.5 Safety and Health Promotion	86	
403-9	Work-related injuries	5.5 Safety and Health Promotion	86-87	
403-10	Work-related ill health	5.5 Safety and Health Promotion	86-90	
Information Security and Transparency				
GRI 3: Material Topics 2021				
3-3	Management of material topics	2.7Information Security and ransparency	37	
Product Quality and Services				
GRI 3: Material Topics 2021				
3-3	Management of material topics	3.1 Product Quality and Services	40	
Customer Relations and Privacy				
GRI 3: Material Topics 2021				
3-3	Management of material topics	3.2 Customer Relations and Privacy	44	
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.2 Customer Relations and Privacy	45	
Other Disclosures				
GRI 201: Economic Performance 2016				
201-1	Direct economic value generated and distributed	2.2 Operational Performance	22	
201-3	Defined benefit plan obligations and other retirement plans	5.3 Employee Benefits	75-78	
201-4	Financial assistance received from government	2.2 Operational Performance	22	

Index	Disclosures	Chapter	Page	Omission/Remark
GRI 202: Market Presence 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Benefits	75-76	
202-2	Proportion of senior management hired from the local community	5.2 Workforce Structure	73	
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported	5.6 Social Welfare	93-94	
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	2.6 Legal Compliance	35-36	
205-2	Communication and training about anti-corruption policies and procedures	2.6 Legal Compliance	35-36	
205-3	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.6 Legal Compliance	35-36	
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.6 Legal Compliance	35	
GRI 207：稅務 2019				
207-1	Approach to tax	2.4 Taxation	30	

Index	Disclosures	Chapter	Page	Omission/Remark
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	3.3 Supply Chain Managemant	49-50	
308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Supply Chain Managemant	49-50	
GRI 401: Employment 2016				
401-1	New employee hires and employee turnover	5.2 Workforce Structure	74	
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	5.3 Employee Benefits	76	
401-3	Parental leave	5.3 Employee Benefits	78	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	5.3 Employee Benefits	77-78	
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	5.4 Talent Training	84	
404-3	Percentage of employees receiving regular performance and career development reviews	5.4 Talent Training	83	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	2.3 Corporate Governance 5.2 Workforce Structure	26-28 73-74	
405-2	Ratio of basic salary and remuneration of women to men	5.3 Employee Benefits	75	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	2.6 Legal Compliance 5.2 Workforce Structure	35-36 73-74	

Index	Disclosures	Chapter	Page	Omission/Remark
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.3 Employee Benefits	78	
GRI 408：童工 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	2.6 Legal Compliance 5.2 Workforce Structure	35 71-74	
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.6 Legal Compliance 5.2 Workforce Structure	35 71-74	
GRI 410: Security Practices 2016				
410-1	Security personnel trained in human rights policies or procedures	5.4 Talent Training	82	
GRI 411: Rights of Indigenous Peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples	5.2 Workforce Structure	74	
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	5.6 Social Welfare	93-94	
413-2	Operations with significant actual and potential negative impacts on local communities	5.6 Social Welfare	93-94	
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	3.3 Supply Chain Managemant	49-50	
414-2	Negative social impacts in the supply chain and actions taken	3.3 Supply Chain Managemant	49-50	

