MediaTek is a fabless semiconductor company that is focused on the design and development of leading technologies and IC products. All manufacturing, assembly, and testing processes are outsourced to external companies. As such, MediaTek focuses on environment-friendly product designs, procurement and management of suppliers, reduction of resource and wasted energy, and protection of employee health and safety.

For 2019

NTD 60.53 Million
Invested on environmental causes & ZERO Violations of environmental protection regulations (penalties)

Key Environmental goals

**GHG Emissions**
- Urge suppliers to jointly pledge for 2% annual reduction
- **Long-term:** Conduct global carbon emissions verifications and risk assessments

**Energy Saving**
- 2019 Target Reduction: 10.0%
  - 2019 Achievement Rate: 10.7%
- 2020 Target Reduction: 11.6%

**Water Conservation**
- 2020 Target Reduction: 5.4%

Environmental Certification

ISO 14001
- External verification since 2006.

ISO 14064
- Internal adoption since 2016,
  - External verification completed in 2020.

GHG Emissions

MediaTek began conducting self-inventory in 2016 and have outsourced for external verification in 2019.

![GHG Emissions Chart](chart.png)

Scope 1 direct emissions from sources owned or controlled by the organization.

Scope 2 indirect emissions result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed, for which makes up 95.9% of MediaTek’s overall emissions.

Scope 3 reduction efforts: commuting shuttle buses for employee transportation launched in June 2015, with four designated travel routes and inter-office electric-car routes, has reduced carbon emission by 16,434 metric tons in 2019.

Current Status
- Completed greenhouse gas emission verifications of all sites in Taiwan

Short and mid term
- Expand greenhouse gas emissions verifications to buildings located in China

Long term
- Conduct global carbon emissions verifications and risk assessments
Power Management and Conservation

In 2019, MediaTek attained an average rate of power saving of 10.7%, a number we aim to raise to 11.6% in 2020, on top of:

1. **3%** Cutting power consumption at data centers by 4% within 3 years

2. **0.2M** Boosting annual output of solar power to 0.2M kWh

### Power Consumption & Conservation Breakdown

<table>
<thead>
<tr>
<th>Power Conservation Breakdown</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Density Energy Conserving Datacenters</td>
<td>N/A</td>
<td>1.45</td>
<td>20.3</td>
</tr>
<tr>
<td>Green Energy (solar power system)</td>
<td>N/A</td>
<td>N/A</td>
<td>0.14</td>
</tr>
<tr>
<td>Office AC systems</td>
<td>3.64</td>
<td>3.09</td>
<td>4.1</td>
</tr>
<tr>
<td>Lighting Management</td>
<td>0.75</td>
<td>0.98</td>
<td>1.5</td>
</tr>
<tr>
<td>Equipment Improvement and Systematic Management</td>
<td>0.36</td>
<td>1.13</td>
<td>1.4</td>
</tr>
</tbody>
</table>

For 2018, power consumption increased due to increases in manpower, expansion of usage areas in the new building offices, and increases in usage of the IT data center; for 2019, the addition of 3 office buildings to MStar acquisition and inauguration of the Wireless Communication Building contributed to the increase in consumption.

**Highlight 1: Enhance efficiency: High-density power efficient Data Centers**

With the largest data center in Asia, we have successfully completed conversion to a new generation of high-density power-efficient Data Centers that have become a core functional support behind our technology development.

**15% Increased usage efficiency**

Obtained Gold green building certification (LEED)

**20.3 million kWh Data center Conservation**

**Highlight 2: Innovative application: Smart, energy efficient IoT platforms applied to meeting rooms**

Substantial waste occurs due to the nature of conference room use, including abandoned bookings or switched-on lighting and air conditioning. To optimize conference-room resources, we used MediaTek IoT chipset, LinkIt 7697, to detect real-time conference room usage and automatically switch off lighting and AC when not in use. In addition, this product also keeps us informed of conference room usage conditions, thus ensuring optimization of conference room resources.

