



**MEDIA TEK**

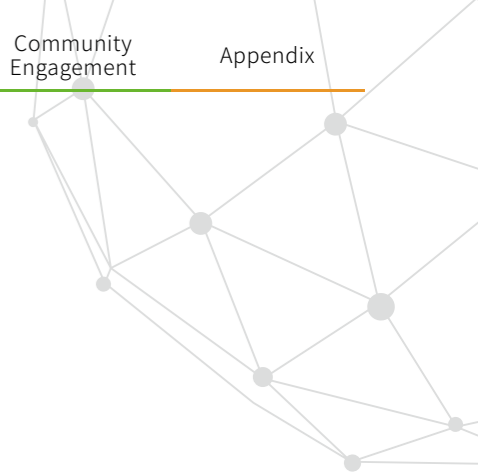
# **2019 Corporate Social Responsibility Report**





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## Words from our Chairman



### Enhance and Enrich Everyone's Life



In 2019, we continued to stem our sustainable development strategy as “global reach, local presence” and, in tandem, upheld our pursuits in six main aspects, including global presence, innovation, talent, corporate governance, environmental management, and community engagement.

Our mission is to enhance and enrich everyone's life. Despite the accelerating development of communication technology, billions of people worldwide are still unable to enjoy the benefits brought about by technological innovation. Therefore, we focus on our 3A strategy, enabling people from all corners of the world to enjoy Accessible, Affordable, and Available devices and services. By bringing technology to the general public, we strive to empower them with digital opportunities that may enhance and enrich their lives.

Thanks to the concerted effort of our colleagues in 2019, MediaTek emerged as the world's 15<sup>th</sup> largest semiconductor company and fourth largest fabless IC design company. Confronted with market volatilities, we demonstrated perseverance and dedication in pursuit of technology leadership. The Company consolidated its strength via organizational restructuring and attained stable growth via balanced portfolio with positive growth prospects from mobile devices, smart home, and growth products. With the integration of MStar, the Company has cemented

its leading position in the global smart TV chipset market. Rollout of the Dimensity series underscored our solid strength in 5G technology, our value in the formulation of its standards, and our influence on the collaborative advancement of its ecosystem. 5G, automotive, and ASIC products are expected to contribute over 15% of our revenue in 2020, owing to the fruition of the company's investments and decision making over the past few years.

The Company has set three major goals in 2020: First, we aspire to achieve technology leadership in areas critical for business success. Second, we aspire to deliver differentiated technologies, features and services, and capture the value for sustainable growth and profit. Third, we aspire to uphold our distinctive world class position and become a well-respected and strategically relevant global semiconductor company. Despite intensifying market competition, I believe we can overcome potential difficulties and create a new stage together. Under the three main goals, MediaTek will continue to fulfill its social responsibilities and, under the concept of global reach and local presence, provide users worldwide accessible, affordable, available innovative technology, thereby enhancing and enriching the life of humanity.

**Chairman, MediaTek  
Ming-Kai Tsai**

## About MediaTek

Founded in 1997, MediaTek is the world's 4<sup>th</sup> largest global fabless semiconductor company based in Taiwan's "Silicon Valley," Hsinchu Science Park. We are a market leader in developing innovative systems-on-chip (SoC) and platforms for smart home, wireless connectivity, IoT, advanced automotive, ASIC, smart TV, mobile devices, etc.

MediaTek realizes its investment in R&D through highly talented employees in our global offices. Our focus is to provide the best products and services to our global customers as we continue to pursue leadership in all markets.

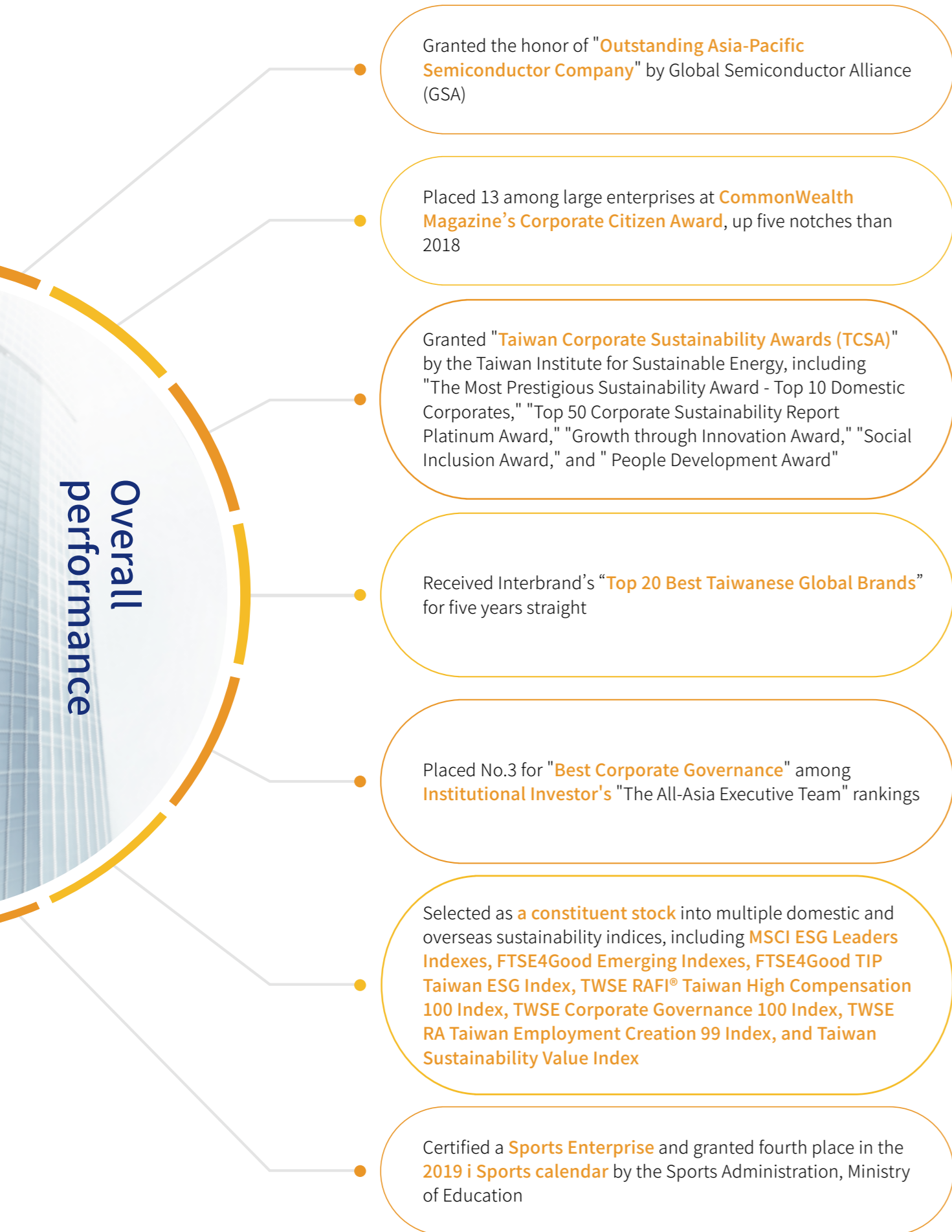
MediaTek holds a tier-1 status and market leadership in several global IC markets. We empower and inspire people to expand their horizons and achieve their goals through providing the latest technologies in our solutions.

### Mission, Vision, and Sustainability Strategies



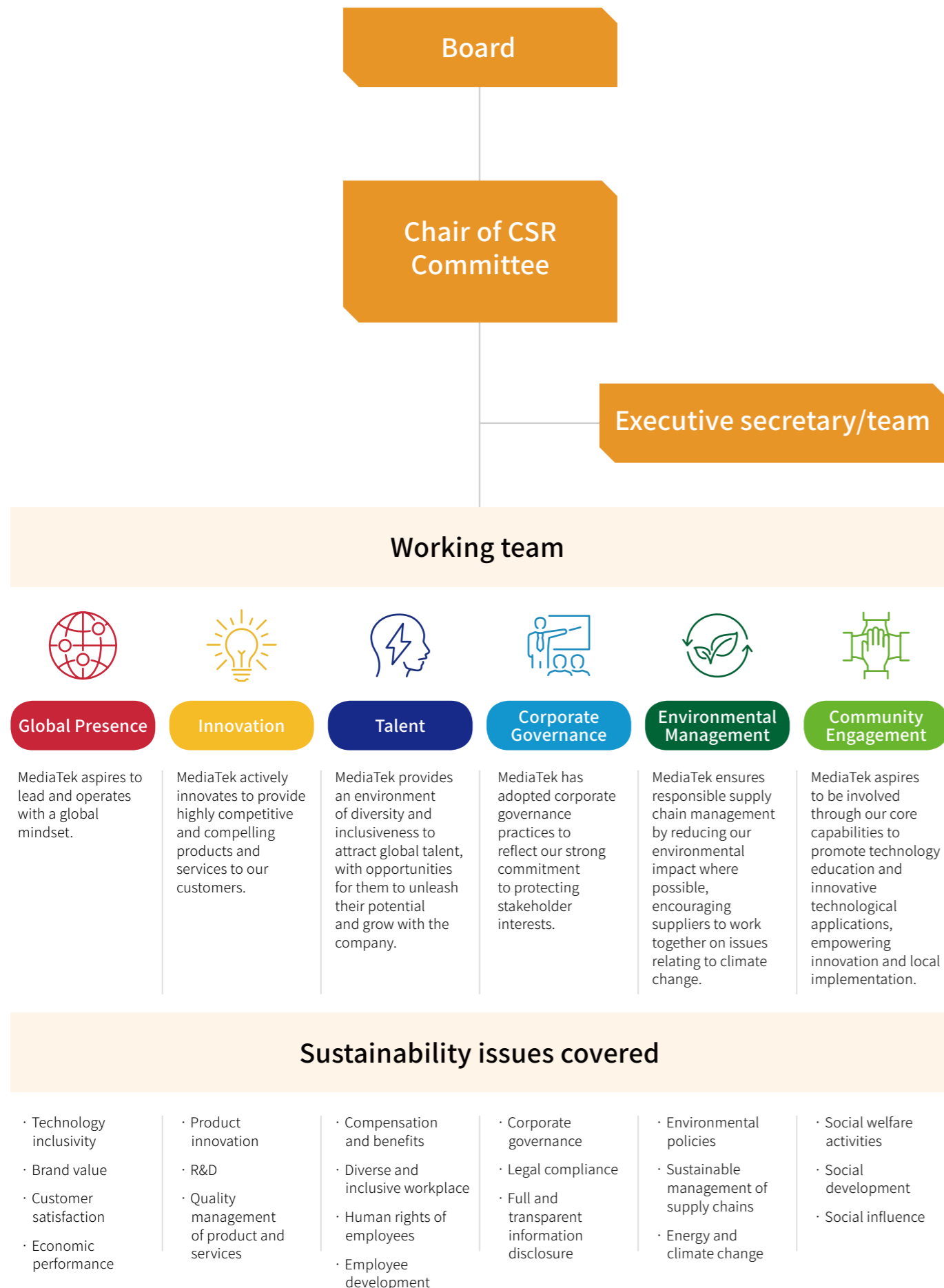


## 2019 Global Awards & Recognitions





## CSR Committee: Organization, Strategy, and Scope



## Message from the Chair of our CSR Committee

As a technology company that stresses technological innovation and user experience, MediaTek has incorporated its core values into sustainable development by striving to popularize technology, enrich the lives of more people, and enhance the welfare of humanity. To learn about issues of concern among our internal and external stakeholders, we communicate with them in various ways, such as direct communication and surveys of senior executives, employees, clients, suppliers, the public, the government, and so on. Six vice presidents are each appointed to supervise the operation of a working group in our CSR Committee that pertains to their daily operation. Together, the Committee prioritize and address stakeholders' concerns, adjusting strategies and making improvement continuously.

### Overview

Headquartered in Taiwan, MediaTek is the world's fourth largest IC design company and has cross-border R&D and business operations in 27 sites worldwide. In 2019 alone, it spent 63 billion NTD on R&D and placed orders worth over 100 billion NTD with Taiwanese semiconductor suppliers. Among companies listed on the Taiwan Stock Exchange (TWSE) in 2018, MediaTek offered the highest average salaries for full-time non-managerial employees<sup>Note\*</sup> based in Taiwan. To date, MediaTek hires more than 10,000 high-pay employees, creating job opportunities in the community. In addition, the proportion of female employees at MediaTek was also higher than that of female graduates of Electrical Engineering, Computer Science, or other relevant degree programs in Taiwanese Universities. In its newly opened Wireless Communication Building, the company established a preschool where employees can entrust their children during work hours.

### Concrete Measures for Energy Conservation and Carbon Abatement

As a fabless IC design company, MediaTek operates with an environment-friendly directive. Our products use advanced design and manufacturing techniques to make them as energy-efficient as possible while performing their duties. Compared with 2018, end devices powered by MediaTek saw a reduction of energy consumption by 9%. Based on our annual shipment value, we saved 217 million kWh of electricity, which is equivalent to 114,793 tons of reduced carbon emissions. In addition, the company's three high-density, energy-conserving data centers and its private rooftop solar power system can save 16.19 million kWh of electricity annually. In response to international initiatives, the company completed its greenhouse-gas inventory and outsourced for ISO 14064 certification, scheduled for completion in 2020.

MediaTek has infused the concept of sustainable development into its purchasing mechanism. We have developed our Code of Conduct for Suppliers, created incentives, and set up an evaluation system, thereby building sustainable practice into our supply chain. In 2019, we hosted our first Supplier Forum on sustainability as outlined by UN Sustainable Development Goals (SDGs), where the latest international trends, information, and resources on environment-friendly operation were shared and discussed. There, our suppliers reached a consensus and pledged themselves to an annual reduction of 2% greenhouse-gas emission from their operations.

### Talent Cultivation and Community Engagement

MediaTek is committed to the promotion of science education and the dissemination of technology. Over the past 19 years, we have dedicated more than 1.8 billion NTD in relevant domains. Among those, we have supported talent cultivation at various levels and held Genius for Home-MediaTek Digital Social Innovation Campaign, in order to disseminate the power of innovation to every corner of Taiwan.

MediaTek nurtures innovation by leveraging global talent and resources, creating economic and social opportunities for communities around the world. We will continue leveraging our strengths in core businesses and work with our value chain partners to achieve sustainable development.

CEO and Chair of CSR Committee, MediaTek

**Rick Tsai**

Note: Full-time non-managerial employees include everyone apart from key managers disclosed in our Annual Report.

## Sustainability Highlights

### Global Presence



MediaTek aspires to lead and operates with a global mindset.



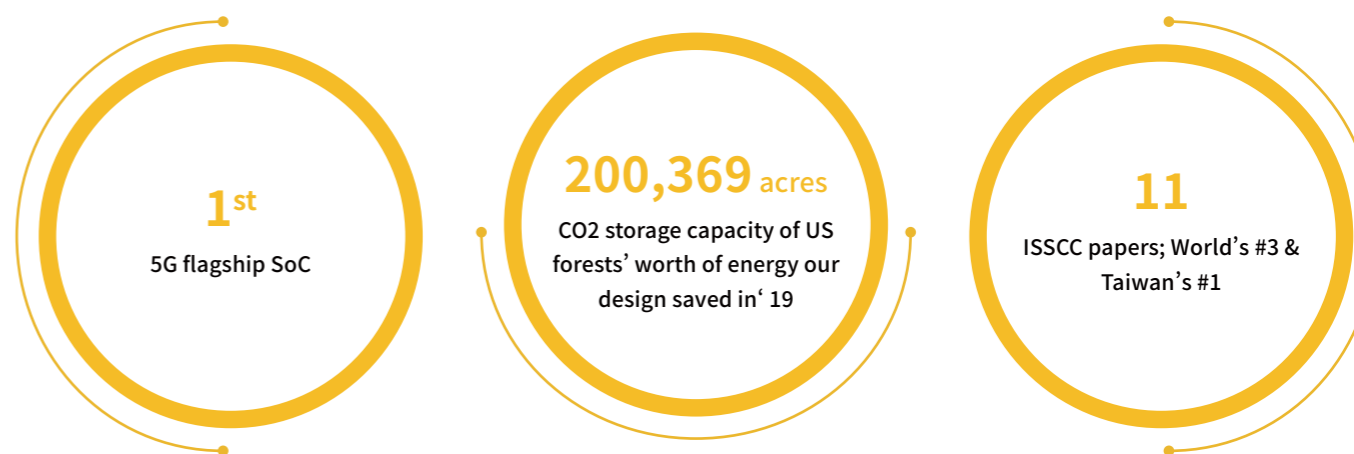
In 2019, the company set three development objectives, including one that highlights the company's vision on global operation and sustainable development: we aspire to uphold our distinctive world class position and become a well-respected and strategically relevant global semiconductor company.

- Global resource pooling for R&D and operation:**  
 By recruiting talent worldwide via organic growth as well as M&A, MediaTek has built up a workforce of several thousand for R&D and operation at 27 sites in the three continents of North America, Europe, and Asia, laying a solid groundwork for MediaTek to become an excellent world-class company.
- Pursuit of product inclusiveness and dissemination of technology:**  
 We believe that technology can improve human life and build an effective bond with the world. Therefore, we strive to design products for everyone by catering to their needs. For instance, via analysis of photos of several thousands of people, the company has developed "touch-up" algorithm, gaining warm reception among dark-skinned population. Meanwhile, the company has offered mobile phones with over 20 built-in dialects in India, which has a multitude of dialects. The company is champion in various chip sectors worldwide, including digital TV, sound assistant, Android tablet PC, network connector, and DVD and blue-light player.
- Improved business performance and upgraded industrial status:**  
 In 2019, with gross margin increasing by 3.4 percentage points, operating profit dollars jumped 40%, thanks to improving innovation-induced competitiveness. The company was the world's 15th largest semiconductor firm and fourth largest fabless IC design company. It hit the list of Taiwan's 10th largest international brands for the fifth year in a row and is the only semiconductor firm on the list, thanks to its strenuous effort in brand-image building.
- Active participation in standards organizations:**  
 The company has served key positions, such as chairman or editor, in working groups of various standards organization, such as 3GPP, IEEE 802.11 standards committee, and Wi-Fi Alliance, exercising its industrial influence to contribute to the world's latest technology standards.
- Key player that drives the development of the 5G ecosystem:**  
 In addition to possession of cutting-edge products, MediaTek has joined hands with global partners, such as Ericsson, Nokia, NTT Docomo, T-mobile, Chunghwa Telecom, and Far Eastone Telecom, in pushing the materialization of 5G value.

### Innovation



MediaTek actively innovates to provide highly competitive and compelling products and services to our customers.



Of the three objectives set by the company in 2019, the first two are directly related to innovation: first, we aspire to achieve technology leadership in areas critical for business success; second, we aspire to deliver differentiated technologies, features and services, and capture the value for sustainable growth and profit. The concept of attaining sustainable growth and profit aligns with corporate social responsibility.

- R&D as driving force:**  
 The company spent NT\$63 billion on R&D in 2019, up near 10% than the previous year, underscoring its resolve in retaining technological edge.
- Within the world's leading group for cutting-edge technology:**  
 The company rolled out, ahead of peers, 5G flagship SoC Dimensity 1000 in 2019, offering high-speed 5G connection for high-end devices and innovative multimedia, AI, and imaging technology, which underscores its industrial influence on the global market.
- Enabler of green innovation:**  
 In 2019, MediaTek continued to launch high-performance, low energy-consumption chips, helping end products of its customers cut energy consumption by 9% than the 2018 level, which, given the amount of chip sales, led to power saving of 217 million kilowatts/hour and reduction of CO<sub>2</sub> emission by 114,793 tons, or the carbon storage capacity of 200,369 acres of US forests in a year.
- Acknowledgement by global authority:**  
 In 2019, 11 papers from MediaTek were accepted and subsequently published by ISSCC 2020, 3rd highest worldwide and the highest in Taiwan, setting a company record in terms of number and technological coverage.
- Accumulation of IPs:**  
 The company ranked 5<sup>th</sup> place among local organizations in both the amounts of patent application with and patent certificates from Taiwan Intellectual Property's Office, the Ministry of Economic Affairs in Taiwan; in the digital communication sector with the European Patent Office (EPO), it ranked 24<sup>th</sup>.



Talent



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.



- Listen to employees' opinions:**  
 In a poll, employees expressed higher satisfaction for such items as "corporate objective," "performance management," and "communication" than the previous poll.
- Forge a quality working environment with good fringe benefits:**  
 The company has opened an in-house preschool occupying 600 pings (one ping equals 36 square feet), the largest such facility in Hsinchu Science Park, to help employees with child care. The company has also launched fringe-benefit program with flexible arrangement, leading to 97% growth in reimbursements in the name of fringe benefits. Various kinds of meals and gyms are available at the company's 10 office buildings, creating a low-carbon healthy working environment.
- Career development and talent cultivation:**  
 Mechanism for internal job transfer is available for employees worldwide, forging an open workplace environment. In 2019, there were 105 openings for internal job transfer, 34% of which were filled successfully. To enrich employees' knowledge on AI, the company held CTO AI classes attended by 2,600 person/times, plus arrangement of medium- and high-tier AI courses and institution of an AI learning section of the internal learning platform.
- Create a female-friendly workplace:**  
 The company has set up "Women in Tek," with over 300 attendees worldwide now, offering female learning platform for personal growth, working momentum, work-job balance.

\*Note: Full-time non-managerial employees are all employees excluding the Board of Directors and key managers.

Corporate Governance



MediaTek has adopted corporate governance practices to reflect our strong commitment to protecting stakeholder interests.

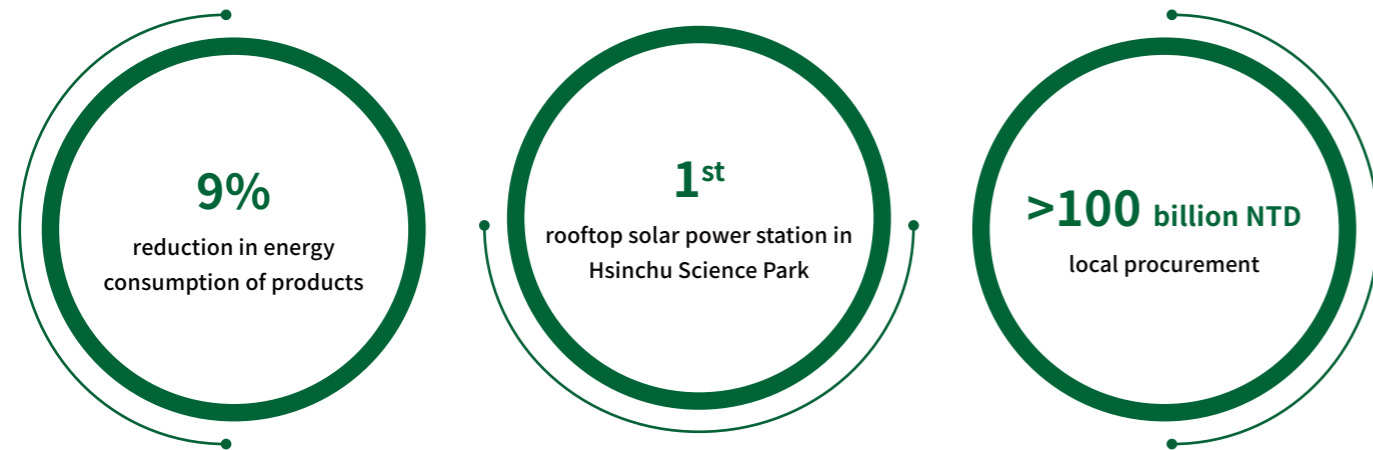


- Set up chief governance officer:**  
 To safeguard shareholders' rights and benefits and strengthen the function of the board of directors, the board of directors resolved to designate chief legal officer as corporate-governance chief, handling corporate governance-related affairs.
- Enhancement of information security management and control mechanism:**  
 To lower risks and protect the interests of stakeholders, we have continued strengthening the management structure of cyber/information security and reviewing relevant policies and measures, thereby reinforcing internal-control mechanism for corporate governance.
- Published Whistleblowing Policy:**  
 Implement investigative procedure and uphold the legal rights of informants, the company formulated complete a Whistleblowing Policy based on Ethical Corporate Management Best Practice Principles and Code of Ethics and Business Conduct, specifying reporting channels and investigative procedures.

## Environmental Management



We ensure responsible supply chain management by reducing our environmental impact where possible, encouraging suppliers to work together on issues relating to climate change.



- Local procurement:**  
 The company's local purchase value exceeds 100 billion NTD, driving growth of local semiconductor industry.
- Responsible supply chain:**  
 In line with the U.N. sustainable development goal, the company convened a supply-chain accountability conference for the first time in 2019 and set a goal of reducing greenhouse-gas emission by 2% annually. In addition, the company has established a CSR evaluation system for suppliers, auditing their CSR practices annually. The company also awards excellent suppliers at supplier conferences, acknowledging their performance in dealing with the challenge of climate change.
- Climate-related risk management:**  
 MediaTek actively discerns climate change-related risks and controls possible impact of extreme weather on the company's operation. Based on the principles of business continuity management, the company has formulated countermeasures for such problems as natural disaster, typhoon, earthquake, fire, power outage, and water shortage on various operating sites, to assure rapid resumption of operation in the wake of disasters.
- Quantified management and carbon footprint reduction:**  
 The company completed greenhouse-gas inventory on its own initiative in 2019 and outsourced for ISO 14064 certification, for declaration and reduction of greenhouse gases.
- Dedication to energy conservation and carbon abatement:**  
 MediaTek kicked off operation of the largest data center for IC design in Asia and the first private rooftop solar power station in Hsinchu Science Park in 2019. Together with the two old data centers, those facilities can save an estimated 20.5 million kWh of electricity per year. In addition, the newly inaugurated Wireless Communication Building is equipped with energy-efficient LED lighting, electric cross-site shuttle, energy-conserving meeting rooms controlled by MediaTek IoT chipsets.

## Community Engagement



We aspire to be involved through our core capabilities to promote technology education and innovative technological applications, empowering innovation and local implementation.








- The company has been dedicated to cultivation of talent in the field of science and technology as well as digital social innovation. Over the past 19 years, the company has invested 1.8 billion NTD for the cause, including over 1.2 billion NTD for industry-academia cooperation and 600 million NTD for social services.
- Talent cultivation:**  
 MediaTek has been collaborating with the academia and has supported their talent cultivation over the years. Our collaborative efforts include joint establishment of innovative research centers on campus, industry-university collaboration on specific projects, participation in academic research institutes, recruitment of talented professors from overseas, provision of scholarships for domestic and overseas doctoral students, and partnerships with at least 19 universities in Taiwan and abroad.
  - Call for social innovation:**  
 MediaTek held its second "Genius for Home: MediaTek Digital Social Innovation Campaign," which received 360 innovative solutions to make communities better in Taiwan. We also supported teams from previous years in rolling out their plans.
  - Support for science education:**  
 To help fill talent shortages, MediaTek has been supporting STEAM\* education for many years. In response to the demand for programming teachers brought by 2019 Grade 1-12 curriculum guidelines, MediaTek has collaborated with eight municipalities to establish a pool of programming teachers. In cooperation with Junyi Academy, we began offering online courses and lending learning materials to teachers and students in remote areas. Since 2011, we have subsidized selected elementary school science projects with the National Taiwan Science Education Center. In tandem with the National Science Fair 2019, MediaTek encouraged and facilitated nearly 5,000 elementary-school teachers and students in expanding their science learning experience, 40% of slots reserved for schools in remote and disadvantaged communities in order to narrow the urban-rural divide.
  - Social services:**  
 MediaTek has been actively taking part in social services and social engagement, including public education, industrial development, society and humanities, with the number of beneficiaries exceeding 60,000 in 2019.




\*STEAM refers to the five major fields of science, technology, engineering, art, and math.







# Stakeholder Engagement

Our stakeholder engagement has been sustained through various communication channels, including day-to-day business contact and periodic surveys with stakeholders. In the meantime, we keep up with the latest domestic and international trends of sustainable development. With information collected from the above, we analyze the gap between internal and external stakeholder input and make mid to long term plans to address stakeholders' top concerns, making rolling revisions. Below is an outline of our current strategic topics and corresponding responses.

Strategic topic and their significance	Stakeholders	Corresponding material issues	Strategic goals in next 2-3 years	Progress and results in 2019
 <h2>Innovation</h2> <p>At the heart of our innovation, we strive to enable people from all corners of the world to enjoy Accessible, Affordable, and Available devices and services. By bringing technology to the general public, we strive to empower them with digital opportunities that may enhance and enrich their lives</p> 	<p>Customers, shareholders and investors, employees</p>	<p>Innovation and Product Accountability</p>	<p><b>Corresponding measures:</b>  <b>Provide innovative products that meet the needs of consumers:</b></p> <ul style="list-style-type: none"> <li>• 5G - Roll out cutting-edge chipset alongside the world's leading group</li> <li>• AI - Take advantage of AI edge computing, plus algorithm and software tools to make major inroads into the realms of smart home, wearables, mobile phone, ASIC, Wifi-6, automated driving and IoT</li> </ul> <p><b>Short-term goal:</b>                      Invest at least 50 billion NTD in R&amp;D a year</p> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Achieve technology leadership in areas critical to business success.</li> <li>• Deliver differentiated technologies, features and services, and capture the value for sustainable growth and profit</li> </ul>	<ul style="list-style-type: none"> <li>• Invested 63 billion NTD in innovation and R&amp;D</li> <li>• Shipped chipsets for 1.5 billion end devices every year, enhancing and enriching the lives of people worldwide</li> <li>• Rolled out 5G Dimensity series products in Q4, tapping emerging 5G business opportunities</li> </ul>
 <h2>Customer Relationship Management, Brand Identity and Market Perception</h2> <p>We aspire to uphold our distinctive world class position and become a well-respected and strategically relevant global semiconductor company.</p>  	<p>Customer, industry, governments, academia, research institutes, general public, media</p>	<p>Customer Relationship Management</p> <p>Brand Identity and Market Perception</p>	<p><b>Customer Relationship Management</b>  <b>Corresponding measures:</b>                      In addition to regular management review on the basis of sales forecast and the amount of new cases, the company has strived to gain better understanding of customers, including their organizational structure, focus of concern, and working style, so as to win their favorable impression.</p> <p><b>Short-term goal:</b>                      Enhance sales performance and forecast accuracy, so as to increase customer satisfaction.</p> <p><b>Mid to long term goal:</b>                      Develop new markets and extend our customer base through new business</p> <p><b>Brand Identity and Market Perception</b>  <b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Adjust annual marketing plans to grow our brand exposure and the accuracy of information gathering via Internet</li> <li>• Strengthen the planning-through-execution of key projects based on external consultancy</li> </ul> <p><b>Short-term goal:</b>                      Increase brand value by 10% and boost corporate image</p> <p><b>Mid to long term goal:</b>                      Increase brand value by 30% and boost corporate image</p>	<ul style="list-style-type: none"> <li>• Understand extent of customer satisfaction via customer visits, new cases, and Q&amp;A</li> <li>• Received Interbrand's "Top 20 Best Taiwanese Global Brands" for five consecutive years</li> <li>• Brand value increased to 375 million USD from 335 million USD in previous year</li> </ul>

Strategic topic and their significance	Stakeholders	Corresponding material issues	Strategic goals in next 2-3 years	Progress and results in 2019
<p> <b>Corporate Governance, Risk Management, and Economic Performance</b></p> <p>The MediaTek Group endeavors to scrupulously comply with the laws and regulations and adheres to the fundamental level of social responsibility in its host countries and regions, thereby controlling risk arising from business environment and accomplishing economic performance. In other words, we aim to enhance our core-business performance to fulfill more corporate social responsibility.</p> 	<p>Investors, employees, industry, the governments, academia, research institutes, and the media</p>	<p>Corporate Governance and Legal Compliance</p> <p>Risk Management</p> <p>Economic Performance</p>	<p><b>Corporate Governance</b>  <b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Adopt the internal regulations such as Code of Business Conduct to reflect our strong commitment to business integrity</li> <li>• Arrange training sessions for employees</li> <li>• Establish the Whistleblowing System to enhance investigation</li> </ul> <p><b>Short term goal:</b></p> <ul style="list-style-type: none"> <li>• Prevent major violations against social, environmental, and economic regulations</li> <li>• Improve the ranking of corporate governance evaluation to top 5% among companies listed on the central market</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Enhance the overall function of the Board and the independent Committees.</li> </ul> <p><b>Risk Management</b>  <b>Short-term goal:</b></p> <ul style="list-style-type: none"> <li>• Reinforce the organizational structure for risk-management and establish a complete risk-management policy</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Define key risk indicators and employ uniform risk-quantification standards, so as to enhance company's crisis response capability and to establish a risk alert mechanism</li> </ul> <p><b>Economic Performance</b>  <b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Balance revenues from three major businesses, monitoring the latest development of US-China trade and geopolitical economy</li> </ul> <p><b>Short term goal:</b></p> <ul style="list-style-type: none"> <li>• Increase share of revenue from emerging fields, including 5G, ASIC, and automotive to exceed 15%</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Raise profit margin further while boosting sales</li> <li>• Create long-term value for our shareholders by leveraging our technological capabilities and product portfolio for shareholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Established Whistleblowing Policy and published it on the corporate website</li> <li>• Revenue increased 3.4% from 2018, with operating profit dollars jumping nearly 40% and consolidated gross margin increasing by 3.4 percentage points.</li> </ul>
<p> <b>Talent Attraction and Retention</b></p> <p>In response to the ever-changing nature of technology and the expansion of corporate operation, the company has to constantly review its needs and find the right talent. To its employees, the company provides sufficient training and guidance as well as a friendly and inclusive workplace that encourages innovation, so that employees can maximize their potential and grow with the company.</p> 	<p>Employees</p>	<p>Talent Attraction and Retention</p> <p>Employee Development</p>	<p><b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Provide a challenging and innovative environment to attract talent, as a leader in the field</li> <li>• Provide compensation packages superior to industrial average</li> <li>• Get right talent via multiple innovative recruitment channels</li> <li>• Enrich employee experience by providing various training and development opportunities that meet the needs of the individual and organization, a fair, reasonable, and sustainable compensation mechanism, a diverse and inclusive workplace conducive to exercise of professional capabilities, a healthy workplace conducive to employees' physical and mental health, and flexible benefit programs</li> </ul> <p><b>Short term goal:</b></p> <ul style="list-style-type: none"> <li>• Maintain a talent tool to meet the company's current need in terms of quantity and quality so as to uphold the company's competitiveness in the industry</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Satisfy the company's future demand for talent by continuing to invest in talent recruitment and development and provide competitive compensation and benefit packages</li> </ul>	<ul style="list-style-type: none"> <li>• Ranked No. 1 in 2018 among listed companies with an average salary for full-time non-managerial employees* of 2.705 million NTD, according to the 2019 announcement of Taiwan Stock Exchange (TWSE).</li> <li>• Kicked off the flexible-benefit program, which increased employee participation rate to 97%</li> <li>• Expanded AI learning resources, providing entry-level and advanced courses, attracting 3,000 attendees.</li> <li>• Inaugurated an in-house preschool, the largest in Hsinchu Science Park</li> <li>• Kicked off "Women in Tek," offering a female employees opportunities for personal growth, work motivation, and opportunities for career development with a balanced family life</li> </ul> <p>[Note] Full-time, non-managerial staff are all full-time employees excluding Board members and the Management team.</p>



Strategic topic and their significance	Stakeholders	Corresponding material issues	Strategic goals in next 2-3 years	Progress and results in 2019
 <h3>Community Engagement</h3> <p>Community engagement is one of the primary concerns to many of our external stakeholders, as we have made relatively little communication on the topic and have focused our support on less publicly known areas like advanced science/tech education and research. In response, we have increased communication and invited a wider group of people in recent years to join us in creating value for this society.</p> 	<p>Industry, governments, academia, research institutes, general public</p>	<p>Social Welfare Activities</p>	<p><b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Hold "Genius for Home: MediaTek Digital Social Innovation Campaign," foster programming education, engage in industry-university collaboration, and provide long-term support for artistic, cultural, and educational activities.</li> </ul> <p><b>Short term goal:</b></p> <ul style="list-style-type: none"> <li>• Hold social innovation competition, soliciting ideas and proposals, while strengthening external communication.</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Encourage implementation of projects, track results, and let social public understand MediaTek's effort in cooperating with society for value creation.</li> </ul>	<ul style="list-style-type: none"> <li>• Spent over 1.8 billion NTD over the past 19 years</li> <li>• With "Genius for Home," accumulated 2,809 participants and 683 solutions targeting 21 counties, touching upon economy, civic participation, environment and ecology, health and medical services, education and culture, information technology</li> <li>• Tracked and supported the implementation of winning projects</li> </ul>
 <h3>Multi-Channel Communication</h3> <p>In order to establish a solid, sustainable labor-management relationship, we built real-time, two-way communication channels that facilitate timely and accurate communication between the management and employees. Our 2016 Employee Survey showed that employees had high regard for the topic, so provision of diverse communication channels and environment is conducive to enhancing employee satisfaction.</p> <p>In order to foster a positive business environment, we have reinforced our external communication to establish corporate reputation, enhance brand awareness and trust, and create win-win situations with external parties.</p> 	<p>Employees, industry, governments, academia, research institutes, media</p>	<p>Multi-Channel Communication</p>	<p><b>Internal Communication</b></p> <p><b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Promote global communication guidelines and advocate the 5C model to ensure effective cross-language team communication via online and offline channels</li> <li>• Conduct Employee Surveys periodically and make improvements accordingly to boost mutual understanding between the company and employees</li> </ul> <p><b>Short term goal:</b></p> <ul style="list-style-type: none"> <li>• Implement global communication guidelines and utilize various communication channels to effectively disseminate corporate goals and policies and respond timely input/feedback from employees</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>• Conduct periodic Employee Surveys and form a task force to draft and implement improvement plan in response to the results, so as to enhance employee satisfaction</li> <li>• Continue engaging in online and offline communication to facilitate attainment of corporate goals</li> </ul> <p><b>External Communication</b></p> <p><b>Corresponding measures:</b></p> <ul style="list-style-type: none"> <li>• Establish effective two-way communication channel to remove barriers for corporate operation and improve external business environment</li> <li>• Take part in policy-making to enhance business performance</li> <li>• Based on results of the Perception Survey, determine topics of communication, convey corporate brand messages, maintain media relations, proactively participate in public affairs, and actively handle crises and risks</li> </ul> <p><b>Short-term goal:</b></p> <ul style="list-style-type: none"> <li>• Boost corporate publicity</li> </ul> <p><b>Middle- and long-term:</b></p> <ul style="list-style-type: none"> <li>• Increase preference for and trust in the company</li> </ul>	<ul style="list-style-type: none"> <li>• Launched Communication Platform, (FAQ 2.0), its enhanced user interface facilitating employee feedback and troubleshooting</li> <li>• Held manager communication meetings and labor meetings quarterly</li> <li>• Conducted global Employee Survey, with response rate reaching 82% and the amount of open-end responses increasing by 19% from the previous survey</li> <li>• Actively communicated with the industry, government, academia, and research institutes</li> <li>• Held a number of media events and invited them to visit our headquarters</li> </ul>

Strategic topic and their significance	Stakeholders	Corresponding material issues	Strategic goals in next 2-3 years	Progress and results in 2019
 <p><b>Product Accountability and Carbon Abatement</b></p> <p>Without a factory of its own, the company's effort in this field had been focused on office operations and is deficient in the aspect for upstream and downstream supply chains and data arrangement. After conducting a survey to understand external expectation in 2017, the company has been striving to make up for the oversight by collecting data on energy conservation, designing energy-efficient products, and holding a forum on the topic.</p> 	Consumers	Innovation and Product Accountability  Supply Chain Management	<p><b>Short-term goal:</b></p> <ul style="list-style-type: none"> <li>Enhance product performance via green design</li> <li>Join hands with supplying partners to cut greenhouse-gas emission by 2% yearly</li> <li>Inform external parties of the company's practice</li> </ul> <p><b>Mid to long term goal:</b></p> <ul style="list-style-type: none"> <li>Support domestic and international advocacy of environmental protection and carbon abatement and encourage suppliers to do the same</li> <li>Conduct inventory of supply-chain greenhouse-gas emission</li> <li>Conduct supply chain audits</li> </ul>	<ul style="list-style-type: none"> <li>Held Supplier Forum to encourage accountable operations</li> <li>Invited suppliers to support the UN SDGs and set with them the goal of cutting greenhouse-gas emission by 2% annually</li> </ul>

**Identification of Stakeholders**

Via assessment of the connection and extent of influence between various stakeholders and MediaTek, as outlined by the five principles of AA 1000 Stakeholder Engagement Standard (SES), namely dependency, responsibility, influence, diverse perspective, and tension, the company has identified six major stakeholders as communication targets: customer, industry/governments/academia/research institutes, employees, shareholders and investors, suppliers, and general public/media. Table 1 is a model and status update of our communication with stakeholders.

**Analytical Flow for Materiality**

**1. Benchmark analysis:**

Information collected through major sustainability rating institutes, like DJSI, Sustainalytics, CSR Hub, showed a continuation of trend among international peers (see p.14 of our 2018 CSR Report).