Appendix 2: SASB Sustainability Accounting Standards Comparison Table

Topic	Code	Metric	Category	Description	Corresponding Section	Page
GreenhouseGas Emissions	TC-SC-110.a.1	1. Gross global Scope 1 emissions and 2. amount of total emissions from perfluorinated compounds	Quantitative	(1) Scope 1 Direct GHG emissions: 6,743.37tCO_2e (2) Fluorinated GHG emissions: 4,396.2051tCO_2e	4.2 Climate Change and Carbon Emissions	64-65
	TC-SC-110.a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Discussion and Analysis	Short-term goal: Install a second Taipower feeder line to reduce diesel generator usage. Medium-term goal: 10% reduction in process gas N2O emissions. Long-term goal: Annual carbon emission reduction of 1.5% compared to the previous year.	4.2 Climate Change and Carbon Emissions	60-65
Energy Management in Manufacturing	TC-SC-130.a.1	1. Total energy consumed 2. Percentage grid electricity and 3. Percentage renewable	Quantitative	(1) Total energy consumption: 484,619.88 GJ (2) Purchased electricity consumption: 95% (3) Renewable energy consumption: 1.22%	4.1 Energy Conservation and Water Recycling Strategies	56
Water Management	TC-SC-140.a.1	1. Total water withdrawn 2. Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	(1) Total water withdrawal: 1,996.59 million liters, with 0% from high water stress areas (2) Total water consumption: 237.84 million liters, with 0% from high water stress areas (3) All Company operations are located in northern Taiwan, which is not considered a high water stress region.	4.1 Energy Conservation and Water Recycling Strategies	54
Waste Management	TC-SC-150.a.1	Amount of hazardous waste from manufacturing, percentage recycled	Quantitative	In 2024, the total weight of hazardous waste generated was 45.93 t, accounting for 2% of total waste, with a recyclable rate of 0%	4.4 Circular Economy and Waste Management	69
Employee Health & Safety	TC-SC-320.a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	Proactive: Workplace environmental assessments Passive: Employee health checkups and follow-ups	5.5 Safety and Health Promotion	85-90
	TC-SC-320.a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	No regulatory violations occurred in 2024	5.5 Safety and Health Promotion	85
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330.a.1	Percentage of employees that are (1) foreign nationals and (2) located offshore	Quantitative	(1) Percentage of foreign employees: 23.3% (2) Percentage of overseas employees: 0.1%	5.1 Employment	73

Topic	Code	Metric	Category	Description	Corresponding Section	Page
Product Lifecycle Management	TC-SC-410.a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Quantitative	Not applicable to our company's products	3.1 Product Quality and Services	40
	TC-SC-410.a.2	Processor energy efficiency at a system-level for: (1) servers, (2) desktops and (3) laptops	Quantitative	Not applicable to our company's products		
Materials Sourcing	TC-SC-440.a.1	Description of the management of risks associated with the use of critical materials	Quantitative	In accordance with the Supplier Evaluation and Assessment Criteria, the Company ensures that suppliers of critical and important materials meet our standards. Based on the Emergency Response Guidelines for Raw Material Disruption, we ensure that procurement products are delivered appropriately and on time to the production line in the event of a natural disaster or human-caused disruption.	3.3 Supply Chain Management	46-51
Intellectual Property Protection & Competitive Behaviour	TC-SC-520.a.1	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	Quantitative	No violations occurred in 2024, with a total loss amount of zero.	2.6 Legal Compliance	35-36

Code	Activity Metric	Category	Description	Corresponding Section	Page
TC-SC-000.A	Total production	Quantitative	In 2024, Wafer Works produced the equivalent of approx. 10,731,955 6-inch wafers	2.1 Company Profile	21
TC-SC-000.B	Percentage of production from owned facilities	Quantitative	The production of products in 2024 all came from our own factory premises	2.1 Company Profile	21

Appendix 3: Taipei Exchange Sustainability Disclosure Indicators - Semiconductor Industry

