MediaTek ESG Highlight

September 2022

MSCI ESG rating: A (Aug 2, 2022)

- **Environmental**
  - GHG Emission and Environmental Management
  - Green Design
  - Supply Chain Management

- **Social**
  - Global and Diversified Workforce
  - Talent Retention and Development
  - Workplace Health and Safety

- **Governance**
  - The Board
  - Committees
  - Risk Management

Download

MediaTek 2021 Sustainability report
MediaTek 2021 Annual report
MediaTek is a fabless company with aspiration to be a green innovator. We select suppliers based on ESG criteria with constant audits and constantly adopt measures to reduce energy consumption of our products. We target to use 100% renewable energy by 2030 and reach net zero GHG emissions by 2050.

For details, please refer to MediaTek 2021 Sustainability report p.67- p.85 and net-zero link.
## Environmental Overview

### GHG Emission and Environmental Management

<table>
<thead>
<tr>
<th>Scope 1 and 2</th>
<th>(A) GHG Emission Scope 3 (transportation)</th>
<th>(B) Power Saving</th>
<th>(C) Water Saving</th>
<th>(D) Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2021 target</strong></td>
<td>Reduce emissions by 10% (with power saving at least 11%)</td>
<td>Increase use of various energy-saving transportation vehicles</td>
<td>14.2%</td>
<td>4%</td>
</tr>
<tr>
<td><strong>2021 result</strong></td>
<td>Emissions increased with power savings at <strong>14.8%</strong></td>
<td>Total passenger volume decreased by 15,212</td>
<td><strong>14.8%</strong></td>
<td><strong>4.9%</strong></td>
</tr>
<tr>
<td><strong>Reason for result</strong></td>
<td>The increase of GHG emissions in 2021 was mainly due to the higher number of employees and expansion of IT data centers.</td>
<td>Shuttle bus operations have been decreased in line with epidemic prevention measures.</td>
<td>1. Enhanced performance of the 2nd and 3rd data center. 2. Completed LED lighting upgrades.</td>
<td>1. Enhanced water-saving devices. 2. Improved water recycling.</td>
</tr>
<tr>
<td><strong>2022 target</strong></td>
<td><strong>Announce net-zero and RE100 targets</strong></td>
<td></td>
<td><strong>17.8%</strong></td>
<td><strong>5%</strong></td>
</tr>
</tbody>
</table>
Environmental Overview | GHG Emission and Environmental Management | Green Design | Supply Chain Management

(A) GHG Emission

Scope 1 & 2 GHG emissions: Come from purchased electricity, common facilities, boilers, cooling towers, and chillers. Scope 2 accounts for 92.1% of emissions with purchased electricity as the main emission source.

The scope of emission data collected covers 100% of our revenue and employees in Taiwan offices.

Scope 3 GHG Emissions: With a view to reducing carbon emissions from employee commuting, we proactively adopt environmental protection measures.

- Reduced carbon emissions generated from transportation by 97 metric tons CO2e.
- Installed EV charging stations in 2021 and plan to add 3 charging stations and 1 e-scooter battery swapping station in 2022.

For details, please refer to MediaTek 2021 Sustainability report p.85
Environmental Overview   | GHG Emission and Environmental Management   | Green Design   | Supply Chain Management

(B) Energy

2021 power saving rate was **14.8%**, above target of 14.2%
Mainly because of higher number of employees and ongoing expansion of the IT data centers.

Scope: Offices in the Hsinchu Science Park/Chupei/Taipei (100% coverage)

For details, please refer to MediaTek 2021 Sustainability report p.79- p.82
Environmental Overview  |  GHG Emission and Environmental Management  |  Green Design  |  Supply Chain Management

(C) Water management

2021 Water saving rate was 4.9%, above target of 4%

Total water intake: 382 million liters, down 6% YoY. The decrease was mainly due to work-from-home policy implemented from May to August 2021 to prevent the spread of Covid-19.

Total water savings: 19.6 million liters, up from 16.5 million liters in 2020 through water-saving devices and water recycle.