**2. Issue identification:**

We used the same 23 issues established based on results of our benchmark analysis and ESG issues of concern to stakeholders (see p.12 of our 2018 CSR Report).

**3. Sequencing of material issues:**

The sequencing was done according to periodic communication with customers, suppliers, shareholders, employees, and so on as well as quantitative and qualitative surveys in four categories: (A) Material Issue Survey (2019, 2020), (B) Employee Survey (2016, 2019), (C) Brand Survey (2018), and (D) Perception Survey (2017, 2020). The surveys were done with an interval of 2-3 years. We compared new results with their older counterparts to modify our goals and update our priorities.

Communication channels with stakeholders		2016	2017	2018	2019	2020
External and Internal	Day-to-day business contact (Table 1)	●	●	●	●	●
	A.1 Executive Manager Survey and in-depth interviews (11 senior managers)				●	
Internal	A2. Material Issue Survey (6 senior managers)					●
	A2. Material Issue Survey (147 stakeholders)					●
External	B. Employee Survey (>9,000 employees)	●			●	
	C. Brand Survey (1,202 customers, opinion leaders, and consumers)			●	●	
	D. Perception Survey (100 opinion leaders and 1,333 general public)		●			●
						●

**4. Establishment of material issues:**

Based on the results of aforementioned communication and surveys, working groups of the CSR committee looked into fundamental reasons and planned corresponding improvement measures, which were finalized by the Committee Chair (a.k.a. the CEO). The company made minor adjustment of material issues according to stakeholder interest and impact on business in the annual review. The 11 prioritized material issues were derived from the findings of the Material Issue Survey (A), where items with the highest extent of stakeholder interest and impact on business were selected. Apart from those items, we added Social Welfare Activities from the Perception Survey (D) findings, Multi-Channel Communication from Employee Survey (B) findings, and Supply Chain Management from routine communication with stakeholders. The following matrix represents the 2019 material issues according to findings of the 2020 Material Issue Survey; the 11 prioritized material issues are bolded (see Table 2 for their respective scopes in the value chain):

MediaTek Material Issues Matrix

● Economic aspect ● Social aspect ● Environmental aspect

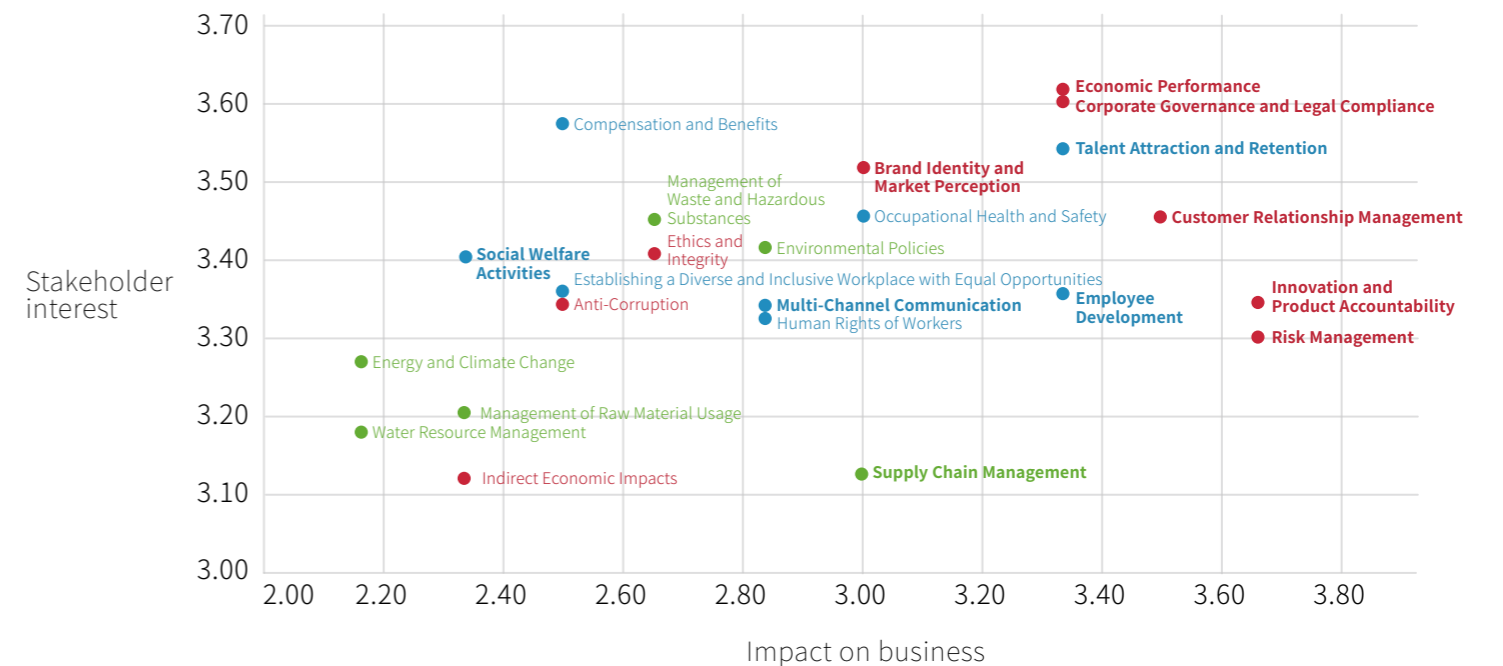








Table 1: Model of Stakeholder Engagement


Stakeholder	Significance	Method	Frequency	Sustainability Issue	Response
 Customers	We develop products and services in the spirit of customer focus, striving to facilitate customer success. Customers are the cornerstone for the sustainable development of our businesses.	<ul style="list-style-type: none"> <li>• Visits, project meetings, phone calls, and e-mails</li> <li>• MediaTek On-Line platform</li> <li>• Channel for handling customer complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Daily</li> <li>• According to project schedule</li> <li>• Immediate</li> </ul>	<ul style="list-style-type: none"> <li>• Products and innovation</li> <li>• Customer relationship management</li> <li>• Brand identity and market perception</li> </ul>	<ul style="list-style-type: none"> <li>• Put ourselves in clients' shoes and communicate through various channels towards an effective resolution</li> <li>• Develop products meeting local needs</li> <li>• Communicate a new brand identity through a wide variety of owned, sponsored or paid-for channels</li> </ul>
 Industry, Governments, Academia & Research Institutes	Governments, industrial associations, research institutes, and think tanks are key stakeholders of MediaTek. MediaTek responds to legal requirements of host governments and work with them on fostering a positive business environment.	<ul style="list-style-type: none"> <li>• Collection of data on international laws/regulations and compliance</li> <li>• Collection of data, consultation, communication, and compliance on central-government laws/regulations</li> <li>• Project meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Immediate</li> <li>• According to the schedule of the law-making process</li> <li>• According to project schedule</li> </ul>	<ul style="list-style-type: none"> <li>• Industrial policy and environment: taxation, talent, market competition</li> <li>• Evaluation of influence on industrial operation</li> <li>• Consultation on corporate governance and legal compliance</li> <li>• Cooperation in public services</li> </ul>	<ul style="list-style-type: none"> <li>• Actively respond to government inquiry about formulation of laws/regulations and business environment, joining effort in improving general business environment</li> <li>• Collaborate in the dissemination of science and technology education and the development of the industry</li> </ul>
 Employees	As a fables company, MediaTek's most important asset is employees. Team effort in creating innovative design is key to MediaTek's global technological leadership.	<ul style="list-style-type: none"> <li>• Labor meeting</li> <li>• Global communication meeting with employees of all levels</li> <li>• Employee surveys</li> <li>• Communication Platform (FAQ 2.0)</li> <li>• Ombudsman service &amp; corporate suggestion box</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly</li> <li>• Monthly</li> <li>• Quarterly</li> <li>• Periodic</li> <li>• Immediate</li> </ul>	<ul style="list-style-type: none"> <li>• Talent attraction and retention; salary, employee experience, benefits</li> <li>• Employee development and promotion</li> <li>• Establishing a diverse, inclusive workplace with equal opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Provide competitive and diverse compensation and benefit packages</li> <li>• Provide equal employment and development opportunities and a safe and friendly working environment</li> <li>• Release opening job opportunities to all employees</li> </ul>
 Shareholders & Investors	Shareholders and investors are backers and drivers of MediaTek, enabling the company to proceed along the path of sustainable development with their capital injection and participation in governance.	<ul style="list-style-type: none"> <li>• Shareholders' General Meeting</li> <li>• Investor conferences</li> <li>• Domestic and overseas roadshows</li> <li>• Interviews with institutional investors</li> </ul>	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Quarterly</li> <li>• Over 30 sessions a year, depending on invitation status</li> <li>• Over 300 sessions a year, depending on invitation status</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Corporate governance and legal compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate sustainable business operation</li> <li>• Interact with and listen to suggestions from our investors and use these as important references for developing future strategies</li> </ul>
 Suppliers	As best partners, suppliers help MediaTek produce excellent products and services, both parties capable of extending help to each other during times of crisis and sustaining growth side by side.	<ul style="list-style-type: none"> <li>• Supplier Conference</li> <li>• Supplier audits</li> <li>• Grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Annual</li> <li>• Annual</li> <li>• Immediate</li> </ul>	<ul style="list-style-type: none"> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Instituted "MediaTek Supply Chain Social Responsibility Award," an honor awarded to quality suppliers at Supplier Conference</li> </ul>
 General Public Consumers Media	The public is MediaTek's partner in enhancing and enriching everyone's life, and public opinion has certain influence on public policies. We strive to enhance mass communication and work with local communities, the media and nonprofits to fulfill our responsibility as a corporate citizen.	<ul style="list-style-type: none"> <li>• Press conferences</li> <li>• News releases</li> <li>• Media interviews</li> <li>• CSR mailbox</li> <li>• Expansion of social participation</li> <li>• Corporate website and social media</li> </ul>	<ul style="list-style-type: none"> <li>• Non-periodic</li> <li>• Non-periodic</li> <li>• Non-periodic</li> <li>• Immediate</li> <li>• Non-periodic</li> <li>• Constant</li> </ul>	<ul style="list-style-type: none"> <li>• Innovation</li> <li>• Brand identity and market perception</li> <li>• Social welfare activities</li> </ul>	<ul style="list-style-type: none"> <li>• Roll out cutting-edge products, so that more people around the world can benefit from technological innovation</li> <li>• Facilitate the dissemination of science and technology, with the concept of technology inclusiveness and 3A strategy in mind</li> <li>• Hold "Genius for Home: MediaTek Digital Social Innovation Campaign" to advocate care for hometown</li> </ul>



### Table 2: Material Issues and MediaTek's Value Chain

As an IC design company that does not have in-house production lines or fabs, MediaTek is located at the top of the overall value chain, and our main business is design and sales of products. Our suppliers carry out the entire manufacturing process, including raw materials procurement, wafer processing, assembly, and testing. The following is review of the direct/indirect impact of each material issue on our value chain, where icons for boundary levels are shown in the table below:

Impact level ● Direct ● Indirect

Material issues	Chapters	Corresponding GRI material topics	Scope of impact on value chain			
			R&D	Client commissions	Supplier manufacturing	User
 Innovation and Product Accountability	Ch.2 Innovation p.22	Non-GRI material issue	●	●	●	●
 Customer Relationship Management	Ch.1 Global Presence p.14	Non-GRI material issue		●		
 Brand Identity and Market Perception	Ch.1 Global Presence p.14	Non-GRI material issue	●	●		●
 Risk Management	Ch.4 Corporate Governance p.41	Non-GRI material issue	●	●	●	●
 Economic Performance	Ch.1 Global Presence p.14	GRI 201: Economic Performance 2016	●	●	●	●
 Corporate Governance and Legal Compliance	Ch.4 Corporate Governance p.41	GRI 307: Environmental Compliance 2016 GRI 419: social and economic legal compliance 2016	●		●	
 Talent Attraction and Retention	Ch.3 Talent p.27	GRI 401: Socioeconomic Compliance 2016	●			
 Employee Development	Ch.3 Talent p.27	GRI 404: Training and Education 2016	●			
 Social Welfare Activities	Ch.6 Community Engagement p.58	Non-GRI material issue	●			●
 Multi-Channel Communication	Ch.3 Talent p.27	Non-GRI material issue	●			
 Supply Chain Management	Ch.5 Environmental Management p.47	GRI 308: Supplier Environment Assessment GRI 414: Supplier Social Assessment			●	

# CH.1 Global Presence

MediaTek aspires to lead and operates with a global mindset.

- 1.1 Brand Vision
- 1.2 Global Operations
- 1.3 Customer Services

## Material issues in this chapter

- Brand identity and market perception
- Customer Relationship Management
- Economic Performance



### Collaborate with international partners

We provide a broad product portfolio and wide range of customized services based on local needs that extend from pre-to-post sale.

### Worldwide R&D capabilities

**27 sites** distributed globally.

### Emphasis on local talent

More than **93.8%** of managers at overseas sites are local hires.



## 1.1 Brand Vision

**Brand Identity and Market Perception:**  
Management Approach for Material Issues / Non GRI Material Topic



### Importance to MediaTek:

Enrich and enhance everyone's life through our innovative technologies, leading products, strong business model, and effective corporate feedback.

### Commitments and relevant policies:

We hope to continually improve our market image and generate increasing brand value by innovations through leading technologies, strategies, marketing, management, and processes.

#### Goals

- **Customer relationship management:** Regularly update sales forecasts and give ongoing projects close oversight. Understand our customers' business focus, organization and working philosophy in order to enhance our relationship. Our mid to long-term strategy is to develop new markets and extend our customer base through new business opportunities.
- **Brand image:** Adjust annual marketing plans to grow our brand exposure and the accuracy of information gathering via Internet. We are strengthening the planning-through-execution of key projects based on external consultancy.
- **Brand value:** Commitment to increase our brand value and respective corporate image by 10% in the short term, followed by a 30% increase in the middle-to-long term.

### Our Management System:

- **Responsible unit:** Sales and Marketing Departments.
- **Communication channels:**
  - ◆ Digital channels such as social media, corporate websites, newsletters, brand stores.
  - ◆ International exhibitions.
  - ◆ Global technology meetings and conferences.
- **Assessment mechanism:** Evaluation results for global brands.

### Specific Performance:

- Received the "Outstanding Asia Pacific Semiconductor Company Award" from the Global Semiconductor Alliance (GSA) with 7-time winners from 2009 to 2019
- Won TCSA "The Most Prestigious Sustainability Award - Top 10 Domestic Corporates"; also received "Top 50 Corporate Sustainability Report Platinum Award," "Growth through Innovation Award," "Social Inclusion Award" and "People Development Award" for the Manufacturing industry
- Honored as "Top 20 Best Taiwanese Global Brands" for straight five years given by Interbrand
- 11 research papers selected by International Solid-State Circuits Conference (ISSCC); The only Taiwan semiconductor company with papers selected for 17 consecutive years



1.1.1 This Chip Changes Everything

MediaTek delivers unparalleled expertise and technology solutions across Mobile, Home and Automotive and into global consumer markets. We believe technology changes lives, and we’re embracing the next billion users with a smarter future. It all starts with a chip. “This chip changes everything.”

We ensure our chips, products and platforms share core technologies, so every market segment benefits from a single piece of our intellectual property. MediaTek is known for its advances in multimedia, AI, seamless connectivity and integration expertise. We deliver the most performance possible while also maintaining superior power-efficiency throughout the chip to extend battery life.

For the 5th consecutive year, MediaTek has been recognized as a Top 20 International Brand based in Taiwan by the Ministry of Economic Affairs, reflected by a brand value of 375 million USD.

1.1.2 Building Flagship Features for the 5G Era

MediaTek has made ongoing developments across a wide range of technology frontiers, maintaining or establishing a leading position across markets. MediaTek is continuing to grow its product breadth by reaching into new(er) markets such as AIoT, Automotive, Voice Assistant Devices and Enterprise networking with ASIC opportunities.

Our technology expertise encompasses:

- **Communications:** 5G including eMBB for smartphone and mMTC for IoT, LPWAN including NB-IoT and CAT-M, and local connectivity with Wi-Fi 6 and Bluetooth 5.x technology.
- **Computing:** Power efficient implementations of high-performance processing elements (CPU, GPU, APU, ISP, DSP etc) for respective markets. APU 3.0 - MediaTek’s latest in-house AI Processor design.
- **Multimedia:** Continuing our industry leadership with new features within MediaTek Imagiq (photography) and MediaTek MiraVision (display).

While MediaTek continues to build products with capabilities that meet top-to-tail market needs, MediaTek has been targeting growth in flagship products in markets such as smartphone (Dimensity 5G SoC series), Smart TV (S900 8K TV), Voice Assistant Device, AIoT and Automotive, thanks to its investment in leading technologies. MediaTek is active in emerging markets such as India, the Middle East, Southeast Asia, and strives to expand its market share for all products. Respective market shares in these emerging markets and product categories in 2019 were as follows:

- Market leader in smart speakers, earbuds, voice assistant device, feature phones, digital TVs, Android tablets, connectivity and networking.
- Top 2 position in the global smartphone market.

1.1.3 Global Brand Activities

Brand communication for MediaTek is balanced between internal and external communications. Internally, we build a consensus on MediaTek’s brand by helping each employee to understand the process of brand development, brand positioning, and the importance of implementing the spirit of our brand. Complying with our brand values, we develop products that make technology easy to use and in-turn more popular by providing more effective solutions.

We shape a consistent brand image through external brand communication and long-term brand building projects; we express our corporate brand and product brand positions and commitments globally via a variety of communication channels and participation in global exhibitions. We are committed to pursuing leading technological trends and furthering to cement our technological advantages and perception, thus displaying strong brand competitiveness in the face of a highly competitive markets.

Long-term engagement in brand communication activities around the world

MediaTek showcases its technological innovation and competitive products in key international exhibitions, including the Consumer Electronics Show (CES), Mobile World Congress (MWC) and India Mobile Congress (IMC). By participating in those exhibitions, MediaTek also markets its positioning and commitments to key influencers and the global market.

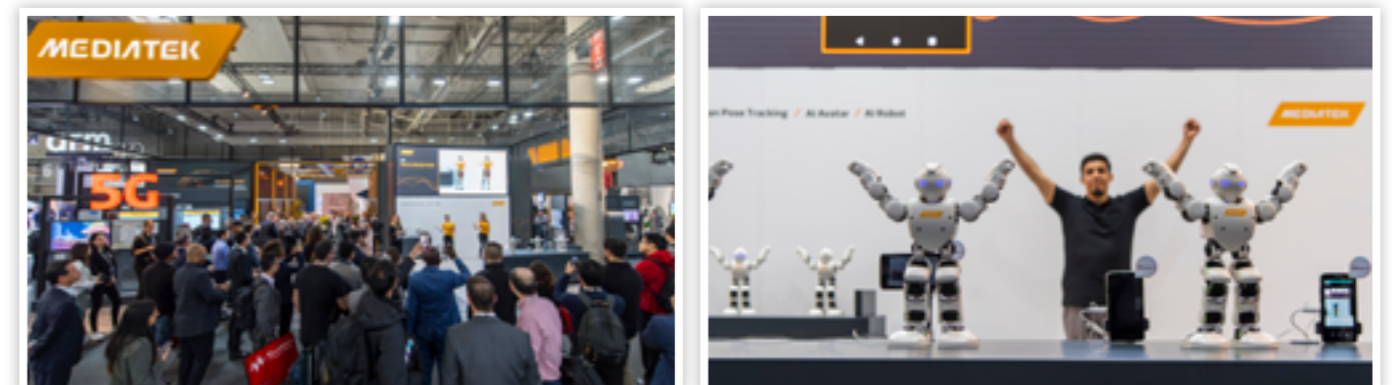
1. Consumer Electronics Show (CES) in Las Vegas:

At CES 2019, MediaTek announced its new automobile brand, AUTUS, and displayed solutions as they were applied to mmWave radar, V-ADAS, telematics and infotainment.



2. Mobile World Congress (MWC) in Barcelona:

MediaTek showcased its latest technologies at MWC 2019 with theme “Bringing 5G and AI to Everyone.” These included powerful edge AI enabler, the best 5G NR solution and industry leading NB-IoT connectivity on-the-go.



3. India Mobile Congress (IMC) in New Delhi:

MediaTek participated in IMC 2019 to demonstrate its cutting-edge 5G, AI and IoT capabilities. Technology solutions such as MediaTek Helio G90T chipset with MediaTek’s exclusive HyperEngine gaming technology, MediaTek’s 5G chipset and other multimedia platforms such as MediaTek MT8516 chip for voice assistant devices, and MediaTek S900 8KTV chip were the key highlights during this event.





India – Strengthening Our Market Communication

1. MediaTek Helio G90 Series: “The Core of an Incredible Gaming Technology” launch event and fan meet

MediaTek launched the first Helio G90 Series chipsets, Helio G90 and Helio G90T, in New Delhi on July 30, 2019. The event commenced with presentations MediaTek team through which they shared insightful information about the MediaTek Helio G90 Series chipsets. This was followed by a casual Fan Meet which was an exclusive opportunity for the tech-savvies from in and around the city to interact with some of the most reputed technology experts.



2. MediaTek Technology Diaries

The 3-part series aimed at showcasing industry dominances among the Media to highlight MediaTek’s new launches like MediaTek Helio G90 Series, MediaTek Dimensity, MediaTek Helio P90 and many others. The event took place in Delhi, Mumbai & Chennai.



3. MediaTek Bangalore – 5th Anniversary Celebrations

As a part of the celebrations, MediaTek Bangalore TechCon 2019 was organized to provide a platform for the exchange of technical ideas amongst colleagues. It also served as an opportunity to learn from the exciting work happening across the site.

China – Consolidating market confidence across business platforms

1. AI Summit

The AI Summit aimed to demonstrate MediaTek’s capability in developing solutions for the AIoT ecosystem. We introduced MediaTek S900, the leading 8K Smart TV chip with AI PQ (Picture Quality), and the MediaTek i700, an extremely powerful AI-infused chip for IoT devices requiring significant edge-AI processing capability. In addition, there were 29 demonstrations covering smart home, smart cities, smart factories and other AIoT industry.



2. Helio G90 Launch Event

China Joy is one of the world’s largest gaming industry events. During the show MediaTek hosted a press conference to announce the debut of Helio G90 and new HyperEngine technology. We invited client MI and gaming partners TUV, Tencent and Xunyou to give the speeches and endorse our first mobile chipset for gaming solution at the launch event.



3. 5G Dimensity Launch Event

MediaTek launched its new 5G branding, Dimensity, along with its first 5G SoC, the Dimensity 1000, in November 2019 in China. At launch MediaTek Dimensity targets flagship-grade SoC’s and scored the #1 Antutu score worldwide. We also showcased a video with greeting from our operators, customers and partners to prove their positive outlook toward MediaTek 5G solutions.





United States – Building Our Brand Awareness

1. Executive Technology Summit (November 8 in Coronado, CA)

MediaTek spokespeople presented a broad insight into the company, its products and technologies and where it fits into the semiconductor industry. The summit was a platform for Executives to maintain strong relationships with key US media, analysts and influencers, keeping MediaTek in their mindshare while demonstrating how the company is an industry leader. Through this format, MediaTek was able to showcase how it is making important technologies available to everyone.

2. Embedded Vision Summit (May 22 in Santa Clara, California) and Amazon re:MARs (June 4 – 7 in Las Vegas, NV)

MediaTek’s high performance and power efficient solutions are ideally suited to meet the processing needs of AI devices. Supported by our AIoT solutions and speakerships, MediaTek discussed the application and technology trends driving embedded SoC products that are making smart devices truly intelligent. During the events there were demonstrations of MediaTek’s official AIoT Hardware Evaluation Kits, called Pumpkin.



3. Salon Dinners in San Francisco and New York City

The event’s built awareness of MediaTek, its products and technologies. MediaTek market leading solutions that feature in commercially available products were showcased, including, but not limited to; televisions, smart speakers, voice assistant devices, Wi-Fi router and repeater, smart thermostats, and smartphones.



1.2 Global Operations



1.2.1 Worldwide R&D capabilities

MediaTek is headquartered, in Hsinchu Science Park, Taiwan and has 27 sites across the globe. Although our headquarters leads both business operations and R&D, and is responsible for coordinating global R&D resources, we continue to expand and leverage our presence world-wide in order to proliferate our New Premium strategy in emerging markets such as Southeast Asia, Africa, China, and India. All with the goal to provide people all throughout the world with new opportunities made possible by innovative technologies, and thus putting our brand mission into practice.

Site	Founded in...	Operations / features
Taiwan	1997	<ul style="list-style-type: none"> <li>Headquarters.</li> <li>Coordination of all business operations and R&amp;D in fields of AI/deep-learning, IoT, IoV, connectivity, AR/VR services.</li> </ul>
Chengdu, Beijing, Shanghai, Hefei, Wuhan, & Shenzhen, China	2001	<p>Development of communication products</p>
San Jose, Austin, Irvine, Woburn, San Diego, Bellevue, & New Jersey, USA	2003	<p>Development of pioneering technologies and communication products</p>



Site	Founded in...	Operations / features
Noida & Bangalore, India	2004 (Noida) 2014 (Bangalore)	<ul style="list-style-type: none"> <li>Development of communication technologies.</li> <li>Local customer engagement.</li> </ul> 
Singapore	2004	<p>Development of relevant technologies to chip design</p> 
Camborne & Kent, UK	2007	<p>Development of RFICs that can be applied to future 5G, automobile, industrial, and narrowband IoT (NB-IoT) technologies.</p> 

Site	Founded in...	Operations / features
Linköping, Sweden	2012	<p>Development of digital signal processors (DSP) for mobile communication.</p> 
Oulu, Finland	2014	<ul style="list-style-type: none"> <li>R&amp;D in 5G technologies.</li> <li>Ongoing, mutually beneficial partnerships with local academic entities and businesses.</li> </ul> 


**1.2.2 Global exchanges and accommodation of local cultures**

MediaTek has been expanding globally since its inception, displaying ceaseless, innovative R&D capabilities with the help of thousands of R&D personnel worldwide. We have invested in 5G development for several years, and have collaborated closely with global ecosystems, working together with our international partners to promote popularization of 5G applications. We facilitate technical communication between our global sites and our Taiwan headquarters through regular R&D exchange activities and collaboration systems. We are active in attracting local talent at all our operational sites, and are tireless in hiring talented individuals, adjusting our management styles to fit with local needs, and providing benefits that comply with local cultures. This will foster an environment where MediaTek employees throughout our global offices can enjoy the best working environments and experiences, and thus be inspired to develop innovative products and attain leadership in our target markets.





• Global academic exchanges

Site	Exchange activities
US	We have invested considerably in R&D resources and recruited experienced technical personnel from various fields into our 20 plus teams throughout the US. One-third of our employees graduated from leading institutions around the world and hold a PhD degree. In 2019, we invited Professor John P. Shen from Carnegie Mellon University as our advisor in the development of AI technology. We hired 27 interns at our sites in California, Massachusetts, and Texas. 77% of these interns came from Top 50 US universities in the engineering field (according to US News & World Report), and over 40% were PhD students from top US universities.
Finland	In 2019, MediaTek conducted a number of academic exchanges with local universities and arranged for students to visit our local offices. During such activities, our engineers talked about career development, which indirectly promoted STEM education to students, teachers, and presidents. MediaTek was honored to receive gratitude from the local government due to its influence in the cultivation of local ICT talents. Visitors to our offices learned about the company's current status of development, progress of R&D on radio frequency and 5G technology, as well as what it is like to work in MediaTek. 
UK	In the UK, MediaTek has established sites at Kent and Cambourne. In order to broaden our talent acquisition scope and provide learning opportunities, annually we open internship positions for students.

• A Focus on Local Management

In 2019, 93.8% managers were locally hired.

MediaTek is active in attracting global talent and we emphasize diversity and localized management for our employees. Over the past three years we have hired many local professionals to serve in management positions. As a result of this policy, currently, 92% of all managerial positions at overseas sites are locally hired (93.8% in 2019), and we will continue to tap the global talent market in the future.

• Development of the leadership capability of global team

To maximize the synergy of the global team, MediaTek spares no effort in cultivating leadership capability. In 2019, the company held three cross-field, cross-border leadership training sessions, where practical advice is provided for frontline and middle-level managers to facilitate their leadership in cross-field/cross-border projects.



• Respect for Diverse Cultures

MediaTek operates in 27 sites globally. As such, we accommodate different cultures with flexible management and benefits. For example, we adjust our work calendar that go beyond complying with local laws and regulations by including vacations that cater to individual differences in culture and religion. In Singapore, where our employees hail from the highest diversity of nationalities, we have implemented a flexible benefits policy so our employees can choose their own vacation times; we have also included subsidies for plane tickets to and from home and expenses for visa applications for employee family members as part of our benefits packages. Benefits plans for employees of all our international sites prioritize the needs of local employees. For important local festivals, such as Diwali and Holi in India, or Christmas in Western countries, we also host company-wide activities and cordially invite all our employees to participate.







### 1.3 Client Services



**Management approach for material issues:**  
Customer Relationship Management (Non GRI Material Topic)

**Significance for MediaTek:**

"Customer Focus" is one of MediaTek's six core values and is a guiding principle for our sustainable development.

**Commitments and Relevant Policies:**

We view clients as our business partners and always take client needs into consideration. We prioritize client requests, with an aim to improve end user experience while also actively enhancing client value.

Goals	Short term	Enhance client satisfaction, sales, and forecast accuracy.	Specific performance
	Mid to long term	Discover new market opportunities and retain reasonable growth in the post-pandemic new normal and market turmoil.	
Management approach	Responsible business unit(s)	Led by Vice President of Corporate Sales, but managers of all levels participate proactively.	
	Resources	Around 300 Corporate Sales employees.	
	Communication channels	<ul style="list-style-type: none"> <li>Provide online sales and audit email addresses that serve as communications and grievance reporting channels from non-specified persons; these communications are independently reviewed by audit units.</li> <li>e-Service online support.</li> </ul>	
	Assessment mechanism	Forecast accuracy and client satisfaction.	
		<ul style="list-style-type: none"> <li>We regularly employ various quantitative and qualitative methods such as visits, active project numbers, and Q&amp;A numbers to obtain feedback from clients.</li> <li>Our online mailbox collect 5,000 queries annually from potential clients, which were passed onto relevant departments to follow up.</li> <li>To prevent oversight and misunderstanding, we integrate feedback from ODM and Brand customers via sales personnel. For example, we help to coordinate software and hardware engineers, purchase, and distributors during RFQ stages.</li> </ul>	

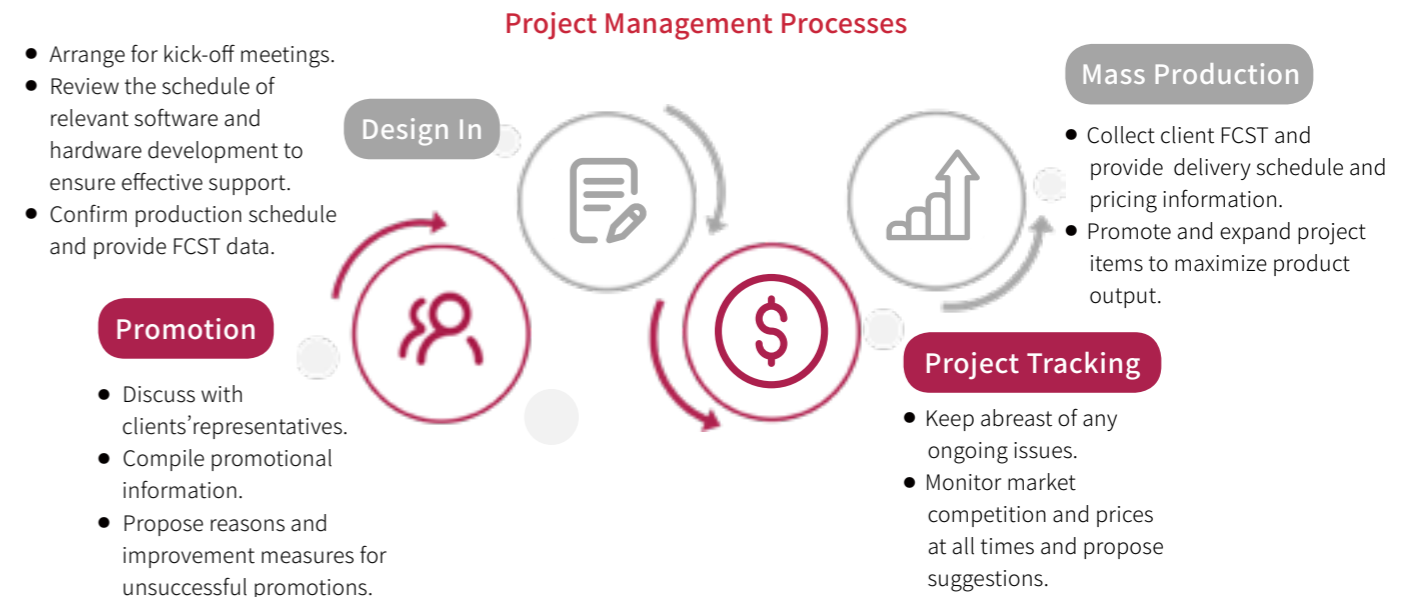
In order to provide the best service quality and the best technical support for our clients, MediaTek adopts professional management processes, online service tools, and a variety of client service channels that help us to better understand client needs and accelerate product development, which result in building mutually beneficial partnerships.

**1.3.1 Management Processes for Innovative Projects**

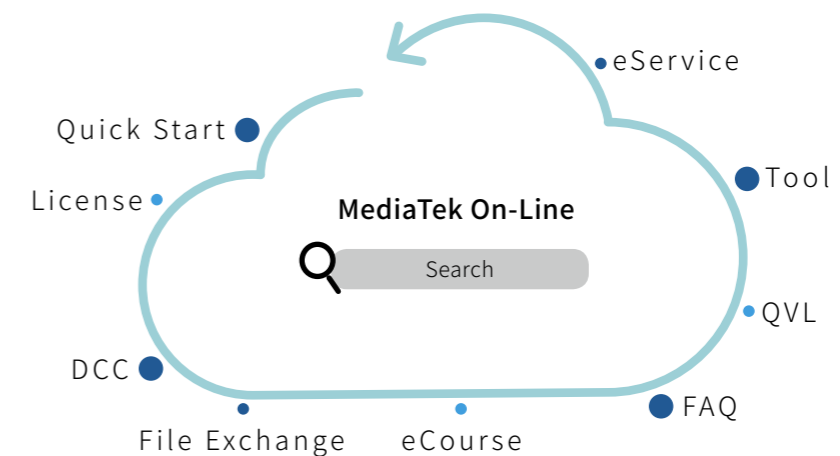
In order to provide our clients with the best possible service, our project management processes are initiated from the moment we contact a client. MediaTek uses an established client service platform that compiles all client suggestions, strategic considerations, and relevant questions; these are periodically updated and maintained. The compiled information is communicated to relevant departments, and those responsible members for related projects keep monthly updates of client status. When the client integrates our technology with their products, we make a record of client implementation conditions and challenges they faced. Further, we provide strategic recommendations to clients so they can benefit from MediaTek's rigorous attention to detail in product service processes. For more information on our project management processes, please refer to the table below.

**1.3.2 High-quality Service Tools**

MediaTek On-Line was established to simplify client administrative processes and enhance efficiency through improved user-friendliness. The platform contains a variety of system functions, including software authorization, document management, file transfers, online courses, lists of recommended components, software downloads, FAQ, and online Q&A. These functions help MediaTek attain an accurate view of client needs, and can speed product development, shorten product commercialization time, and fulfill client expectations for product functions.



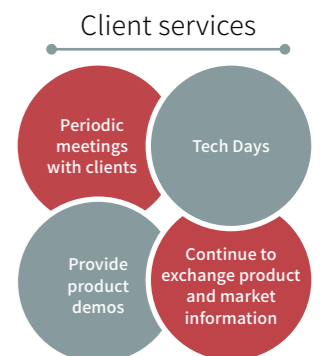
**MediaTek On-Line Interfaces**



When clients have questions or suggestions regarding our products or services, they can consult with us via the eService online support function of MediaTek On-Line. Dedicated personnel are responsible for handling client queries and designating queries to responsible units based on their attributes. Professional personnel help solve client problems related to product development in a timely manner.

**1.3.3 Local Services**

MediaTek's products are everywhere. We believe that, in addition to providing great product quality, maintaining good communication channels and understanding client needs are the most successful methods for mutually beneficial outcomes. We listen to our clients and put ourselves in their shoes as we assist with problem-solving and technical support, product development acceleration and mutual success. In order to provide timely and customized services for clients we have market development personnel in every region.





## 1.4 Financial Performance



**Economic Performance: Management approach for material issues (GRI 103-1, 103-2, 103-3, 201-1, 201-2, 201-3, 201-4)**

### Significance for MediaTek:

We are committed to pursuing sustainable operations and long-term benefits, maintaining our industry leadership, and generating a multitude of values for our stakeholders.

### Commitments and relevant policies:

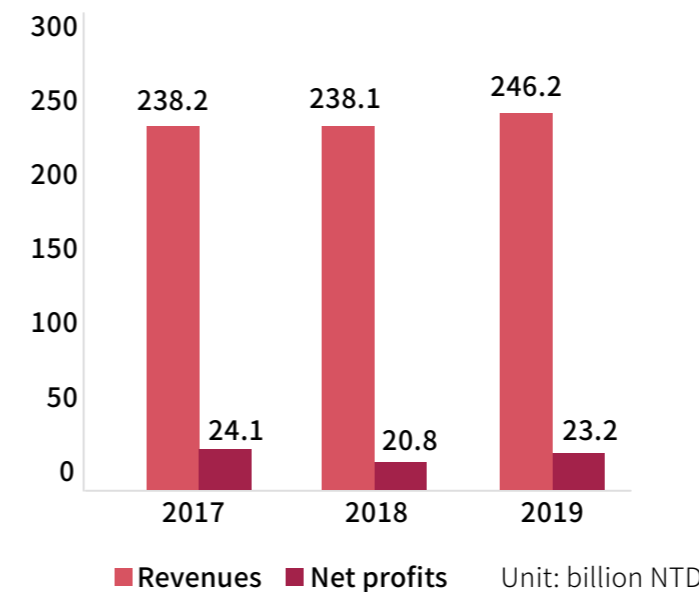
MediaTek continues to focus on our global outlook. This includes structural optimization of product portfolios and improvement of profit structures, and investment in visionary technologies and potential markets in order to form virtuous cycles for Company operations. We provide high quality working environments for our talented semiconductor personnel to fulfil their potential. We continue to extend our industrial leadership to generate higher shareholder value.

Goals and targets	Short term goals	<ul style="list-style-type: none"> <li>Fully grasp market trends and client needs; continue to develop highly competitive and advanced process designs; and launch highly cost-effective products that appeal to client's needs.</li> <li>Integrate products and existing cross-platform market advantages to assist clients in rapid and smooth mass production processes that take advantage of market opportunities.</li> <li>Maintain sound and flexible financial systems that support R&amp;D needs.</li> </ul>	Specific performance	
	Mid to long term goals	<ul style="list-style-type: none"> <li>Strengthen long-term relations with international clients and business partners to develop new business opportunities.</li> <li>Establish a more comprehensive global management system to strengthen internal operational efficiency and effective external communications, maintain good relations with global capital markets, and seek out appropriate investment targets that are beneficial to product expansion.</li> </ul>		
Management approach	Responsible unit	management team.		<ul style="list-style-type: none"> <li>Consolidated net revenues for the year equaled 246.2 billion NTD, consolidated gross margins increased from 38.5% to 41.9% compared with 2018, operating profits grew by 39.5% compared to the previous year, consolidated operating margins increased by 2.4%, which are contributing to the gradual building of a healthy profit structure.</li> <li>Market leadership in mobile phones, voice assistants, digital televisions, and network connection devices.</li> <li>We work closely with world-class companies such as Amazon, Google, Microsoft and Alibaba to create in-chip AI opportunities.</li> </ul>
	Resources	Finance, Sales and Investor Relations.		
	Communication channels	<ul style="list-style-type: none"> <li>Investor Relations office: Ms. Wang</li> <li>Telephone number: 886-3-567-0766</li> <li>Email address: ir@mediatek.com</li> </ul>		
	Assessment mechanism	Board of Directors and Shareholders' Meetings.		

In terms of market share, an estimation report issued by Gartner in 2020 showed that revenue for the semiconductor industry in 2019 was 419.1 billion USD and that MediaTek's global market share was 1.9%, ranking No. 13 in the global semiconductor industry. Looking to 2020, our experienced management team will continue to lead MediaTek, making use of our strong capabilities in highly-integrated system-on-a-chip products as we work with clients to provide highly competitive products. We anticipate 5G technologies and subsequent applications will allow us to expand relevant product markets and continue to extend our market leadership.