No.	Indicator	Type of Indicator	Unit	Description	Report Section	Page
1	Total energy consumption, percentage of purchased electricity and renewable energy usage rate	Quantitative	Gigajoules (GJ), Percentage (%)	(1) Total energy consumption: 484,619.88GJ (2) Total purchased electricity usage: 95% (3) Renewable energy usage: 1.22%	4.1 Energy Conservation and Water Recycling Strategies	56
2	Total water withdrawal and total water consumption	Quantitative	Thousand cubic meters (m^3)	Total water intake: 1,996.59K cubic meters (Km^3) Total water consumption: 234.84K cubic meters (Km^3)	4.1 Energy Conservation and Water Recycling Strategies	55
3	The weight of hazardous waste generated and the percentage of waste recycled	Quantitative	Metric tons (t), Percentage (%)	In 2024, the total weight of hazardous waste generated was 45.93 t, accounting for 2% of total waste, with a recyclable proportion of 0%.	4.4 Circular Economy and Waste Management	69
4	Description of occupational accident categories, number of incidents, and rates	Quantitative	Ratio (%), Quantity	Recordable occupational injuries for 2024 totaled 1, 1 fall, representing 0.09% of Wafer Works' total workforce of 1,056.	5.5 Safety and Health Promotion	86
5	Disclosure of product lifecycle management: weight of scrapped products and electronic waste, and recycling percentage	Quantitative	Metric tons (t), Percentage (%)	The total weight of recycled broken wafers amounted to 206,122 metric tons, accounting for 34.91% of total production capacity. The total weight of crystal ingot tailings and crucible residues amounted to 206,122 metric tons, with a recycling rate of 14.03% based on total input materials.	4.4 Circular Economy and Waste Management	69
6	Description of risk management related to key materials	Qualitative Description	Not applicable	In accordance with the Supplier Evaluation and Assessment Criteria, the Company ensures that all suppliers of critical and important materials meet our requirements. According to the Emergency Response Guidelines for Raw Material Disruption, the Company guarantees that in the event of natural disasters or human-induced interruptions, the procurement of materials can be supplied to the production line in a timely and appropriate manner.	3.3 Supply Chain Management	49-51
7	Total monetary loss due to legal actions related to anti-competitive practices	Quantitative	Reporting currency	There were no related lawsuits, and the loss amount was zero.	2.6 Legal Compliance	35
8	Production volume of main products by product category	Quantitative	Varies by product type	In 2024, Wafer Works produced the equivalent of approx. 10,731,955 6-inch wafers.	2.1 Company Profile	21

Appendix 4: Climate-Related Information for Exchange-Listed and OTC-Listed Companies

Risks and Opportunities of Climate Change to the Company and Relevant Response Measures		
Item	**Report Disclosure Sections**	**Page**
Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management	4.2 Climate Change and Carbon Emissions	61
Describe how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise in the short, medium, and long term	4.2 Climate Change and Carbon Emissions	62
Describe the financial impacts of extreme weather events and transformation actions	4.2 Climate Change and Carbon Emissions	63
Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system	4.2 Climate Change and Carbon Emissions	61
If scenario analysis is used to evaluate resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts used	4.2 Climate Change and Carbon Emissions	60-63
If there is a transformation plan to manage climate-related risks, describe the plan, indicators, and targets used to identify and manage physical and transition risks	4.2 Climate Change and Carbon Emissions	60-63
If internal carbon pricing is used as a planning tool, explain the basis for price determination	Internal carbon pricing has not been implemented yet	
If climate-related goals are set, describe the activities, greenhouse gas emissions scope, planning period, annual progress, and, if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, explain the source and quantity of carbon offsets or RECs	4.2 Climate Change and Carbon Emissions	60-65
Greenhouse Gas Inventory and Assurance, Reduction Targets, Strategies, and Specific Action Plans	4.2 Climate Change and Carbon Emissions	60-65

Note 1: Wafer Works has not yet implemented internal carbon pricing.
Note 2: Wafer Works will explain reduction targets, strategies, and specific action plans in the sustainability report to be published in 2026.

Greenhouse Gas Inventory and Assurance Status						
Year	**2023**		**2024**		**Assurance Agency**	**Explanation of Assurance Status**
	Total Emissions	**Intensity**	**Total Emissions**	**Intensity**		
Scope 1	3,868.7676	0.385	6,743.3660	0.773	BSI Taiwan	Third-party verification was completed on April 10, 2025, and the Assurance Statement was obtained on June 6, 2025
Scope 2	60,904.1693	6.025	63,187.8483	7.245		
Scope 3	5,066.9400	0.504	2,438.8458	0.280		
Total	69,839.877	6.914	72,370.060	8.298		

Note 1: Total Greenhouse Gas Emissions Unit (metric tons CO_2e)
Note 2: Intensity Unit (metric tons CO_2e/NT$ million of revenue)