(D) Waste management

<table>
<thead>
<tr>
<th>Category</th>
<th>Waste Category</th>
<th>Treatment method</th>
<th>Volume (metric tons)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal solid waste</td>
<td>Domestic waste</td>
<td>Incineration</td>
<td>86.76</td>
<td>47.0%</td>
</tr>
<tr>
<td></td>
<td>Paper waste</td>
<td>Recycling</td>
<td>46.03</td>
<td>25.0%</td>
</tr>
<tr>
<td></td>
<td>Iron/aluminum container and lighting waste</td>
<td>Recycling</td>
<td>0.84</td>
<td>0.5%</td>
</tr>
<tr>
<td>Recycle rate</td>
<td>(Recycle amount / Total municipal solid waste)</td>
<td></td>
<td></td>
<td>35%</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>Waste electronic parts and components, scraps and rejects</td>
<td>Outsourced treatment</td>
<td>50.60</td>
<td>27.5%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>184.23</td>
<td>100%</td>
</tr>
</tbody>
</table>

Increasing recycle rate

2019 21% ➔ 2020 29% ➔ 2021 35%

MediaTek is a fabless company which doesn’t create hazardous waste. The hazardous wastes are defective parts returned by suppliers and are used for testing.

For details, please refer to MediaTek 2021 Sustainability report p.83- p.84
Environmental

Overview l GHG Emission and Environmental Management l Green Design l Supply Chain Management

Minimizing Power Consumption

Lowered 23% of power consumption of major products in 2021 vs. 2020, translating to energy conservation of 667 million kWh per year
= 334,834 tons of carbon dioxide emissions
= 396,254 acres of carbon sequestration of US forest in one year
= 11,880 kWh of average electricity consumption of one American household in one year

Minimizing Physical Size

Reduced the size of major products by 23% in 2021 vs. 2020
= 81,070 kg of waste reduction
= 167 tons carbon emissions reduction

For details, please refer to MediaTek 2021 Sustainability report p.32
Environmental

Overview | GHG Emission and Environmental Management | Green Design | Supply Chain Management

We have 29 suppliers in 2021 and out of which, 7 suppliers are identified as key suppliers who are either top 3 of our capacity providers or potential OSAT suppliers.

- 93% signed (up from 84% in 2020); target 100% in 2022.
- On-site audits were carried out for 7 key suppliers in 2021.
- 100% adoption of RMI (Responsible Minerals Initiative)-approved smelters.
- Locally produced raw materials and local suppliers account for 77% and 85% of all procurements.

For details, please refer to MediaTek 2021 Sustainability report p.67- p.68
Environmental Overview | GHG Emission and Environmental Management | Green Design | Supply Chain Management

Supplier ESG Risk Assessment and Procurement Control Procedures

- **step. 1 Compliance Principles**
  - MediaTek has reorganized its supplier evaluation standards in the economic, social, and environmental dimensions and requires its suppliers to fully abide by them.

- **step. 2 Risk assessment**
  - MediaTek relies on written and on-site audits to verify conformity to ESG requirements and confirm the validity of certificates associated with different standards.
  - Management modes for suppliers without certificates.

- **step. 3 Ongoing improvements**
  - MediaTek schedules meetings to encourage suppliers who have low ESG evaluation scores or have not earned any certificates to take the initiative in applying for relevant certifications.

All suppliers conform to the ESG evaluation standards

<table>
<thead>
<tr>
<th>Weighting</th>
<th>Economic dimension</th>
<th>Environmental dimension</th>
<th>Social dimension</th>
</tr>
</thead>
</table>

- Suppliers who pass risk assessment (≥ 60 points) are considered procurement priority and those who fail are considered high-risk suppliers.

- High-risk suppliers must pass on-site or paper auditing for ESG conformance before transaction is possible. Transaction will be scaled down or even terminated, should those which fail to pass risk assessment still cannot meet standards after guidance or assistance.

For details, please refer to MediaTek 2021 Sustainability report p.69- p.71
MediaTek provides an environment of **diversity and inclusiveness** to attract global talent. We aspire to **promote technology education and innovation** to empower innovative implementation.