Item	2017	2018	2019	Unit (NTD)
Revenues	2,382	2,381	2,462	billion NTD
Operating costs	1,533	1,463	1,432	billion NTD
Employee benefits expenses	445	451	495	billion NTD
Income tax expenses	32	29	38	billion NTD
Net profits after tax	241	208	232	billion NTD
EPS	15.56	13.26	14.69	NTD

Financial Performance



EPS



### Affiliated Companies

MediaTek's affiliated companies operate in business areas that include R&D, marketing, and after-sales service for digital consumer electronics, wireless communications products, digital televisions, network communications products, and analog chipsets; as well as investment. In terms of labor divisions, affiliated companies acquire advanced technologies through investment to ensure MediaTek's global market leadership. For more information on affiliated companies and to see the organizational structure of our affiliates, please refer to p.90-105 of our 2019 Annual Report.





Management approach for material issue: Innovation and Product Accountability (Non GRI Material Topic)

Importance to MediaTek

MediaTek engineers worldwide work unceasingly on a wide variety of R&D projects across various technical domains so MediaTek can continue its technology leadership in order to deliver products and services that enhance and enrich everyone's lives.

Commitments and relevant policies

We seek to innovate by building a strong team of technical personnel and establishing strong, collaborative partnerships. Our internal corporate culture encourages our employees to be innovative while actively interacting with external partners and participating in international technical forums and associations, so that MediaTek can be among the elite in all domains of technology.

Goals	Short term	<ul style="list-style-type: none"> <li>Mass-produce 5G products in 2020</li> <li>Apply Artificial Intelligence (AI) features through a wide range of products</li> <li>Increase energy efficiency of our products</li> </ul>	Specific performance and actions
	Mid and long term	<ul style="list-style-type: none"> <li>Realize application of 5G technologies in various product categories</li> <li>Establish AI application ecosystem for various product categories</li> </ul>	
Management Approach	Responsible units	Engineering R&D unit	
	Resources	630 billion NTD invested in 2019	
	Communication channels	Our R&D and sales departments maintain active two-way communication with our clients to help us keep abreast of market trends and consumer needs	
	Assessment mechanisms	<ul style="list-style-type: none"> <li>ISSCC</li> <li>Patents</li> </ul>	

**Product**

- Dimensity 1000, world's first 5G SoC
- Smart home applications, e.g., AI Voice & AI PQ

**Corporate Culture**

- MediaTek continues to publish papers in the International Solid-State Circuits Conference (ISSCC), and is the only Taiwanese company that has had papers selected for publication for 17 consecutive years.
- The number of non-Taiwan participants in the 2019 Innovation Awards and Special Contribution Awards reached record high.

**Technical Exchanges**

- Participated in standard organizations
- Collaborated with business partners
- Cultivated AI talent

**Patent Strategies and Establishment of Industry Specifications**

- Ranked No. 5 patent filer at the Taiwan Intellectual Property Office (TIPO).
- Ranked No. 24 filer of global patents at the European Patent Office (EPO) in the field of Digital Communications

# Ch.2 Innovation

MediaTek actively innovates to provide highly competitive and compelling products and services to our customers.

## 2.1 Core Concepts

## 2.2 Innovation in Practice

## 2.3 Innovation Achievements

Material Issue in This Chapter

Innovation

63 billion NTD investment in R&D activities

Dimensity 1000 launched as the world's first 5G SoC

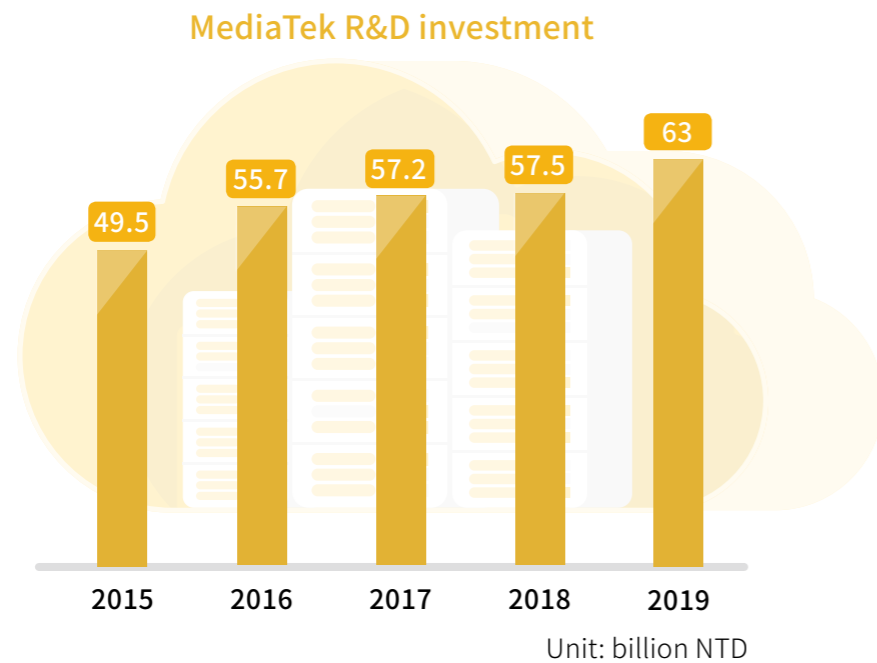
ISSCC 2020 published 11 technical papers submitted by MediaTek, the highest amount selected for a technology company.

Ranked No.5 among applicants that filed with the Taiwan Intellectual Property Office (TIPO) and No.24 with the European Patent Office (EPO) in the field of digital communications



## 2.1 Core Concepts

Innovation is a never-ending relay race. Through our core 3A strategy, MediaTek strives to utilize technological innovation to solve problems, and enhance and enrich the quality of life for everyone. Integrated circuit (IC) design companies are located at the top of the semiconductor value chain, therefore they must keep pace with external developments and have a deep understanding of user needs and industrial changes in order to stay at the cutting edge of innovation, and ultimately help end users benefit from opportunities brought about by these technological advances. We believe that innovation is the driving force for sustainable corporate growth and brand recognition; through invention and innovation, we strive to continue providing the most competitive products and services.



In recent years, MediaTek has continued to invest in cutting-edge research in new fields relating to 5G and AI. In 2017, our R&D investment reached 57.2 billion NTD, which was further increased to 57.5 billion NTD in 2018; while our accumulated investment in R&D for the past 4 years exceeds 220 billion NTD. In 2019, a key starting point for the industry, we aim to lead global developments in 5G and AI industry clusters and bring about a new wave of highly compelling products and services.



## 2.2 Innovation in Practice

### 2.2.1 Talent

MediaTek has been proactively reorganizing internal Human Resources over the past few years, transferring several hundred R&D and product personnel to key technical and product development fields such as 5G and AI. Through this action we are continuing to work toward a goal of Technology Leadership. For more information, please refer to Section 1.2 Global Operations of this report.

### 2.2.2 Corporate Culture

MediaTek began hosting its Innovation Awards and Special Contribution Awards since 2002 and 2003 respectively. These awards symbolize the highest achievements of MediaTek personnel through innovations and contributions to the company, whether in technological development, strategic planning, or process management. Teams and individuals were selected and honored after a rigorous evaluation process. In 2019, we made a couple of adjustments to further specify the positioning of award items and expand employee participation: the Special Contribution Awards were split into two categories, Project/Product and Operation; focus of the Innovation Awards to acknowledging the contribution of the vital few, rather than entire teams with less discrimination.

MediaTek encourages employees to take part in internal and external events and forums, to motivate, inspire, and intensify their engagement in innovation and invention.



#### The International Solid-State Circuits Conference (ISSCC)

The ISSCC is the world's largest, most prestigious, and highest-standard conference on solid-state circuits, with thousands of participants from the academia and industry every year. In early 2020, ISSCC published 11 papers from the MediaTek Group, mainly on application of 5G and AI in AIoT, the highest in terms of quantity and scope ever. Along with Samsung and Intel, MediaTek was among the top three in number of published papers. Since 2004, MediaTek have had papers accepted by the conference for 17 years in a row, 79 in total, testifying the company's extraordinary technological and innovative strength.

#### 17th Special Contribution Award and 18th Innovation Award and

In 2019, 29 teams took part in the competition; among 315 project members, 70 of whom from overseas units, the highest ever. Six teams were awarded, including two for the Innovation Award, two for the Special Contribution Award – Project/Product, and two for the Special Contribution Award - Operation.

**MediaTek is the only Taiwanese company whose papers have been accepted at ISSCC for 17 consecutive years.**

The International Solid-State Circuits Conference acts as a leading indicator of global R&D trends in semiconductor and solid-state circuits. It is the best forum for exchanges of cutting-edge technologies in the fields of semiconductor and chipset, often referred to as the Olympics of the IC design domain.



2.2.3 Exchanges

Dubbed the fourth industrial revolution, AI is expected to bring multiple changes to various professions, businesses, and our daily life. MediaTek produces cutting-edge ICs to raise AI computing capacity significantly, enabling AI to bring us much daily-life conveniences. Meanwhile, the company has been engaged in R&D and talent cultivation continuously, often via exchanges with universities, business partners, and various technology associations.

Industry-school cooperation--joint AI talent cultivation

Given the expected huge influence of AI on scientific and industrial development, as well as people's daily life, MediaTek sponsored, along with several others, the founding of Taiwan AI Academy in 2017, which had provided AI training to some 6,000 people as of the end of 2019.

Meanwhile, to consolidate Taiwan's AI talent pool, MediaTek has joined hands with the Taiwan Semiconductor Research Institute, under the National Applied Research Laboratories, in planning EDGE AI courses for prospective AI teachers at universities. MediaTek has donated of 30 sets of cutting-edge terminal development platform, including hardware and software, to the program, meant to cultivate teachers for spreading the knowledge on terminal AI applications at universities, thereby cultivating more AI application talents to facilitate industrial transformation under the AI era.



Value chain cooperation--embrace technology and tap emerging opportunities

With the advent of the 5G era, MediaTek has joined hands with Intel in introducing 5G modem to PCs. The two parties will offer their 5G solution for application in notebook PC, for both consumer and business models, a critical sector., and expect to have Dell and Intel among their first customers for the solution. First batch of products is scheduled for rollout in early 2021.

Via development of 5G modem chip for PCs, MediaTek will join hands with Intel in pushing the popularization of 5G application, in both home and mobile platforms. The MediaTek-Intel team boasts an abundant pool of engineers in system integration and Internet connection, ready to bring optimal 5G experience for PC users worldwide.

Participating in Technical Associations

As technologies continue to transform and evolve, MediaTek not only generates new integrated technologies and applications in collaboration with our business partners, but also participates in Internet communications, multimedia, and semiconductor technical associations to foster interactions with industry peers and academic institutes that can inspire novel ideas.

Internet Communication	ETSI (European Telecommunications Standards Institute)
	GSMA (Groupe Speciale Mobile Association)
	GCF (Global Certification Forum)
Multimedia	Blu-ray Disc Association
	DVD CCA (DVD Copy Control Association)
	SMPTE (Society of Motion Picture & Television Engineers)
	VESA (Video Electronics Standards Association)
Semiconductor	JEDEC Solid State Technology Association
	PCI-SIG (Peripheral Component Interconnect Special Interest Group)
	SD Card Association
	GSA (Global Semiconductor Alliance)
	TSIA (Taiwan Semiconductor Industry Association)
	TIARA (Taiwan IC Industry and Academia Research Alliance)
	MIPI Alliance
	USB-IF (USB Implementers Forum)
	The Serial ATA International Organization

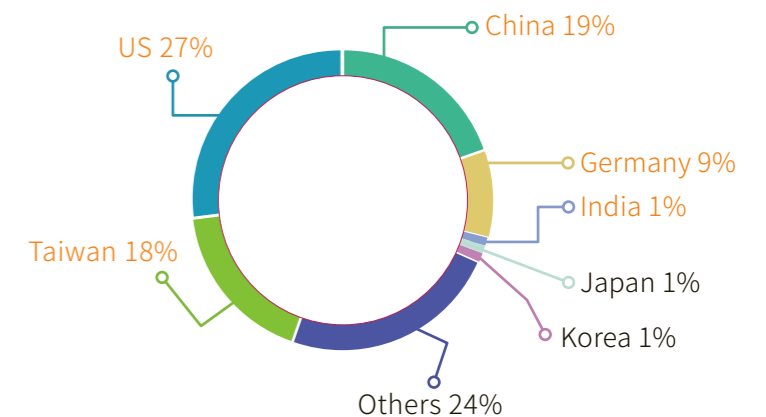
2.2.4 Patent Strategies and Establishment of Industry Specifications

Patents are a specific indicator of MediaTek's efforts in innovation and R&D. MediaTek's patent strategy for 2019 continues to consider both quantity and quality as we maintain about 10,000 patents.

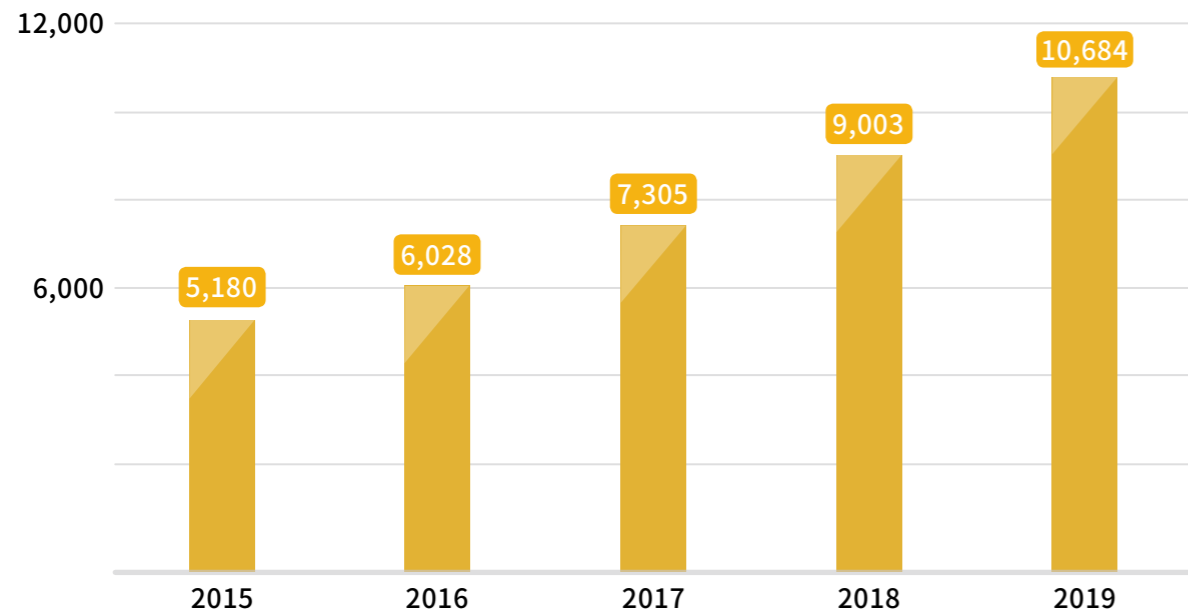
We were ranked the fifth-largest patent filer at the Taiwan Intellectual Property Office (TIPO) and the 24th largest global patent filer in the Digital Communication field of the European Patent Office (EPO).

MediaTek has over 20 R&D locations worldwide, and we have filed more than 10,000 patent applications across North America, China, Europe, Taiwan, India, Japan, Korea, Brazil, and South Africa. In 2019, we were granted 1,670 new patents, 454 of which were US patents, and 330 of which were Chinese patents.

Proportional breakdown of new patents granted in 2019



Number of patents maintained



Into the future, we will remain attentive to the latest developments in technology and we will continue to apply for patents in order to protect our developed technologies. We are committed to enhancing patent quality, and will also actively participate in the establishment of technical specifications to extend our global reach and enhance the competitive capabilities of Taiwan's high-tech industry on the global stage.

MediaTek's participation in technical specification organizations

Name of Technical Specification Organization	MediaTek's Role
<b>Third Generation Partnership Project (3GPP)</b>	<ul style="list-style-type: none"> <li>Promoted MediaTek's R&amp;D results for adoption as 5G technical standards, improving upon first-generation 5G technologies.</li> <li>Served as vice chair for RAN2 and head of oversight for several technical issues, actively promoting standard-setting efforts for 5G technology.</li> <li>Continued to submit revised 5G/LTE technology proposals based on product experiences to improve upon specification details.</li> </ul>
<b>Taiwan Association of Information and Communication Standards (TAICS-TC1)</b>	<ul style="list-style-type: none"> <li>Served as chair for TC1, integrating the technical consensus among Taiwanese companies for 3GPP and enhancing Taiwan's influence in the decision-making of key technologies.</li> <li>Facilitated regular dispatches of technical experts from foreign companies to Taiwan to engage in technical exchanges relating to 5G.</li> <li>Participated in international technical conferences as a representative of Taiwan and presented 5G R&amp;D developments, enhancing Taiwan's visibility in the international 5G industry.</li> </ul>
<b>Global TD-LTE Initiative(GTI)</b>	<ul style="list-style-type: none"> <li>Served as project leader for the 5G Sub-6GHz project, promoting integration of 5G technical requirements for the global telecom industry and maximizing the scale of terminal markets.</li> <li>Consecutively awarded the GTI Honorary Award for 2018/2019.</li> </ul>
<b>Joint Video Experts Team(JVET)</b>	<ul style="list-style-type: none"> <li>Was a major technical contributor at JVET meetings for setting a new generation of video compression standards: Versatile Video Coding (VVC)/H.266. We greatly enhanced video compression and efficiency, and used our product experiences to optimize international specifications, greatly decreasing implementation costs for VVC/H.266 in devices.</li> </ul>



## 2.3 Innovation Achievements

### World's first 5G SoC Dimensity 1000

Shipment of MediaTek's 5G SoC Dimensity 1000 has begun in 2020, following rollout in 2019. Dimensity 1000, MediaTek's family of powerful 5G systems on a chip (SoCs) offering an unrivaled combination of connectivity, multimedia, AI and imaging innovations for premium and flagship smartphones. The MediaTek Dimensity 5G chipset family brings smart and fast together to power the world's most capable 5G devices. Dimensity represents a step toward a new era of mobility – the fifth dimension – to spur industry innovation and let consumers unlock the possibilities of 5G connectivity.



The Dimensity 1000 5G SoC supports 5G two carrier aggregation (2CC CA) and boasts the world's fastest throughput SoC. The chipset is designed to support standalone and non-standalone (SA/NSA) sub-6GHz networks, and includes multi-mode support for every cellular connectivity generation from 2G to 5G.

It also integrates the latest Wi-Fi 6 and Bluetooth 5.1+ standards for the fastest and most efficient local wireless connectivity, offering more than 1Gbps throughput in both downlink and uplink speeds

Dimensity 1000 is a performance powerhouse, pairing four Arm Cortex-A77 cores operating up to 2.6GHz with four power-efficient Arm Cortex-A55 cores operating at up to 2.0GHz. This design enables an optimal balance of high performance and power-efficiency. The chipset is also the world's first to pack Arm Mali-G77 GPU to enable seamless streaming and gaming at 5G speeds.

MediaTek's Dimensity 1000 also comes with a new MediaTek AI Processing Unit – APU 3.0 – with more than double the performance of the previous generation APU.

MediaTek is an active player in the world's 5G field, a full-scale participant in standardization and one of the top 20 worldwide in terms of ownership of patented technologies for the standardization, as well as one of the top 10 contributors in standards-related technological papers, according to a report of German market information body IPLYtics GmbH in 2019. Moreover, the number of MediaTek representatives attending standardization conferences increased further in 2019, with its ranking in investment scale jumping to 11th place, up from 19th place in the previous year.

### AI platform complete with NeuroPilot SDK & APU 3.0

#### NeuroPilot

MediaTek rolled out NeuroPilot in 2018, for AI computing and application in terminal devices, by integrating APU (artificial intelligence processing unit) and software, including NeuroPilot SDK (software development kit), which ushers in the era of AI technology consumer products, such as smartphone, smart home, and automated driving cars.

#### APU 3.0

In 2018, MediaTek rolled out AI processing unit (APU), including single-core and multiple-core models. First-generation APU 1.0 is meant for application in smartphones and mobile devices, followed by second-generation APU 2.0, which employs the company's advanced fusion AI structure, with computing power quadruple that of APU 1.0. In 2019, MediaTek debuted APU 3.0, boasting a brand new structure with six AI processing units, including two large cores, three small cores, and one micro core. Its capacity is 2.5 times that of APU 2.0, providing sufficient power for program and smartphone firms.



**Smart home solutions with real-time edge AI computing**

Witnessing the trend of AI application extending from audio to visual sector and from cloud computing to edge computing, MediaTek has rolled out multiple AI solutions for smart end products, including AI PQ (picture quality) technology for smart TV and AI voice platform for smart speaker, bringing consumers a brand new smart-home experience. With powerful edge computing capacity, plus algorithm and software development tool, those AI solutions have ushered MediaTek into the realms of smart home, wearables, smartphones, self-driving cars, and other Internet-connected equipment.

MediaTek's new-generation AI PQ technology endows digital TV such AI augmentation functions as face detection and scene detection. Via scene detection, smart TV can distinguish human images and other scenes, such as landscape, interior, or gymnasium, in picture of each frame, making automatic adjustment for higher clarity and fine tuning skin color to make vivid images.



MediaTek's AI audio-visual SoC will give smart speaker a fresh growth momentum, thanks its multiple innovative functions, including low power-consumption voice awaking function, capable of extending standby time by 10 times, and support for low power-consumption remote command, local speaker ID, and local command. Customers harbor high expectation for the application potential of edge AI and low power-consumption function.

**Highly integrated auto radar system: Autus R10 platform**

MediaTek has rolled out automotive chip Autus, an ultra-short range a millimetric-wave radar platform, with function far superior to ultrasonic sensors available on the market now. Autus R10 chip incorporates antenna and supports automotive surrounding radar system, capable of detecting barriers or autos within 360-degree radius. It can be applied in blind spot detection (BSD), automatic parking assist (APA), and parking assist system, greatly augmenting driving safety.

Operating frequency of Autus R10 ranges from 76 to 81 GHz, high frequencies conducive to high target resolution and precision detection. With an operating ranging from 10 centimeters to 20 meters, Autus R10 can substitute for ultrasonic wave. Its highly-integrated CMOS design enables function and cost optimization, including embedded RF and baseband treatment and 1T1R structure integrating antenna assembly, which only needs a simply three-wire connection with external electronic control unit (ECU).



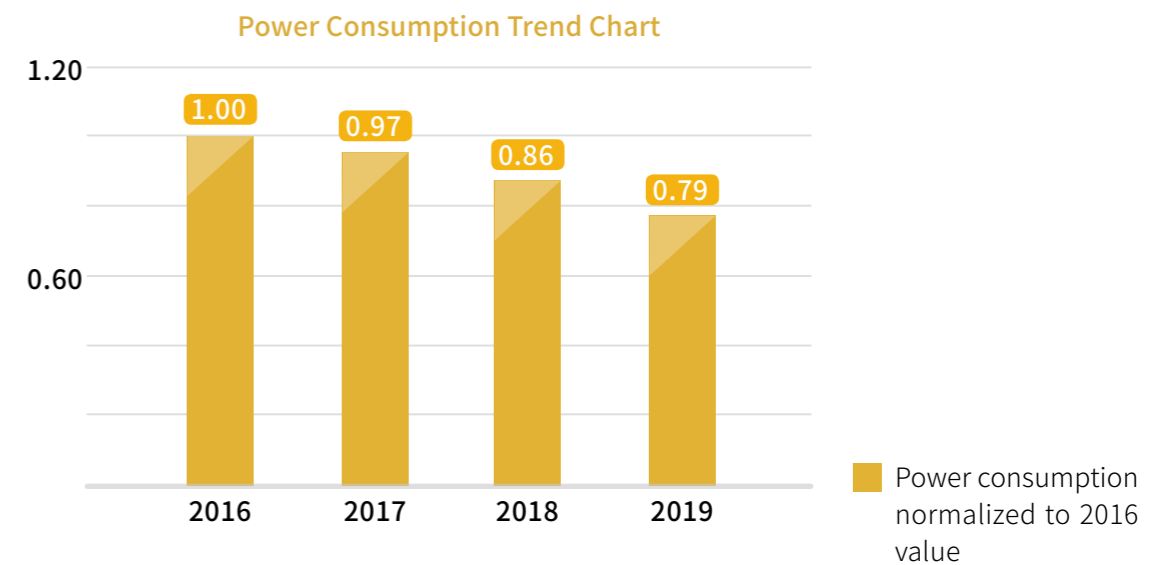
**Green Innovation**

Since MediaTek's chipsets power a variety of end devices, we include environmental considerations at all stages in the design. We aim to reduce our impact on the environment during usage and disposal by minimizing power consumption and the physical size.

**Usage**

Enhancement of energy efficiency: We have lowered 9% of power consumption of end devices powered by MediaTek in 2019 (cf. 2018). Based on the shipment volume of the year, MediaTek contributed to the energy conservation of devices powered by our products by 217 million kWh of electricity per year, the equivalent of 114,793 tons of carbon emissions, or the carbon storage capacity of 200,369 acres of US forests in a year<sup>Note\*</sup>

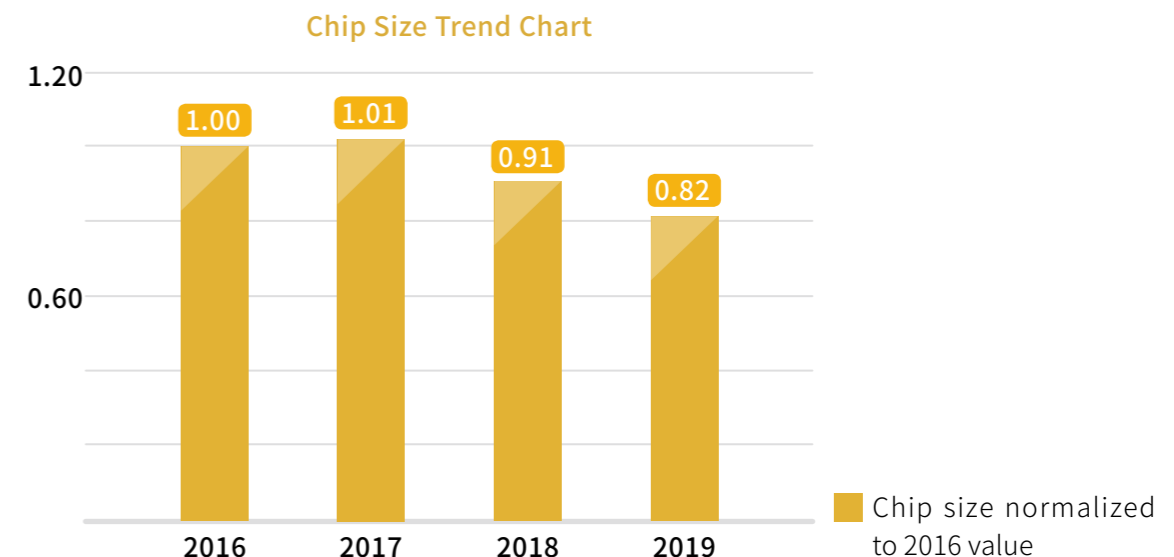
\*Note: Conversion based on the Greenhouse Gas Equivalencies Calculator of the United States Environmental Protection Agency.



**Disposal**

Minimization of chip designs: Compared with 2018, we have reduced the size of our IC products by 10% in 2019, equivalent to 13,585 kg of waste, or 28 tons carbon emissions<sup>Note\*</sup>.

\*Note: Conversion based on the parameters set by the Environmental Protection Administration of Taiwan, where 1kg of waste production increases 2.06kg of carbon emission



# Ch.3 Talent

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.

- 3.1 Talent Strategy
- 3.2 Best Employer
- 3.3 Employee Development
- 3.4 Employment Experience

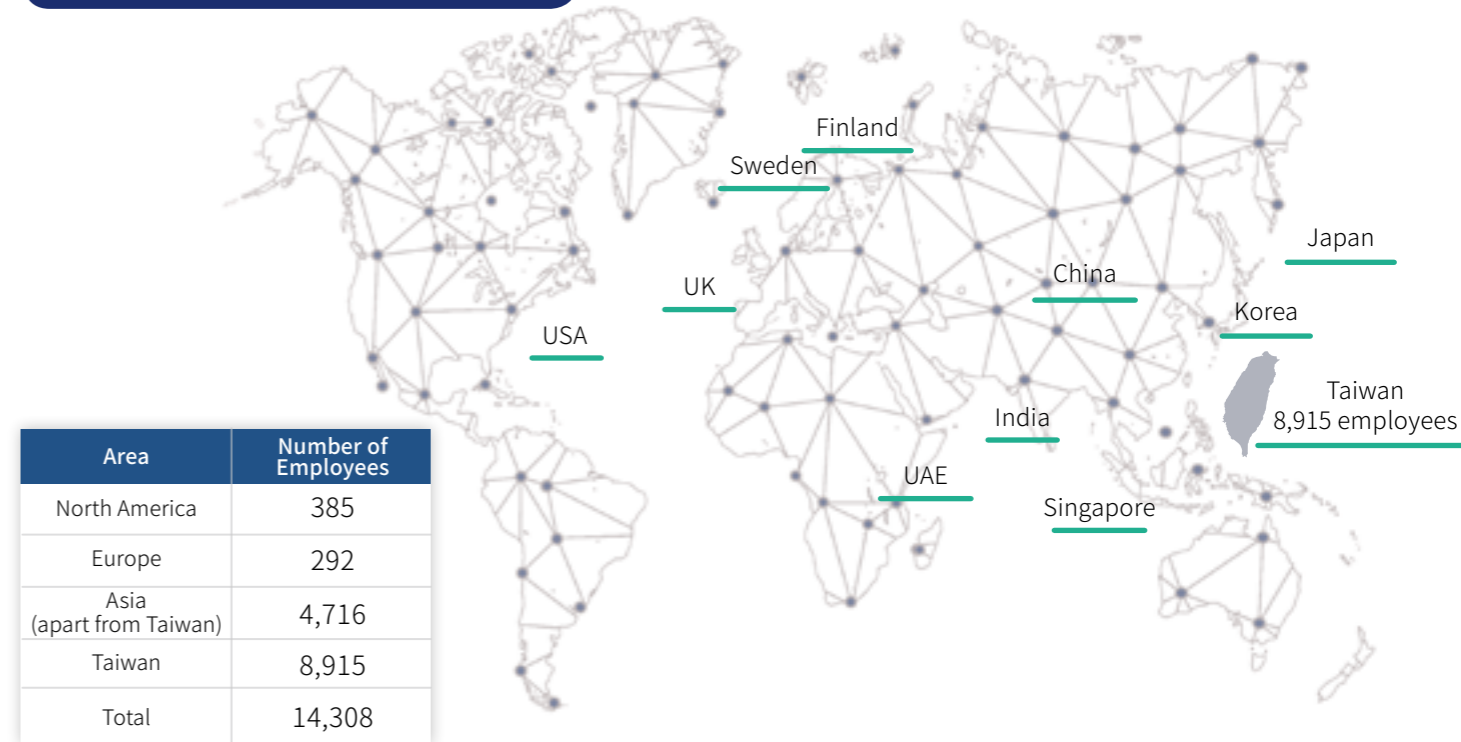
## Material Issues in this Chapter

- Talent Recruitment and Retention
- Employee Development
- Multi-channel Communication

## 3.1 Talent Strategy

As research and development is a core requirement, MediaTek is driven by a need to seek out leading technical talent globally. As of the end 2019, the total number of MediaTek staff (including contractors) and our global subsidiaries have amounted to 14,308. In order to effectively leverage our global R&D capabilities, MediaTek has established 27 sites around the world. Our overseas employees make up 38% of the total. We hope to increase the timeliness of product development and technical support through exchanges and collaboration between our global employees.

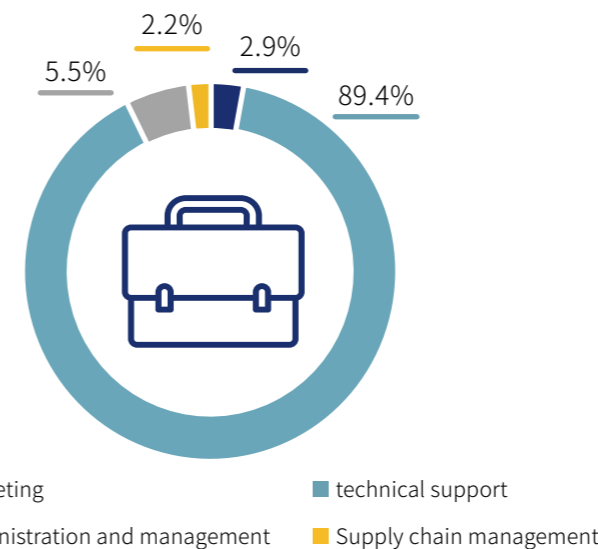
### Geographical Distribution of Employees



### 3.1.1 Manpower Structure

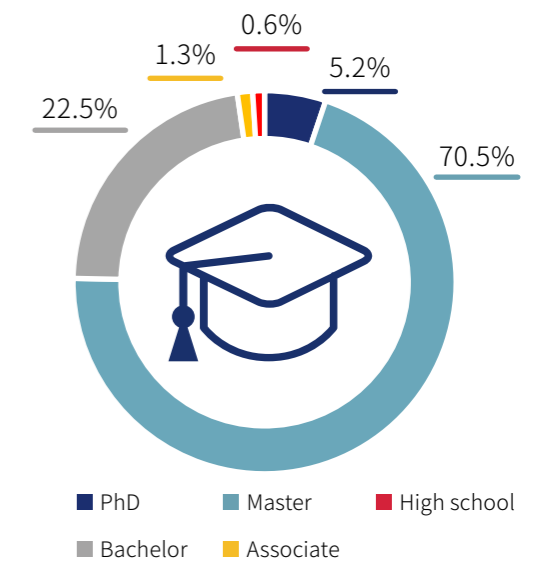
#### Employee Function

Nearly 90% of employees are R&D and technical support personnel.



#### Education Level

76% of employees hold doctorate or master degrees.



Global turnover rate of **7.2%**, **5.4%** in Taiwan, lower than industry average (turnover rate of high-tech industry stands at 19.8% globally and 15.7% in Taiwan)

MediaTek's average salaries for full-time non-managerial employees stood at **NT\$2.705 million** in 2018, the highest among companies listed on the central market and the OTC market, according to the Taiwan Stock Exchange.

Promote AI learning, providing entry-level and advanced AI courses, with attendance reaching **3,000 person**/times.

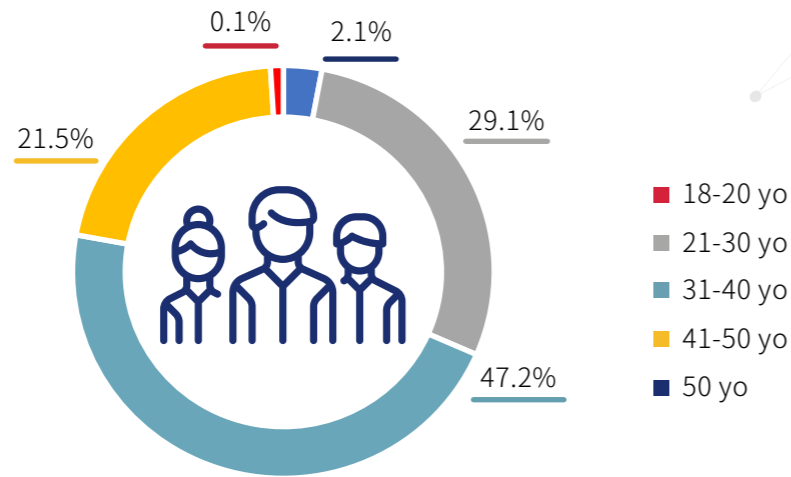
Open an in-house preschool, the largest in Hsinchu Science Park, occupying **600 pings** (approx. 21,354 ft<sup>2</sup>) in space and enlisting **120 students** for the first year of enrollment.

Inauguration of Women in Tek at the Taiwan headquarters, with global membership having **topped 300**.



Age structure

30-40 years old is the main age group (47.2%), with the share of those aged under 30 standing at 29% and those over 40 at 23.7%.



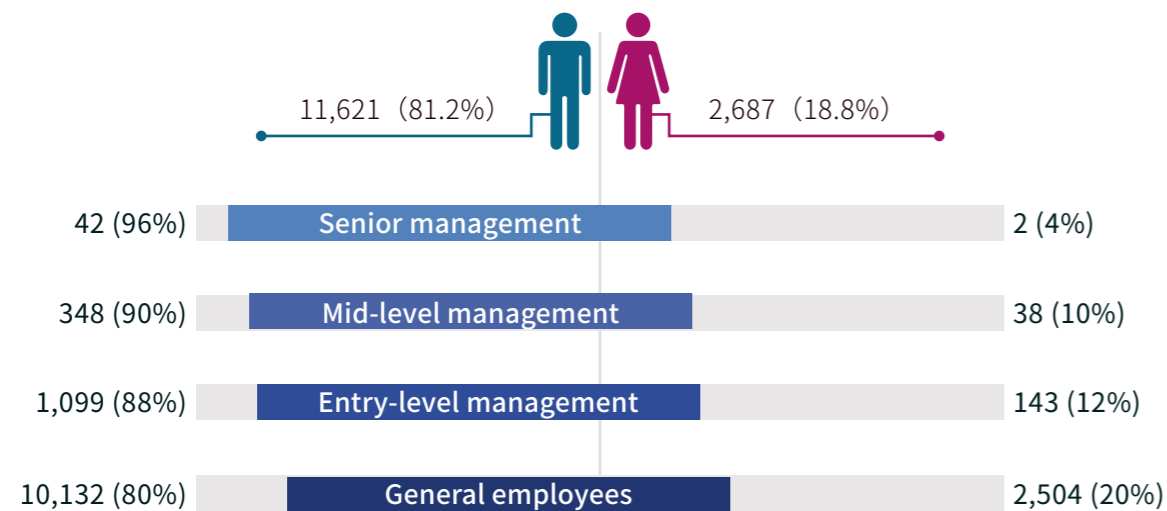
Type of employment

Full-time employees account for 97% of the workforce, including disabled people, in line with the legal requirement concerning reserved quota for them in employment. In 2019, the company hired 63 disabled employees, offering them fair job opportunities.

Employment contract	Type of employment	Male	Female	Subtotal
Formal posts	Full-time	11,379	2,523	13,902
	Part-time	3	4	7
	Subtotal	11,382	2,527	13,909
Provisional posts	Full-time	178	130	308
	Part-time	61	30	91
	Subtotal	239	160	399

Distribution of Gender by Levels

Although the majority of MediaTek employees are male, given the characteristics of the labor market in the tech industry, MediaTek hires a higher-than-average share of female R&D and technical support personnel than the hi-tech industry. The company will continue to hire talented female personnel.



[Note] This information includes employee numbers from MediaTek and its subsidiaries (including MStar and Nephos that joined in 2019), but does not include employees at independently operating subsidiaries (Airoha, Ilitek, Richtek, Econet, Sigmastar).

[Note] The above information was retrieved on December 31, 2019.



3.2 Best employer

Management guidelines for material issues: Talent recruitment and retention (GRI 103-1, 103-2, 103-3, 401-1, 401-3)



Importance to MediaTek:

Regarding talent as its foremost assets, MediaTek has been striving to enlist excellent talents to join its professional team via multiple recruitment channels, offering them compensations with market competitiveness and internal equity, as well as multiple impressive fringe benefits to enhance their engagement and drive sustainable business growth of the company.

Commitments and Relevant Policies:

The company has instituted responsible organization and unit, recruiting necessary talents via multiple innovative channels and formulating overall compensation strategy with industry competitiveness, as well as legally compliant retirement benefits and multiple fringe benefits, such as various subsidies and annual physical examination, which shape a caring workplace for sustainable corporate development.