Appendix 5: List of Entities Preparing Consolidated Financial Statements

NO.	Compamy Name
1	Wafer Works Corp.
2	Wafer Works Investment Corp.
3	Heli-Vantech Corp.
4	HuaXin (Shanghai) Technology Co., Ltd.
5	Silicon Technology Investment (Cayman) Corp.
6	Wafermaster Investment Corp.
7	Wafer Works (Shanghai) Co., Ltd.
8	Sharp Right Limited
9	Helitek Company Ltd.
10	Wafer Works (Yangzhou) Corp.
11	Wafer Works Epitaxial Corp.
12	Wafer Works (Zhengzhou) Corp.
13	Zhengzhou Airport Economy Zone WaferWorks Technology Corp. (Note 1)

Note 1: On April 8, 2022, the shareholders' meeting of Wafer Works (Shanghai) Co., Ltd. resolved to merge its subsidiaries Wafer Works (Zhengzhou) Corp. and Wafer Works (Zhengzhou Airport) Corp., with Wafer Works (Zhengzhou) Corp. as the surviving company and Wafer Works (Zhengzhou Airport) Corp. as the dissolved entity. The deregistration of the dissolved company was completed on June 30, 2022.

Note 2: The Company's subsidiary, Wafer Works (Shanghai) Co., Ltd., was officially listed on the STAR Market of the Shanghai Stock Exchange on February 8, 2024, with a capital increase through the issuance of 66,206 thousand RMB-denominated common shares (A-shares). On May 22, 2024, 3,398 thousand shares were additionally converted through the exercise of employee stock options. As the Company's other subsidiary, Silicon Technology Investment (Cayman) Corp., did not participate in the cash capital increase nor the stock option conversion, its shareholding in Wafer Works (Shanghai) Co., Ltd. decreased from 53.6413% to 48.0307%. Although the Company holds only 48.0307% equity interest in Wafer Works (Shanghai) Co., Ltd., based on the Group's absolute shareholding ratio, the relative shareholding of other shareholders, and the level of equity dispersion, the Group still maintains control over the entity.

Appendix 6: Independent Assurance Statement



Independent Assurance Statement

WAFER WORKS CORPORATION 2024 SUSTAINABILITY REPORT

The AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This assurance work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR ASIA LTD. (hereinafter referred to as AFNOR ASIA) and WAFER WORKS CORPORATION (hereinafter referred to as WAFER WORKS) are independent entities. Except for the contents described in this independent assurance statement, AFNOR ASIA is not involved in the preparation process of the sustainability report of WAFER WORKS.

RESPONSIBILTIES

WAFER WORKS is responsible for reporting its economic (financial information including overseas locations), environmental, and social operating activities and performance in Taiwan operating locations in its sustainability report (hereinafter referred to as "the Report") in accordance with the declared sustainability reporting standards.

AFNOR ASIA is responsible for providing an independent assurance statement to WAFER WORKS and its stakeholders in accordance with the described scope and method. This statement is for WAFER WORKS use only and is not responsible for any other purpose.

SCOPE AND CRITERIA

The assurance scope of the agreement between WAFER WORKS and AFNOR ASIA includes:

1. The scope of assurance operation is consistent with the scope disclosed in the 「WAFER WORKS CORPORATION 2024 SUSTAINABILITY REPORT」.
2. AFNOR ASIA performs assurance operation according to the type 1 assurance of the AA1000 assurance standard (v3), reviewing and evaluating WAFER WORKS's compliance with the AA1000 AccountAbility Principles (2018).
3. The assurance operation includes reviewing and evaluating WAFER WORKS's relevant processes, systems and controls and available performance information, as well as compliance with the following reporting criteria:
   - GRI Standards.
   - Task Force on Climate-related Financial Disclosures
   - Sustainability Accounting Standards Board Standards



METHODOLOGY

- The Report is reported in accordance with the GRI Standards, and the content of the Report is reviewed for compliance with the GRI Guidelines for general disclosure and specific topic disclosure.
- The verification team interviewed relevant personnel to confirm the communication and response mechanism for stakeholders and the decision-making process for material topics, but did not directly contact external stakeholders.
- All documents, data and information related to the preparation of the Report were verified by the verification team through interviews with relevant personnel.
- The process of reviewing organizational outputs, collecting and managing qualitative and quantitative data disclosed in reports based on a sampling plan.
- By interviewing the responsible personnel of each group, examining and reviewing the relevant documents, materials and information, the verification team evaluated the reasonableness of the sources of supporting materials and evidence for the contents of the Report.