### Global Presence
- The total number of our staff (incl. contractors) was 18,031 at end of 2021.
- We’ve established **27** offices around the world with **36%** of overseas employees.

### Lower-than-average Turnover
- In 2021, our global and Taiwan turnover rate was **8.2%** and **6.4%**, lower than the high-tech industry average of 18.2% and 10.2%.
- In the **leading group** among semi-listed companies in 2020 employee remuneration ranking published by TWSE.

### Higher-than-average Gender Diversity
- Women accounted for **20%/18%** of total/R&D employees in 2021, **higher** than the 13-15% among electrical engineering, computer science, and information engineering graduates in Taiwan.

For details, please refer to MediaTek 2021 Sustainability report p.33- p.55
MediaTek is driven by a need to seek out leading technical talent globally. The total number of our staff (incl. contractors) was 18,031 at end of 2021.

To effectively leverage our global R&D capacity, we've established 27 sites around the world.

We’re committed to create a friendly and fair workplace. The base salary for all employees is higher than the government minimum wage and free of gender, race, ethnicity, age, religion, sexual orientation and marital status discriminations.

Women took up 20%/18% of total/R&D employees in MediaTek in 2021, higher than the 13-15% among electrical engineering, computer science, and information engineering graduates in Taiwan.

For details, please refer to MediaTek 2021 Sustainability report p.34- p.35.
In 2021, MediaTek’s global and Taiwan turnover rate was 8.2% and 6.4%, lower than the global and Taiwan high-tech industry average of 18.2% and 10.2%.

For details, please refer to MediaTek 2021 Sustainability report p.36- p.40
Social

Overview I Global and diversified workforce I Talent retention and development I Workplace Health and Safety

Implementation of Equality in Workplace and Prevention of Wrongful Acts

Employee Communication
- CEO Vlog
- Manager communication meetings group-wide
- Communication meetings of different levels
- Company feedback mailbox
- Employee complaint mailbox
- Communication platform (FAQ)
- Labor-management meetings

Maintain work-life balance
- Club Activities
- Exclusive discount at specific stores
- Volunteer activities
- Benefits Subsidies
- Retirement Planning

Family Care
- Family care interactive platform and activities
- Pronatalist system/parental leave
- Kindergarten
- Single mixer activities

Establish healthy workplace
- Target for physical and mental healthcare
- Workplace for You
- Health Checkup and Management
- Employee Assistance Programs
- Maternity Health Protection
- Healthy, Hygienic and Diverse Food Catering
- Health Promotion Activities
- Healthy working environment and stress relief

Benefit Policies Superior than Regulatory Requirements
- Leave
- Volunteer leave
- Paternity leave

For details, please refer to MediaTek 2021 Sustainability report p.43- p.47

MediaTek Development Program

- Training for the Board and top managers
- Coaching for High Potential Talents
- Cultivation of Leadership Capabilities
- Cultivation of Professional Capabilities

- Alignment meetings with the board are held to ensure this section of training aligns with business development.
- Approaches to enhance their capabilities include job rotation, senior management coaching, individual development plan.
- High-potential talent is reviewed and selected from all managers every year.
- This program includes individual development plan, job allocation for development, mentorship, and external coaching sessions.
- HR holds regular meetings with CEO and President to discuss and plan for the development of senior management according to organizational needs.
- Workshops are designed to inspire thoughts and discussions about organizational development.
- More than 50 Book Club sessions were held.
- Leadership training courses are provided.

Our company has designated teams to plan and develop corresponding training and learning resources to employees and executives of different levels and roles.
Social

Overview | Global and diversified workforce | Talent retention and development | Workplace Health and Safety

- We hold comprehensive evacuation drills regularly, which includes fire extinguishing and aid for the injured. And to assure the safety of construction, contracted construction workers must take instruction on occupational safety and health. MediaTek achieved zero disaster, zero accident, and zero loss in 2021.
- In May 2021, as the severity of pandemic level escalated, we promptly set up the first enterprise rapid-testing station in Hsinchu Science Park and conducted corporate donation to protect employees as well as to give back to the society.