Goals	Our Management System	Specific performance
Short term	<ul style="list-style-type: none"> <li>Institute multiple innovative channels to recruit qualified talents.</li> <li>Offer competitive compensation and fringe benefits Institute flexible fringe-benefit program meeting employee's needs.</li> </ul>	<p><b>Compensation and awards</b></p> <ul style="list-style-type: none"> <li>MediaTek's average salaries for full-time non-managerial employees stood at NT\$2.705 million in 2018, the highest among companies listed on the central market and the OTC market, according to the Taiwan Stock Exchange.</li> </ul> <p><b>Talent recruitment, appointment, and retention</b></p> <ul style="list-style-type: none"> <li>Employment rate (note)=13</li> <li>Job reporting rate (note)=90%.</li> <li>Retention rate: 92% for newcomers within three years, 95% for newcomers within two years.</li> <li>Employee turnover rate=7.2% global, 5.4% Taiwan.</li> </ul> <p><b>Fringe benefits for employees and dependents</b></p> <ul style="list-style-type: none"> <li><b>Flexible fringe benefits:</b> Rate of reimbursement application reached 97% in 2019, two percentage points higher than previous years.</li> <li><b>Physical-examination subsidy:</b> Annual application rate for physical-examination subsidy reaches 97%.</li> <li><b>Corporate events:</b> In 2019, Taiwan headquarters and branches in China held 40 health promotion events, with over 9,421 participants. Satisfaction rate for large-scale events is over 85 points.</li> <li><b>Open in-house preschool:</b> the largest in Hsinchu Science Park, occupying 600 pings (one ping equals 36 square feet) in space and offering extended child care, until 8:00 p.m., for employees to balance between work and family. In 2019, the number of the students in the first year was reached 120.</li> </ul>
Mid to long term	<ul style="list-style-type: none"> <li>Continue offering performance-oriented competitive compensations Provide an innovative and challenging environment, to inspire their potential.</li> <li>Continue caring for employees' mental and physical health and providing an excellent healthy workplace.</li> </ul>	
Responsible business unit(s)	Human resources-related units, employee welfare committee.	
Resources	Operating management budget, employee welfare fund, etc.	
Communication channels	<ul style="list-style-type: none"> <li>Manager communication meeting</li> <li>Labor meeting</li> <li>Communication platform (FAQ)</li> <li>Ombudsman service</li> <li>Suggestion box</li> <li>Satisfaction survey for corporate events</li> <li>Recruitment platform</li> </ul>	

<p>Assessment mechanism</p>	<ul style="list-style-type: none"> <li>• Periodic review of overall compensation structure and policy on leave every year to assure their industry competitiveness.</li> <li>• Talent acquisition rate, on-boarding rate, retention rate, and turnover rate.</li> <li>• Annual satisfaction survey for corporate events.</li> <li>• Status of annual subsidy for physical examination.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Inauguration of female social group at headquarters:</b> Following founding of first Women in Tek (WIT) circle in Shenzhen in 2015, a branch at Taiwan headquarters was inaugurated in 2019. The social group now has over 300 members worldwide, offering female employees opportunities for personal growth, work motivation, and opportunities for career development with a balanced family life.</li> </ul>
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[Note] Employment rate=number of job applicants/number of employment.

[Note] Reporting rate=Number of job reporting/number of issued employment contracts.

### 3.2.1 Recruitment and Retention

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.

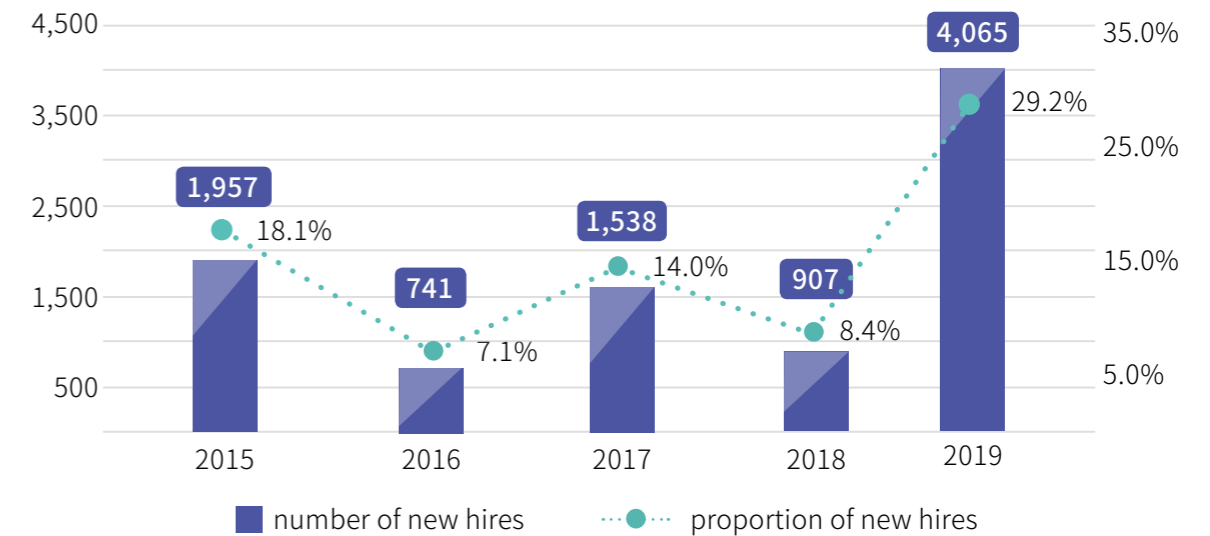
In 2019, we hired 4,065 new employees (including MStar and Nephos). Of these, around 50% were younger than 30 years old; we believe that a talent structure skewed in favor of the younger generation can bring more insights and momentum into our diversified products and innovations.

#### Retention of quality employees from MStar and Nephos

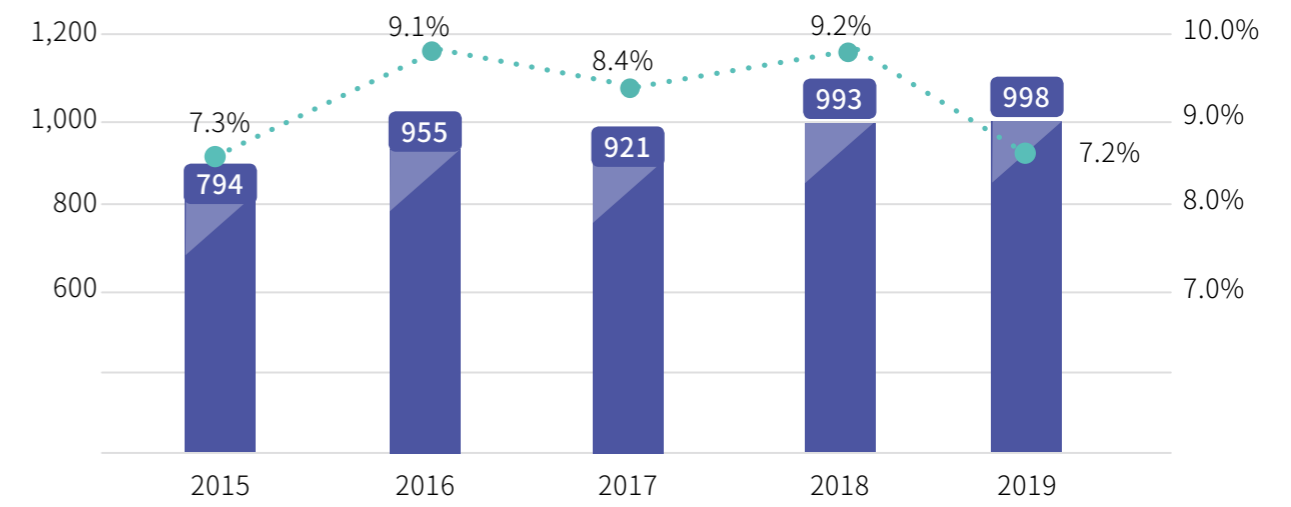
Over 10 communications sessions were held before the integration, explaining to the two companies' employees MediaTek's corporate culture, management concept, and corporate vision, in addition to answering their questions. Through face-to-face communications, employees get to know more about the company. In the wake of the acquisitions, the company strengthened those employee's identification with MediaTek via global celebratory activities, care system, and smooth communications channels, helping them adapt to the new environment and blend into the corporate culture. The retention rate until the end of 2019 is over 95%.



Proportion of new hires 2015-2019



Proportion of exiting employees 2015-2019



[Note] Proportion of new hires: Number of new hires/ Total number of employees at the end of the year; Proportion of exiting employees: Number of exiting employees/Total number of employees at the end of the year.

Status of new hires and exiting employees

Categories	New hires in 2019		Exiting employees in 2019	
	Number of people	Proportion of employees in category	Number of people	Proportion of employees in category
Female	649	25.7%	173	6.8%
Male	3,416	30.0%	825	7.2%
Over 50 years old	31	10.8%	19	6.6%
30-50 years old	2,410	23.2%	723	22.5%
Below 30 years old	1,624	50.6%	256	2.5%
Taiwan	2,898	33.1%	471	5.4%
Asia (excl. Taiwan)	1,090	24.1%	485	10.7%
North America	62	16.6%	32	8.6%
Europe	15	5.6%	10	3.7%
Total	4,065	29.2%	998	7.2%



Recruitment and offer-to-acceptance rates

MediaTek provides an excellent work environment with competitive compensation and benefits, diverse learning environments, and mentally rewarding R&D and innovative work; all of which help to attract leading domestic and overseas talent. In 2019, we planned to recruit 1,959 people and received a total of 25,256 resumes, 13 times the number of planned hires. Our offer-to-acceptance rate was around 90%, showing that MediaTek is a competitive and attractive employer, and highly sought-out brand.

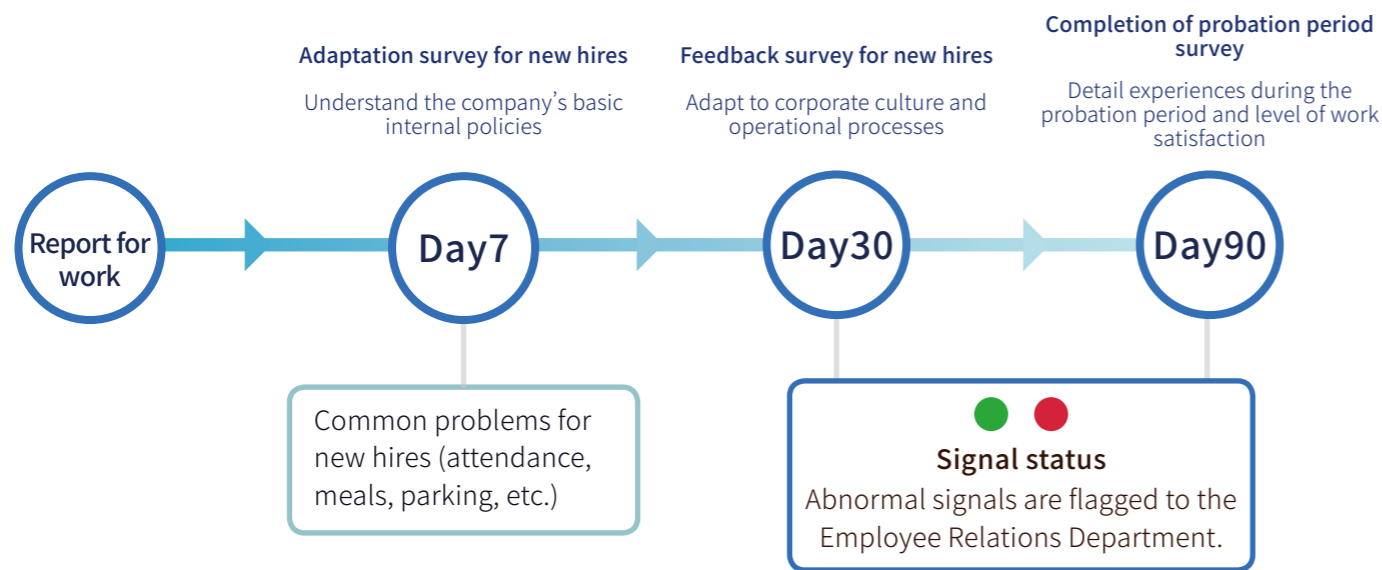
Item	Number of people	Applications per job (%)
Number of applicants in 2019 (A)	25,256	13 times
Planned MediaTek hires in 2019 (B)	1,959	
Item	Number of people	Offer-to-acceptance rates (%)
Number of applicants who accepted our job offers in 2019 (C)	1,696	90%
Number of offers issued in 2019 (D)	1,884	

[Note] Formulas for calculation: Applications per job (%)=A/B; offer-to-acceptance rates (%)=C/D.

Retention of new hires and our Care System

In order to help our new hires adapt to our work environments and thereby increase the retention rate, we established a "Care System for new hires" in 2009. Our system automatically sends out an "Adaptation survey for new hires" and "Feedback survey for new hires" (both five-point scale surveys) on the 7th and 30th day after new hires have reported for work. Currently, these surveys are open to employees in Taiwan and China, and survey completion rates are 80%. Employees who have passed their probation periods must also fill out the "Completion of probation period survey". We have also established a "Buddy system" where we designate employees from appropriate departments to serve as "buddies" for new hires and help them to adapt to their work. The results of the "Adaptation survey for new hires" are shared with buddies. Besides, if the results of the "Feedback survey for new hires" are abnormal, psychologists at the Employee Relationship department will take the initiative in providing care.

Procedures of the Care System for new hires



Implementation results for 2019

- ▶ 100% completion of interviews
- ▶ 32 new hires
- ▶ 40 hours of counseling

Apart from comprehensive Care System and training for new hires, MediaTek also helps our employees gain a sense of accomplishment from their daily work by building on our innovative culture and industrial leadership as we continue to attract top-tier talent. According to statistical information for 2019, three-year retention rates for new hires was around 92%, and two-year retention rates for new hires surpassed 95%.

Three-year and two-year retention rates

Item	2018	2019
Two-year retention rates for new hires (%)	95%	90%
Three-year retention rates for new hires (%)	92%	88%

3.2.2 Diverse recruitment channels

MediaTek has expanded our approaches for recruiting talent by formulating annual talent plans in accordance with our operational strategies, and through talent application systems on our corporate website that provides applicants with user-friendly interface and process so as to increase the convenience of job applications. Additionally, we recruit talent through job banks, participation in major recruitment events, and employee referrals. We also actively collaborate with key schools, and our accumulated investment in industry-academia collaboration up to now has surpassed 1.2 billion NTD.

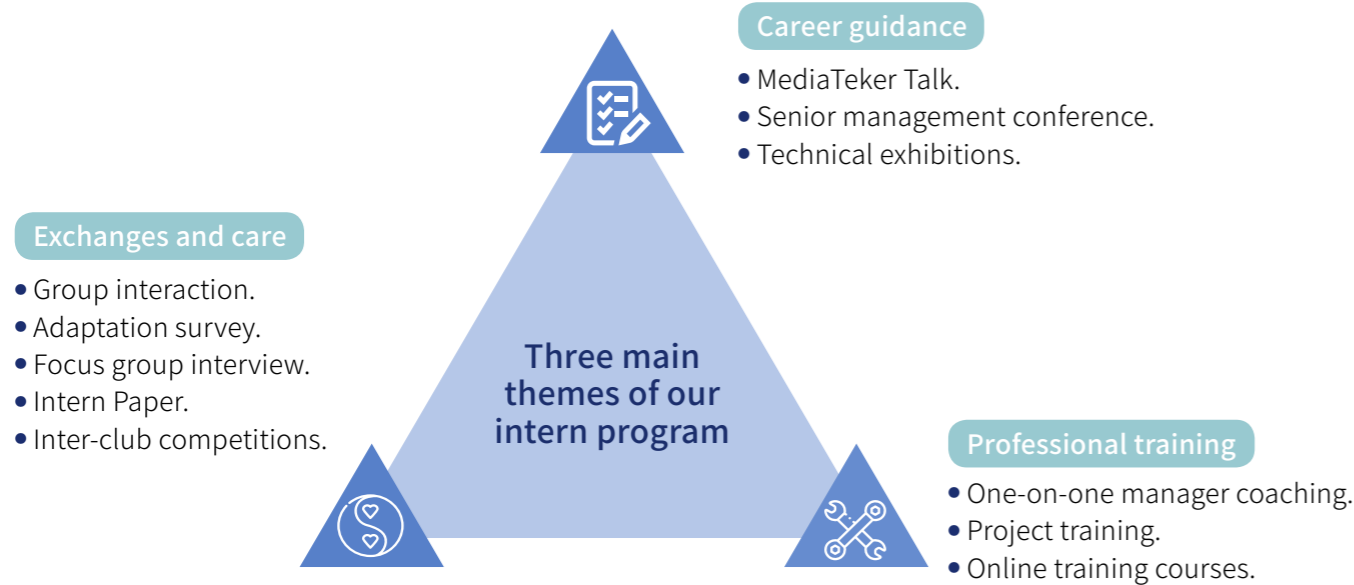
Key results of talent recruitment in 2019

Intern program	Industry-university collaboration
<ul style="list-style-type: none"> <li>✓ <b>Overseas internships:</b> 4 students were arranged to have internship at the company's branches in Singapore and India.</li> <li>✓ <b>"MediaTeker Talk":</b> With the topic of young people daring to dream, We invited our engineers to share and discuss their own interests out of work, encouraging them with 220 students how they spend their leisure time.</li> <li>✓ <b>Intern paper:</b> A periodical on MediaTek intern activities, including intern experience sharing and interviews with MediaTek employees. 6 issues were published during the two-month internship period.</li> <li>✓ <b>Global interns:</b> Under our International Pen Pal Program, interns in different countries share with each other their internship and life experiences. Around 50% of global interns received advanced job offers to directly join MediaTek as regular employees after graduation.</li> </ul>	<ul style="list-style-type: none"> <li>✓ Invested more than 1.2 billion NTD in industry-university collaborations over 18 years.</li> <li>✓ Established NTU IoX Center, NCTU Innovative Research Center, and NTHU Research Center.</li> <li><b>NTHU Research Center</b> Strengthen establishment of communication standards, mobile computing, and other domains.</li> <li><b>NTU IoX Center</b> Conduct research on wireless access, smart handheld devices, mobile networks, mobile application services, and other research.</li> <li><b>NCTU Innovative Research Center</b> Develop new generation processors, computers, communication systems, applications, and system software.</li> </ul>

Intern program

MediaTek's intern program is an annual learning and development program for students. In 2019, we provided internship opportunities for 376 students, which was an increase of 30 students compared with 2018. Both recruitment numbers and participating sites hit record highs. Domestic and overseas students were provided with intern opportunities during their summer vacation or semester in Taiwan, the US, Europe, India, and Singapore.

In order to help interns better understand technological trends, our internship programs are all closely connected to the latest industrial technologies, and the results of intern projects are frequently applied into MediaTek products. We hope that the all-encompassing design of our internship program allows students to come in contact with leading industrial practices at an early stage, and can help to speed their adaptation in the workplace.



3.2.3 Compensation Competitiveness

MediaTek provides sustainable, reasonable, and competitive compensation to attract top-tier talents and strengthen retention of existing employees. Every year the company reviews current compensation levels against market rates and taking macroeconomic indices into consideration to appropriately adjust fixed salary and to ensure its competitiveness within the industry. Same as in 2018, MediaTek's average salaries for full-time non-managerial employees in 2019 stood at a leading position among companies listed on the central market and the OTC market, according to the Taiwan Stock Exchange. MediaTek designs compensation policies that comply with local demands and standards, and which are based on local regulations, industry practice, and talent-market conditions at our respective operational sites; our compensation policies do not discriminate based on gender, nationality, race, age, or religion.

Average and Median Salaries for Full-Time Non-Managerial Staff in Taiwan in 2018 and 2019

Item	2018	2019
Total salary for full-time non-managerial staff (A)	16,650,764 (thousand NTD)	21,751,591 (thousand NTD)
Number of full-time non-managerial staff (B)	6,155	8,218
Average salaries for full-time non-managerial staff (A/B)	2,705 (thousand NTD)	2,647 (thousand NTD)
Median of full-time non-managerial staff salaries	2,422 (thousand NTD)	2,339 (thousand NTD)

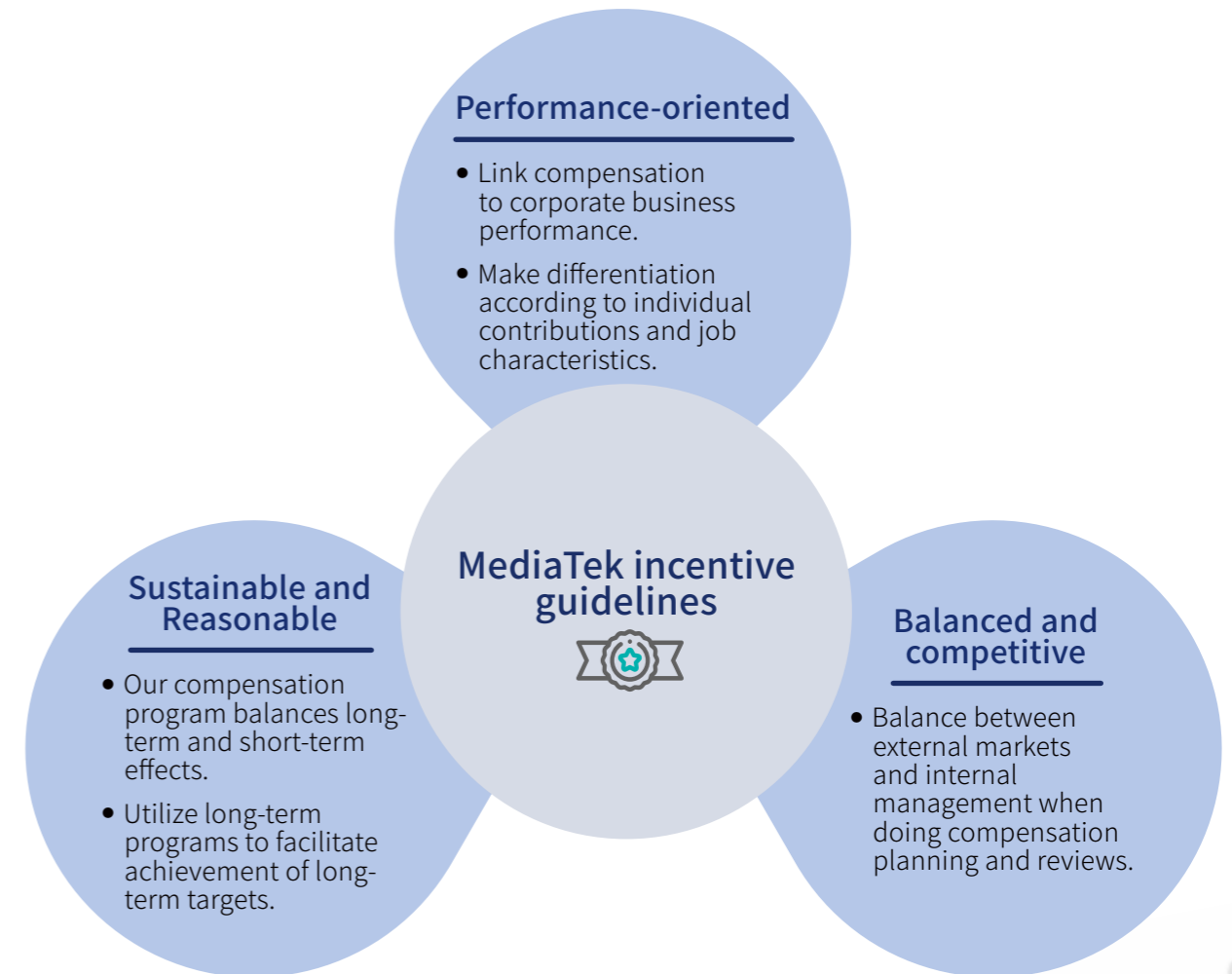
[note] Full-time, non-managerial staff are all full-time employees excluding Board members and.

Our overall compensation policies adhere to MediaTek's short-term and mid- to long-term operational goals. They have been established in accordance with the job duties and roles of our employees; employee knowledge, skills, and capabilities; individual performance and level of engagement. MediaTek makes appropriate annual adjustments to base salary in accordance with local macroeconomic indicators, overall market compensation standards, and other relevant guidelines, in order to realize the spirit of labor-management profit sharing.

MediaTek's average salaries for full-time non-managerial employees stood at NT\$2.705 million in 2018, the highest among companies listed on the central market and the OTC market, according to the Taiwan Stock Exchange.

Linkage between compensation scheme and corporate sustainable development

A principle of MediaTek's compensation scheme, covering directors/supervisors, ranking managers, and all employees, is "sustainable and reasonable," with a balanced effect for both short and long terms, plus reference to the company's sustainability performance. The goal is to facilitate attainment of short- and mid-to-long term goals and strengthen the momentum for Mediatek's sustainable development.



3.2.4 Retirement plan

MediaTek's domestic and overseas sites all comply with local regulations when formulating employee retirement plans. In Taiwan, the Labor Pension Act was put into effect on July 1, 2005, and currently 99.5% of our employees adopt the new pension plan while 0.5% of employees still adopt the old pension plan (stipulated by the Labor Standards Act). MediaTek and its domestic subsidiaries appropriate 2% of total salaries each month to serve as pension funds in accordance with the Labor Standards Act, and these funds are saved to a dedicated account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. The amount of pension funding appropriated in 2019 was 1.807 billion NTD.





### 3.3 Employee Development

Management guidelines for material issues:  
Talent cultivation (GRI 103-1 、 103-2 、 103-3 、 404-1)



**Importance to MediaTek:**

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

**Commitments and relevant policies:**

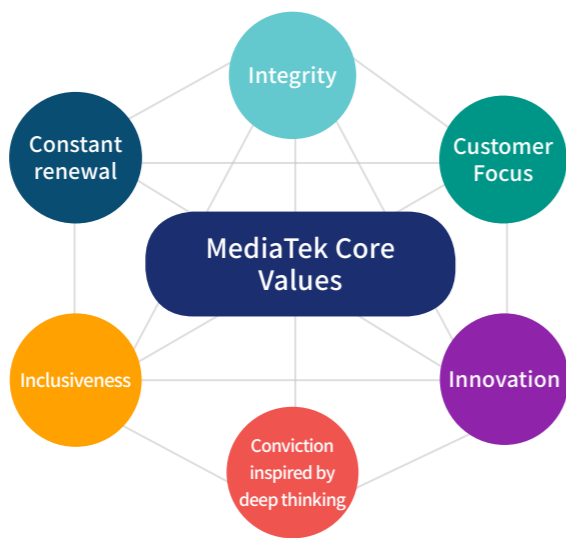
The company has instituted responsible organization and unit, giving proper training and learning resources to employees and managers at various positions, assisting to hone their professional skills and pursue career development.

Goals	Short term	<ul style="list-style-type: none"> <li>Strengthen the management capability of managers, to cope with company's future challenges and growth.</li> <li>In line with environmental changes, review learning and development roadmap for managers, thereby cultivating talents with leadership responsibility capable of coping with future challenges.</li> <li>Arrange courses to help employees improve personal effectiveness and professional skills, to facilitate their career development.</li> </ul>	Specific performance	<p><b>Employee development</b></p> <ul style="list-style-type: none"> <li>2019 high-potential talent development plan, with attendance reaching 765 person/ hours.</li> <li>33% of middle and senior managers and 27% of frontline managers in high-potential talent pool got promotion in job grade/ position.</li> <li>Hold book clubs for managers, with each business division having convened more than 50 study sessions.</li> </ul>
	Mid and long term	<ul style="list-style-type: none"> <li>Help managers at various levels improve their leadership skills via related training program.</li> <li>Hold forum and courses on cutting-edge technologies, to inspire employees' innovative thinking and competitiveness.</li> <li>Hone professional skills and management capability of employees and managers, to uphold the company's leading status in technology and operation.</li> </ul>		

Our Management System	Responsible units	Training and development unit, management development unit, project -management training committee, AI training committee.	Specific performance
	Resources	Budget for management/ operation, training development.	
	Communication channels	<ul style="list-style-type: none"> <li>Internal website for learning and development.</li> <li>Online learning platform.</li> <li>Communication platform (FAQ).</li> <li>E-mail.</li> <li>Communication meetings of various units.</li> <li>Questionnaire survey of employee satisfaction.</li> </ul>	
	Evaluation mechanism	<ul style="list-style-type: none"> <li>Pre-class demand survey.</li> <li>After-class satisfaction survey.</li> <li>Meeting for learning application and sharing.</li> <li>Examination for professional skills.</li> <li>Publication of technology paper.</li> <li>Observation and evaluation of management behaviors.</li> </ul>	

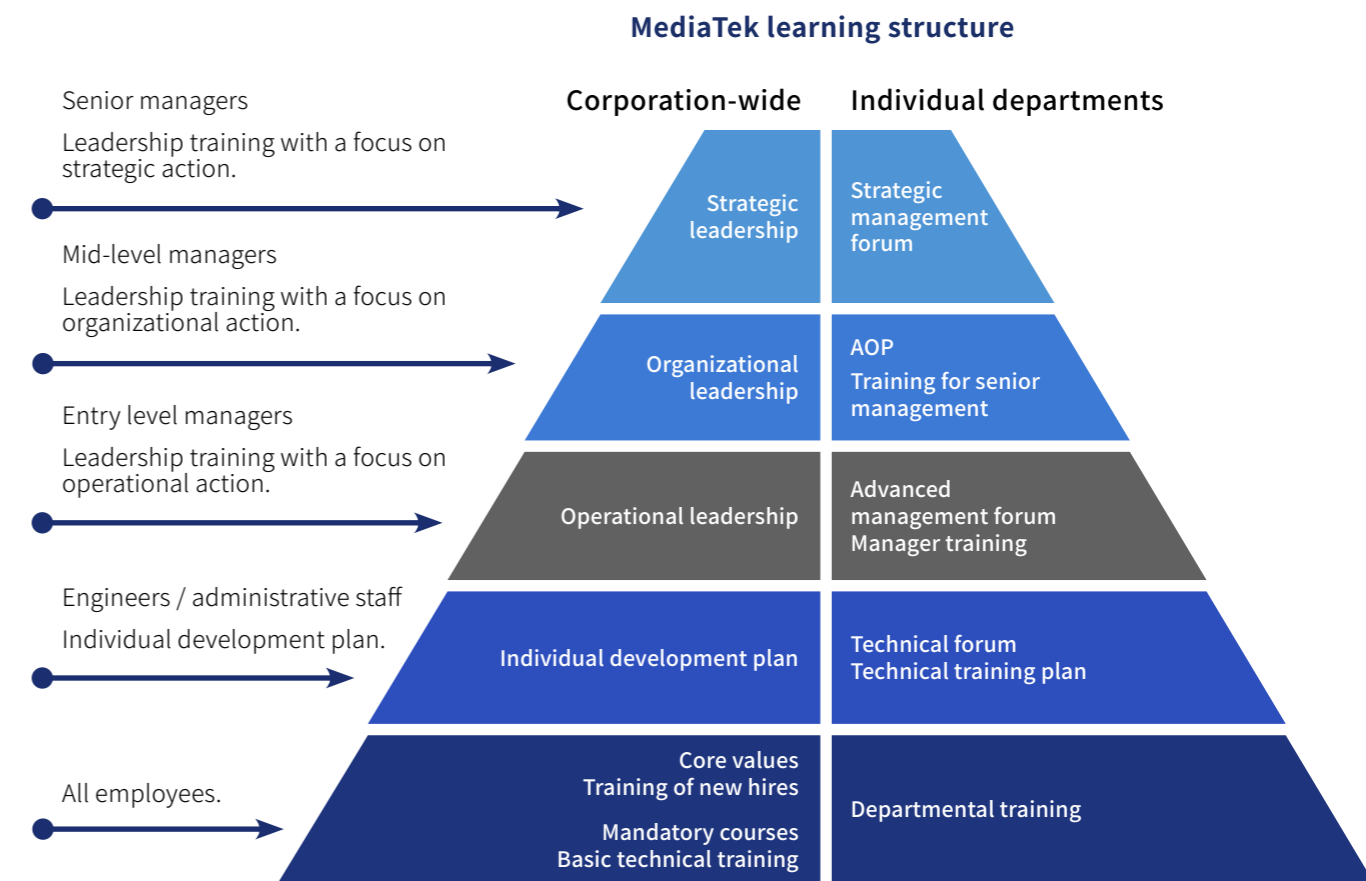
MediaTek firmly believes that the key to success is "uniting talent through core values". By practicing the core values, we constantly seek to innovate and make breakthroughs in products, technologies, processes, and services. We aim to inspire conviction, establish ethical collaborations and a strong team spirit to unlock the creativity potential in all employees. vAward is a timely incentive tool for managers to recognize excellence in complying core corporate values during routine work. Inclusiveness is the most common reason for the award nomination.

- We uphold vigilance and anticipate changes in the external environment while responding with renewed rigor.
- We pursue strong sense of curiosity about future technology and will constantly reinvent personal level of professionalism.
- We are prepared to depart from the familiar comfort zone at work and relentlessly pursue the challenges.
- We include and engage all contributors to achieve quantum leaps and excellence in our work.
- We excel in cross-BU and cross-cultural situations; and we synergize on each other's accomplishments.
- We are open-minded to diverse views and will diligently listen for multiple perspectives.



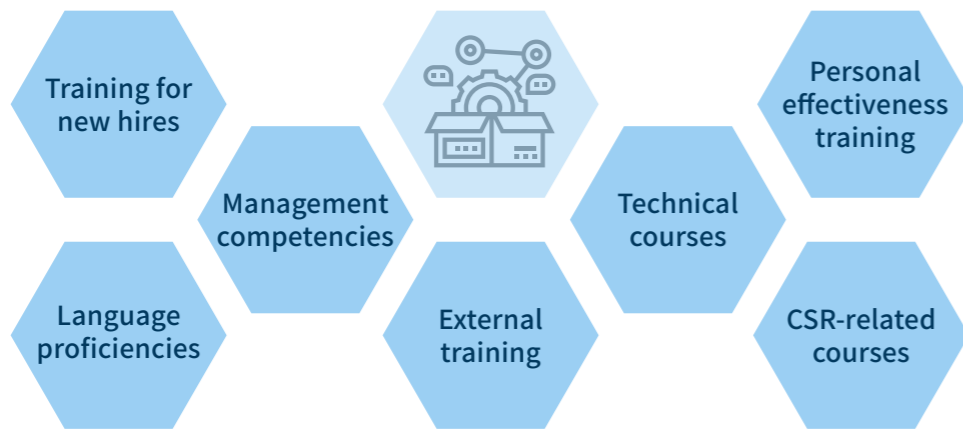
- We honor our commitments, maintain the highest ethical standards and do what we say. We demonstrate integrity by personal example.
- We are direct and candid in our conversations. We have the courage to face realities.
- Once committed we will relentlessly focus on delivering our commitment.
- We thrive to exceed the expectations of the customers and ensure priority in satisfying them.
- We consistently seek enhancement from the end users' perspective so as to generate value to our customers.
- We engage our customers as business partners and will purposefully collaborate with the customers on their anticipated future needs and opportunities.
- We innovate in every aspect of our work including technology, strategy, marketing, management, operations and process.
- We aim for breakthrough thinking so as to generate new and differentiated initiatives.
- We take speedy action to resolve challenges and create value add through our participation.
- We are not afraid to take on challenges or face obstacles.
- We have the courage to take bold actions based on calculated risks to meet our goals and objectives.
- We always look further to find the core of the issue and thoroughly understand root causes.

MediaTek's training is designed around our core values, global operation, and strategic development. We designed training blueprints for senior management, mid-level management, entry-level managers, general employees, and all Company units; providing comprehensive training in corporate culture, goal establishment, and leadership capabilities. This is supported by diverse learning resources such as e-learning, thereby achieving cultural transference, strengthening management competence at all managerial levels, and realizing our goal of cultivating talent capabilities. In 2019, we invested more than 36.43 million NTD in training. The average training time undertaken per employee was 6.9 hours, and the total number of participants was more than 10,000.





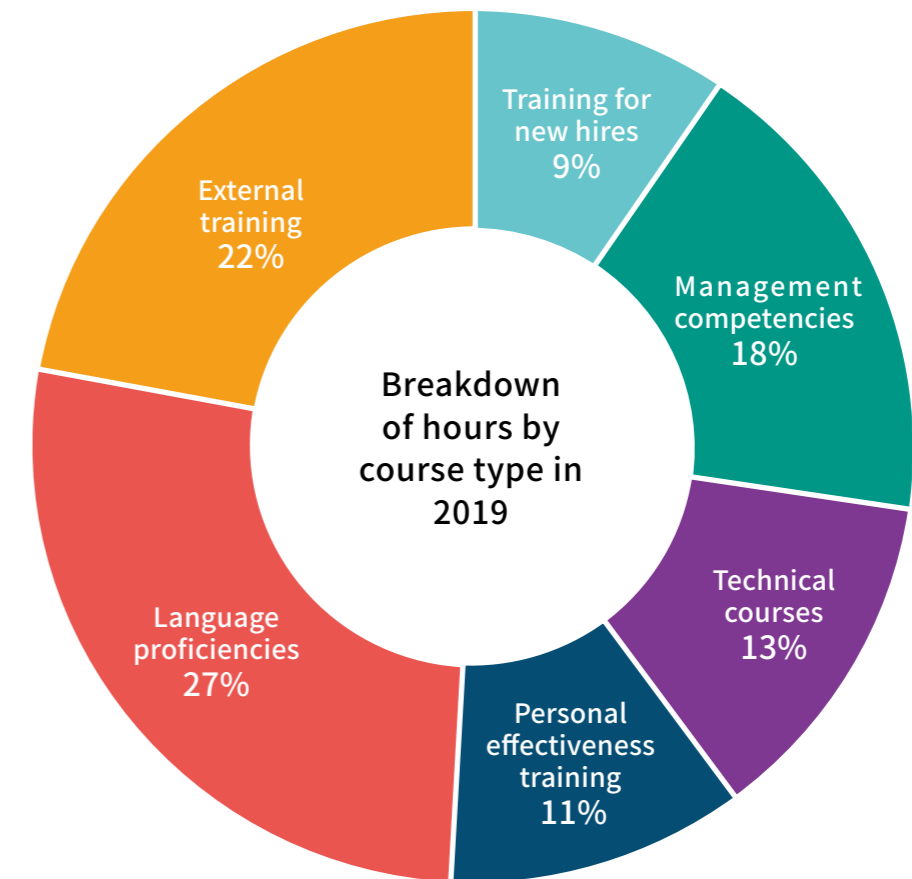
Diverse Learning Courses



Type of training	Training content and implementation results for 2019
Training for new hires	<ul style="list-style-type: none"> <li>• Introduction of Company policies on the first day of work and an additional half-day training in common corporate language (core values, responsibilities, PDCA) 1 to 2 months afterwards to help our employees better understand our corporate culture.</li> <li>• All departments formulate training blueprints for new hires based on unit responsibilities.</li> <li>• MediaTek values workplace and laboratory safety, and therefore all engineering personnel are required to receive training in laboratory safety before working with lab equipment.</li> <li>• CSR-related courses cover health and safety management, prevention of workplace sexual harassment, prevention of insider trading, etc. Training completion rates were 100%.</li> </ul>
Management competencies	Courses are designed for different management levels, including, for example, interview techniques and innovation management courses. We also host workshops to enhance management competencies.
Technical courses	We held 43 technical courses for attendees on-site and online. 2,583 participated, for an accumulated 12,412 hours. The company offered advanced and intermediate AI courses that 300 persons completed. The newly launched CTO Talk series, wherein domestic and overseas specialists were invited to analyze trends and share experience, attracted 2,600 attendees.
Personal effectiveness training	Personal Effectiveness Training include classes on presentation techniques, project management, social interaction and communication, and creativity and innovation. Additionally, we also provide online courses on time management and meeting techniques that employees can take flexibly.
Language proficiencies	We provide English and Japanese learning courses. Apart from face-to-face lessons, we also provide online English training sessions. Our flexible and diverse classes are suited for different learning needs and help to enhance the overall language abilities of employees at MediaTek.
External training	Apart from training courses required by law, MediaTek also provides courses relating to recent business developments of the Company to strengthen the professional capabilities of our employees and enhance our corporate competitiveness.

Hours committed to training by employee type in 2019

Item	Total hours	Total persons	Average hours	Average cost/person (NTD)
Male	84,394	11,624	7.26	2,546
Female	14,711	2,684	5.48	
Managers	11,842	1,672	7.08	
Non-managerial staff	87,263	12,636	6.91	
All employees	99,105	14,308	6.93	



3.3.1 Talent cultivation program

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.

The program includes talent cultivation and development for ranking managers, which covers members of the board of directors, high-potential talent development, and cultivation of leadership and professional capabilities of managers, formulating personal development plan for managers and other employees to foster momentum for their sustainable career development via a complete and diverse education and training system.

## MediaTek cultivation program



### Training for the Board and senior managers

In succession plans for key management positions, MediaTek emphasizes that a successor must not only possess excellent corporate strategy plans and business competencies, but must also be focused on the belief and implementation of our core values (integrity, customer focus, innovation, conviction inspired by deep thinking, inclusiveness, and constant renewal). Our Board of Directors and successor candidates for key management positions undergo experience training through job rotations in senior management teams across MediaTek group subsidiaries and across business units throughout headquarters. This, paired with our internal and external coaching systems for senior management, internalization of professional capabilities, individual development plans, and other systematic training, helps successor candidate teams in decision-making and in the breadth and depth of actual operations, serving as a foundation for subsequent succession.

In addition, the Board reviews periodically managers' performance and direction and plan for their development, to assure cultivation of senior managers coincide with the direction of organizational and business development.

### Coaching for high-potential talent

To foster plural thinking with a general management and cross-team leadership, the company arranges an one-hour coaching session with each high-potential middle and senior managers at least once every month, with an attendance of 112 person/hours in 2019; with each high-potential frontline managers, the company arranges a 1.5-hour session at least once every two months, with an attendance of 765 person/hours in 2019. For all high-potential talents, periodic group coaching is provided. After they completed the coaching, 33% middle and senior managers and 27% frontline managers in our high-potential talent pool were promoted in 2019. The program accelerated individual development, strengthened management capability of the organization as a whole, and thus increased organizational competitiveness in the industry.

### Cultivation of leadership capabilities

Our chief human resource officer discusses periodically with the CEO and president over major organizational development and job rotation for senior managers, in line with company's business status. The purpose is to cultivate leadership capability of senior managers via cross-unit work experience.

