MediaTek ESG Highlight
August 2023
MSCI ESG rating: A (Aug 4, 2023)

- **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 2022 Sustainability report
- MediaTek 2022 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.

### Environmental Overview

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

### External Verifications

- **ISO 14001**
  Environmental Management System
- **ISO 45001**
  Occupational Health and Safety Management System
- **ISO 14064**
  International Standard for GHG Emissions
- **ISO 50001**
  Energy Management Standard

### Green Products

- Comply with ROHS and WEEE regulations.
- Reduced the size of major products by 5% in 2022 vs. 2021, equivalent to 12,000 kg of waste reduction, or 25 tons carbon emissions reduction.

### Net-Zero Targets

- By 2030, we target to reduce Scope 1 and 2 GHG emissions by 40% and Scope 3 by 25%, comparing those in 2020.
- By **2050**, we target to reach net zero GHG emissions.
- By **2030**, all MediaTek offices target to use **100% renewable energy**.
- We purchased **NT$ 400 million** of green bonds in 2022.


Back to index
# Environmental Overview

**GHG Emission and Environmental Management**

<table>
<thead>
<tr>
<th><strong>(A) GHG Emission</strong></th>
<th><strong>(B) Power Saving</strong></th>
<th><strong>(C) Water Saving</strong></th>
<th><strong>(D) Waste</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Scope 1 and 2</strong></td>
<td><strong>Scope 3 (transportation)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022 target</td>
<td>Reduction by 10% (Scope 2 reached 11%)</td>
<td>Increase use of various energy-saving transportation vehicles</td>
<td>17.8%</td>
</tr>
<tr>
<td>2022 result</td>
<td>Scope 2 at <strong>16.3%</strong></td>
<td>Total passenger volume increased by 26,118</td>
<td><strong>16.3%</strong></td>
</tr>
<tr>
<td>Reason for result</td>
<td>We improve the energy efficiency of the data center, to replace the lighting of existing office locations with LEDs etc.</td>
<td>We added new routes and stops. Additionally, we increased 13 more electric vehicle charging stations.</td>
<td>The lower power saving rate was mainly due to MediaTek’s five new office sites (will be improved continuously).</td>
</tr>
<tr>
<td>2023 target</td>
<td><strong>Reduction by 10%</strong> (Scope 2 must reach 12%)</td>
<td>Increase of usage rate</td>
<td><strong>16.5%</strong></td>
</tr>
</tbody>
</table>

For details, please refer to MediaTek 2022 Sustainability report p.133- p.145

- Increase recycling rate
- From 35% to **38%**
# Environmental

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

## (A) GHG Emission

### 2022 summary

**Scope 1 & 2 GHG emissions**: Come from purchased electricity, common facilities, boilers, cooling towers, and chillers. Scope 2 accounts for 93.27% of emissions with purchased electricity as the main emission source.

### 2022 Greenhouse Gas Emissions

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope 1 GHG emissions (direct emissions from sources owned or controlled by the organization)</th>
<th>Scope 2 GHG emissions (indirect emissions from electricity input, heat, or steam)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>Emission quantity (metric tons)</td>
<td>4,518</td>
<td>5,326</td>
</tr>
</tbody>
</table>

Note 1: The scope of emission data collected covers 100% of our revenue and employees in Taiwan offices.

Note 2: The increase of GHG emissions in 2022 can mainly be attributed to the higher number of employees, 5 newly built office sites and ongoing expansion of the IT data centers.

**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 **219** metric tons CO2e.
- Installed 13 EV charging stations in 2022 and plan to add 1 e-scooter battery swapping station in 2023.

For details, please refer to MediaTek 2022 Sustainability report p.140- p.141

### Net Zero

#### Mid-term targets

<table>
<thead>
<tr>
<th>Category</th>
<th>GHG emission reduction by 2030 vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1 &amp; 2</td>
<td>40%</td>
</tr>
<tr>
<td>Scope 3</td>
<td>25%</td>
</tr>
</tbody>
</table>

#### Long-term targets

- **2030 RE100**
- **2050 Net-Zero**
Environmental Overview | GHG Emission and Environmental Management | Green Design | Supply Chain Management

(B) Energy

2022 power saving rate was **16.3%**

Mainly because of MediaTek's construction of five new office sites and expansion of its IT data center.

Three priorities of energy management and conservation in 2022:

- **Efficiency enhancement**
  - High-density, energy-efficient data centers
    - The new-generation, high-density, energy-efficient data centers represent a brilliant example of successful transformation by overcoming the capability limitations of traditional data centers and are expected to provide powerful backing for technology R&D.

- **Innovative applications**
  - Autonomously developed energy-efficient chips
    - Autonomous development of smart devices, automatic lighting and AC shutdown to reduce energy waste, and automatic detection of meeting room usage status to ensure optimized use.

- **Self-generated electricity**
  - Solar power system
    - Installed capacity of 146.4kW First private enterprise in the Hsinchu Science Park with a Taipower grid-connected solar power system installed on a rooftop.