<table>
<thead>
<tr>
<th>Items / year</th>
<th>Gender</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabling injury frequency rate (FR)</td>
<td>Male</td>
<td>0.57</td>
<td>0.59</td>
<td>0.28</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>2.10</td>
<td>1.61</td>
<td>0.54</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0.83</td>
<td>0.76</td>
<td>0.32</td>
</tr>
<tr>
<td>Occupational disease rate (ODR)</td>
<td>Male</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disabling injury severity rate (SR)</td>
<td>Male</td>
<td>11</td>
<td>11</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>27</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>14</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>Absence rate (AR)</td>
<td>Male</td>
<td>0.003</td>
<td>0.003</td>
<td>0.003</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>0.010</td>
<td>0.009</td>
<td>0.007</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>0.005</td>
<td>0.004</td>
<td>0.003</td>
</tr>
</tbody>
</table>

For details, please refer to MediaTek 2021 Sustainability report p.50- p.51
MediaTek has adopted **sound corporate governance practices** to reflect our strong commitment to **protecting stakeholder interests**, thus create a sustainable foundation for development.

**Committed and Diversified Board**
- The board has **diverse** backgrounds in accordance with MediaTek's development needs.
- In 2021, the average attendance rates for the Board meetings and functional committees’ meetings were 99% and 100%.

**Aligned with Shareholder Interests**
- Link Restricted Stock Award (RSA) to **financial performance** and **total shareholder return** (TSR).
- Executive officers shall own a **certain amount of MediaTek shares** which is equivalent to a multiple of their annual base salary.

**Top in Corporate Governance and IP Protection**
- **Top 5%** of Taiwan-listed companies in 2021 Corporate Governance Evaluation.
- **Level A Certificate** in 2021 Taiwan Intellectual Property Management System (TIPS).

For details, please refer to MediaTek 2021 Sustainability report p.57- p.66 and 2021 Annual Report p.58-61
The performance evaluations of the Board of Directors, individual Directors and the functional committees under the Board were all rated “Excellent” in 2021.

In 2021, the average attendance rate of the Board meetings was 99%.

### Diversified background and experience of the Board

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Employed by the Company</th>
<th>Aged between</th>
<th>Experience in industry/academia</th>
<th>Professional Competency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Ming-Kai Tsai</td>
<td>V</td>
<td>71-75</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Vice Chairman &amp; CEO</td>
<td>Lih-Shyang Tsai</td>
<td>V</td>
<td>66-70</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Director &amp; President</td>
<td>Joe Chen</td>
<td>V</td>
<td>51-55</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Director</td>
<td>Cheng-Yaw Sun</td>
<td>V</td>
<td>61-65</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Director</td>
<td>Kenneth Kin</td>
<td>V</td>
<td>71-75</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Chung-Yu Wu</td>
<td>V</td>
<td>71-75</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Peng-Heng Chang</td>
<td>V</td>
<td>66-70</td>
<td>V</td>
<td>V</td>
</tr>
<tr>
<td>Independent Director</td>
<td>Ming-Tzai Tang</td>
<td>V</td>
<td>66-70</td>
<td>V</td>
<td>V</td>
</tr>
</tbody>
</table>

For details, please refer to MediaTek 2021 Annual Report p.17

Link to diversification policy for the composition of our Board members
## Governance

### Overview  The Board  Committees  Risk management

### Functional Committees

#### Audit Committee
- **Members:** 3 independent directors
- **Convener:** Chung-Yu Wu
- **Member:** Peng-Heng Chang
- **Member:** Ming-Tze Tang
- **Frequency of Meeting:** At least once per quarter. 7 meetings in 2021 with 100% attendance.
- **Responsibilities:** To supervise financial statements, the independence/performance/ effective implementation of internal control, and compliance with relevant regulations.
- **Summary of meeting agenda:** [Link](#)