Meanwhile, in line with different issues and needs of various organizations, design and hold workshops with various themes, upgrading managers' thinking and problem-solving capability via different inducement method and case study, with themes in 2019 including team establishment, cross-team synergy, and development of new businesses.

In line with the focus of managers' study, form a booklist for the year for managers to exchange their comments at book clubs, facilitating the buildup of management culture. In 2019, two books, "AI Superpowers" and "Extreme Ownership," were selected and discussed at over book-club sessions at various business divisions.

To enhance management capability, MediaTek provides managers related training, such as sensitivity training with professional psychiatrists. Each course lasted for 6 hours and targeted newly promoted managers. Special training classes were also provided in accordance with different business unit and organizational needs.

### Cultivation of professional capabilities

MediaTek caters its professional training courses to employees and managers, making constant adjustments according to internal and external needs to uphold technology leadership. We made adjustments such as redesigning the roadmap for manager professional capability and learning development. An English version is available for technical courses (such as those on the AI learning portal) on the internal learning platform.

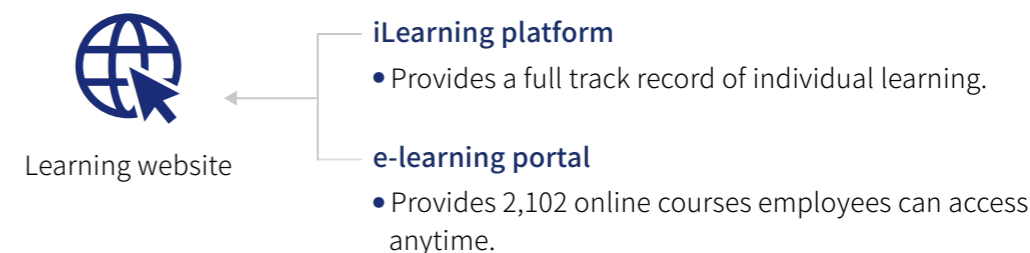
#### 3.3.2 Diverse learning resources and channels

MediaTek invests heavily in talent training and development. Our managers help employees establish an annual IDP (Individual Development Plan) according to individual work content, performance evaluation results and career development needs. These serve as a reference for employee training plans.

### Online education platform

To help our employees understand and systematically manage all educational processes and records, we established an internal education website (the "iLearning platform") in 2015. Available to our permanent employees, the portal can manage their progress in pre-set training courses, on-the-job training, and online courses. Additionally, the e-learning portal provides further-learning courses and "after-class" extensions that they can be accessed at any time.

#### Online education platform

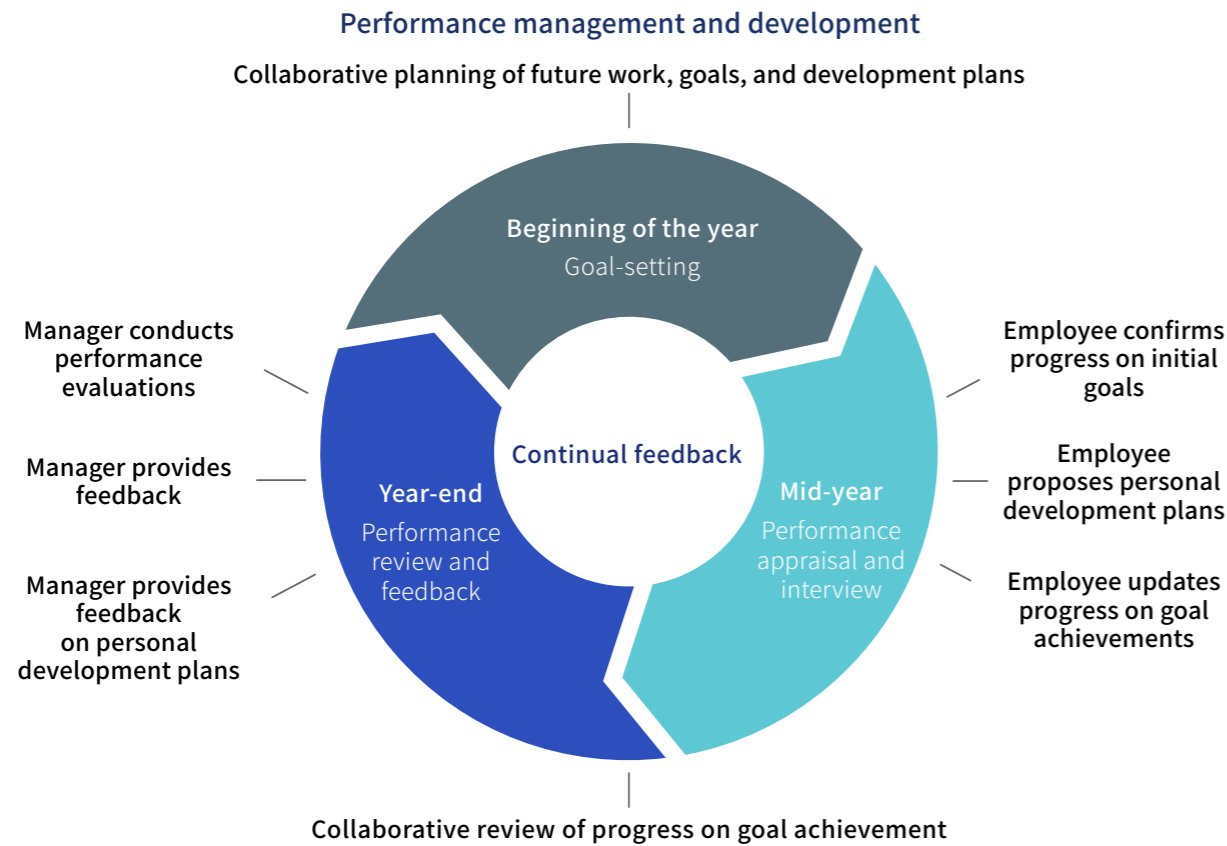


#### 3.3.3 Performance management and development

MediaTek's Performance Management & Development (PMD) system is a two-fold mechanism: goal-setting / individual development planning coupled with bi-directional performance feedback mechanism. PMD aims to facilitate optimal individual performance and thus enhance organizational performance.

Two-step evaluations	
Mid-year review Jul.-Aug.	Year-end review Nov.-Jan.
Employee reviews the status of their initial goals and individual development plans and adjust them based on the alignment meeting with their manager as well as organizational goals.	<ul style="list-style-type: none"> <li>Manager provides feedback during one-on-one interviews, specifically pointing out the employee's strengths and opportunities for future development.</li> <li>Manager helps employee learn about updated directions and goals of the organization, so that the latter can put forth on their own initiative challenging personal goals and action plans. Consensus between employee and manager serves as the basis for the focus and evaluation of the following year.</li> </ul>





### 3.3.4 Channels for internal job transfer

With a high regard for employees' intention on career development, MediaTek inaugurated internal job application mechanism in Sept. 2019, giving employees various development opportunities around the world and increasing the magnitude for career development, so that they can find suitable jobs. The goal is to facilitate internal talent flow and creation of a friendly workplace.

In 2019, the company provided over 100 job openings, browsed by over 3,400 employees worldwide. Out of 82 applicants, nearly 40% were accepted and transferred successfully within four months of application.

## 3.4 Employee Experience

### 3.4.1 Employee Communication

**Management guidelines for material issues:**  
Multi-channel communication (Self-set material issues)

#### Importance to MediaTek:

Institute real-time two-way communication channel, enabling the company to transmit information to employees correctly and quickly, on one hand, while listening to their opinions and response, so that expectation and feeling of both parties can be integrated and a solid and sustainable labor-management relationship can be established.

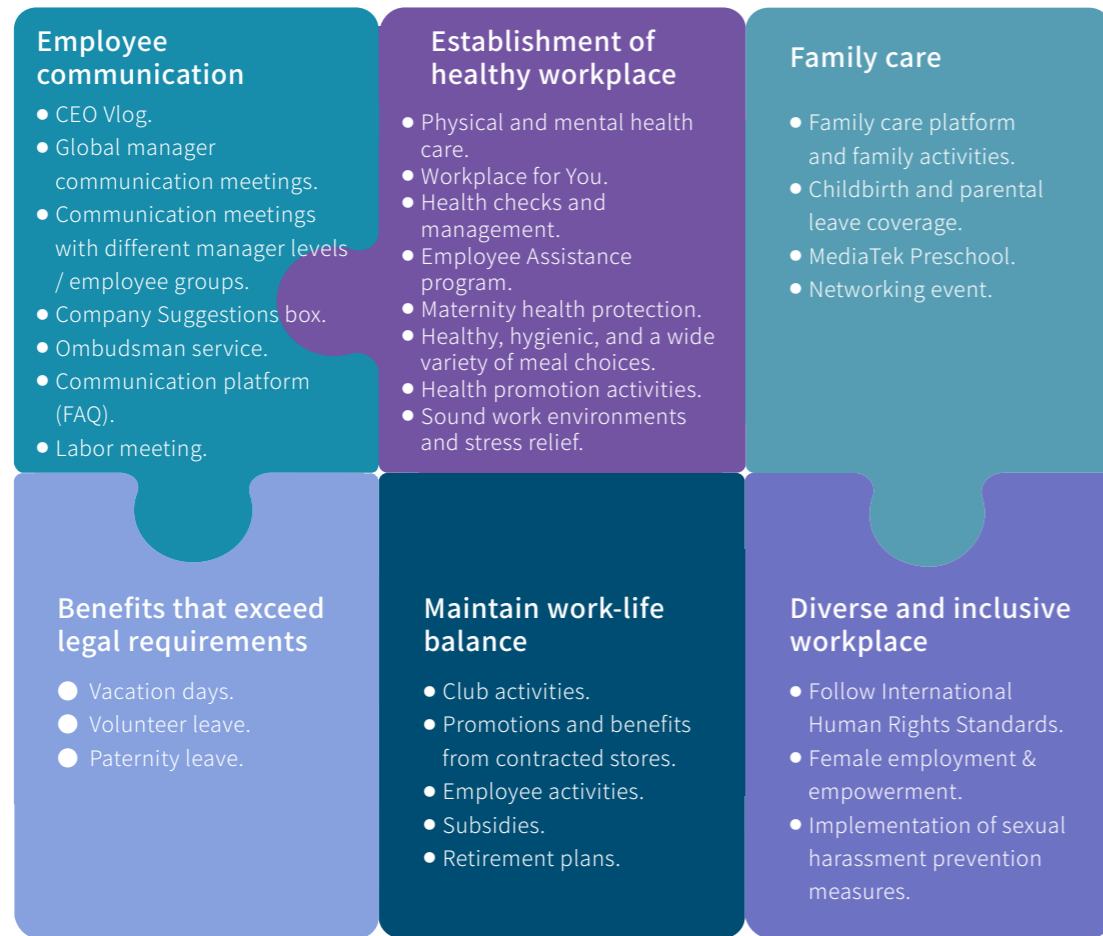
#### Commitment and related policies:

The company has instituted responsible organization and unit, promoting global communication guidelines and advocating 5C model, to assure cross-area, cross-language effective team communication. Take advantage of multiple communication channels, both online and offline, to augment mutual understanding between employees and the company, plus periodic opinion plus of employees followed by improvement in response to the results, for creation of sustainable healthy workplace, and the growth of company.

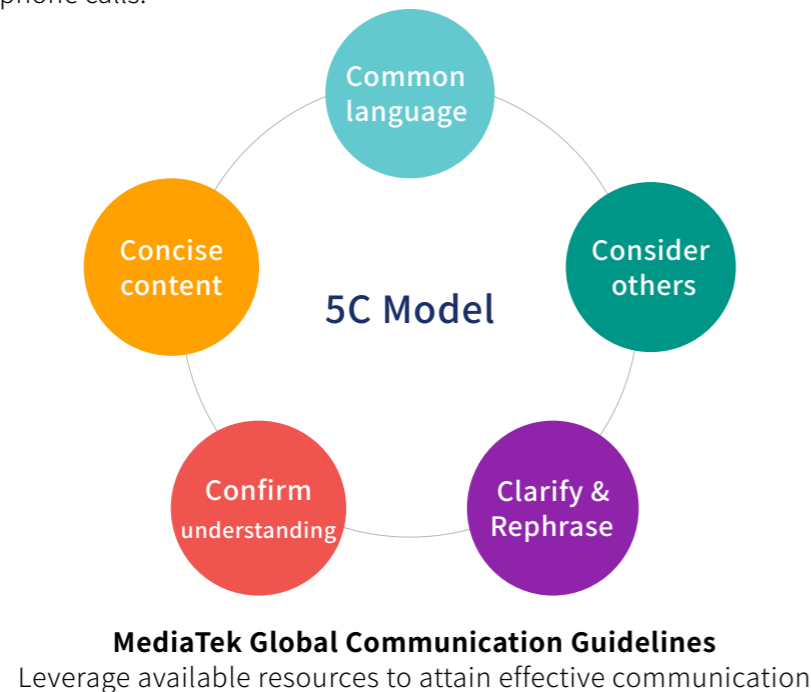


Goals	Short term	<ul style="list-style-type: none"> <li>Joint implementation of global communication guidelines for creation of a friendly communication environment.</li> <li>Take advantage of multi-channel communication to transmit corporate goal and policy effectively and understand and respond to employees' thinking and suggestions timely.</li> </ul>	Specific Performance
	Mid to long term	<ul style="list-style-type: none"> <li>Conduct employee survey regularly and organize task force to plan and implement improvement, in response to employees' expectations, so as to enhance their satisfaction</li> <li>Take advantage of communication channels, both online and offline, to transmit corporate goals for implementation effectively.</li> </ul>	
Our Management System	Responsible units	Human resources-related units, various operational and functional units.	
	Resources	Budget for operation and management.	
	Communication channels	<ul style="list-style-type: none"> <li>Communication meeting with managers.</li> <li>Regular meetings of various units.</li> <li>Labor-management meeting.</li> <li>Communication platform (FAQ).</li> <li>Employee complain mailbox.</li> <li>Opinion mailbox.</li> <li>Questionnaire survey of satisfaction with large scale events.</li> </ul>	
	Evaluation mechanism	<ul style="list-style-type: none"> <li>Operating status of communication meeting with managers.</li> <li>Status of labor-management meeting and meeting minutes.</li> <li>Usage statu of employee compliant mailbox and opinion mailbox.</li> <li>Analysis and cross-year comparison of results of global employee survey.</li> <li>Employee usage status for communication platform FAQ 2.0.</li> </ul>	
		<p><b>Manager communication meeting</b> 3 meetings across all sites per quarter; 12 in total in 2019</p> <p><b>Labor meeting</b> once every quarter; 4 in total in 2019, with an attendance rate of 100%</p> <p><b>Ombudsman service and corporate suggestion box</b> received 3 claims, responded, and improved; received 2 suggestions that were accepted into formal regulations</p> <p><b>Employee Survey</b></p> <ul style="list-style-type: none"> <li>11,074 valid responses (response rate: 82%)</li> <li>6,555 open responses (a 19% increase from the 2016 Survey)</li> </ul> <p><b>Communication Platform (FAQ2.0)</b> launched in July, 2019 and received 519 questions by the end of the year</p>	

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. We have established an inclusive workplace that allows each employee to fully shine and grow on the international stage.



To maintain an open and fair communication environment, MediaTek promotes its "Global Communication Guidelines" and its "5C Model" to employees, which is composed of "Common language", "Consider others", "Clarify and Rephrase", "Clarify understanding", and "Concise content". This helps to ensure effective communication between employees during inter-region and cross-language team meetings, written correspondence, and phone calls.



**Employee survey**

Over 11,000 employees at 27 business sites worldwide responded to employee survey, with response rate reaching 82%.

Starting from 2004, MediaTek has commissioned consulting company to conduct periodic employee survey and make improvement, according to the results. In 2019, 11,074 employees at 27 business sites worldwide responded to survey, at a response rate of 82%. 6,555 of the respondents made open-end answers, 19% more than the previous year, underscoring their belief that their opinions matter.

Comparison with the previous survey in 2016 shows that rates of favorable response to several items needing improvement, including corporate goal, performance management, and communication, all increased by three to five percentage points.

Based on analysis of the results of the employee survey, improvement programs were drafted for implementation:

- For the company as a whole, the main focus will be optimization of global communication, increase in employees' identification with corporate goals and mission, invigoration of two-way communication, and consolidation of the talent tool via attractive compensation package.
- The four common dimensions where the business and functional units will focus their effort on are communication, career development, management, and team cooperation.

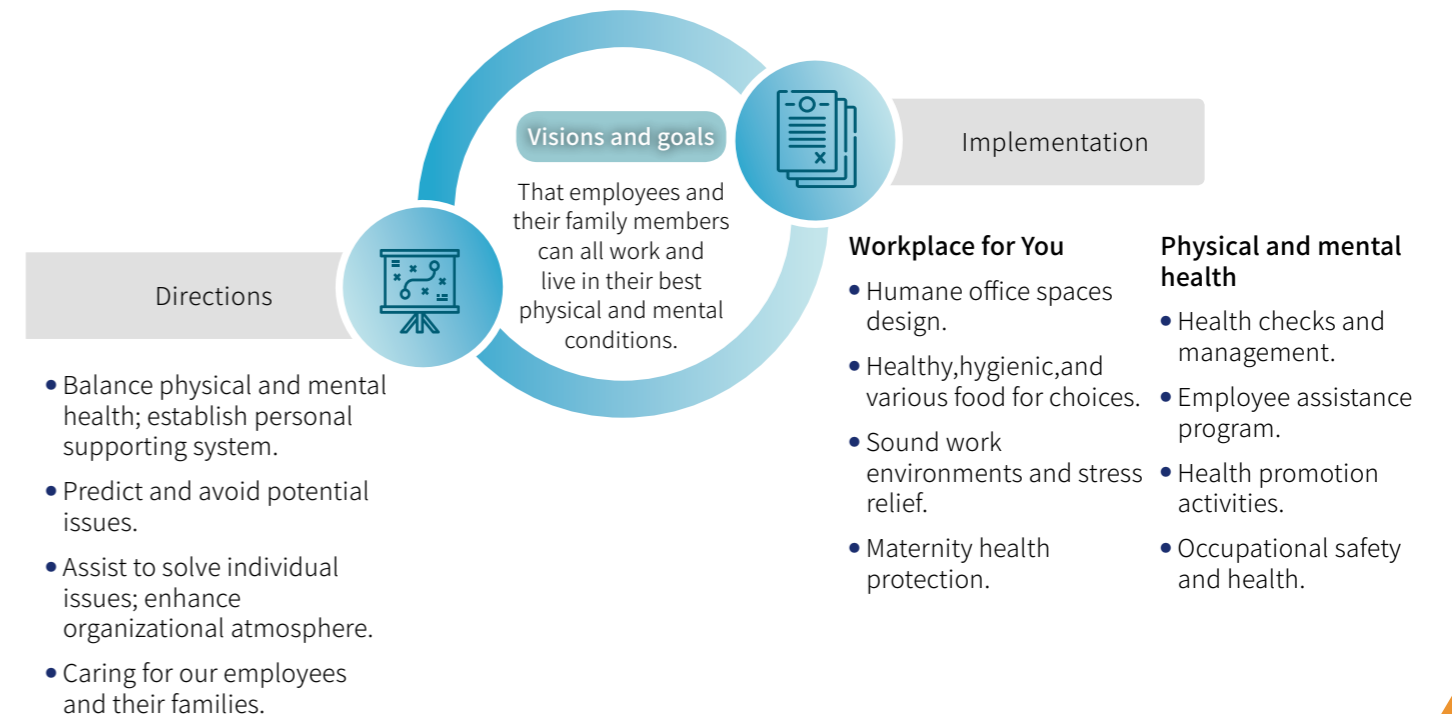
**3.4.2 Benefits policies**

The work-life balance of our employees is important, and MediaTek provides benefits that exceed legal compliance requirements, including a total of 19 vacation days in addition to legally required sick leave, marriage leave, and pregnancy check-up leave, increasing the convenience for our employees. Additionally, we also provide one day of paid volunteer leave each year, encouraging our employees to give back to society. For employees with pregnant spouses, we also provide 2 additional days of paternity leave.

Item	Legal compliance requirements	Benefits in MediaTek
Vacation days	12 national holidays per year	19 national holidays and per-hour flexibility
Volunteer leave	None	1 day of paid volunteer leave that can be submitted separately
Paternity leave	5 days	Additional 2 days (total 7 days)

**3.4.3 Establishment of healthy workplace**

We have established visions, goals, and directions for a healthy workplace and offer a "Workplace for you" program with physical and mental health as the main focuses.



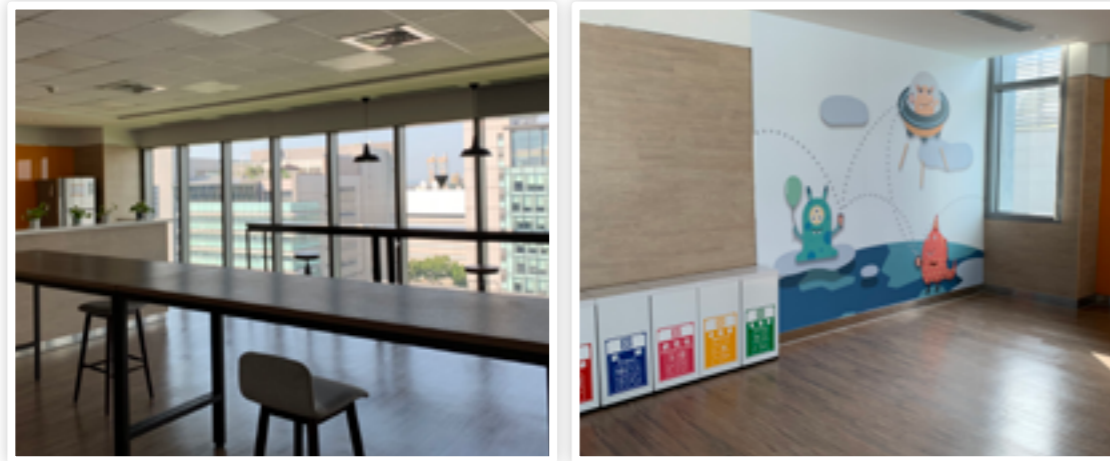


Workplace for You

Office with humanized design

MediaTek has high regard for safe and suitable workplace. Via communication with employees on office layout in advance, MediaTek endeavored to create a quality office environment for the Wireless Communication Building inaugurated in 2019. Specifically,

1. the spaces are equipped with ergonomic chairs and cozy lighting fixtures;
2. employees engaged in the design for furniture and walls of the lounges on each floor;
3. cool/hot corridors of datacenters were separated to increase comfort for IT staff.



Healthy and hygienic catering options

MediaTek's employee canteen includes 21 eateries and enjoys an average of more than 90% daily use, with around 15,000 diners. Canteen eateries include foreign cuisine, combo platters, chain stores, fruit and juice bars, noodles, and vegetarian cuisine, providing our employees with a wide variety of eating options. Management requires that food safety and quality is prioritized.

Promotion of healthy, safe, and hygienic food and environmental protection

**Local produce:** We encourage eco-friendly farming and consumption by sourcing fruits and vegetables from local farmers. We held seasonally themed events to encourage the consumption of seasonal foods. We also had a weekly farmer's market at the HQ consisting of three local vendors.



**Healthy dining:** We continue to focus on food safety and hygiene through bimonthly SGS inspections.

**Waste reduction:** In May 2019, we required restaurants in our canteen to refrain from providing free plastic straws. This policy exceeded existing legal requirements and reduced the usage plastic straws by 580,000 per year (92% reduction).

Sound work environment and stress relief

- **Massages:** In 2019, we hired 31 blind masseuses that provided services for a total of 18,099 employees. Reservation rates were consistently 100%.
- **On-site medical team services:** a medical team from the Hsinchu Branch of NTU Hospital works on-site 24 times per month and provides professional one-on-one consultation services to our employees. A total of 1,455 reservations were made throughout the year.

- **Gym:** Gym equipment and exercise space has been established in all office buildings. Daily usage rates for the gym is 100.



Protection of maternity health

The team at our wellness center created exclusive pacifier clips and teethers for babies of MediaTek employees. Each building has a lactation room stocked with equipment; we have a total of 16 rooms that can accommodate at least 30 employees at the same time. The wellness center manages a list of employees that require maternity protection; those listed are required to undergo individual hazard assessments, graded management, and health protection and other fitness assessments with a doctor before and after childbirth.

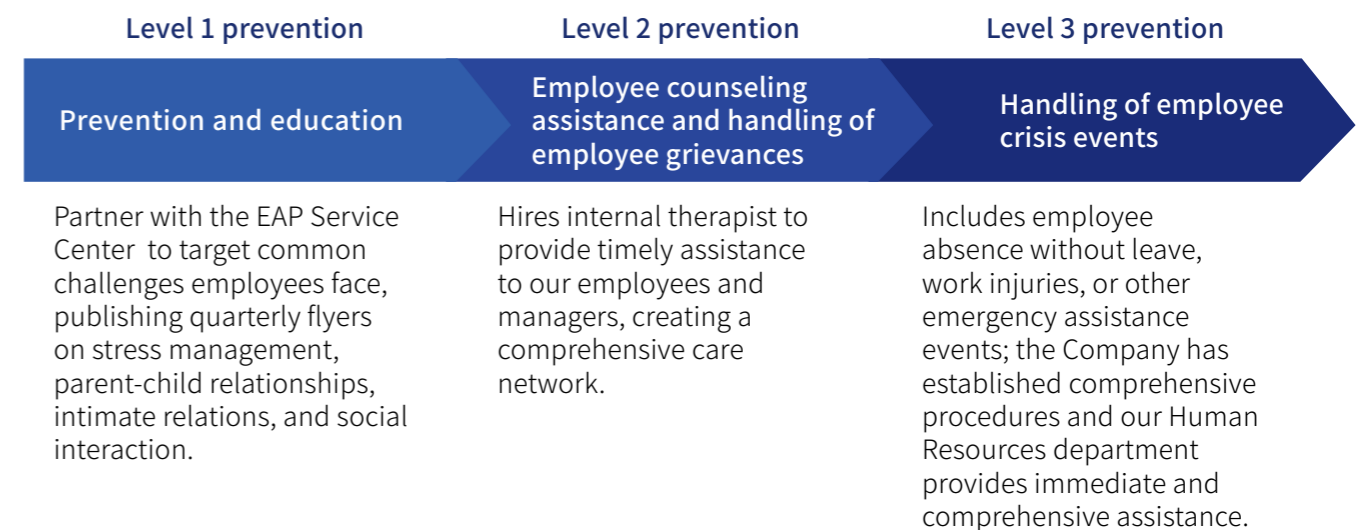
Physical and mental health care

Health checks and management

Every year, each employee is entitled to 6,500 NTD in health check expenses and a half day of health-check leave, exceeding legal compliance requirements. Managers level-1 and up can enjoy 15,000 NTD in health check expenses and a full-day leave. Apart from physical health, MediaTek values the mental health of our employees. When employees are undergoing health checks, they can fill out a "Self-perception scale survey". This enhances the self-perception of each employee and helps them to better understand their mental state. Additionally, psychologists at the wellness center provide subsequent care and follow-up on employees at risk and transfer potential high-risk cases for professional assistance. In 2019, 97% of employees applied for health check subsidies, and total health check expenses were 54.21 million NTD.

Employee assistance program

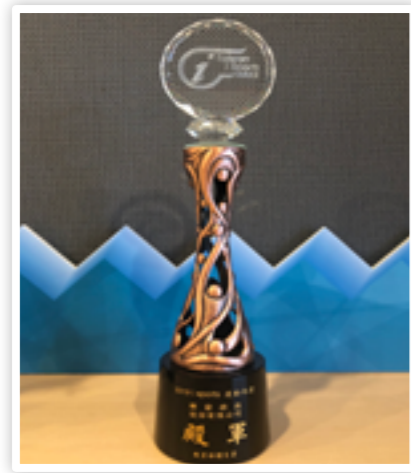
To build a healthy workplace environment, the Company provides comprehensive internal and external employee assistance programs. In terms of external programs, MediaTek collaborates with Newmind EAP Consultant Co. so that our employees can undergo stress-free, private and professional psychological and legal counseling and consultation. Fees for up to three hour-long sessions are borne by the Company. In terms of internal employee assistance programs, we have formulated the "Level 1, 2, 3 mental health prevention program":





### Health promotion events

MediaTek was granted certification for Sports Enterprise and fourth place for the 2019 i Sports calendar by the Sports Administration, the Ministry of Education.



• **Taiwan headquarters**

12 sports events in 2019, participated by 3,164 persons.

• **China**

28 sports events in 2019, participated by 6,257 persons.



### Workplace health and safety

With high regard for employees' safety, the company conducted hazard identification and risk evaluation for critical operation or events with higher potential hazard, in quest for zero disaster at workplace.

• **2019 management goals for workplace health and safety:**

1. Hold training for first-aid workers, in compliance with legal requirement.
2. Hold annual employee evacuation drill.
3. Hold health promotion events.

Since 2015, the company has been holding comprehensive evacuation drills regularly, outperforming peers, to familiarize all the employees with the evacuation routes, assembly sites, and participant count. In 2019, with the added items of fire extinguishing and aid for the injured, drills took place at office buildings in Hsinchu, Zhubei, and Taipei, with attendance totaling 7,583, 2,064 more than 2018's 5,519. To assure environmental safety without any blind spot, the company provides irregular safety reminders to employees and visitors and conducts regular inspection of office, public area, meeting rooms, laboratories, customer offices, and equipment areas for environmental and operational safety.

### Work-related injury or ill health in 2019

Items / year	Gender	2017	2018	2019
<b>Disabling injury frequency rate (FR)</b> Pieces of work affected (only in case of over 8 hours of absence) x 1,000,000/total working hours	Male	0.39	0.28	0.57
	Female	0.48	0.92	2.10
	Total	0.41	0.39	0.83
<b>Occupational disease rate (ODR)</b> Number of occupational diseases x 1,000,000/total working hours	Male	0	0	0
	Female	0	0	0
	Total	0	0	0
<b>Disabling injury severity rate (SR)</b> Days away from work x 1,000,000/total working hours	Male	9	6	11
	Female	2	23	27
	Total	8	9	14
<b>Absence rate (AR)</b> Days of absence/total amount of working days	Male	0.003	0.003	0.003
	Female	0.010	0.010	0.010
	Total	0.004	0.004	0.005

Note: Days of absence include business leave, sick leave, and occupational sickness leave.

- (1) Sick leave (including unpaid sick leave, half-pay sick leave, and menstruation leave: 77,534.94 hours.
- (2) Occupational disease leave: 1,528.5 hours.
- (3) Total working hours: 17,412,864 hours.

To assure the safety of construction works by contractors, construction workers must take instruction on occupational safety and health before entering construction sites, learning potential hazards and construction-safety regulations, to prevent occurrence of occupational disasters. 177 persons took the instruction in 2019, contributing to the achievement of the goal of zero disaster, zero accident, and zero loss.

### 3.4.4 Maintaining work-life balance

In order to help employees achieve work-life balance, promote cross-departmental interactions, and provide stress relief activities, MediaTek has a variety of club activities, provides discounts from contracted stores, and provides many other benefits and subsidies to employees.

#### Club activities

There were 61 employee clubs in 2019, including such new ones as Chubei yoga club, MTED (MediaTek version of TED talk), and Chubei bowling club, with the number of employees attending at least one club exceeding 2,600. The company subsidizes employees for attending those clubs.



Ballroom Dance Club



Parent Support Group



### Family Day activities

As part of MediaTek's commitment to work-life balance and family bonding, we host and invite employees and their families to our annual Family Day, where activities such as sports days, fetes, concerts, or funfair tours are held. The Family Day for 2019 was held at the Hsinchu County Stadium. Around 17,500 employees and family members attended. Satisfaction at the event was recorded at 80%, up by 2 percentage points compared with last year.



### Benefits and subsidies

To adhere more closely to the needs of each employee, we launched a "flexible benefits" policy in 2019, providing combined subsidies for travel expenses, major purchases, entertainment, additional health check items, and/or group insurance for family members. Employees can allocate the amount to any one up to five of the above categories. The usage rate in 2019 increased from 95% to 97%.

#### 3.4.5 Family care

Single	Married	Pregnancy & Childbirth	Family
<ul style="list-style-type: none"> <li>Networking events for singles</li> <li>Sessions: 5</li> <li>Participants: 110</li> </ul>	<ul style="list-style-type: none"> <li>Marriage subsidy: 10,000 NTD</li> <li>8 days of marriage leave</li> </ul>	<ul style="list-style-type: none"> <li>5 days of pregnancy check-up leave</li> <li>56 days of maternity leave</li> <li>7 days of paternity leave</li> <li>Childbirth bonus: 2,000 NTD for each child</li> <li>Applicants: 432</li> </ul>	<ul style="list-style-type: none"> <li>Family care platform and family activities</li> <li>Search and recommendation platform for childcare resources</li> <li>Bonuses for child education</li> <li>Family care leave</li> <li>Unpaid childcare leave</li> </ul>

### Accommodating Childbirth

MediaTek's "Work Rules" adhere to the Labor Standards Act, stipulating that the Company cannot terminate labor contracts during maternity leave, and we are required to provide 56 days of maternity leave in a period around childbirth. Employees can choose to take 7 days of leave during spousal pregnancies or within 15 days before and after the childbirth date, and are paid as usual during paternity leave. Beyond legal compliance, MediaTek provides 2 additional days of paternity leave, allowing employees to tend to their family care needs. MediaTek also provides childbirth bonuses to congratulate the addition of a new family member. Employees who have childcare needs can apply for unpaid childcare leave. In 2019, the reinstatement rate for employees who had taken childcare leave was close to 77%. MediaTek provides adequate support for returning employees so that they can re-adapt to their work environments.

### Application rates for unpaid childcare leave, reinstatement rates, and retention rates in Taiwan for 2019

Item	Male	Female	Total
A. Number of employees eligible for unpaid childcare leave in 2019	413	97	510
B. Actual number of employees who took unpaid childcare leave in 2019	25	41	66
C. Estimated number of reinstated employees returning from unpaid childcare leave in 2019	17	27	44
D. Actual number of reinstated employees returning from unpaid childcare leave in 2019	13	21	34
E. Reinstated employees who returned from unpaid childcare leave in 2018 and have continued working for 1 year	4	20	24
F. Number of reinstated employees who returned to work from unpaid childcare leave in 2018	4	20	24
Application rates (B/A)	6.1%	42.3%	13%
Reinstatement rates (D/C)	76%	78%	77%
Retention rates (E/F)	100%	100%	100%

A. Number of employees eligible for unpaid childcare leave in 2019: number of employees who applied for unpaid childcare leave from January 1 to December 31, 2019

B. Actual number of employees who took unpaid childcare leave in 2019: number of employees who applied for unpaid childcare leave from January 1 to December 31, 2019

C. Estimated number of reinstated employees returning from unpaid childcare leave in 2019: number of employees whose unpaid childcare leave period expired between January 1 to December 31, 2019

D. Actual number of reinstated employees returning from unpaid childcare leave in 2019: number of employees whose unpaid childcare leave period expired between January 1 to December 31, 2019, and who were reinstated

E. Reinstated employees who returned from unpaid childcare leave in 2018 and have continued working for 1 year: number of employees who returned from unpaid childcare leave from January 1 to December 31, 2018 who have continued to work for one year

F. Number of reinstated employees who returned to work from unpaid childcare leave in 2018: number of employees who returned from unpaid childcare leave from January 1 to December 31, 2018 who have continued to work for more than one year

### In-house preschool

In response to widespread expectation among employees, MediaTek unveiled in-house preschool project in 2017. Upon inauguration in 2019, it took 120 students in the first year, giving them a good learning environment for a happy childhood.

Major features of the preschool include:

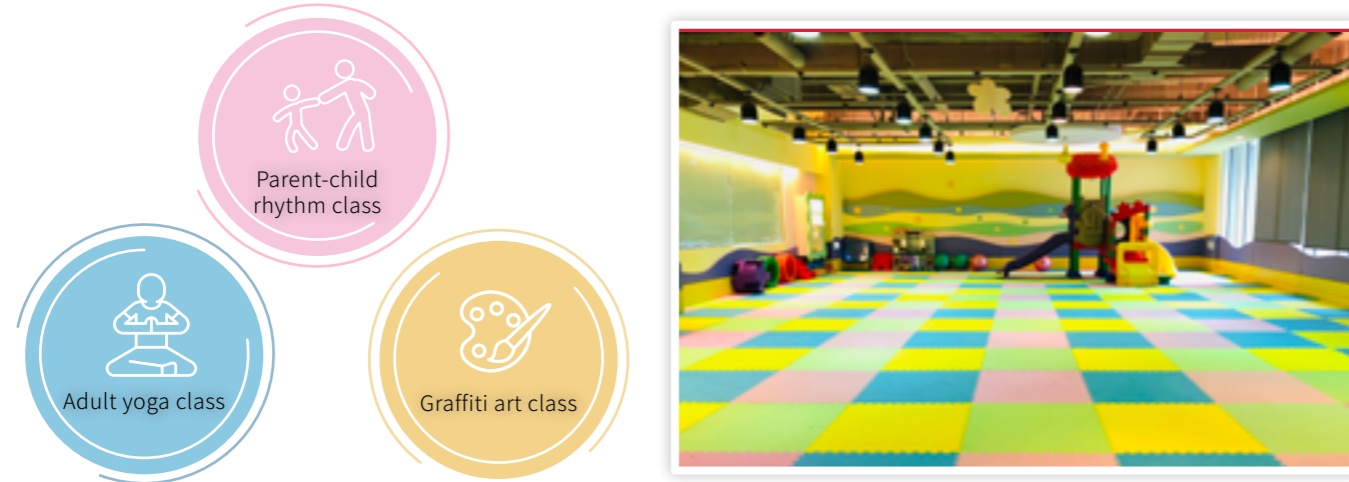
- Occupying 600 pings (one ping equals 36 square feet) in space, it is the largest such facility in Hsinchu Science Park.
- It offers extended child care, free of charge, until 8:00 p.m., for employees, when they are at work.
- The facility was disinfected with ultraviolet germicidal lamp every night, to uphold children's health.
- It complies with legal requirement in teacher-student ratio and hardware/software, boasting innovative teaching methods, integrating game and learning, to help children explore the worlds of science and art.



- Site**  
first and second floors of Wireless Communication Building
- Term**  
Inauguration in Aug. 2019
- Eligibility**  
Children 2-6 years old, prioritizing those of MediaTek employees
- Number**  
120 students for first year

Family-oriented activities

MediaTek opens its exclusive “health and wellness center” to family members of employees, for whom a room was designated and designed to facilitate parent-child activities. Employee family members voluntarily organized activity classes, whose sizes are deliberately kept small to help enhance learning effectiveness. In 2019, 117 family members participated.



3.4.6 Diverse and inclusive workplace

Goals for promoting a diverse and inclusive workplace:  
 Reach a completion rate of 100% for sex-harassment prevention courses.  
 Hold gender equality events every year.

MediaTek strictly adheres to local laws and regulations and complies with the International Bill of Human Rights, maintaining employee freedom of association and endeavoring to eradicate violation of human rights. We prohibit all discriminatory behaviors during employment, and we do not discriminate against employees based on race, age, gender, sexual orientation, disability, pregnancy, political affiliation, or religion. All employees must sign written labor contracts according to law. Our Work Rules clearly stipulate that there should be no incidence of forced labor, and employee work hours are set in accordance with labor laws. In Taiwan, if we need to terminate employee contracts due to special circumstance, we give advance notice of termination and subsequently provide relevant severance payments according to the Labor Standards Act.

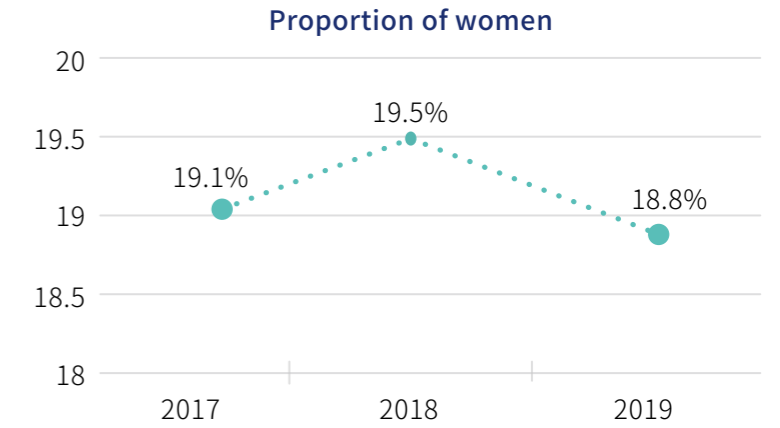
Below are some of the areas included in the company's human-rights policy:



(For more information on human-rights risk, please refer to 4.5 risk management)

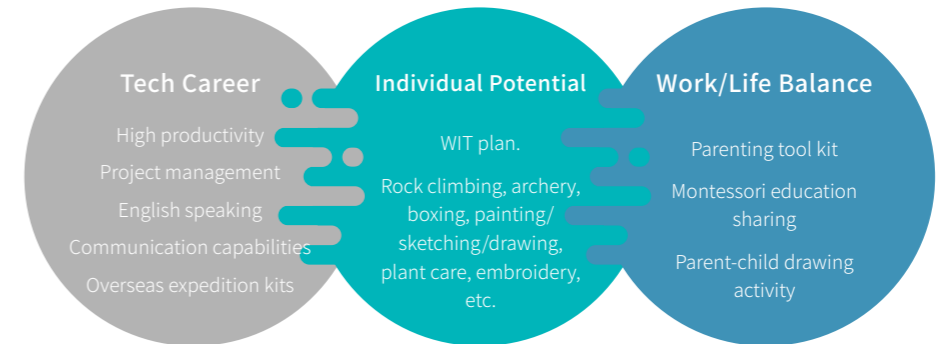
Female employment

MediaTek is committed to creating a friendly and fair workplace for our female employees. In 2019, the proportion of female employees at MediaTek and our global subsidiaries was around 19% of all employees. The number of female employees in the R&D/technical departments was 2,097 (16.4%), which is higher than the 13-15% average of female graduates of electronics, electrical engineering, and computer science disciplines in Taiwan. The proportion of female employees for 2019 slightly increased on-year. In comparing the annual 2019 salaries of permanent male and female engineering employees the salary ratio is 1:1.