For details, please refer to MediaTek 2022 Sustainability report p.136- p.140
Environmental Overview | GHG Emission and Environmental Management | Green Design | Supply Chain Management

(C) Water management

2022 Water saving rate was 3.7%

Total water intake: 486 million liters, up 27% YoY. The increase was mainly due to the increase in the number of employees this year and the expansion of five new office premises and IT data centers.

Total water savings: 18.8 million liters, down from 19.6 million liters in 2021 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>99.07</td>
<td>45.3%</td>
</tr>
<tr>
<td></td>
<td>Paper waste</td>
<td>Recycling</td>
<td>60.12</td>
<td>27.5%</td>
</tr>
<tr>
<td></td>
<td>Iron/aluminum container and lighting waste</td>
<td>Recycling</td>
<td>0.41</td>
<td>0.2%</td>
</tr>
<tr>
<td>Recycle rate</td>
<td>(Recycle amount / Total municipal solid waste)</td>
<td></td>
<td></td>
<td>38%</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>Waste electronic parts and components, scraps and rejects</td>
<td>Outsourced treatment</td>
<td>58.95</td>
<td>27%</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>218.55</td>
<td>100%</td>
</tr>
</tbody>
</table>

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

The best effort to take the environmental sustainability into consideration as early as at the stage of IC design.

No matter the product is in use or wasted, we achieve the goal for reducing product energy consumption and miniaturizing product volume through the chip system architecture adjustment, algorithm optimization, and accelerated implementation of advanced manufacturing processes.

Minimizing Power Consumption

Lowered 10% of power consumption of major products in 2022 vs. 2021, translating to energy conservation of 250 million kWh per year

- = 127,250 tons of carbon dioxide emissions
- = 151,748 acres of carbon sequestration of US forest in one year
- = 24,760 American households’ electricity consumption in one year

Minimizing Physical Size

Reduced the size of major products by 5% in 2022 vs. 2021

- = 12,000 kg of waste reduction
- = 25 tons carbon emissions reduction

For details, please refer to MediaTek 2022 Sustainability report p.55
We have 31 suppliers in 2022 and out of which, 7 suppliers are identified as key suppliers who are either top 3 of our capacity providers or potential OSAT suppliers.

100% signed (up from 93% in 2021)

On-site audits were carried out for 7 key suppliers in 2022.

100% adoption of RMI (Responsible Minerals Initiative)-approved smelters.

Locally produced raw materials and local suppliers account for 85% and 85% of all procurements.

Gather all suppliers to rearm the Net Zero Declaration and request supplier partners to submit a Net Zero roadmap for MediaTek’s product production and manufacturing.

Recognize and present the Best Sustainability Partner Supplier Award at the Annual Supplier Conference.

For details, please refer to MediaTek 2022 Sustainability report p.117- p.127
Supplier ESG Risk Assessment and Procurement Control Procedures

Step 1: Compliance Standard
Suppliers are required to comply with economic, social, and environmental management standards and evaluation specifications.

Step 2: Risk Assessment
The supplier's performance results shall be verified through on-site audit or auditing documents, and the validity of each standard certificate shall be checked. If certificates are not provided, MediaTek will track the supplier's self-assessment report and close the case to ensure that its operations are in compliance with sustainable management.

Step 3: Continuous Improvement
MediaTek holds meetings to encourage suppliers who have low ESG evaluation scores or have not earned any certifications to take the initiative in applying for relevant certifications.

All suppliers conform to the ESG evaluation standards

- 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.

<table>
<thead>
<tr>
<th>Weighting</th>
<th>Economic dimension</th>
<th>Environmental dimension</th>
<th>Social dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>34%</td>
<td>33%</td>
<td>33%</td>
</tr>
</tbody>
</table>

Management standards
- Delivery times, production capacities, yield rates, and adoption of new products; ISO 9001 Quality Management System and IATF 16949 Automotive Quality Management System.

For details, please refer to MediaTek 2022 Sustainability report p.121 - p.122
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 **18,993** at end of 2022.
- We’ve established **32** offices around the world with **35.4%** of overseas employees.

**Lower-than-average Turnover**
- In 2022, our global and Taiwan turnover rate was **6.3%** and **5%**, lower than the high-tech industry average of **12.9%** and **13.7%**.
- In the leading group among semi-listed companies in 2022 employee remuneration ranking published by TWSE.

**Higher-than-average Gender Diversity**
- Women accounted for **20%/18%** of total/R&D employees in 2022, higher than the 13-15% among electrical engineering, computer science, and information engineering graduates in Taiwan.
- MediaTek received the “Ministry of Science and Technology’s Promotion of Gender-Equal Workplace Excellence Award” in 2022.
Social

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

- MediaTek is driven by a need to seek out leading technical talent globally. The total number of our staff (incl. contractors) was **18,993** at end of 2022.

- To effectively leverage our global R&D capacity, we've established **32 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 2022, **higher** than the 13-15% among electrical engineering, computer science, and information engineering graduates in Taiwan.

For details, please refer to MediaTek 2022 Sustainability report p.58- p.60
Mediatek was honored recognized by Hsinchu Science Park for “Promoting Equal Rights in the Workplace.”