**100+ Conference Rooms 3 kWh Saved Daily 564 kWh (2 GJ) Annual Savings**
Since MediaTek’s chipsets power a variety of end devices, we include environmental considerations at all stages in the design. Environmentally conscious designs are implemented in products through energy-efficient production processes and use of non-toxic materials. MediaTek products all comply with ROHS and WEEE regulations and do not use prohibited substances.

Highlight 3: MediaTek’s new solar power system

We took advantage of our roof-top space at the headquarter to install solar energy generation facilities, in an effort to offset our grid-provided power, move towards a carbon-neutral operation and to lower energy expenditure. This marks the first privately installed solar energy conversion system in Hsinchu Science Park that connects to Taipower’s power grid. Rooftop solar panels are estimated to cut temperature of top-floor office by 3-5°C, reducing airconditioning power consumption significantly.

Green Design

Since MediaTek’s chipsets power a variety of end devices, we include environmental considerations at all stages in the design. Environmentally conscious designs are implemented in products through energy-efficient production processes and use of non-toxic materials. MediaTek products all comply with ROHS and WEEE regulations and do not use prohibited substances.

We aim to reduce environmental impact by:

- Minimizing Power Consumption
- Minimizing Physical Size

Power Consumption and Chip Size
(normalized to 2016 value)

Annual Power Savings
(calculated based on production volume)
MediaTek offices draw water from water plants in various districts, and for 2019 a total of 317,480 metric tons (approx. 317 million liters) of water were used. The water consumption increased by 27% compared to the previous year, mainly due to the acquisition of MStar’s 3 new office buildings, and the addition of the new Wireless Communications Building.

**Water Resource Management**

MediaTek has a strict process for selecting collaborating companies for waste removal and reuse, and we conduct non-periodic audits on the legal compliance of waste disposal as part of our monitoring responsibilities. Despite increasing in scale, the total waste disposal was down year over year by approximately 21 metric tons in 2019. The total waste disposal during 2017, 2018, 2019 is 94.03, 102.79, and 81.66 metric tons respectively.

**Waste Management**

As fabless IC design house, MediaTek’s top priority is to work with our suppliers to decrease potential impacts on the environment and society. We ensure responsible supply chain management by reducing our environmental impact where possible, encouraging suppliers to work together on issues relating to climate change.

We select our suppliers based on the 3 ESG aspects, confirming management policies and organizational structures of our suppliers, conducting on-site and written audits each year/month, organizing relevant training and improvement meetings, and hosting supplier forums to provide awards and generate encouragement for our top suppliers.
Comprehensive Implementation of Supplier Assessment Policies to Promote Sustainable Supply Chains

Overview of MediaTek’s supply chain management tools

1/ MediaTek Supplier Code of Conduct
   - Integrated guidelines and declarations of Responsible Business Alliance Code of Conduct, International Labor Office Tripartite Declaration of Principles, and UN Universal Declaration of Human Rights

2/ Established management standards
   - Supplier risk evaluation standards and sustainable audit standards

3/ Regular audits
   - Through RBA online management system, SAQ, and written and on-site audits

4/ Local procurement
   - Uphold principles of local procurement, retaining job opportunities for locals and decreasing transportation distance of materials

5/ Supplier Forums
   - Regularly host forums among suppliers to share best practices

5/ RBA online courses
   - Create online training videos and training materials relating to Supplier Code of Conduct

5/ Supplier Conferences
   - Recognize and encourage excellent supplier performance

Mechanisms of supply chain management
- MediaTek’s influence

1/ MediaTek Supplier Code of Conduct

Supplier Code of Conduct
- Management systems
- Business ethics
- Labor and human rights
- Environmental protection
- Health and safety

2/ Established management standards and regular audits

RISK ASSESSMENT

High Risk

On-Site or Paper AUDITING

≥60 POINTS

PASS

Resume transactions

FAIL

Transaction scaled down or even terminated

68% 2019 CoC (Code of Conduct) Sign Rate

80% Expected 2021 Sign Rate

For the full details of the Code of Conduct, please refer to p.49 of the 2019 CSR Report.
Since 2011, MediaTek has been conducting conflict mineral inspections and require suppliers to provide “Declaration of non-conflict mineral usage” in accordance with the Conflict-Free Smelter Program (CFSP), RBA, and Global e-Sustainability Initiative (GeSI) regulations. In 2018 also began using CRT to conduct cobalt inspections.