In 2015, the Women in Tek (WIT) circle was founded at our Shenzhen office to facilitate exchanges of life and work experiences and insights between participants (dubbed WITers). Branches were set up subsequently in Wuhan, Hefei, and across the U.S. To date, global membership has exceeded 300, and the activities have bonded and inspired mutual growth in women who work in this specific tech company.

Women in Tek was launched in the Taiwan headquarters in November, 2019 in the name of “female growth circle.” In its first event, Dr. Chang Li-Feng, CTO of the New-Generation Communication Technology Office of the Ministry of Economic Affairs, shared with 120 female employees her career and experience as a woman in tech.



Sexual harassment Prevention

To ensure that employees can enjoy an environment of equality and respect, we established "Grievance Reporting and Disciplinary Procedures for Prevention of Sexual Harassment," a Sexual Harassment Grievance Response Committee, hotline for prevention of sexual harassment (21999), and grievance reporting email inbox (call21999@mediatek.com) to handle matters of equality in the workplace, all of which according to the "Act of Gender Equality in Employment", "Regulations for Establishing Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace", "Sexual Harassment Prevention Act", and "Regulations of Sexual Harassment Prevention." Starting from June 2015, our class for prevention of sexual harassment in the workplace became mandatory for all employees. Class completion rates for new hires in 2019 were 100%. In 2019, 1 incident of sexual harassment was sent to our grievance reporting inbox, handled, and concluded. Subsequent promotion across business and functional units have been arranged.





# Ch4 Corporate Governance

MediaTek has adopted corporate governance practices to reflect our strong commitment to protecting stakeholder interests.

- 4.1 Governance Structure
- 4.2 Corporate Governance Enhancements
- 4.3 Integrity and Legal Compliance
- 4.4 Internal Audit
- 4.5 Risk Management
- 4.6 Investor Relations

**Material Issue in this Chapter**  
 .....  
 Corporate Governance and Legal Compliance  
 Risk Management

According to Ethical Corporate Management Best Practice Principles and Code of Business Conduct, MediaTek established the Whistleblowing Policy as well as Hotline System for anyone to report malpractice, unlawful or unethical behaviors within the workplace.

MediaTek sustains its effort in strengthening its risk management systems by identifying, evaluating, and responding to risks using internal controls.

Cyber Security Committee was established this year to strengthen the structure of cyber security risk management and to facilitate the implementation of policies.

**Management approach for material issues: Corporate Governance and Legal Compliance(GRI 103-1, 103-2, 103-3, 307-1, 419-1)**

**Importance to MediaTek:**

Integrity is a top priority of MediaTek's six core values and the highest ethical standard in conducting our business. We believe that integrity can create a sustainable foundation for development and earn the trust of all our stakeholders.

**Our Commitments and Policies:**

MediaTek has managed corporate governance affairs in compliance with the Company Act, the Securities and Exchange Act, and other applicable laws and regulations. The Board of Directors, the highest governing body of corporate governance at MediaTek, has identified sustainable development as its highest guiding principle. We have also established the Corporate Social Responsibility Committee to keep informed of changes in economic, social, and environmental trends both domestically and internationally, thereby fine-tuning relevant policies to protect the interest of different stakeholders and leading the company to meet the global standards of business conduct.

Goals	Short-term goals	<ul style="list-style-type: none"> <li>Prevent major violations against social, environmental, and economic regulations.</li> <li>Enhance results of the corporate governance evaluation conducted by TWSE to top 5% among listed companies.</li> </ul> Conduct external performance evaluation of the Board of Directors.	Specific performance
	Mid-long term goals	<ul style="list-style-type: none"> <li>Respond actively to corporate governance practices recommended by the government agencies and institutions to enhance the Board's overall operation.</li> </ul>	
Our Management System	The responsibility unit	Legal & Intellectual Property Unit.	
	Resources	Corporate Social Responsibility Committee.	
	Contact Person	Mr. Chen, Corporate Social Responsibility Committee Telephone: 886-3-567-0766 Email: csr@mediatek.com	
	Evaluation Mechanisms	the Internal performance evaluation of the Board of Directors, Annual Shareholders' meeting, and Corporate Governance Evaluation.	

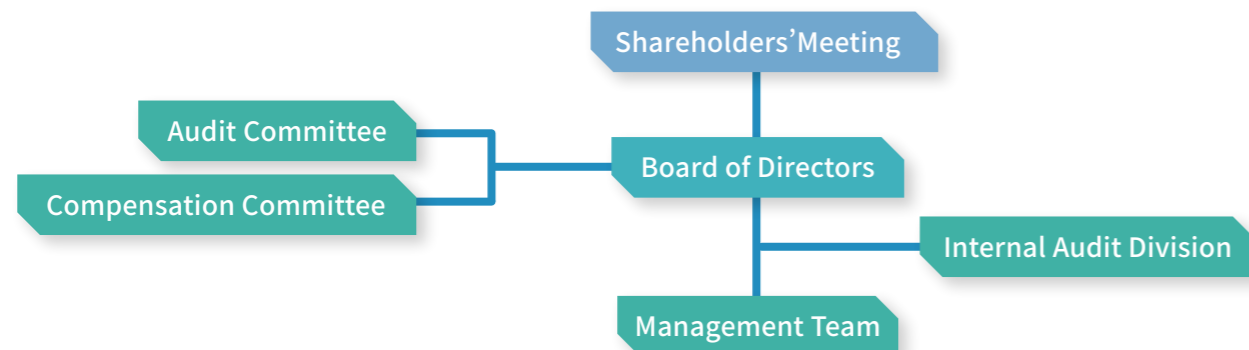
- Strengthened governance structure: Average attendance rate in 2019 was 98% for Board meetings and 100% for both the Compensation Committee and the Audit Committee meetings; the Corporate Legal Division, led by the General Counsel who also serves as the Chief Corporate Governance Officer, was authorized to be in charge of corporate governance affairs.
- Improved corporate governance: In 2019, the results of our corporate governance evaluation (performed by TWSE Corporate Governance Center) ranked 6-20% among companies listed on TWSE. In order to enhance the ranking to a higher level, we are actively working with external consultants to improve the underscored indices.
- Focus on business integrity: In 2019, we provided numerous internal trainings to the amount of 9,333 hours attended by a total of 13,306 persons.



## 4.1 Governance Structure

In addition to the Board, MediaTek has also established the Audit Committee to strengthen the independence of corporate governance and the Compensation Committee to reinforce compensation policies, thereby aiming to achieve short and long-term goals. The Board of Directors plays the role to provide professional and objective advice in a highly self-disciplined and prudent manner. Meanwhile, our management team leads all units in executing annual corporate social responsibility programs to respond environmental, social, and governance issues as we continue to enhance our corporate social responsibility practices. For more information, please refer to MediaTek's [2019 Annual Report](#).

### MediaTek's Organizational Structure



### Board of Directors

#### Board Members

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](#).

#### Frequency of Meeting

The Board meets at least once each quarter; it convened 6 times in 2019 with 98% attendance.

#### Responsibilities

- Establish an effective and reasonable internal control system.
- Appointment and removal of management.
- Review business strategies and operation plans.
- Control budget and final accounts.
- Risk management.
- Prepare the business report.
- Submit surplus earnings distribution or loss make-up proposals.
- Propose capital increase or reduction plan.
- Formulate major corporate procedures and contracts
- Appoint CPAs.

### Audit Committee

#### Members

3 independent directors

#### Frequency of Meeting

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.

#### Responsibilities

- Review or revise internal control system.
- Evaluate effectiveness of internal control system.
- Oversee material business transaction process, such as acquisition and disposal of assets, derivative transactions, extension of monetary loans to others, and endorsements or guarantees to others.
- Supervise a conflict of interest policy for directors.
- Approval of material asset or derivatives transactions.
- Supervise material loans, endorsements, or guarantees.
- Approval of share offering and issuance, private placement, and other equity-type securities transactions.
- Oversee appointment, dismissal, and compensation of the auditor.
- Appointment or discharge of a financial, accounting, or internal auditing officer.
- Review annual and biannual financial reports.

### Compensation Committee

#### Members

2 independent directors and 1 independent external expert

#### Frequency of Meeting

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

#### Responsibilities

The main purpose of the Compensation Committee is to review and assess the management performance and relevant compensation policies, thereby providing objective and professional recommendations to the Board of Directors. Please refer to [pp.16-17 of MediaTek's 2019 Annual Report](#) for more information.

- Periodic oversight of the amount of compensation for the Company' directors and managers
- Establish corporate standards and structures regarding the compensation policy
- Review periodically the directors and managers' performance

### CSR Committee

#### Members

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.

#### Frequency of Meeting

Twice a year.

**Status update to the Board:** Once a year.

#### Six working teams

Global Presence, Innovation, Talent, Corporate Governance, Environmental Management, and Community Engagement.

#### Responsibilities

The CSR Committee takes sustainable development as its highest guiding principle and has proposed relevant projects for business and functional units to respond well to domestic and international changes in economic, social, and environmental issues. The CSR Committee particularly focuses on the following tasks:

- Review the performance of the previous year and plan sustainable development for the coming year by communicating and cooperating with various units.
- Coordinate available internal resources.
- Oversee the progress of relevant projects.
- Apply for certification and awards in CSR area.

### Corporate Governance Unit

MediaTek established its Article of Incorporation and organizational structure in compliance with the Company Act, the Securities and Exchange Act, and other laws and regulations relevant to corporate governance. The Board owns the highest authority of corporate governance and assigns the "Corporate Legal Division" to ensure governance compliance. The responsibilities of the Corporate Legal Division mainly include: to take all necessary actions in respect to those matters related to the Board meetings and annual shareholders' meeting, to conduct onboard and continuing education for corporate directors, to provide necessary information for directors to fulfil their duties, and assist directors to comply the applicable laws and regulations. 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.





## 4.2 Corporate Governance Enhancements

MediaTek has shown a strong commitment by enforcing important corporate governance practices, including protection of shareholder interests, equitable and fair treatment to shareholders, consolidation of the Board structure and its operation, enhancement of information transparency, and performance of corporate social responsibilities. Prior to the latest amendment to the Corporate Act, MediaTek's Article of Incorporation has already adopted the nomination system to elect and re-elect our corporate directors, in which the outcomes were released in the Market Observation Post System host by the TWSE in a timely manner. We have established the Investor section on our corporate website, which provides the annual reports (Chinese and English versions), financial statements, the share price and the dividend information, the handbooks for shareholders' meeting, and other relevant materials. Moreover, the Corporate Governance section of our website publishes the Article of Incorporation, the relevant bylaws, the Code of Corporate Governance as well as selected Board meeting resolutions. In 2019, we also disclosed the compensation packages of our Board directors on an individualized basis, thereby enhancing the transparency of corporate governance.

Major corporate governance practices

- The handbook for the annual shareholders' meeting is available on MediaTek's official website within 30 days prior to the date of meeting, and material information in both Chinese and English is published simultaneously.
- MediaTek discloses information relating to corporate governance, CSR, and risk control on our website.

Annual report discloses...

- The Independent director's comments on the major Board resolutions, the Audit Committee's resolutions and the Company's subsequent response.
- The enforcement status of the shareholders' meeting resolution, the Board's performance evaluation and evaluation procedures, and the Corporate Legal Division's duties and its current status.

2019 Annual Report



In addition, we hold earnings conference calls quarterly, where our CEO and CFO report operation performance and long-term plans to institutional investors and the general public. All earnings calls are broadcasted live on the MediaTek website. After the call, investors can access all disclosed information via webcast replay, the press release, or other types of announcements on the website. MediaTek has earned a good reputation of its high quality information disclosure policy and received various awards as a top notch company in corporate governance area.



## 4.3 Integrity and Legal Compliance

In order to ensure the fulfillment of ethical management 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 the company's business and financial operations, updating internal rules accordingly. In turn, the Audit Division reviews and examines the enforcement status of legal compliance. For instance, the company 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.

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. For more information on our Code of Business Conduct, please refer to our website: <https://www.mediatek.com/investor-relations/corporate-governance>.

### 8 top guidelines of the Code of Business Conduct

Zero tolerance for bribery, corruption, extortion, and embezzlement

Insider trading prohibition

Strict prohibition against giving or receiving inappropriate gifts and interests

No contact with those who fail to comply with our Code of Business Conduct

Refrain from unfair competition and behaviors that cause adverse impact on the environment, labor safety, and the society

Avoid the conflict of interest

Respect intellectual property rights and honor confidentiality obligations

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](mailto: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



### Training for employee in 2019

Courses	Participants (Global/HQ)	Number of employees who completed the training	Completion rate <sup>Note*</sup>
Code of Business Conduct	Global	4,268	98%
Propriety Information Management	Global	4,396	97%
Insider Trading Prevention	HQ	2,214	99%
Trade Secret Protection	HQ	2,428	99%

\*Note: Completion rate=Number of employees who completed the training/Number employees obligated to attend the training

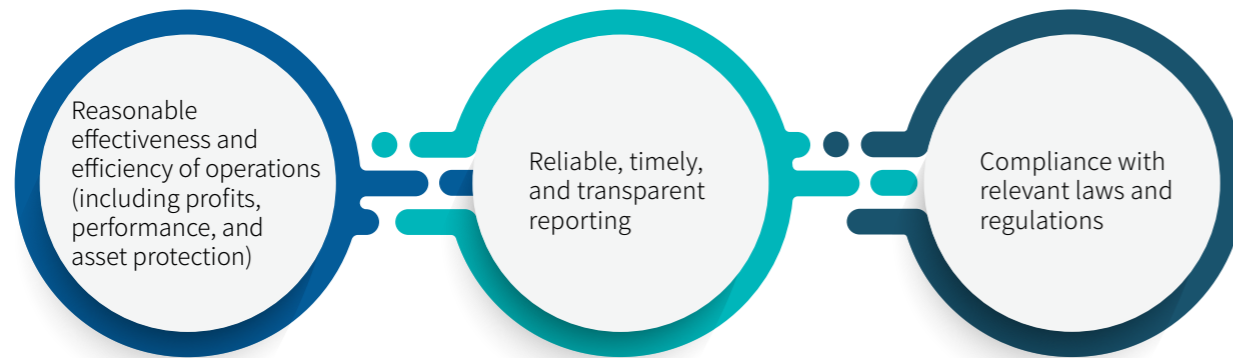


## 4.4 Internal Audit

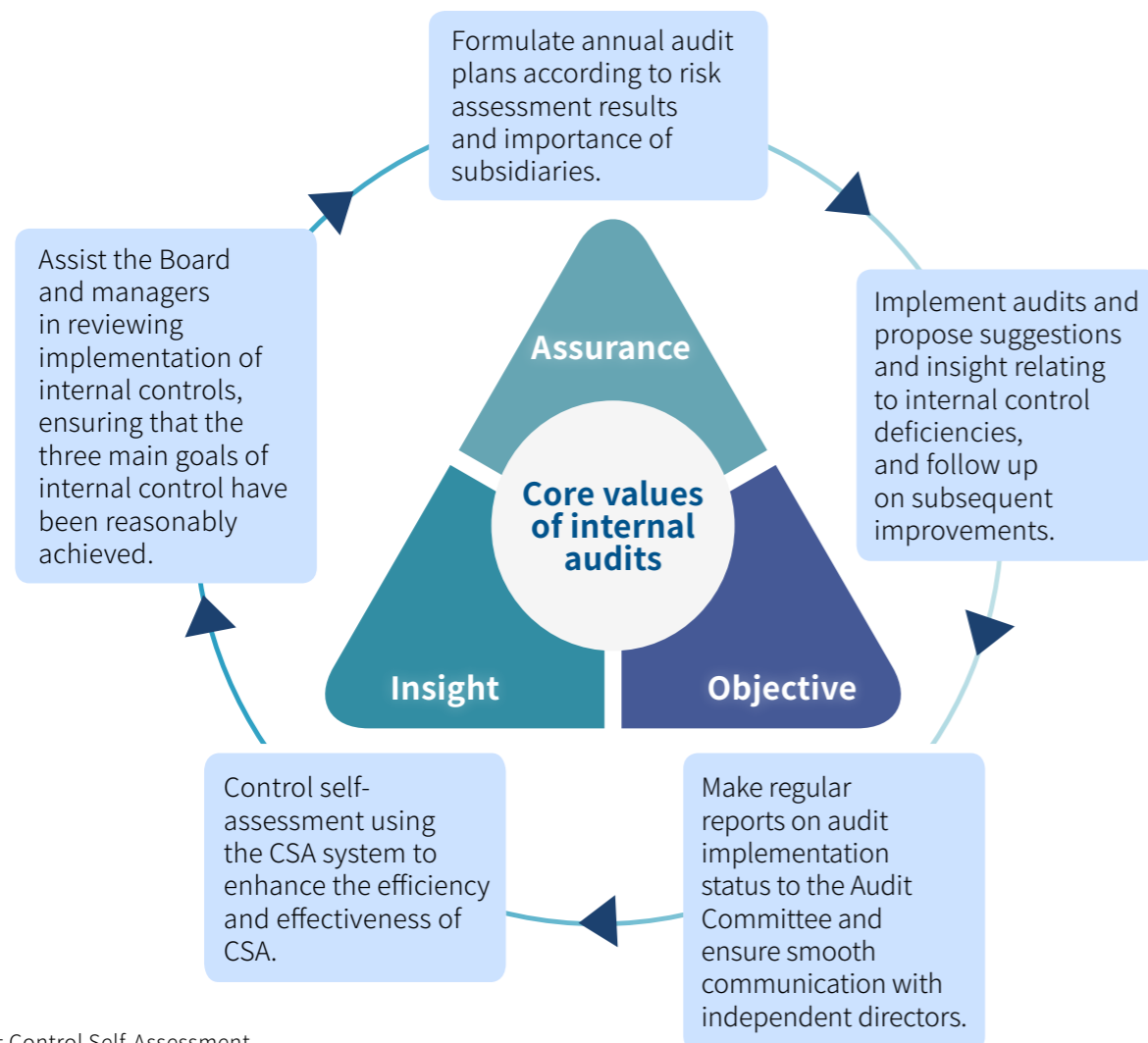
MediaTek's Internal Audit Division was established under the leadership of the Board in compliance to the regulations. The Internal Audit Division reports to the Board and to the Auditing Committee, maintaining its independence and professionalism. Dedicated auditors carry out regular or specific-case auditing, propose suggestions for improvement, and track their execution until completion.

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.

Areas reviewed with the internal control mechanism



Internal audit management process at MediaTek



註 : CSA= Control Self-Assessment



## 4.5 Risk management

### Management Approach for Material Issue: Risk Management (Non-GRI Material Topic)



#### Importance to MediaTek:

Enterprise must take precautionary measures and against and timely response mechanism to potential impact of internal and external changes on operation, so as to sustain corporate operation and protect the interests of stakeholders.

#### Commitments and Relevant Policies:

Relevant business and functional units conduct risk assessment, countermeasures, and tracking based on company's business continuity plan. Risk management covers analysis of impact and opportunities in the environmental, governance, and social aspects.

Goals	Short term	<ul style="list-style-type: none"> <li>Relevant business and functional units make discrimination and impact assessment of risk factors in environmental, governance, and social aspects.</li> <li>Relevant business and functional units institute contingency plans to effectively respond to risks and sustain operation.</li> </ul>	Specific Performance
	Mid to long term	<ul style="list-style-type: none"> <li>Relevant business and functional units conduct forecast, evaluation, and response for mid to long-term internal and external changes so as to ensure sufficient preparation and effective response.</li> </ul>	
Our Management System	Responsible unit	CSR Committee, Legal and Intellectual Property, and other relevant departments.	
	Resources	CSR Committee	
	Communication channels	Mr. Chen, CSR Committee Tel : 886-3-567-0766 Email : csr@mediatek.com	
	Evaluation mechanism	Performance evaluation by the Board of Directors. Shareholders' meeting. Corporate Governance Evaluation by the TWSE.	
		<ul style="list-style-type: none"> <li><b>Governance</b> <ol style="list-style-type: none"> <li>Formulated emergency procedures, incident (injury) investigation, disaster recovery procedures against business risks.</li> <li>Formulated response procedures for emergency at production sites against supply-chain risks.</li> <li>Managed currency fluctuations with forward exchange contracts.</li> <li>Coped with interest rate changes with effective forecast via sensitivity analysis of interest-rate risk.</li> <li>For Information security protection, MediaTek had established the Information Security Committee with PIM (property information management) policy and related procedure to define the role responsibility and security control implementation.</li> </ol> </li> <li><b>Environmental</b> <ul style="list-style-type: none"> <li>Formulated environmental management policies and occupational health and safety management policies</li> <li>Conducted annual review on climate-change issues</li> <li>Revised environmental protection measures according to international trends, operational needs, and government policies</li> </ul> </li> <li><b>Social</b> <ul style="list-style-type: none"> <li>Assessed risks to employees' human rights</li> <li>Ensured conformance of labor policy to domestic and foreign human-rights conventions and to legal requirement of host governments</li> <li>Held labor-management meetings regularly</li> </ul> </li> </ul>	



Business continuity plan (BCP)

Consideration of various potential business risks and hazards are a prerequisite to pursuing sustainable operation, providing corporations with response procedures and recovery mechanisms in the event of crises and minimizing unexpected business impacts. MediaTek uses the Business Continuity Plan (BCP) to respond to various risks and crises, making preparation and conducting drills for potential risks and disasters through a range of components ranging from damage identification to risk control. We have also established backup measures at all major sites around critical global locations so that normal operation of business functions can be resumed in the shortest possible time in an organized and planned manner in the event of a disaster. Additionally, we also have relevant programs and responses in place to ensure that our clients can continue their operations even when disasters and crises impact on client interests, and reviews are conducted after the fact to avoid repeated damage to client interests.

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.

Processes and procedures for risk response



Risk management

Risk aspects	Risk topics	Scope of impact	Management measures	Response measures	Opportunities
Governance	Business risks	Safety of MediaTek employees and equipment; internal operations	Emergency procedures	When emergencies occur on our own or neighboring campus, affecting safety of personnel or property, relevant managers should act as response personnel and adopt response procedures in the spirit of mutual assistance to minimize the risk of damage from the disaster.	Protects our employees, our most important assets.  Increases stakeholder confidence in MediaTek operations, particularly with regard to clients and suppliers, ensuring minimal damage to our business collaborations.
			Incident (injury) investigation	All employees who suffer injuries or near misses in the workplace, during commutes, or during travel for official business should adhere to appropriate procedures for minimizing damages, where similar events are prevented through inspection and review of causes and prevention measures.	
			Disaster recovery procedures	Ensure that backup measures can be initiated immediately when disasters occur so that the Company can continue to operate	
			Response procedures for emergency at production sites	When emergencies occur at outsourcing companies, relevant personnel should adopt notification and response measures in accordance with established procedures in order to provide timely information of, report on, and make adjustments to production and product delivery. Relevant personnel should determine emergency levels, collect status information, provide information on impacts to production and product delivery, propose response measures, and conduct subsequent follow-ups until the situation has been resolved or until production has resumed	Strengthens collaborative relationships between MediaTek and suppliers  Allows MediaTek to keep track of supplier situations

Risk aspects	Risk topics	Scope of impact	Management measures	Response measures	Opportunities
Governance	Exchange rate fluctuations	The company's operating activities (when revenues or expenses are denominated in a different currency from the company's functional currency); the company's net investments in foreign subsidiaries	Forward exchange contracts	The company periodically reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit.	Effective control of exchange rate fluctuations impacts on MediaTek's cash flows and asset values
	Interest rate changes	The company's investment of debt instruments at variable interest rates; bank borrowings with fixed and variable interest rates	Sensitivity analysis for interest rate risks	The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rates. It analyzes the impact on the company's profit if an increase/decrease of 10 basis points of interest rate in a reporting period.	Predicts financial impacts brought on by interest rate fluctuations
	Information security	Cyber-attacks and data leakages which can affect the protection of intellectual property and can result in financial losses, legal issues, and damage to customer relationships	Cyber Security Cyber Security Committee is led by the highest manager of the Information Technology department and includes members from the unit as well as the Cyber Incident Response Committee. The Committee is in charge of the formulation and periodic review of information security policies and control measures, including incident reporting and response mechanism. Status reports are provided to the Board.	Cyber Security  Based on the Cybersecurity Framework of the National Institute of Standards and Technology, we established six control mechanisms:  1. Identification: Develop strategies to manage risks in daily operation based on our business environment and resources;  2. Protective measures: Formulate and implement corresponding measures to mitigate the impact of information-security incidents on key services;  3. Threat detection: Institute real-time information-security incident detection and alert mechanism;  4. Response mechanism: Institute cyber security incident response team to take charge of response to such incidents;  5. Recovery: Formulate data backup plan, enabling resumption of normal operation within shortest time;  6. Education and training: Provide training to all new hires and relevant business/functional units to reinforce employees' awareness of cyber security.	Increases resilience and resourcefulness in responding to cyber-attacks  Prevents financial/property loss  Prevents violation of laws/contracts Establishes a stable and ethical environment for customer relationship and brand image

Risk aspects	Risk topics	Scope of impact	Management measures	Response measures	Opportunities
Governance	Information security		Information security The Information Security Committee consists of representatives from business and functional units. The Committee Chair is responsible for convening periodical meetings on the proposal and evaluation of PIM regulations. Periodical and irregular auditing are conducted by this Committee and the results are regularly reported to the Board.	Information security We follow a 14-item global PIM policy that regulates behaviors, target audience, area, confidentiality labeling, training mechanisms, and so on, in order to prevent deliberate or unintentional damage, exposure, loss, alteration, improper contact, duplication, transmission, or usage of information assets. All new hires receive a training session on information security, and sessions tailored to every site/department are provided to augment employees' security awareness at least once a year. The Audit Division carries out monthly information-security inspections and report their results to corresponding managers and the Information Security Committee. The Audit Division also conducts annual reviews of the information security systems for key technologies and documents.	
Environmental	Climate change	Business activities and supply chain operation	Environmental management, occupational health and safety management, conservation and efficiency initiative	We conduct annual reviews of international environmental protection trends and formulate environmental protection measures according to operational needs; we also conduct internal training and promotion to help our employees understand the impacts on climate change and the Company's environmental protection themes for the year so that they can adhere to various environmental protection policies when carrying out their job duties	Enhances MediaTek's sustainable competitiveness Creates differentiated values
Social	Risks to human rights	Breach of law and damage to labor-management relationship	International human-rights convention Local labor law/regulation Labor-management meeting	In legal aspect, assure conformance of labor policy to the legal requirements of domestic and international human-rights conventions. Hold labor-management meeting regularly, discussing implementation of human-rights policy, labor environment and conditions, policy and compensations/fringe benefits for attaining consensus, to assure information transparency and smooth communication between the two parties.	Establishes a friendly and inclusive workplace, where employees can exercise their potential and obtain reasonable compensations  Forms a good-employer brand image

MediaTek highly values the feedback from global investors. We have a spokesperson policy and dedicated personnel to the collection and disclosure of real-time corporate information for stakeholder' reference. We communicate with investors by attending domestic and international investor forums, roadshows, and meetings. We take investor suggestions and use them in developing important strategies in the future.

**Spokesperson policy**

Spokesperson : David Ku	Collection and disclosure of corporate information	Contact information
Acting Spokesperson: Jessie Wang	Contact : Jessie Wang	• Phone : 886-3-567-0766
		• Email : ir@mediatek.com

**Shareholder Services**

MediaTek hosts an Annual General Shareholders' Meeting and handles decision-making matters in accordance with the Rules and Procedures of Shareholder Meetings to protect the interests of shareholders. To maintain a smooth two-way communications channel with global shareholders and investors, MediaTek commenced e-voting since 2012 and fulfilled meeting requests from domestic and international investors to collect comprehensive feedback from shareholders and investors.

**Dividend Policy**

According to our dividend policy, which was established in accordance with the Company Act and MediaTek's Article of Incorporation, distribution of dividends should consider the Company's current and future investment environments, funding needs for capital, domestic and international competitive status, and capital budgeting plans, as well as factors such as shareholder interests, and the balance between dividend and the Company's long-term financial plans.

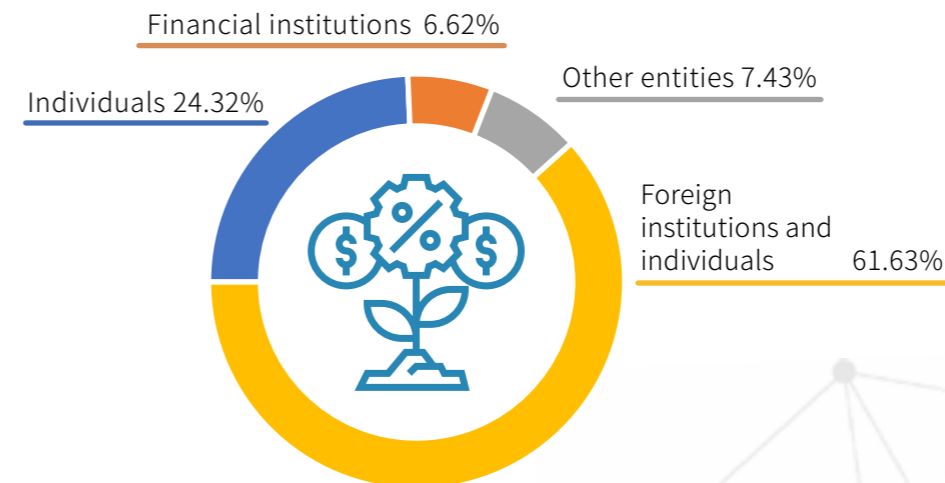
According to the law, the Company should consider financial, business, and operational aspects when deciding whether to distribute all surpluses for the year; distribution proposals should be formulated by the Board of Directors and submitted to the Shareholders' Meeting for approval. However, the proportion of cash dividends distributed to shareholders should be no less than 10% of the total dividends distributed to shareholders.



**4.6 Investor Relations**



**Investor management - proportion of dividends distributions**



**Return on Equity**

Year	Return on Equity
2017	9.47%
2018	7.76%
2019	7.88%





Management Approach of Material Issue:  
Supply Chain Management (GRI 103-1, 103-2, 103-3, 308-1, 414-1)

Importance to MediaTek:

MediaTek is a fabless IC design company. Results of relevant inspections relating to risks and carbon footprint showed that our back-end manufacturing processes had the most impact on the environment. Therefore, MediaTek's top priority is to work with our suppliers to decrease potential impacts on the environment and society.

Commitments and Relevant Policies:

Our supply chain management is done byE establishing stable partnerships and mutual trust with our suppliers to facilitate common growth while building sustainable business models. We select our suppliers based on the three 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 Ssupplier Fforums to provide awards and generate encouragement for our top suppliers.

Goals	Short term	<ul style="list-style-type: none"> <li>Join hands with suppliers setting the goal of 2% reduction in greenhouse-gas emission a year.</li> </ul>	Specific Performance
	Mid to long term	<ul style="list-style-type: none"> <li>Respond to the advocacy of environmental protection and carbon abatement, both in Taiwan and abroad</li> <li>Exercise influence on suppliers and conduct inventory of suppliers' greenhouse-gas emission volume and management measures</li> </ul>	
Our Management System	Responsible unit	<ul style="list-style-type: none"> <li>Internal: Process Technology and Manufacturing Operations</li> <li>External: suppliers</li> </ul>	
	Resources	<ul style="list-style-type: none"> <li>10 specialists on Supply Chain Management by default, with additional CSR and technical personnel to attend on-site audits in response to individual needs</li> </ul>	
	Communication channels	Monthly exchange meetings with suppliers	
	Evaluation mechanism	<ul style="list-style-type: none"> <li>Response rate of the Guarantee on Code of Conduct</li> <li>Results of supplier ESG risk assessment</li> <li>Rate of on-site audits</li> </ul>	

# Ch.5 Environmental Management

We ensure responsible supply chain management by reducing our environmental impact where possible, encouraging suppliers to work together on issues relating to climate change.

## 5.1 Supply Chain Management

## 5.2 Climate-Related Risk Management

## 5.3 Facility Management

### Material issue in this chapter

Supply Chain Management

In response to the UN SDGs, we held our first Supplier Forum, offering a platform for dialogue among opinion leaders, academic experts, and suppliers.

MediaTek has proactively assessed climate-change-related risks (e.g., typhoons, earthquakes, fires, power outages, water shortages) and formulated countermeasures to assure rapid resumption of operation in the wake of disasters.

The company completed greenhouse-gas inventory on its own initiative and is going through the ISO 14064 certification process, extending its efforts in carbon abatement.

In line with the principle of local procurement, annual procurement value in Taiwan exceeds **100 billion NTD.**

The company inaugurated its third high-speed computing datacenter for chip design, the largest in Asia; along with the two existing ones, the data centers can save **20.3 million kWh** of electricity a year.

The company kicked off the operation of the first private roof-top solar power system in Hsinchu Science Park in March, 2019, generating **200,000 kWh** of electricity a year and cutting CO<sub>2</sub> emission by **110 metric tons.**

Climate change is continuing to impact the natural global ecosystem. In response to global warming and our mutual responsibility to work towards a carbon-zero existence, environmental issues have now become a sustainability topic that MediaTek is most concerned with. Our mission is to operate in an environment-friendly manner, and we have initiated responsible supply chain management, resource management, and identification of and response measures for climate change risks. As we continue to work with our suppliers, we also practice self-discipline to constantly improve our resource usage efficiency to attain environmental sustainability.



## 5.1 Supply Chain Management

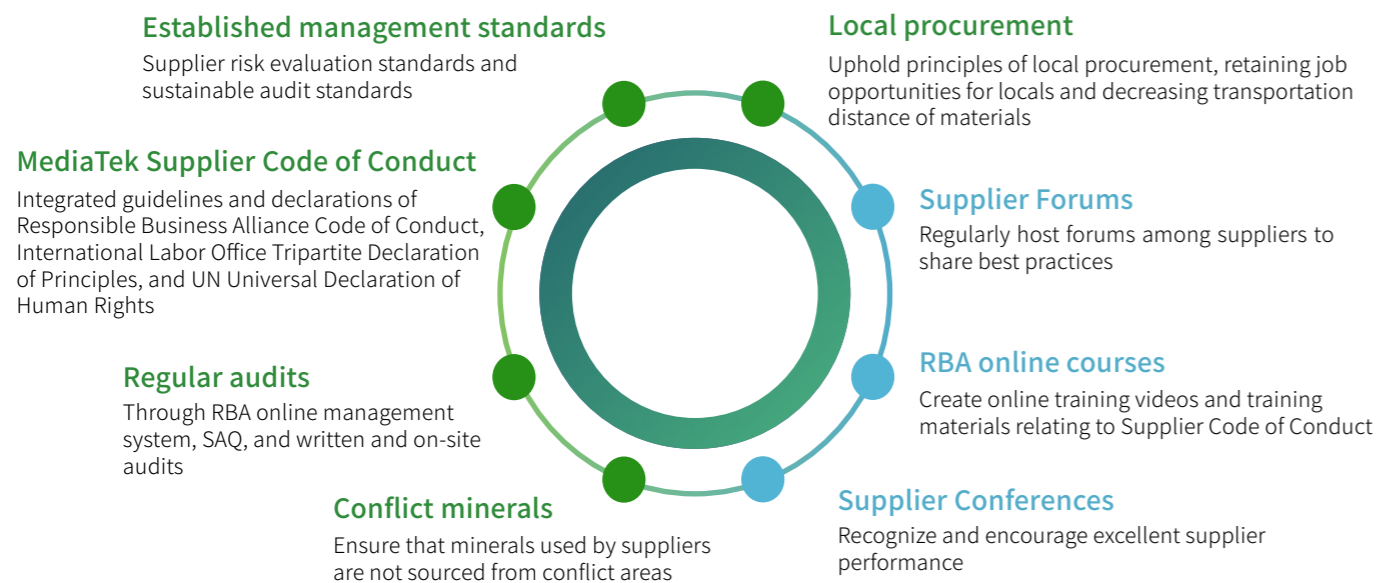
### Comprehensive implementation of supplier assessment policies to promote sustainable supply chains

As a design house, MediaTek is located at the very top of the overall value chain. Back-end processes such as procurement of raw materials, fab, assembly, and testing are all outsourced to our suppliers, forming a professional division of labor and mutually collaborative partnerships. Results of relevant inspections relating to assessing risks and carbon footprints showed that our back-end manufacturing processes had the most impact the environment, and therefore society. Therefore, MediaTek's top priority is to work with our suppliers to decrease potential risks for the environment.

MediaTek's vision is to build a sustainable business model and compile relevant standards and initiatives on economic, social, and environmental aspects as we continue to exercise our influence as an industrial leader through annual auditing, Supplier Conferences and Forums; working together with our value chain partners to build a business model of sustainable development.

### Overview of MediaTek's supply chain management tools

● Mechanisms of supply chain management ● MediaTek's influence

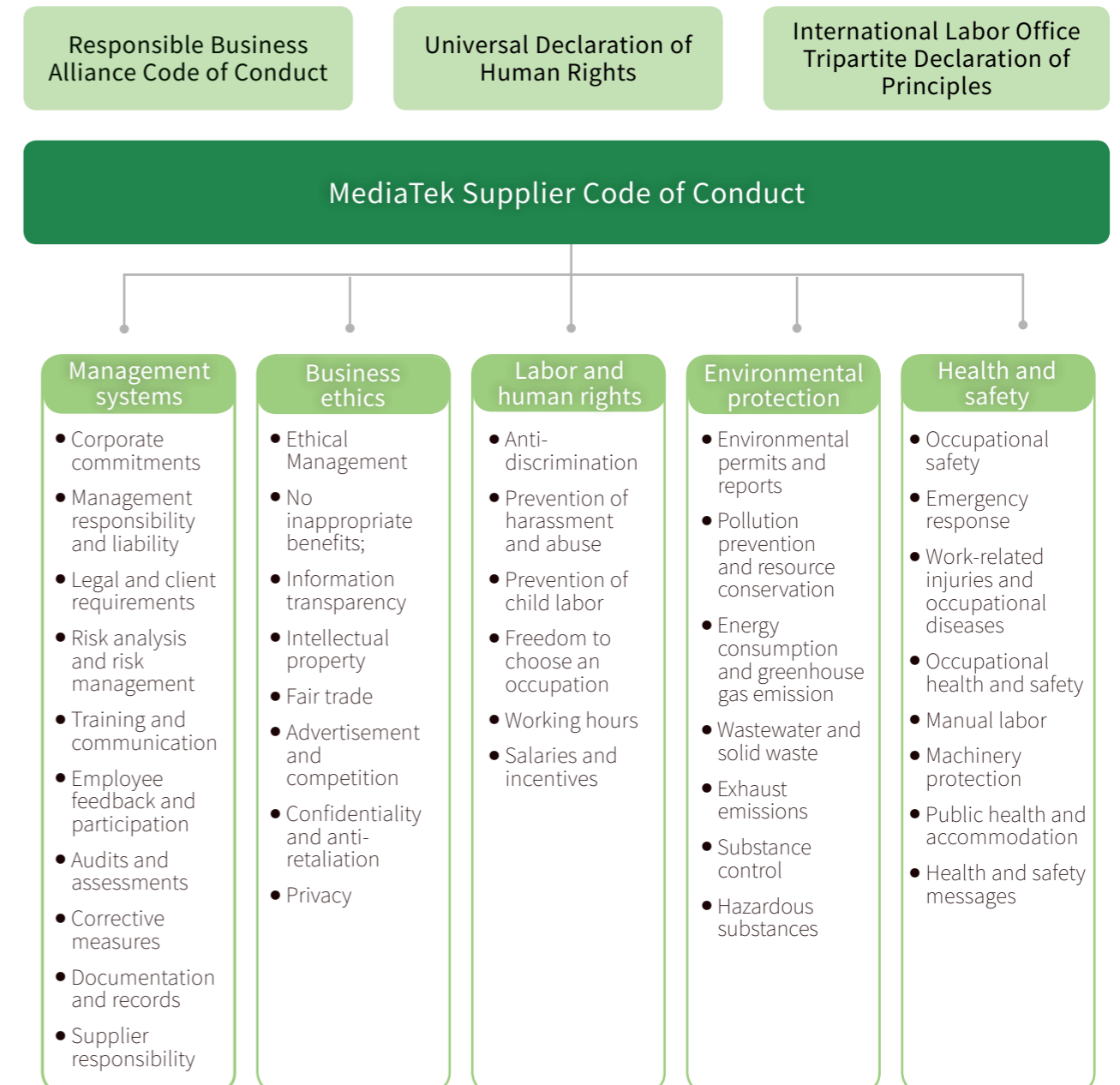


### 5.1.1 Mechanisms of Supply Chain Management

To build stable long-term collaborations with our suppliers, MediaTek integrated our sustainable development aims into our management guidelines for sustainable supply chains, to pre-control possible risks that may occur and also to help us discover potential market opportunities. Starting in 2016, we initiated social responsibility audits that not only required our suppliers to sign Guarantee of Social Responsibility, but also manage their performance through our Responsible Business Alliance (RBA) online management system.