#### Compensation Committee
- **Members:** 2 independent directors and 1 independent external expert
- **Convener:** Peng-Heng Chang
- **Member:** Chung-Yu Wu
- **Member:** Ji-Ren Lee
- **Frequency of Meeting:** At least once per year. 3 meetings in 2021 with 100% attendance.
- **Responsibilities:** To review and assess the management performance and relevant compensation policies.
- **Summary of meeting agenda:** [Link](#)

#### M&A Strategy Committee
- **Members:** 3 directors
- **Convener:** Ming-Kai Tsai
- **Member:** Peng-Heng Chang
- **Member:** Ming-Tze Tang
- **Frequency of Meeting:** At least once per year. 1 meeting in 2021 with 100% attendance.
- **Responsibilities:** To review and evaluate major M&A cases. It plays a supplemental role to the Audit Committee, who together with the Board remain the authority to approve deals.
Governance

Overview | The Board | Committees | Risk management

Additional Committees

Sustainability Committee

**Members:** The Vice Chairman chairs the Sustainability Committee that consists of top managers from various business departments and MediaTek Foundation.

**Frequency of Meeting:** Once half a year.

**Responsibilities:** Take sustainable development as its highest guiding principle and propose relevant projects to respond to economic, social, and environmental issues.

Risk Management Committee

**Members:** The executive secretary is responsible for enforcing the risk management agenda.

**Frequency of Meeting:** Once a year.

**Responsibilities:** Oversee the Company's risk management matters, incl. making related policies and reporting the status and achievements to the Board annually.

Corporate Governance Department

**Members:** The Board owns the highest authority and assigns the Legal Division to ensure compliance, where the General Counsel serves as the Corporate Governance Officer.

**Responsibilities:** All matters related to the Board and AGM meetings, incl. conducting continuing education for the Directors, providing necessary information for the Directors to fulfill duties, and assisting the Board to comply with regulations.

For details, please refer to MediaTek 2021 Sustainability report p.59
Governance

Overview  I  The Board  I  Committees  I  Risk management

Governance

- **Operating risk**: Instituted emergency prevention, incident investigation, and disaster recovery procedures.
- **Supply chain risk**: Formulated response procedures for emergency at production sites against supply chain risks.

Environmental

- Formulated environmental management policies and occupational health and safety management policies.
- Revised environmental protection measures according to international trends, operational needs and government policies.

Social

- Assessed risks to employees’ human rights.
- Ensured conformance of labor policy to domestic and foreign human-rights conventions and to governments’ legal requirement.

For details, please refer to MediaTek 2021 Sustainability report p.62- p.64
Governance

Overview I The Board I Committees I Risk management

- MediaTek adopts a **zero-tolerance policy** for corruption and bribery, unfair competition, intellectual property infringements, and insider trading.
- Any violator will be severely punished, and the internal auditing will also investigate, record, and feedback upon the violation to protect our reputation and ethical values.

### Top 8 Guidelines of the Code of Business Conduct

- **Zero tolerance for bribery, corruption, extortion, and embezzlement**
- **Strict prohibition against giving or receiving inappropriate gifts and entanglements**
- **Refrain from unfair competition and behaviors that cause adverse impact on the environment, labor safety, and the society**
- **Respect intellectual property rights and honor confidentiality obligations**
- **Insider trading prohibition**
- **No contact with those who fail to comply with our Code of Business Conduct**
- **Avoid the conflict of interest**
- **Protect privacy and personal information**

### How to whistleblow

If our employees discover any irregularities against the Ethical Corporate Management Best Practice Principles or the internal rules, they are allowed to report anonymously either to their direct supervisor or the auditing office. MediaTek treats any whistleblowing complaint and investigation in a confidential and sensitive manner, thus the whistleblower’s personal information will be kept confidential, and the senior manager will personally administer the complaint.

- **886-3-603-0011 (Audit Division Manager)**
- **ethics.reporting@mediatek.com** (Automatically transfer to the Audit Division Manager)

MediaTek Audit Division Manager, No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City 30078, Taiwan

For details, please refer to MediaTek 2021 Sustainability report p.60- p.61