Mediatek believes in the values of Diversity, Equity and Inclusion, and regards its employees as its most valuable assets. We believe that creating an inclusive workplace helps increase creativity and innovation, improves problem solving, and enhances employee engagement and loyalty. It is also the key for building a sense of belonging and ensuring that all employees have an equal opportunity to be successful and grow with the company.

Mediatek is dedicated to realizing the spirit of diversity and inclusion and has a complete Mediatek Declaration of Diversity, Inclusion and Workplace Equality. [Link to Declaration]
Social

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

In Taiwan, MediaTek’s average and median salaries for non-executive full-time employees in 2022 were among the leading group in the industry

Link compensation scheme with corporate sustainable development

The reward mechanism of the Company is designed to achieve its short, medium, and long-term goals, taking into account the roles, responsibilities, knowledge, and competencies of employees, as well as the operating results of the Company and individual performance.

Employee Stock Ownership Trust Program

We launched Employee Stock Ownership Trust Program in Taiwan in 2023. We aim to encourage employees to invest in MediaTek stock at regular intervals, and we will place the stock on trust for management.

For details, please refer to MediaTek 2022 Sustainability report p.68- p.69
We plan and develop corresponding training and learning resources to employees and executives of different levels and roles.

In 2022, MediaTek’s global and Taiwan turnover rate was 6.3% and 5%, lower than the global and Taiwan high-tech industry average of 12.9% and 13.7%.

For details, please refer to MediaTek 2022 Sustainability report p.62- p.73
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 2022.

Note: The number of absent days include the number of days for personal leave, sick leave and occupational sickness leave. Sick leave (including unpaid sick leave, half-pay sick leave and menstruation leave): 87,109.49 hours. Occupational sickness leave: 1,124.5 hours. Total working hours: 24,440,896.

For details, please refer to MediaTek 2022 Sustainability report p.86- p.88
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 and elected of one additional **Female** Independent Director in 2023 AGM.
- The Board conducted **external performance evaluation** mechanism for “Board of Directors Self-Assessment of Performance”.

### Aligned with Shareholder Interests
- Link Restricted Stock Award (RSA) to **financial performance** and **total shareholder return** (TSR).
- The Board adopted **Executive Officer Stock Ownership Guidelines** in 2022. ([Link to Guidelines](#))

### Top in Corporate Governance and IP Protection
- **Top 5%** of Taiwan-listed companies in 2021 Corporate Governance Evaluation.
- **Level A Certificate** in 2022 Taiwan Intellectual Property Management System (TIPS).
- To establish a **Chief Information Security Officer** position
- Obtaining **ISO 27001** certification

For details, please refer to MediaTek 2022 Sustainability report p.97- p.113 and 2022 Annual Report p.26-30
Governance

Overview | The Board | Committees | Risk management

- Election of one additional Female Independent Director in 2023 AGM.
- In 2022, an external and professional independent organization was appointed to conduct an overall external performance evaluation of the Board of Directors, and the evaluation results were reported to the Board of Directors on October 28, 2022.

Diversified background and experience of the Board

<table>
<thead>
<tr>
<th>Title</th>
<th>Name</th>
<th>Employed by the Company</th>
<th>Gender</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 Male</td>
<td>71-75</td>
<td>V</td>
<td>V V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Vice Chairman &amp; CEO</td>
<td>Lih-Shyng Tsai</td>
<td>V Male</td>
<td>66-70</td>
<td>V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Director &amp; President</td>
<td>Joe Chen</td>
<td>V Male</td>
<td>51-55</td>
<td>V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Cheng-Yaw Sun</td>
<td>Male</td>
<td>61-65</td>
<td>V V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Kenneth Kin</td>
<td>Male</td>
<td>71-75</td>
<td>V V V V V V V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Chung-Yu Wu</td>
<td>Male</td>
<td>71-75</td>
<td>V V V V V V V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Peng-Heng Chang</td>
<td>Male</td>
<td>66-70</td>
<td>V V V V V V V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Ming-Tze Tang</td>
<td>Male</td>
<td>66-70</td>
<td>V V V V V V V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
<tr>
<td>Independent Director</td>
<td>Syaru Shirley Lin</td>
<td>Female</td>
<td>51-55</td>
<td>V V V V V V V</td>
<td>V V V V V V V V V V V V V V V</td>
<td></td>
</tr>
</tbody>
</table>

For details, please refer to MediaTek 2022 Annual Report p.27

Link to external evaluation units for Board of Directors

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 2022 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 2022 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. 2 meetings in 2022 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.

For details, please refer to MediaTek 2022 Sustainability report p.99- p.100
Governance
Overview | The Board | Committees | Risk management

Additional Committees

**ESG 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 Unit**
- **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 fulfil duties, and assisting the Board to comply with regulations.

For details, please refer to MediaTek 2022 Sustainability report p.100- p.101
Governance

Overview  I  The Board  I  Committees  I  Risk management

- **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.

- Formulated environmental management policies and occupational health and safety management policies.
- Revised environmental protection measures according to international trends, operational needs and government policies.
- 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 2022 Sustainability report p.108- p.110
Governance

Overview  The Board  Committees  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.

For details, please refer to MediaTek 2022 Sustainability report p.104- p.105