#### Supplier Code of Conduct

In 2015, MediaTek formally integrated the guidelines and initiatives of the Responsible Business Alliance, the ILO Tripartite Declaration of Principles, and the Universal Declaration of Human Rights from the United Nations into our Supplier Code of Conduct. We require all suppliers respond and adhere to these guidelines and initiatives. As a leading enterprise in the global semiconductor supply chain, MediaTek will continue to maintain the rights and well-being of industry workers and groups. Our Supplier Code of Conduct covers five major aspects: labor and human rights, health and safety, environmental protection, business ethics, and management systems that encompass 39 corresponding indicators of international sustainability standards. As of the end of 2019, 68% of the company's 31 suppliers had signed the Code of Conduct; the rate is expected to exceed 80% by 2021.





Supplier ESG risk assessment and procurement management

As focus of concern by global customers and even the general public has gradually shifted from price, quality, and service standards to social and environmental standards and legal liabilities of host countries, MediaTek has integrated assessment standards in the three aspects of economy, society, and environment and oversee compliance by suppliers and intensify its fulfillment of corporate social responsibilities in corporate governance, energy conservation and carbon abatement, green production, employee care, and social participation, in order to avoid the risk of damaging the interests of stakeholders by polluted environment, substandard product quality, and shortfall in capacity and manpower, a result of ill management, risks which will disrupt normal shipment, raise cost, and reduce revenue, thereby impairing the company's repute, image, and competitiveness.


Supplier ESG risk assessment method

The following table shows assessment aspects and standards. Those which pass risk assessment ( ≥ 60 points) are listed as priority procurement targets; high-risk suppliers have to 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.



### Economic assessment

<b>Management aspect</b>	<b>Management standard</b>	<b>Assessment weighting</b>
In accordance with MediaTek's strategic outlook for the market, we strive to enhance our product quality and work with our suppliers to pursue the highest quality standards in the industry as we continue to improve and develop innovative technologies	Delivery dates, production capacity, service, yields, introduction of new products; ISO 9001 quality management system; IATF 16949 automobile industry quality management system	34%



### Environmental assessment

<b>Management aspect</b>	<b>Management standard</b>	<b>Assessment weighting</b>
We strive to ensure that our suppliers do not use hazardous substances, introduce environment-friendly designs at the beginning of our product life cycle, and require that our suppliers work with us in putting sustainable innovation into practice	ISO 14001 environment management system; QC 080000 HSPM hazardous substances regulations, Sony Green-Partner	33%



### Social assessment

<b>Management aspect</b>	<b>Management standard</b>	<b>Assessment weighting</b>
We ensure that our suppliers fulfill their social responsibilities, adhere to international labor rights, and provide healthy and safe workplaces	Supplier Code of Conduct, Responsible Business Alliance, SA8000 Social Accountability International Standards on non-conflict minerals, OHSAS 18001 Occupational Health and Safety Management System	33%

Supply chain certification assessment results

Aspect	Economic assessment		Environmental assessment		Social assessment	
	ISO 9001	IATF 16949	ISO 14001	Sony Green-Partner/ QC 080000 HSPM	ISO 45001	RBA/SA 8000
Category	Quality Management System	Automobile Industry Quality Management	Environmental Management System		Occupational Health and Safety Management	Social Responsibility Management
Fab companies	100%	100%	100%	100%	100%	100%
Assembly companies	100%	100%	100%	100%	100%	100%
Testing companies	100%	100%	100%	89%	67%	89%
Memory manufacturers	100%	100%	100%	100%	70%	70%
Overall proportion	100%	100%	100%	97%	81%	87%

Risk level: Low risk (X > 60%) | Medium risk (60 > X > 30%) | High risk (X < 30%)

Result of supplier ESG evaluation

After securing proportions of certification and taking weighting into account, all suppliers meet ESG evaluation standard, without potential risks in the aspects of economy, environment, and society, except one with high risk, since it conducted a self-audit of social-aspect management, in place of third-party auditing, which affects its assessment performance. However, it passed reassessment carried out by MediaTek.

ESG evaluation result	Number of suppliers
100~80 points	29
79~60 points	1
<59 points	1(high)


Note (high) high-risk supplier



Assessment System of Supplier Corporate Social Responsibilities

MediaTek evaluates suppliers from four aspects, helping MediaTek understand performance of suppliers in CSR and suppliers learn of MediaTek's CSR policy and requirements.

Four major components of supplier inspections

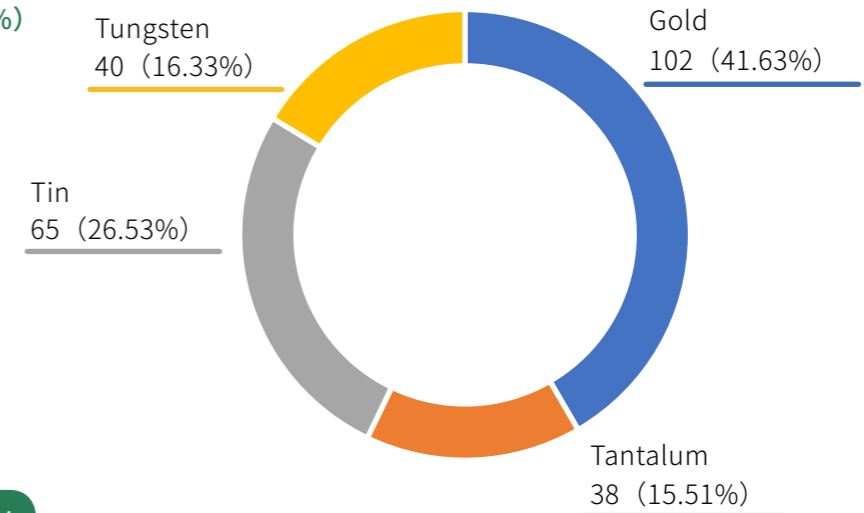
Components	Implementation method	Description	Goal	Benefits and Performance
 Corporate social responsibility commitments	Review specific supplier corporate social responsibility commitments	MediaTek believes that making commitments is a company's first step in displaying specific corporate social responsibility actions. Therefore, when reviewing company commitments, MediaTek specifically confirms the scope of supplier commitment (limited to the company itself, or including subsidiaries and related companies), supplier commitment indicators (including whether all RBA indicators are included), and responsibilities borne by suppliers (including whether proposed commitments such as legal duties and actions). Suppliers with broader commitment scope and deeper responsibilities receive better review scores on this component.	Strengthen supplier motivation for proposing specific commitments	Allowed suppliers to understand MediaTek's emphasis on commitments and increased the proportion of suppliers who signed the Guarantee on Code of Conduct form.  For information on the proportion of suppliers who signed the Guarantee on Code of Conduct, please refer to 5.1.1 Mechanisms of Supply Chain Management.
 Management of supplier corporate social responsibilities	We conduct written and on-site review of supplier performance on corporate social responsibility indicators.	We conduct written and on-site reviews of corporate social responsibilities according to the scope of the RBA Code of Conduct. We require suppliers to fill out SAQs to obtain written self-assessment results, and then arrange on-site supplier audits to understand how suppliers manage indicators and the results.	Enhance our understanding of specific supplier actions	Suppliers' CSR/PRA open disclosure rate increased to 87%, from previous year's 76%.
 Corporate social responsibility projects	Review suppliers' best corporate social responsibility project for the year	Differing from corporate social responsibility management, MediaTek emphasizes the importance of proactive actions. Therefore, we seek to understand and review the annual corporate social responsibility projects of our suppliers. We encourage our suppliers to work with MediaTek for mutual growth, to build sustainable business models, and we also conduct performance assessments of projects we collaborated on.	Strengthen active communication channels between MediaTek and our suppliers	In-depth communication in three Supplier Conferences.
 Public disclosures of corporate social responsibilities and communication of results	Review public disclosures of results such as corporate social responsibility report and attainment of domestic and overseas corporate social responsibility awards	We believe that external communication is one of the most important actions of corporate social responsibility, and therefore suppliers' communication of results is an important review item for MediaTek. We review whether suppliers publicly disclosed their corporate social responsibility actions through the publication of reports (or such), whether they are active in disclosing their performance on public platforms (for example CDP and DJSI), and whether they are active in obtaining domestic and overseas awards (for example TSCA awards).	Enhance supplier focus on public information disclosures of corporate social responsibility actions	Every year, we host supplier conferences to encourage and thank our suppliers for their close collaborations and efforts, and 2019 was no exception. Since 2018, the MediaTek Supply Chain Social Responsibility Awards have been given out to encourage more suppliers to engage in social responsibility and work with MediaTek to build sustainable value chains (Please refer to 5.1.2 Leveraging MediaTek influence)

Conflict minerals

Protection of human rights is one of MediaTek's core social responsibility missions. Since 2011 we have been conducting conflict mineral inspections, and require our 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, thus proving that the materials used in their products come from non-conflict areas.

In addition to 3TG due diligence, the company began using CRT to conduct cobalt inspections for suppliers in 2018. With increasing information from suppliers, the company expects to make detailed smelter information disclosure by 2021.

RMI certified smelters  
Total: 245 (100.00%)



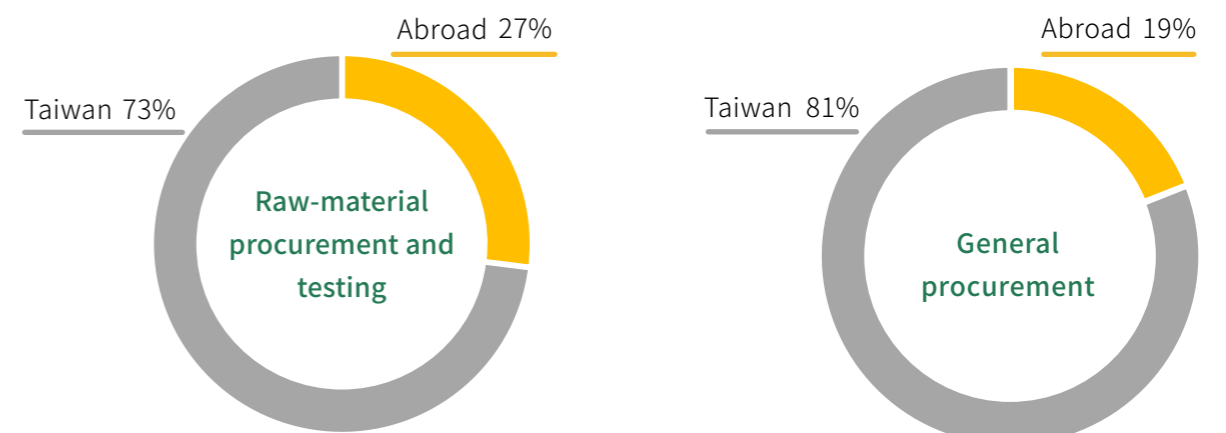
Local procurement

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 the company's procurement of both raw materials and common goods.

Procurement status

Procurement types	Procurement items	Distributed regions
Raw material procurement and testing	Wafer, IC assembly, IC testing	Taiwan/China/Singapore/Korea
General procurement	Suppliers provide equipment, hardware facilities and maintenance, component parts and supplies, application software, and testing services	Taiwan/China/U.S./Europe

Proportion of local procurement





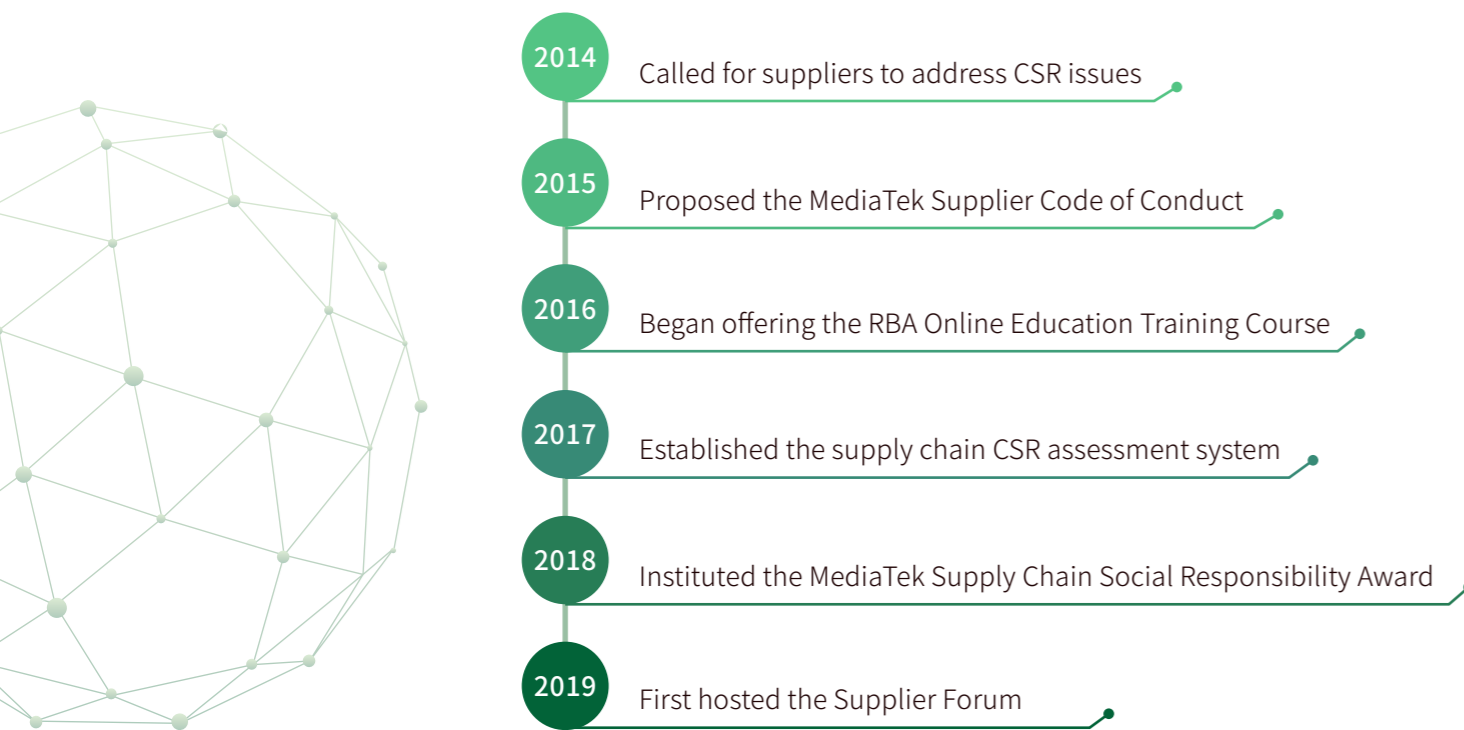
### 5.1.2 Leveraging MediaTek's influence

As a responsible global citizen, MediaTek is proactively engaged in promoting corporate social responsibility. To guarantee that both MediaTek and our suppliers fulfill our respective responsibilities, we have established a Supplier Code of Conduct, and seek to work with suppliers to live up to our responsibilities as global citizens.

We have introduced a comprehensive assessment system, and recently established a reward system that encourages suppliers to continue to strive toward their corporate social responsibility performance goals.

Our vision for supplier management is closely associated with our corporate management principles. We will continue to monitor and comply with related declarations and standards pertaining to our responsibilities in international society, in hopes of achieving sustainable growth within our value chain. MediaTek's actions in fulfilling our supply chain responsibilities are presented as follows:

#### Steps to Promote Sustainability among Suppliers



#### Enabler for sustainable management: Supplier Forum

As an industrial leader bearing the responsibility for pushing sustainable management, in line with UN sustainability goal, MediaTek held a forum on responsible supply chain in 2019, with the themes of SDG12 and SDG 13 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. As a fabless semiconductor company relying on suppliers for raw-materials procurement and manufacturing, MediaTek urged suppliers to carry out action plans for green manufacturing, circular economy, and renewable energy, plus pledge for 2% reduction in greenhouse-gas emission a year.

In view of enthusiastic response to the forum, boasting near 100% attendance rate and heated discussion and exchanges, MediaTek has decided to make it an annual event, in order to realize green manufacturing for sustainable development.

### MediaTek's Responsible Supply Chain is Aligned with the UN Sustainable Development Goals



#### SDG12 Responsible Consumption and Production

##### Concept

Ensure sustainable consumption and production models, with MediaTek acting as an enabler to align the entire supply chain with sustainable management trends concerning the environment and occupational health & safety

##### Action

- Host regular Supplier Forums that
  - Invite suppliers that excel on sustainability inspections to share their achievements and experiences in promoting energy conservation, carbon emissions reduction, water conservation, and the management of chemicals and waste products
  - Share MediaTek's experiences in promoting occupational health and safety
  - Invite industry speakers to host lectures and training sessions for suppliers

##### Targets

- Strengthen occupational health and safety management capabilities of supply chain partners to reduce risks
- Promote supplier interactions to enhance overall industry competitiveness
- Establish domestic and international support activities pertaining to sustainable supply chain development



#### SDG13 Climate Action

##### Concept

Serve a leading role in the semi-conductor industry in developing strategies for climate action, in response to international and national environmental actions and carbon reduction policies; proactively reducing greenhouse gas emissions, promoting the use of renewable energy, and increasing international participation

##### Action

- Climate strategy
  - Evaluate the risks and opportunities faced by MediaTek in response to climate change, including disaster prevention and adjustment capabilities (Please refer to 5.2 Climate-Related Risk Management)
- Conserve energy and reduce emissions
  - Progress towards carbon-zero productivity in each business unit
  - Gradually adopt renewable energy (Please refer to 5.3.2 Resource Management)

##### Targets

- Establish a climate change risk database for the IC industry to compile related risks and opportunities and guide future direction of industry climate strategy
- Promote low-carbon manufacturing in the supply chain and set the common goal of cutting 2% greenhouse-gas emission a year





## 5.2 Climate-Related Risks Management

Below is MediaTek's management in the thematic areas of Governance, Strategy, Risk Management, and Metrics and Targets, a framework outlined by the Task Force on Climate-related Financial Disclosure (TCFD).

Thematic Areas	Management Actions	Corresponding Chapter
Governance	<b>Supervision of the board of directors and the role of management</b> CSR Committee holds periodic meetings chaired by our CEO cum Director, covering such topics as climate risk to business sites, energy-efficiency evaluation, evaluation of various environmental influences on supply chain, and goal-setting. Results of discussion and execution are then submitted to the Board of Directors.	4.1 Governance Structure
		4.5 Risk Management
Strategy	<b>Identified climate change-related risks and opportunities</b> Of the possible risk items with high impact potential in recent World Economic Forum's Global Risk Reports, climate change has invariably been one of the chart-topping items. In addition to its impact on the global environment and ecology, climate change increases enterprises' operating risks. As a leading IC design company, MediaTek is fully aware of the impact IC supply chain has on the environment, specifically, of the consequences manufacturing processes could cause to the climate and water resources. It has pledged to develop energy-conserving products continuously, carry out environment-friendly practices, and exercise its influence to have suppliers join the effort.	5.2 Climate-Related Risk Management
	<b>Risks and opportunities in organization's business and strategy</b> 1. Assessment of transformation risks targets, mainly, (1) Impact of the manufacturing process, carried out by our suppliers, on the environment, specifically, in the fields of climate change, energy, and water resources. (2) Management of energy and other resources for business operation in the five major aspects of power, water consumption, waste management, transportation, and greenhouse gas. 2. Assessment of physical risks, or disasters, including water rationing, power rationing, power outage, typhoon, and flood. 3. Climate-related opportunities: By designing power-efficient, space-saving chips, we strive to alleviate their impact on the environment when they go through their life cycles of usage and waste.	4.5 Risk Management
		5.3.2 Resource Management
		2.3 Innovation Achievements
		4.5 Risk management
Risk Management	<b>Identification, assessment, and management flow of climate-related risk</b> 1. We ground our management of transformation risks on supply chain management and ISO 14001 environmental management system: (1) We screen suppliers via the three aspects of ESG, confirm establishment of management system and organization, conduct annual on-site and monthly paper audits, arrange related education/training or improvement meeting, and award suppliers with excellent performance at Supplier Conferences. (2) We apply the PDCA management cycle to align our goals and strategy relating to environmental protection; against pollution, a prevention-improvement mechanism was established. 2. Management of physical risks are laid out in the Business Continuity Plan (BCP) and executed by the Business Continuity Management Committee. Relevant business and functional units evaluate, respond to, and track risks according to the BCP. A risk analysis is done by evaluating scope of impact and opportunities in the aspects of environment, governance, and society. Response measures are planned accordingly and implemented.	5.1 Supply Chain Management
		5.2.1 Business continuity management
		5.3.2 Resources management
	<b>Incorporation into organization's assorted risk management system</b> Climate-related risk has become a topic reported to the CSR Committee for discussion aperiodically.	4.1 Governance Structure
		4.5 Risk Management

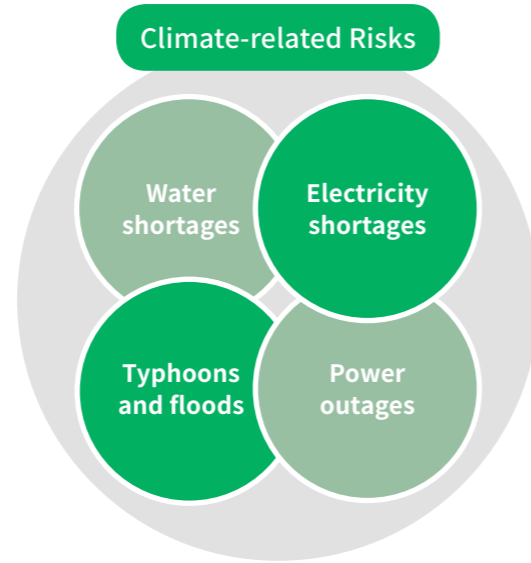
Category	Management actions	Corresponding Chapter	
Metrics and Targets	<b>Indicators for assessing climate-related risks and opportunities</b> Power consumption, greenhouse-gas emissions, water consumption, number of days for disrupted operation	5.1 Supply Chain Management	
		5.2.1 Business Continuity Management	
		5.3 Facility Management	
	<b>Greenhouse-gas emission and related risk</b> 1. The company has conducted greenhouse-gas inventories starting from 2016. Starting from 2020, inventory will be done according to ISO 14064 and will be subject to external verification. 2. In line with our action plan, we continue to rally our suppliers to work towards low-carbon manufacturing and to develop energy-conservation technology.	5.3 Facility Management	
		<b>Goals and performance</b> 1. Reduction of energy consumption by product design: We have lowered 9% of power consumption of end devices powered by MediaTek in 2019 (cf. 2018). 2. Chip downsizing: We have reduced the size of our IC products by 10% in 2019 (cf. 2018), equivalent to 13,585 kg of waste. 3. Based on existing process technological and resources, MediaTek and its suppliers set the goal of reducing greenhouse-gas emission by 2% a year, joining the effort of the Paris Agreement in keeping temperature increase under 2 degrees Celsius, in the hopes of cutting greenhouse-gas emission by 45% at least by 2035. 4. Operation in key areas, such as data centers and labs, cannot afford be disrupted, and general office areas must be restored one day ahead of workdays, so as to prevent disruption to regular business. 5. In 2019, we 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) Cutting power consumption at datacenters by 4% within four years and (2) Boosting annual output of solar power to 200,000 kWh. 6. Water consumption dropped by 3.7% on average in 2019, which is targeted to be raised to 5.4% in 2020.	2.3 Innovation Achievements
			5.1 Supply Chain Management
	5.2.1 Business Continuity Management		
	5.3 Facility Management		





### 5.2.1 Business Continuity Management

MediaTek actively identifies climate change-related risks (including water shortage, power shortage, typhoon, and flood) and formulates countermeasures via business continuity management mechanism, in order to mitigate impact of extreme weather on operation and loss. In case climate threatens the production or supply of supply chain, supply-chain emergency response procedure will be activated, with a dedicated team managing and supervising potential risks of supply chain and formulate countermeasures (as part of business continuity plan), in the hope of having firm grip on suppliers' production and shipment status. Suppliers are also required to formulate contingency plan and notify MediaTek instantly following occurrence of disasters, to as to minimize loss and resume production within shortest time possible.



Climate-related risks	Impact on operations	Countermeasure	Indicators and goals
<b>Water shortage</b>	If water supplies are cut and stored supplies are unable to meet demand, key factory equipment such as water chiller units will be unable to operate, which will cause critical Data Center equipment to cease operating. MediaTek relies on this infrastructure for R&D design. Therefore, water outages can be expected to halt business operations.	<ul style="list-style-type: none"> <li>Separate equipment and daily-life water consumption and capacities of stored water for both usage.</li> <li>Transfer water with water-transport car from office buildings with large water storage to building with less storage.</li> </ul>	<ul style="list-style-type: none"> <li>Equipment water in store is sufficient for over one week of usage (exceeds longest water-rationing period possible).</li> </ul>
<b>Electricity shortage and power outage</b>	In the event of a power outage, all factory equipment will cease to function, and this will also cause critical Data Center equipment to cease operating. MediaTek relies this infrastructure for R&D design. Therefore, power outages can be expected to halt business operations.	<ul style="list-style-type: none"> <li>Install UPS equipment, with capacity sufficient to meet the needs of all the datacenters.</li> <li>Install generators, with capacity sufficient to meet the needs of all the datacenters.</li> <li>Arrange tank trucks to replenish oil tanks for generators.</li> </ul>	<ul style="list-style-type: none"> <li>UPS batteries can last over five minutes (longer than the time to activate generators)</li> <li>Fuel oil in store for generators can last over 10 hours.</li> <li>Oil transport by tank trucks can last over one week (more than longest power outage period possible).</li> </ul>
<b>Typhoons and floods</b>	Typhoons and floods that impact a wide area and persistent for an extended period may damage certain facilities and affect normal business operations.	<ul style="list-style-type: none"> <li>The typhoon response team will be activated prior to the arrival of typhoons to examine generators, fire protection systems, and pumping facilities. Sandbags will be prepared and inspection patrols of office environments will carry out other typhoon readiness measures.</li> <li>After typhoons make landfall, response team custodian mechanisms will be activated, while inspection measures will be initiated to secure the normal functioning of important equipment.</li> <li>Restoration efforts will be conducted immediately after typhoons pass to ensure that all systems and overall office environments can resume normal operations as soon as possible.</li> </ul>	<ul style="list-style-type: none"> <li>Operation of key areas of the company, including IT datacenters and laboratories, cannot be disrupted.</li> <li>General office environment must be restored on day before workdays, without affecting normal operation of employees.</li> </ul>



### 5.3 Environmental Management

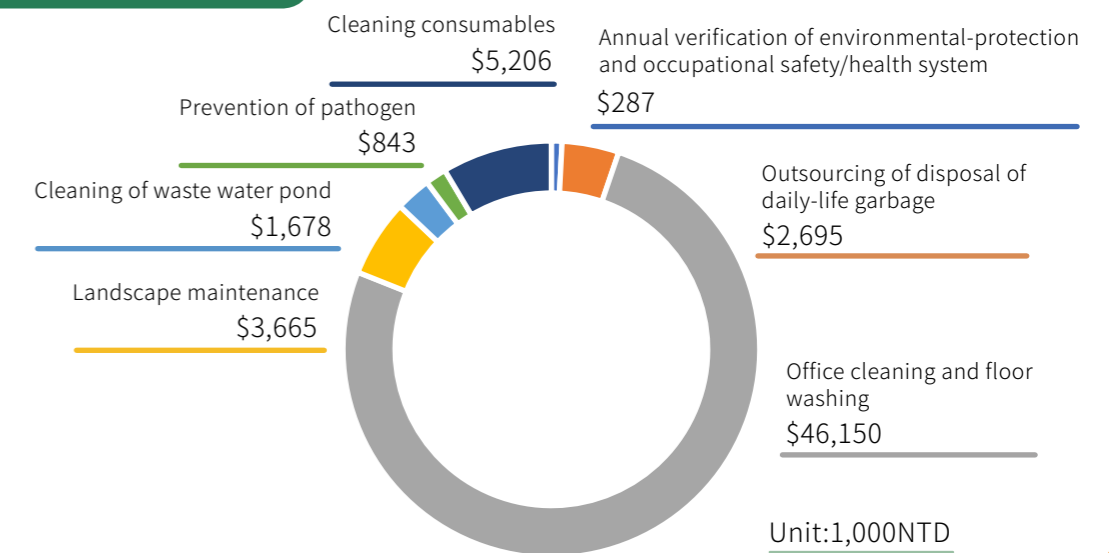
In addition to active identification and continuing management of climate-related risks, we are committed to promoting environmental protection and energy conservation/carbon abatement, looking for countermeasures to climate change. Thanks to energy-conservation and carbon-abatement measures on campus, MediaTek attained 8.6-14% power saving, which has been targeted to be raised to 11.6% in 2020.

#### 5.3.1 Environmental Policy

We are 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. These are not only parts of MediaTek's corporate social responsibility, but also an important asset that maintains our competitiveness in the business environment. MediaTek invested 60.53 million NTD on environmental causes in 2019. These funds are invested in the following areas:

Item	Actions	Results
<b>Legal compliance</b>	Adhere to environmental protection, health and safety laws and other governmental requirements, and also respond to international green and zero-incident initiatives.	In 2019, there were zero violations of environmental protection regulations at MediaTek (zero penalties).
<b>Green design</b>	Environmentally conscious designs are implemented in products through energy-efficient production processes and use of non-toxic materials. We strengthen our environmentally conscious procurement and management so that our products, services and outsourced companies can all adhere to international green trends, thus achieving our commitments to environmental protection.	MediaTek products all comply with ROHS and WEEE regulations and do not use prohibited substances.
<b>Education and training</b>	Strengthen education and training participation in environmental protection and health and safety for all personnel, helping them support environmental protection through reduction in resource and energy usage, recycling and reuse. In addition we ensure labor health and safety and other workplace hazards.	In 2019, we completed environmental and safety training for new hires; training completion rates were 100%.
<b>Continued improvement of resource management systems</b>	Eradicate hazards, reduce risks, and continue to improve management systems, including adopting ISO 14001 and ISO 45001, to enhance management performance. Additionally, we require all contractors to adhere to our "Procedures for Contractor EHS Management" so that all external and internal personnel can fully understand EHS policies and ensure appropriateness and effectiveness in continued operation of EHS management systems.	Completion of ISO 45001:2018 new edition verification in 2019. Scheduled to complete outsourced verification of ISO 14064 in 2020, in line with latest edition of international management system.

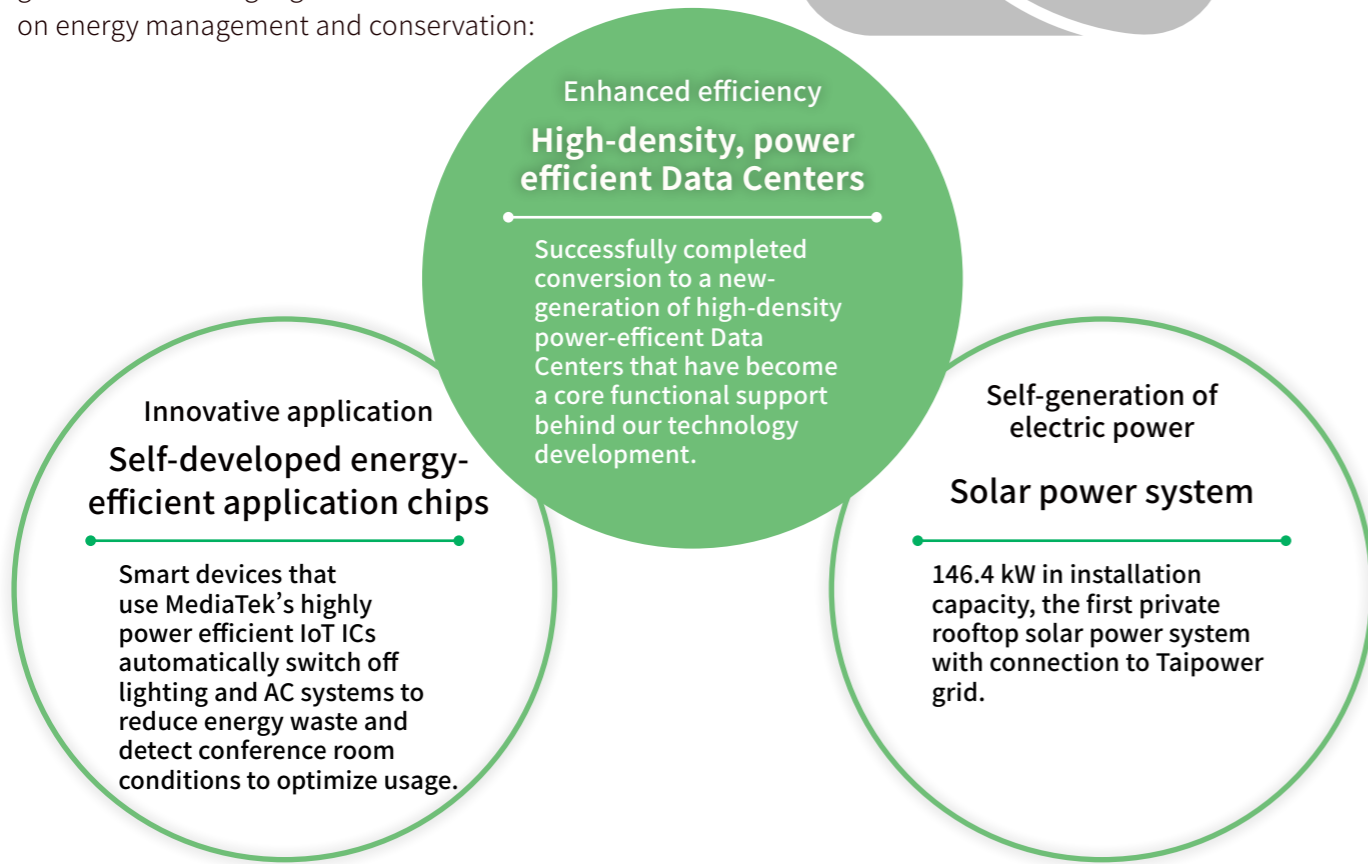
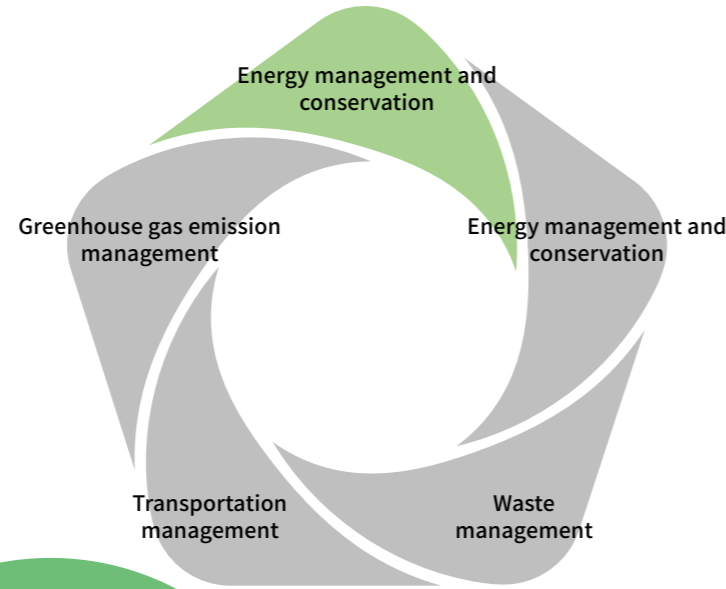
#### Expenditures for environmental protection



### 5.3.2 Resource Management

MediaTek has passed certification for the ISO 14001 environmental management system and maintains consistency in our environmental protection goals and implementation strategies, in accordance with PDCA management cycles and systematic management methods. We have also established mechanisms for pollution prevention so that MediaTek can exert more influence on environmental protection. MediaTek is a low energy-intensive company. Our internal energy management processes are divided into the five aspects of electricity, water, waste management, transportation, and greenhouse gases. Our three highlights for 2019 were focused on energy management and conservation:

#### Five aspects of resource management



#### Highlight 1: Enhanced efficiency: High-density power efficient Data Centers

MediaTek is focused on the development of innovative technologies and our qualitative and quantitative needs in information computing continue to rise. As Data Center environments impact information computing efficiency and because high-speed computation typically consumes large amounts of energy, MediaTek has a long-term commitment to enhance the efficiency of our Data Centers.



#### Result and goal of high-density energy-conserving datacenter

Current Results	Short term	Long term
<ol style="list-style-type: none"> <li>Continuous optimization of datacenters, with PUE (power usage effectiveness) of first new-type energy-conserving datacenter reaching 1.35 in 2019.</li> <li>Calibrate new office equipment to energy-conserving mode with optimal operation.</li> </ol>	<ol style="list-style-type: none"> <li>Continuous optimization of 2nd energy-conserving datacenter, with PUE reaching 1.38 in 2019. 3rd datacenter launched operation in 2019, with PUE reaching 1.43, expected to advance to 1.39 in 2020.</li> <li>Balance corporate development and energy conservation/carbon abatement continuously and establish cross-site platform for sharing optimal management practices, including exchange and sharing of optimal energy and resources conservation among offices worldwide.</li> </ol>	<ol style="list-style-type: none"> <li>Attain 4% power saving for all the corporate datacenters within three years.</li> <li>Offices worldwide refer to cases of optimal energy-conservation practices to improve energy conservation.</li> </ol>

Increase usage efficiency by **15%**  
 Obtained Gold green building certification (LEED)

#### Improvement of first datacenter

Via improver of power-consumption system, air conditioner, cabinet, hallway, and lighting, break the constraint of traditional central machine room, converting existing central machine rooms, inaugurated in 2015, into new-generation high-density energy-saving datacenters, capable of meeting the need of new-type high-energy, high-heat servers, as strong backup for technology R&D.

After completion of first-stage improvement in 2017, PUE of new-generation IT machine room stood at 1.37, dropping further to 1.35 in 2018/2019 following reduction of air-conditioning power consumption, compared with 1.6 of traditional central machine room, for 15% improvement rate, already golden grade for LEED (Leadership in Energy and Environmental Design) for green-building certification.

#### Installation of 2nd/3rd datacenters

Inaugurated in 2017/2019, respectively, the second and third datacenters, on top of the merits of the first one, boasts flexible, modularized, segment, and virtualization design, to meet the need of IT staffers for long-time work in datacenters, taking into account data protection, environmental concern, and workplace friendliness, thereby attaining the five major functions of datacenter.