CONCLUSION

◆ **AA1000 Accountability Principles**

Inclusivity

WAFER WORKS has been continuously seeking stakeholder participation and establishing major sustainability themes to develop and achieve responsible and strategic responses to sustainability. The Report has fairly reported and disclosed environmental, social and governance information, and covered inclusive issues.

Materiality

WAFER WORKS has established effective processes to identify issues that are critical to its operations and stakeholders. Each material topics was identified through a formal review and ranked accordingly, reflecting the organization's response and priorities to the material topics.

Responsiveness

WAFER WORKS has demonstrated that it values the expectations and feedback of stakeholders, the Report has fully provided stakeholders with channels for participation and has been able to make reasonable and timely responses to issues of concern to stakeholders.



Impact

WAFER WORKS has demonstrated a process for identifying and fairly assessing impacts, including a range of environmental, social and governance topics from a wide range of sources. The impact of its operational activities is measured and evaluated through a combination of qualitative and quantitative objectives. In the future, organizations can continue to provide resources to quantify and measure various impacts to continuously disclose information to stakeholders.

◆ **Global Reporting Initiative Sustainability Reporting Standards**

Based on the results of the review, it is confirmed that the general disclosures, specific topic disclosures, and material topics management disclosures in the Report have complied with the requirements of the GRI Standards. In the future, the organization can continue to align with other international disclosure standards and demonstrate active response and communication on sustainable development issues.

◆ **Task Force on Climate-related Financial Disclosures**

Based on the results of the review, the Report has revealed the impact of climate change on the company's operations, as well as measures to respond to risks and opportunities. In the future, the organization can continuously update situational information and disclose the strategies, goals and management results of the organization in response to continuously changing situations.

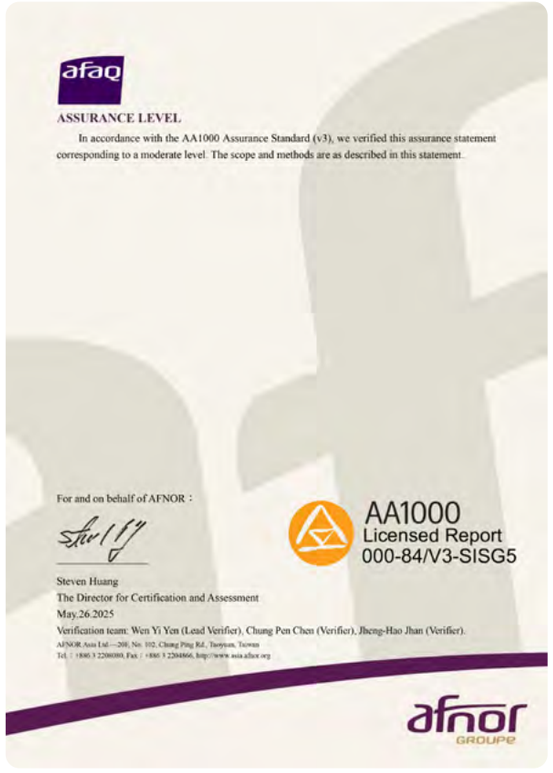
◆ **Sustainability Accounting Standards Board Standards**

Based on the results of the review, the Report has disclosed relevant information based on the Sustainability disclosure topics & metrics and activity metrics of the SASB standards. In the future, organizations can continue to collect, monitor and disclose information as required by the indicators, and integrate it with the organization's internal management processes.

ASSURANCE OPINION

AFNOR ASIA has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by WAFER WORKS and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization.

In our opinion, the information and data presented in the Report by WAFER WORKS provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in WAFER WORKS in 2024 are well represented.



ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

For and on behalf of AFNOR：

AA1000
Licensed Report
000-84/V3-SISG5

Steven Huang
The Director for Certification and Assessment
May.26.2025
Verification team: Wen Yi Yen (Lead Verifier), Chung Pen Chen (Verifier), Jheng-Hao Jhan (Verifier).

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WAFER WORKS

WAFER WORKS Corporation