3/ **Conflict Minerals**

Since 2011, MediaTek has been conducting conflict mineral inspections and require suppliers to provide “Declaration of non-conflict mineral usage” in accordance with the Conflict-Free Smelter Program (CFSP), RBA, and Global e-Sustainability Initiative (GeSI) regulations. In 2018 also began using CRT to conduct cobalt inspections.

4/ **Local Procurement**

MediaTek upholds the principle of local procurement, in order to provide job opportunities for local residents and decrease carbon emissions due to reduced material transportation distances. Procurement value in Taiwan exceeds 100 billion NTD a year, accounting for vast majority of our procurement of both raw materials and common goods.

5/ **MediaTek’s Influence: supplier forums, RBA online courses, supplier conferences**

MediaTek held a forum on responsible supply chain in 2019 and has decided to make it an annual event, in order to realize green manufacturing for sustainable development. Forum included themes of SDG12 and SDG13 for sustainable energy and climate actions, where opinion leaders and experts/scholars gave talks about international trend and propose suggestions, while suppliers with excellent performance shared with attendees their experience.
MediaTek provides an environment of diversity and inclusiveness to attract global talent, with opportunities for them to unleash their potential and grow with the company. We aspire to be involved through our core capabilities to promote technology education and innovative technological applications, empowering innovation and local implementation.

### Employee Structure and Diversity

**Global, Diverse, and Inclusive Workforce**

As research and development is a core requirement, MediaTek is driven by a need to seek out leading technical talent globally. Full-time employees account for 97% of the workforce, including disabled people (63 in 2019), offering them fair job opportunities. We have established 27 sites around the world, and hope to through exchanges and collaboration, hope to leverage our demographically and geographically diverse employees.

**Geographic Distribution**

<table>
<thead>
<tr>
<th>North America</th>
<th>Europe</th>
<th>Asia (Ex. Taiwan)</th>
<th>Taiwan</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>385</td>
<td>292</td>
<td>4,716</td>
<td>8,915</td>
<td>14,308</td>
</tr>
</tbody>
</table>

**Distribution of Gender by Levels**

MediaTek hires a higher than average share of female R&D and technical support personnel than the high-tech industry.

<table>
<thead>
<tr>
<th>Type of Employment</th>
<th>Male</th>
<th>Female</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>11,557</td>
<td>2,653</td>
<td>14,210</td>
</tr>
<tr>
<td>Part-time</td>
<td>64</td>
<td>34</td>
<td>98</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,621</td>
<td>2,687</td>
<td>14,308</td>
</tr>
</tbody>
</table>

**New Hires and Turnover Rate**

In 2019, MediaTek had a global turnover rate of 7.2% (5.4% in Taiwan), which was significantly lower than the 19.8% (15.7% in Taiwan) in the high-tech industry (see Radford 2020 Market Research Report). To continue the optimization of MediaTek’s talent structure, we not only focus on indicators for new hires and employee turnover, but also pay close attention to the number of applications per job, offer-to-acceptance rates, and development and retention of new hires. We hope we can continue to attract the best individuals to work at MediaTek from a highly competitive talent market, by adopting methods such as our Care System for new hires and exit interviews.

**2019 MediaTek Global & Taiwan Turnover Rate**

Compared to high-tech industry turnover rates of 19.8% & 15.7% for global and Taiwan respectively.
Employee Renumeration

The salary ratio of permanent male and female engineering employees is 1:1 in 2018 and 2019. Among companies listed on the Taiwan Stock Exchange (TWSE) in 2018, MediaTek offered the highest average salaries for full-time non-managerial employees based in Taiwan, and we have remained ahead of the curve throughout 2019.

Among highest average salaries for full-time non-managerial employees

<table>
<thead>
<tr>
<th>Item</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average salaries for full-time non-managerial staff</td>
<td>2,693</td>
<td>2,705</td>
<td>2,647</td>
</tr>
<tr>
<td>Median of full-time non-managerial staff salaries</td>
<td>N/A</td>
<td>2,422</td>
<td>2,339</td>
</tr>
</tbody>
</table>

[note] Full-time, non-managerial staff are all full-time employees excluding Board members and managers.

MediaTek In-House Preschool

/ Largest such facility in Hsinchu Science Park (approximately 21,354 ft² / 1,984 m²).
/ Offers extended childcare, free of charge, until 8:00 p.m., for employees when they are at work.
/ Innovative teaching methods, integrating game and learning, to aid children’s science and art exploration.
/ Apart from using standard alcohol for surface disinfection, stringent nightly ultraviolet germicidal lamps are also used.
/ Offer competitive compensation and fringe benefits Institute flexible fringe-benefit program meeting employee’s needs.
Employee Development and Talent Cultivation

A company’s sustainable operation and growth hinges on exercise of employees’ professional and management talent to the fullest. We aim to become a global semiconductor leading firm in technology and operation, via a training and development mechanism for employees at various levels.

<table>
<thead>
<tr>
<th>Employee Type</th>
<th>Total Hours</th>
<th>Total Persons</th>
<th>Average Hours</th>
<th>Average Cost/Person (NTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>11,842</td>
<td>1,672</td>
<td>7.08</td>
<td></td>
</tr>
<tr>
<td>Non-managerial staff</td>
<td>87,263</td>
<td>12,634</td>
<td>6.91</td>
<td></td>
</tr>
<tr>
<td>All Employees</td>
<td>99,105</td>
<td>14,308</td>
<td>6.93</td>
<td>2,546</td>
</tr>
</tbody>
</table>

Managerial level training

Considering development goals from different angles, we offer complete talent-cultivation program, to assure the strength of high-quality talent pool and consolidate the leadership and management capability of management at various levels.

Workplace Health and Safety

ISO 45001 External verification since 2018

MediaTek values employee experiences and strives to help each employee enjoy their work. Employees derive positive experiences from different things, so we are active in communicating with our employees as we seek to understand their motivations through a variety of channels. We provide benefits that exceed legal compliance requirements and aim to take care of the physical and mental health, and the work-life balance.
MediaTek has adopted sound corporate governance practices to reflect our strong commitment to protecting stakeholder interests.

**Organizational Structure**

**Board of Directors**

The Board of Directors is currently composed of 9 directors (including 3 independent directors). For a list of Board members and their educational background and work experiences, please refer to p.11 of MediaTek’s 2019 Annual Report. MediaTek’s directors’ remuneration are disclosed on an individual basis and can be found on p.18 of MediaTek’s 2019 Annual Report.
Functional Committees

Audit Committee - 3 independent directors
The audit committee supervises the adequate presentation of our financial statements, the selection and discharge of the CPA, the independence and performance, the effective implementation of our internal control, compliance with relevant laws and regulations, and the control mechanism for existing or potential risk.

The Audit Committee meets at least once each quarter, and otherwise as necessary. The Audit Committee convened a total of 6 times with 100% attendance in 2019.

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Chung-Yu Wu</td>
<td>100%</td>
</tr>
<tr>
<td>Member</td>
<td>Peng-Heng Chang</td>
<td>100%</td>
</tr>
<tr>
<td>Member</td>
<td>Ming-Tze Tang</td>
<td>100%</td>
</tr>
</tbody>
</table>

Remuneration Committee - 2 independent directors and 1 independent external expert
The Remuneration Committee aims at establishing and regularly reviewing the performance evaluation procedure for directors and managers as well as establishing compensation policy, system, standard and structure and regularly reviewing the compensation of directors and managers.

The Remuneration Committee meets at least once per year; and the Committee convened 2 times in 2019 with 100% attendance.

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convener</td>
<td>Peng-Heng Chang</td>
<td>100%</td>
</tr>
<tr>
<td>Member</td>
<td>Chung-Yu Wu</td>
<td>100%</td>
</tr>
<tr>
<td>Member</td>
<td>Ji-Ren Lee</td>
<td>100%</td>
</tr>
</tbody>
</table>

CSR Committee – CEO, Senior Executives from various units
The CEO serves as the Chair of the Committee and is responsible for convening the senior executives from various units, including marketing, R&D, sales, HR, process technology & manufacturing operations, legal, finance, and auditing units, as well as the MediaTek Foundation to assume the Committee members.

The CSR Committee meets twice a year; with status updates to the Board yearly.

Corporate Governance Unit
With the help of the Corporate Legal Division, the Board directors have completed various trainings, including trade secret protection, detection and prevention of fraud, the latest issues and analysis of the Company Act, insider trading and directors’ duties particularly in M&A context, the Income Tax Act and the Statute for Industrial Innovation. By virtue of these education program, the directors learn about the latest industry trends and how to function the Board effectively.

Cyber Security Committee
In 2019, the information security risk management framework was strengthened. The Cyber Security Committee and the head of the supervisors of IT formed the Cyber Security Committee, with the top director of the IT Department as the convener. The Information Security Committee is responsible for information security management, planning, supervision and implementation. Related matters include: formulating and regularly reviewing the security policy, including the security incident notification and response mechanism.
Integrity and Legal Compliance

MediaTek periodically provides internal training courses covering topics of Proprietary Information Management (PIM), and prevention of trade secret violations among others, thereby strengthening employee’s awareness of ethical management and enhancing our corporate governance. In legal compliance, MediaTek follows domestic and international policies and laws that may potentially impact our business and financial operations, updating internal rules accordingly. In turn, the Audit Division reviews and examines the enforcement status of legal compliance. We have established a Whistleblowing System, with dedicated reporting channels and procedures for investigation, to enforce the principles of ethical management as regulated in the Ethical Corporate Management Best Practice Principles and Code of Business Conduct.

8 top guidelines of the Code of Business Conduct

- Zero tolerance for bribery, corruption, extortion, and embezzlement
- Insider trading prohibition
- Refrain from unfair competition and behaviors that cause adverse impact on the environment, labor safety, and the society
- Protect privacy and personal information
- Respect intellectual property rights and honor confidentiality obligations
- No contact with those who fail to comply with our Code of Business Conduct
- Avoid the conflict of interest
- Strict prohibition against giving or receiving inappropriate gifts and interests
- MediaTek adopts a zero-tolerance policy for corruption and bribery, unfair competition, intellectual property infringements, and insider trading. Any violator of the Code of Business Conduct or relevant internal rules discovered by the Whistleblowing System and other law enforcement mechanisms will be severely punished to the full extent of our policies and the law, and the internal auditing will also investigate, record, and feedback upon the violation to protect our reputation and ethical values.

Whistleblowing System

MediaTek published a Whistleblowing Policy in 2019 to enhance corporate governance. During the investigation, the identity of the whistleblower would be kept confidential, and each cases would be independently handled.

Risk Management

**Business Continuity Management Committee**

Chairman: VP of Operations Management

Duties:

- Appoint risk management tasks and responsibilities for all units.
- Formulate response measures for operational disruptions.
- List potential risks.
- Evaluate impacts of every risk.
- Identify the most impactful internal and external issues.
- Classify and report to management based on impact levels.

**Social Risk Management**

Assessed risks to employees’ human rights

- Ensured conformance of labor policy to domestic and foreign human-rights conventions and to legal requirement of host governments.
- Held labor-management meetings regularly.

**Environmental Risk Management**

- Formulated environmental management policies and occupational health and safety management policies.
- Conducted annual review on climate change issues.
- Revised environmental protection measures according to international trends, operational needs, and government policies.

**Governance Risk Management**

1. Formulated emergency procedures, incident (injury) investigation, disaster recovery procedures against business risks.
2. Formulated response procedures for emergency at production sites against supply-chain risks.
3. Managed currency fluctuations with forward exchange contracts.
4. Coped with interest rate changes with effective forecast via sensitivity analysis of interest-rate risk.