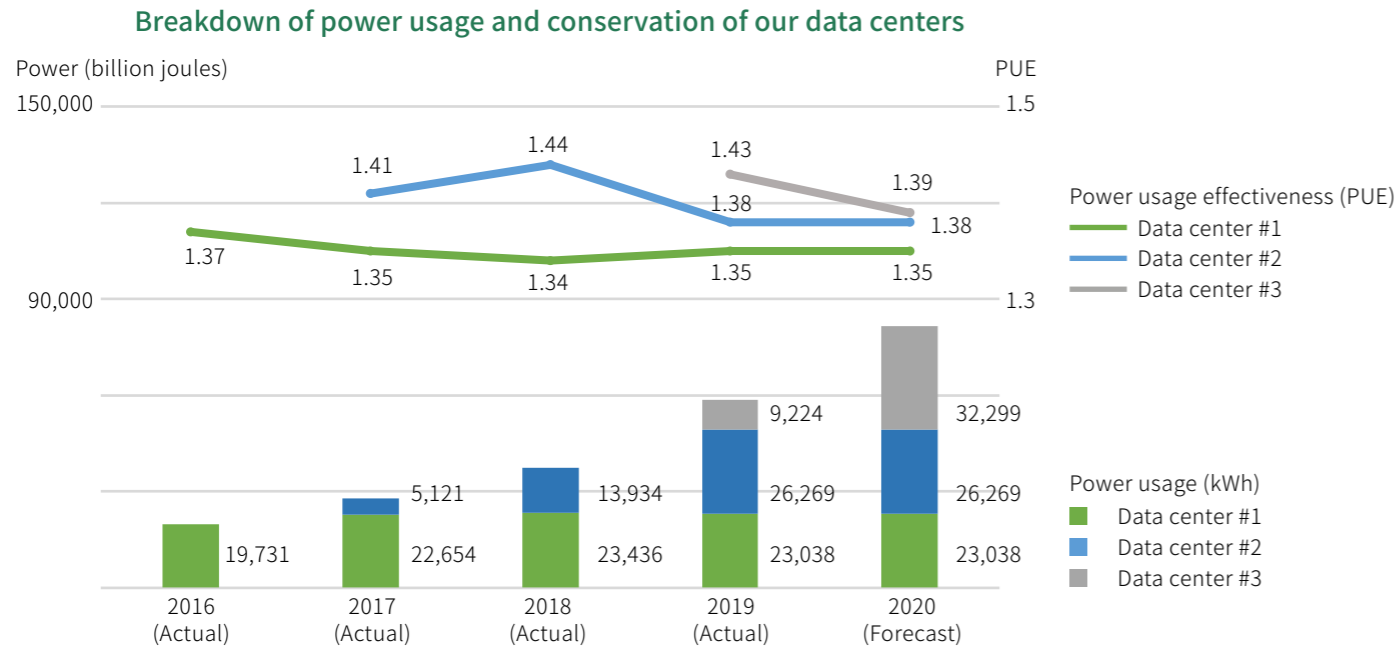


The three high-density datacenters can attain annual power savings of 1.76 million kWh (6,336 Gj), 4.34 million kWh (15,624 Gj), and 14.2 kWh (51,120 Gj), respectively, totaling 20.3 million kWh (73,080 Gj), which reduces carbon emission at a scale 28 times the annual carbon absorption amount of Daan Park in Taipei.

[note] 1 kWh=3.6 million joules

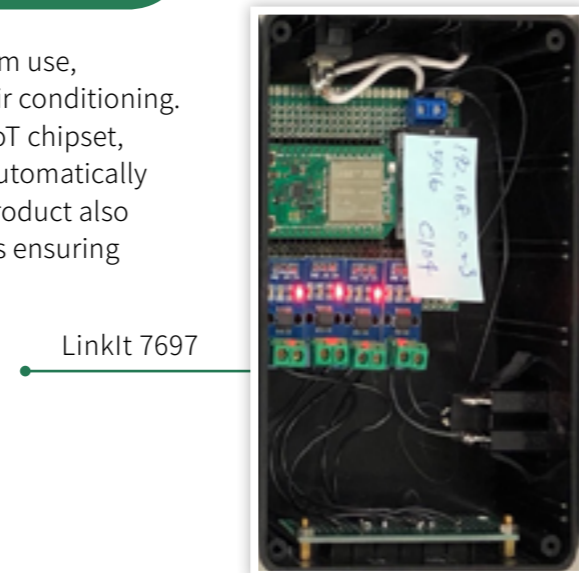
[note] 20,300,000\*0.533 (carbon coefficient)= 10,819,900 kg/CO2e = 10,820ton/CO2e

Annual power saving reaches **20.3 kWh**, equivalent to **60.9 million NTD** in power bill.



### 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.



MediaTek has over 100 conference rooms and 3 kWh of power is saved each every day, the annual saving will reach 564 kWh each room (2 Gj). Related effort will be expanded to the aspects of safety and resources in the future.



### Highlight 3: MediaTek's new solar power system

We took advantage of our roof-top space at the HQ 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.

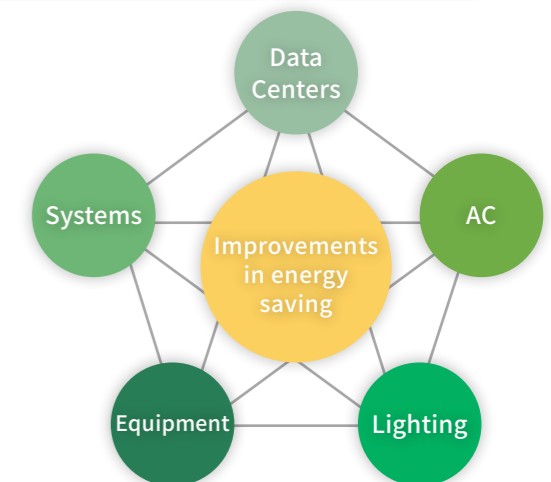
Rooftop solar panels are estimated to cut temperature of top-floor office by 3-5 degrees Celsius, reducing air-conditioning power consumption significantly. With installation capacity reaching 146.4 kW, the solar power system was inaugurated in March 2019, following connection to Taipower grid, generating 140,000 kWh of power during the March-Nov. period. Its annual output is estimated at 200,000 kWh (720 Gj), capable cutting CO2 emission by 107 metric tons/ CO2e, equivalent to 0.2% the company's total power consumption of 91.91 million kWh (330,859 Gj) in 2019.

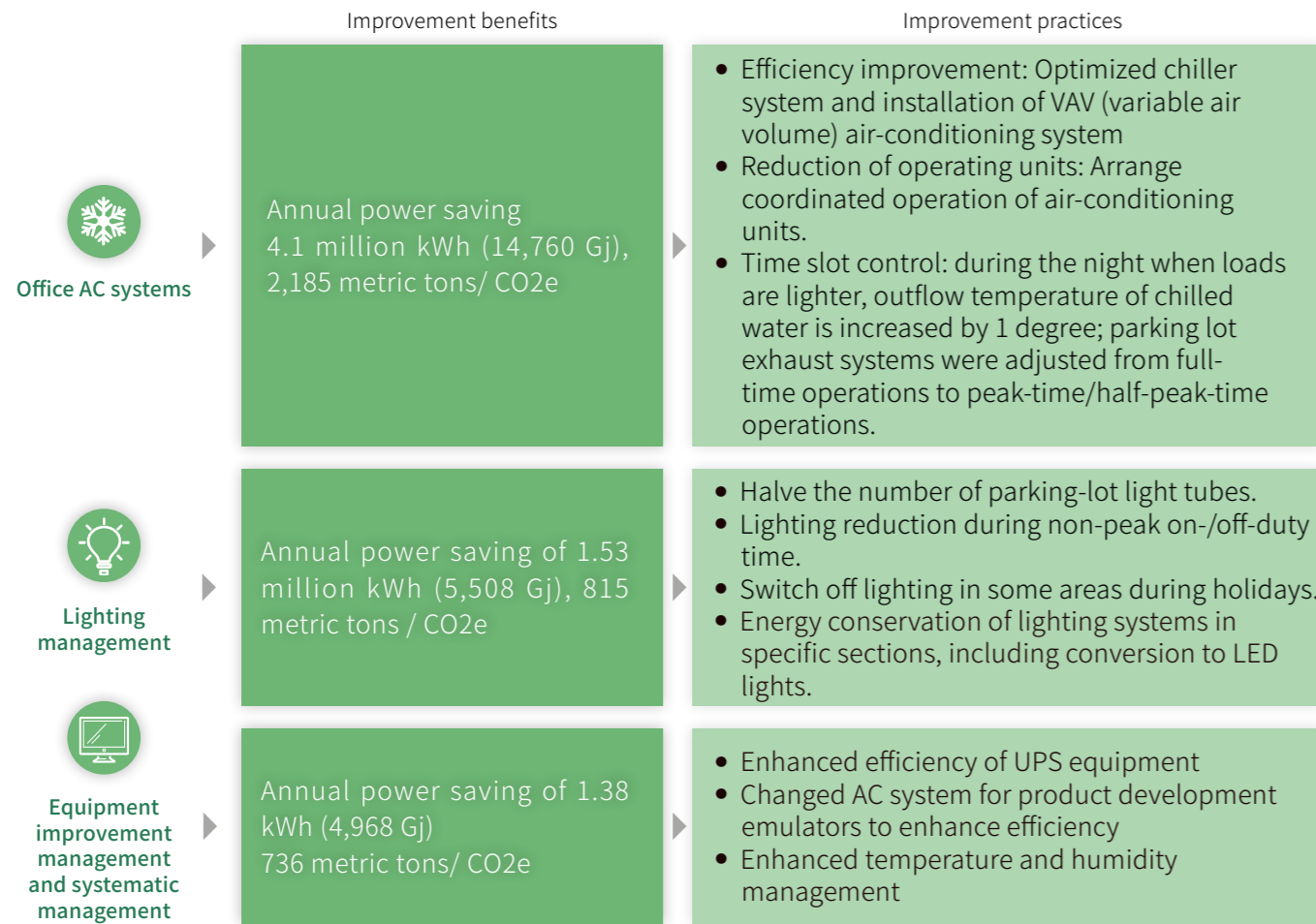


### Energy management and conservation

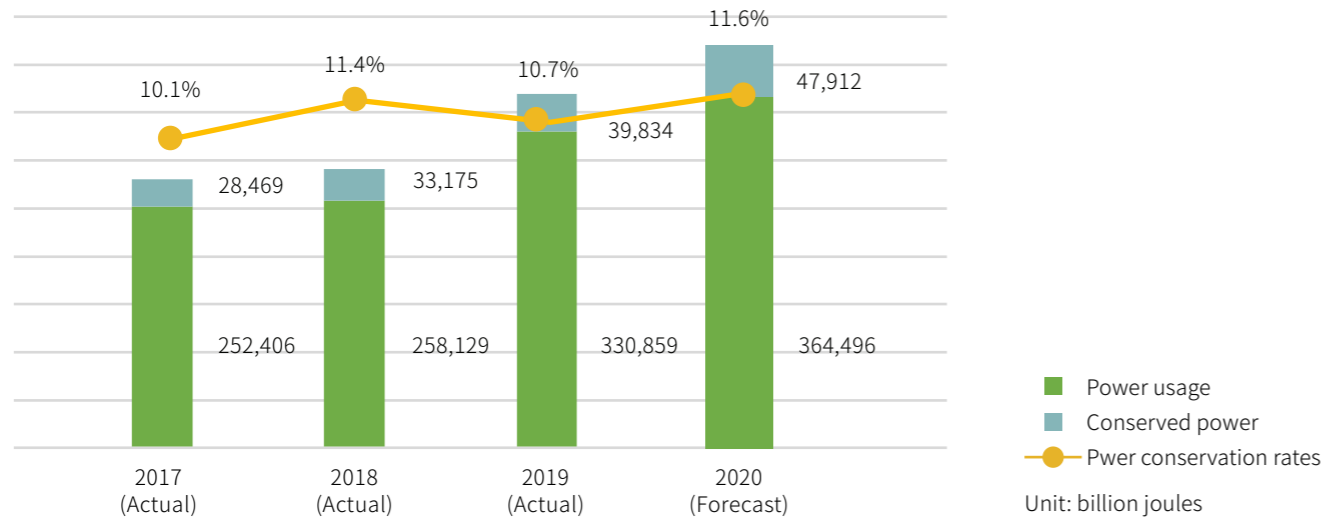
The company's power consumption hit 91,905,000 kWh in 2019, 28% higher than the previous year, due mainly to addition of three office buildings to MStar and inauguration of the Wireless Communication Building at the HQ.

In recent years, MediaTek has dedicated to the effort of energy conservation and carbon abatement, attaining 10.7% power saving on average, targeted to be raised to 11.6% in 2020. The following table shows the company's power-saving measures in central machine room(see Highlight 1, p.56), efficiency improvement and power-bill management for office air conditioning, lighting, and equipment.





Power usage and conservation of our data centers

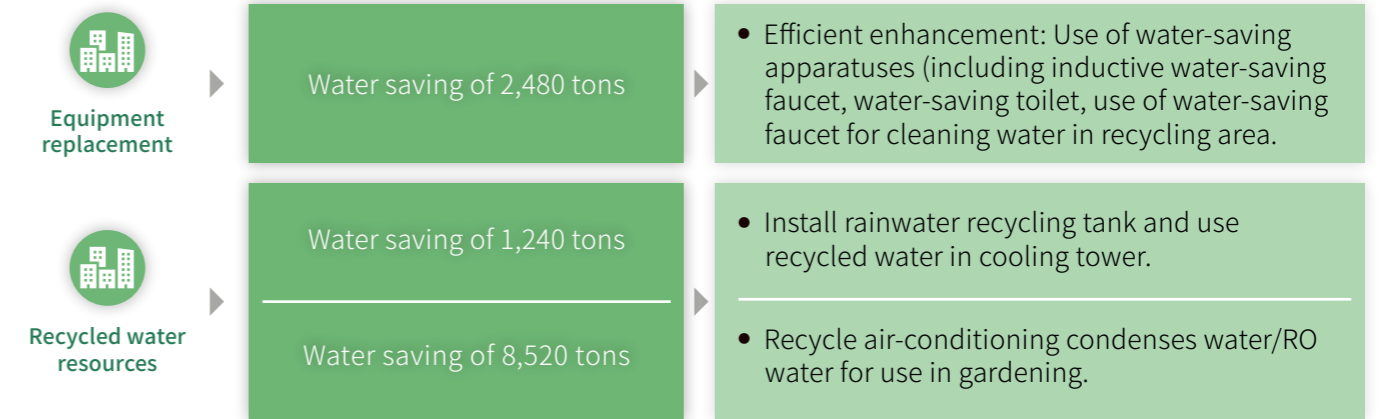


Data scope: Offices in Hsinchu Science Park/Zhubei/Taipei (coverage scope 100%)

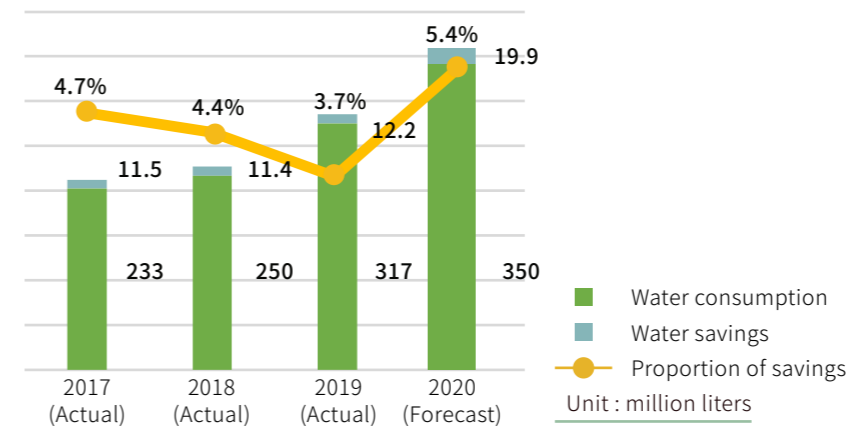
Water resources management

Water supply for MediaTek offices comes from waterworks of various areas. The company's water consumption totaled 317,489 metric tons (around 317 million liters) in 2019, 27% higher than previous year, due mainly to addition of three office buildings to MStar and inauguration of the Wireless Communication Building. Thanks to continuing execution of water-resources improvement plan, the company attained 3.7% water saving, which is targeted to rise to 5.4% in 2020. Waste-water discharged increased by 14% to 158,415 metric tons (around 158 million liters), due mainly to addition of three office buildings to MStar and inauguration of the Wireless Communication Building.

[note] one metric ton of water equals around 1,000 liters.

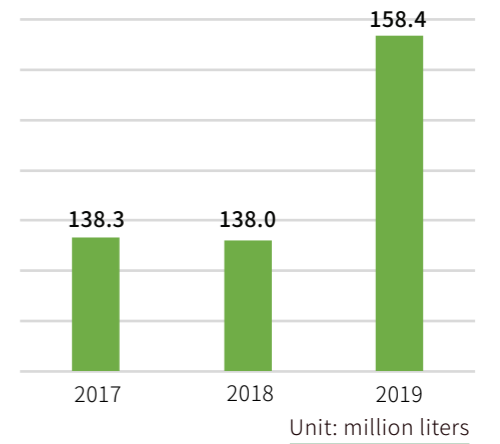


Water consumption and savings



Data scope: offices in Hsinchu Science Park/Zhubei/Taipei (coverage scope 100%)

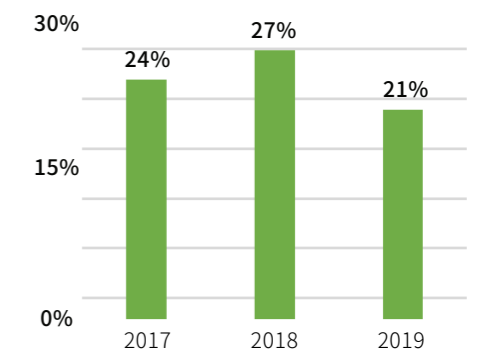
Waste-water discharge volumes in recent three years



Waste management

In order to facilitate resource recycling and reuse, we strengthened waste management and focused on waste reduction, effectively separating, recycling, reusing, and disposing of waste. We continue to improve upon the environmental impacts of waste storage, transportation, and disposal. 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. Waste recycling rate reached 21% in 2019 (lower than 2018, due to the joint effort the company and employees in waste abatement).

Recycling rate in recent three years



[note] Recycling volume/total waste volume



2019 waste disposal table

Category	Waste category	Disposal method	Disposal volume (metric ton)	Percentage
General waste	Daily-life garbage	Incineration	37.86	46.37%
	Waste paper	Recycle	8.26	10.12%
	Waste iron container	Recycle	0.20	0.24%
	Waste aluminum containers	Recycle	0.20	0.24%
	Waste lighting products	Recycle	1.42	1.74%
Hazardous waste	Waste electronic components/parts, leftover materials, and defective products	Outsourced disposal	33.72	41.30%
Total			81.65	100%

Green transportation

Item	Explanation	Performance
<b>Commuting shuttle bus</b>	The company launched commuting bus service in June 2015, leasing four large buses to travel four routes to carry employees at fixed stops, a ride sharing practice which can not only reduce energy consumption and carbon emission but also promote environmental-protection concept among employees.	In 2019, the commuting buses served 45,529 person/times (six/eight bus travels for coming to and leaving offices every day), 17% more than 2018.
<b>Cross-site shuttle buses/inter-office shuttle bus</b>	The Company provides cross-site shuttle buses that make shuttle runs every 20 minutes to reduce energy consumption and carbon emissions from driving. Provide inter-office electric-car shuttle service at an interval of 20 minutes, sparing employees the need of driving and cutting energy consumption and carbon emission.	In 2019, the shuttling service served 29,756 person/times, 5% more than 2018.
<b>Cross-site M-Bikes/inter-office M-Bike</b>	To implement eco-friendly living and encourage our employees to exercise, we installed 10 bicycles that employees could use for cross-site trips. To promote environmental protection and exercise among employees, prepare 10 bicycles for employees to travel among offices.	The service served 3,486 person/times in 2019, 16% higher than 2018.
<b>Electric company motorcycles for security personnel/motorcycles for security guards</b>	To promote integration of environmental protection and daily transportation, the Company has installed two electric motorcycles for security personnel to use during routine patrols. Prepare two e-motorcycles for use by security guards to travel among offices.	In 2019, the total travel distance of the two e-motorcycles reached 1,165 kilometers, 33% higher than 2018.

Greenhouse gas emission Annual reduction goal for scope-2 greenhouse-gas emission: 10%

MediaTek's major emission source is power supply from external source. With continuing expansion of the company's business scale, we have strived to enhance power saving, in order to cut greenhouse-gas emission effectively. MediaTek has set 10% annual power-saving goal (power-saving volume/power consumption) (Power saving rate reached 10.7% in 2019, higher than the previous year, thanks to improvement in second/third datacenters and substitution of LED lighting for traditional one).

Scope 1 and 2 GHG emissions

Greenhouse gas emissions of energy usage at MediaTek include procured power, public facilities, boilers, cooling towers, and water chillers. The main source of emissions stems from Scope 2 (procured power), which makes up 95.9% of overall emissions. In future, we will continue to inspect greenhouse gas emissions at MediaTek to stay informed of possible impacts on the environment.

Scope 3 GHG emissions -commuting shuttle bus

To effectively cut business travel-related carbon emission, MediaTek has been actively addressing the issue of employee transportation. The company launched commuting bus service in June 2015, leasing large buses to travel four routes to carry employees at fixed stops, on top of inter-office electric-car shuttle service, reducing transportation-related carbon emission by 16,434 metric tons in 2019.

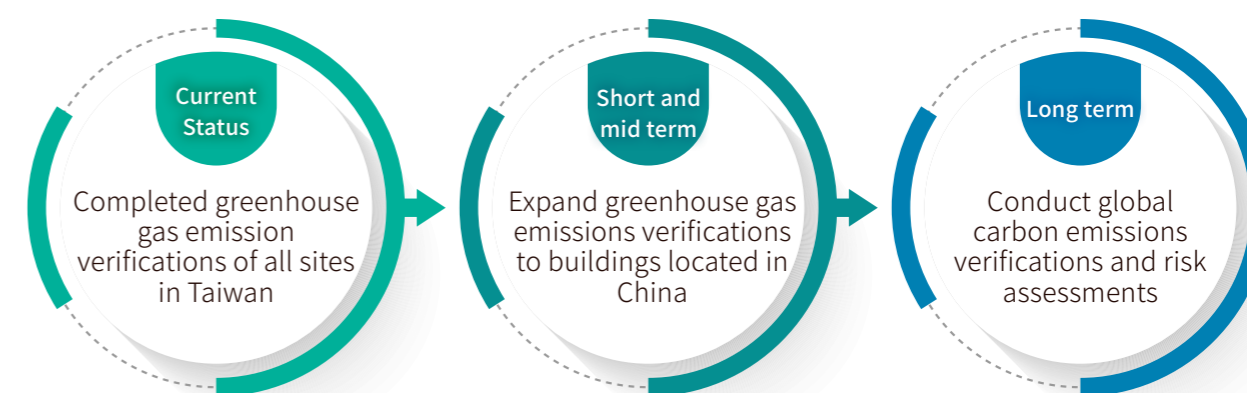
Greenhouse-gas emission in 2019

Item	Scope 1 GHG emissions			Scope 2 GHG emissions		
	2017	2018	2019	2017	2018	2019
Emission volume (metric ton)	748	808	2,095	37,070	37,941	48,985
Share of the scope of emission-data collection in revenue/employee number in Taiwan offices (%)	100%	100%	100%	100%	100%	100%

[Notes]

1. MediaTek began conducting self-inventory in 2016. Greenhouse-gas emission volume increased in 2019, due mainly to incorporation of three office buildings into MStar and inauguration of the Wireless Communication Building.
2. Scope 1 GHG emissions are direct emissions from sources owned or controlled by the organization.
3. Scope 2 GHG emissions are indirect emissions that result from the generation of purchased or acquired electricity, heating, cooling, and steam consumed by an organization.

GHG emission verification goals





**Management Approach for Material Issue: Social Welfare Activities (Non GRI Material Topic)**

**Importance to MediaTek:**

Technological innovation is more than an endeavor to spearhead the industry—we aspire to use our competencies to motivate social influence. Aggregating our resources, we aim to promote the accessibility of knowledge. Like technological innovation, we believe that knowledge drives a better future by bringing opportunities to people.

**Commitments and Relevant Policies:**

Setting technology as a competitive foundation for the next generation and working with society, we create a better future through education promotion, industry development, and social humanities.

Goals	<b>Accessibility to Science Education: Promotion of programming education</b> <ul style="list-style-type: none"> <li>Short term: Expand the pool of programming instructors in participating cities and counties</li> <li>Mid to long term: Assist various municipal governments in offering programming courses</li> </ul>		Specific Performance
	<b>Academic Support: Higher education and industry-university collaborations</b> <ul style="list-style-type: none"> <li>Short term: Support academic research</li> <li>Mid to long term: Collaborate with universities to develop cutting-edge research</li> </ul>		
	<b>Social Innovation: Promotion of the application of technology to resolve social problems</b> <ul style="list-style-type: none"> <li>Short term: Hold competitions to solicit ideas and proposals</li> <li>Mid to long term: Encourage project implementation</li> </ul>		
	<b>Welfare and Social Engagement: Support for philanthropic events related to social innovation and science education</b>		
Our Management System	<b>Responsible units</b> <ul style="list-style-type: none"> <li>Social welfare activities: MediaTek Foundation</li> <li>Industry-university collaboration: CTO Office</li> </ul>	Specific Performance	
	<b>Resources</b> <ul style="list-style-type: none"> <li>Budget: 60 million NTD, including 1.6 million NTD donation in the forms of equipment/materials/merchandises</li> <li>Manpower: 240 volunteers and 33 "Genius for Home" staff</li> </ul>		
	<b>Communication channels</b> <ul style="list-style-type: none"> <li>Official website of the Foundation: <a href="http://www.mediatekfoundation.org">http://www.mediatekfoundation.org</a></li> <li>Tel: +886-3-567-0766</li> <li>Foundation Facebook page: <a href="https://www.facebook.com/mediatekfoundation">https://www.facebook.com/mediatekfoundation</a></li> <li>"Genius for Home" workshops, website, customer service</li> </ul>		
	<b>Evaluation mechanism</b> <ul style="list-style-type: none"> <li>Based on project application requirements and participant satisfaction</li> </ul>		
		<b>Accessibility to Science Education</b> <ul style="list-style-type: none"> <li>Trained 159 programming instructors</li> <li>Expanded training and endorsement to 39 schools with our Practical Science Award Program (see 6.2.1)</li> </ul>	
		<b>Academic Support</b> <ul style="list-style-type: none"> <li>Supported 3 institution-level innovative research centers, with over 50 million NTD investment and 5 patent applications</li> <li>Formed industry-university alliances with universities, with over 30 patent applications</li> <li>Facilitated the employment of 5 talented professors from abroad and provided scholarships to over 500 masters and doctoral students (see 6.2.2)</li> </ul>	
		<b>Social Innovation</b> <ul style="list-style-type: none"> <li>Hosted the digital social innovation campaign, "Genius for Home," attracting 1,427 participants that covered 167 towns</li> <li>Offered AI training to 295 NASA Hackathon participants from 67 teams (see 6.1)</li> </ul>	
		<b>Welfare and Social Engagement</b> <ul style="list-style-type: none"> <li>Prepared to kick off construction of Hsinchu Children's Discovery Center</li> <li>Benefitted over 10,000 teachers, students, and locals with our Greater Chao Nan Cultivation</li> <li>Volunteer activities (see 6.3)</li> </ul>	

# Ch.6 Community Engagement

To be involved; care for communities through our global perspective and core capabilities to promote technology education and innovative technological applications, empowering innovation and local implementation.

- 6.1 Digital Social Innovation
- 6.2 Accessibility to Science Education and Academic Support
- 6.3 Welfare and Social Engagement

**Material Issue of this Chapter**  
.....  
Social Welfare Activities

**Genius for Home**

In 2019, the program attracted **1,427 participants**, their 360 proposals covering 167 towns, 45 of which overlapping with the government's placemaking targets. We also subsidized two award-winning teams from previous years in rolling out their plans.

**Promotion of programming education**

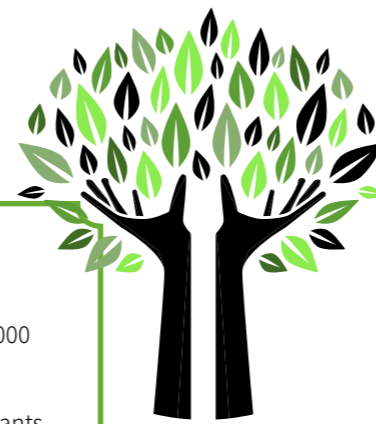
In collaboration with Yilan County, Kaohsiung City, and New Taipei City governments, we trained 159 teachers for programming education in 2019, benefitting 1,301 students.

We offered online IoT courses on Junyi Academy for equal access, accumulating **3,257 attendees**.

**Practical Science Award Program**

We received 121 primary-school entries in 2019, 40% of which from schools in remote areas; 39 entered municipal competition and 11 received national awards. 2,000 popular-science books were sent to 39 primary schools, inspiring **1,625 students** to read and share with their family and friends. Teachers' Day Camp cultivated 47 teachers capable of instructing science fair student projects.





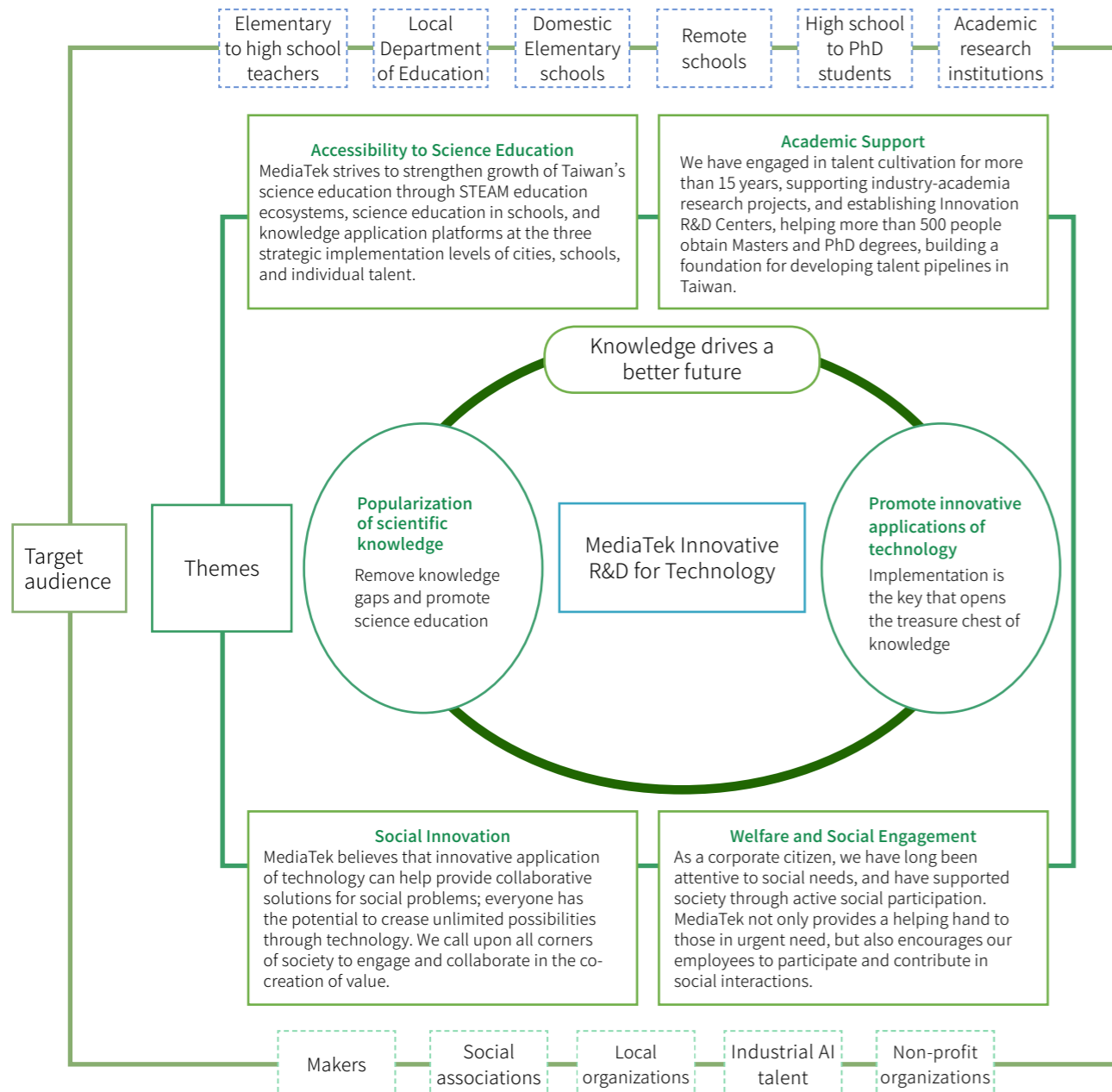
**The Heart of MediaTek Social Welfare: Shaping the Future of Taiwan through Building Knowledge & Personal Growth**

As of 2019, we have devoted over 1.8 billion NTD in community engagement, including collaboration with 7 county/city Education Bureaus in cultivating 273 science-education instructors, who in turn taught 2,521 students. We collaborated with the National Taiwan Science Education Center (NTSEC) to facilitate hands-on science projects, supporting 18,000 primary and high-school students and teachers in science education.

We promoted social innovation, the 'Genius for Home' campaign attracting 2,809 participants, who designed 683 solutions for 180 towns.

For more than 10 years, The MediaTek Foundation has worked on converting the Company's innovative capabilities into a driving force for science education and industrial advancement. We have worked closely with the government, academia, and among society to find solutions to problems we face. We have consistently endeavored through four avenues of action: "social innovation", "accessibility to science education", "academic support", and "welfare and social engagement". We've respectively applied this in the fields of education promotion, industry development, and social humanities, with the aim of promoting a thriving and co-prosperous society.

**MediaTek Blueprint for Community Engagement**



**6.1 Digital Social Innovation**

MediaTek believes that each person has the potential to use technology to create unlimited possibilities. Therefore, in addition to continuing our sponsorship for the MakeNTU contest hosted by the Department of Electrical Engineering at National Taiwan University, and hosting workshops, MediaTek launched the digital social innovation campaign "Genius for Home" in 2018 and sponsored American Institute in Taiwan on NASA Hackathon 2019, so as to encourage the public to take action and solve problems.

**6.1.1 Genius for Home: Joint Value Development Process between MediaTek and Society**

MediaTek organized "Genius for Home: MediaTek Digital Social Innovation Campaign" for everyone to "do one thing for their hometown." Open to all regardless of age or status, we rallied the public to develop innovative applications through digital technology to resolve one social issue faced by their hometown. In 2019, a total of 63 people worked on this project, including 33 members from MediaTek and 30 members of external teams.

**Registration and Proposal**  
In 2019, the program attracted 1,427 participants, the youngest 8 years old. Their 360 proposals covered 167 towns in 21 cities/counties. Participants were quite diversified in nature, including students, startups, social members, and farmers.

Six design-thinking experts and 22 MediaTek managers served as mentors and consultants of the 20 finalists.

- Mentees: 20 teams, 91 members in total
- Duration: 3 months
- Financial support: 50,000 NTD prize and 50,000 NTD R&D subsidy



Mentors and consultants:

- Six design-thinking professors examined the proposals to ascertain if they addressed local needs, then identified necessary changes to make through workshops and guiding process.
- 22 MediaTek managers advised on technical expertise, team management, and efficiency enhancement.



**Development**



Evaluation

Refined works were evaluated from the four aspects of problem analysis, creativity, professional application, and social influence. The panel of judges included creativity mastermind, Prof. Jing-Jyi Wu; senior pressman, Jung-Hsing Ho; MediaTek Foundation Director of the Board, Andrew Chang; Chief Executive of the Frontier Foundation, Shu-Fang Tsai; National Taiwan University iNSIGHT Center Chief Strategy Officer, Hung-Chi Lai; g0v Co-Founder, Ipa Chu; and senior social worker, Angela Yao.



The champion, "Farm a better fish," was awarded 1 million NTD

Main Awards

- The team utilized AIoT technology to monitor and manage growth of farm-raised fish, solving the problems of manpower shortage and high attrition rate of manual sampling. The effectiveness of the solution had been verified at five fish farms across Taiwan.

Rollout Award

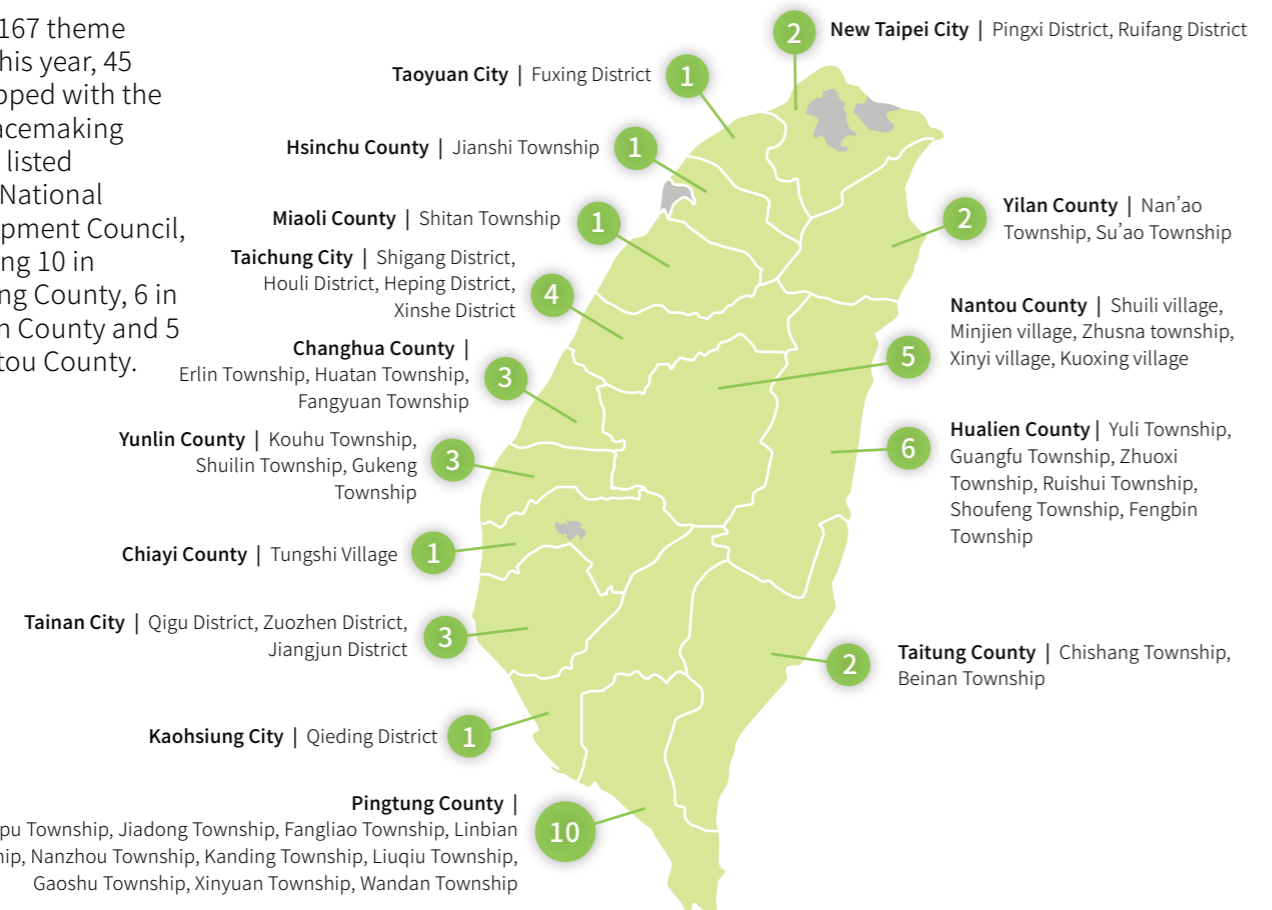
MediaTek provides subsidies as an incentive to encourage award-winning teams to roll out their proposals. Awardees this year included

- Beehive Data, who promoted the application of field sensors in various agricultural areas and developed a platform management model to help farmers market their products.
- TechMango, who subsequently participated in AI Cup and other government projects, contributing to AI talent cultivation. TechMango also planned to mass-produce mango-identification equipment to help more farmers.



Overlap with Government's Placemaking Targets

Of the 167 theme areas this year, 45 overlapped with the 134 placemaking targets listed by the National Development Council, including 10 in Pingtung County, 6 in Hualien County and 5 in Nantou County.



6.1.2 NASA Hackthon

MediaTek joined hands with AIT in offering edge AI training to participants of the NASA Hackathon, guiding them to finding solutions in NASA data. Along with the training, MediaTek also sponsored 20 sets of its latest AI development platform for teams with excellent solutions and offered 60,000 NTD prize money to three MediaTek Award winners.

Among 295 participants of the Hackathon, 51 attended MediaTek's edge AI training. The top MediaTek Award was granted to a team using AI computing technology to resolve the distortion during the transmission of compressed files from space to earth.



6.1.3 Hitcon

MediaTek sponsored the 15th Hack in Taiwan Conference (HITCON), presenting an exclusive Taiwan-shaped circuit board ticket, with embedded TrustZone information-security questions in firmware that flashed once the code was cracked. 14 teams took part in the competition for 10,000 USD champion prize money during the assembly.







## 6.2 Accessibility to Science Education and Academic Support

### 6.2.1 Accessibility to science education - Integrating Core Values to Promote Popular Science Education in Taiwan

MediaTek has consistently invested resources over the long term to facilitate promotion of popular science education in Taiwan. We will continue to cultivate and foster popular science education in Taiwan at three strategic implementation levels: cities, schools, and individual talent. In 2019, the company pushed eight STEAM-related projects.

Cities	Schools	Individual Talent
Design open source education modules for different age groups with MediaTek LinkIt™ as the cornerstone	Practical Science Award Program	<ul style="list-style-type: none"> <li>Mobileheroes 2019 "MediaTek IoT Development Competition"</li> <li>NASA Hackathon</li> <li>MakeNTU</li> <li>Young Talent Intelligence Technology Camp</li> </ul>

#### Cities

Establishing a pool of instructors for software programming education throughout all cities and counties in Taiwan

**Project Description**

**Software Programming Training for Teachers**  
Assist municipal bureaus of education in establishing databases on programming instructors

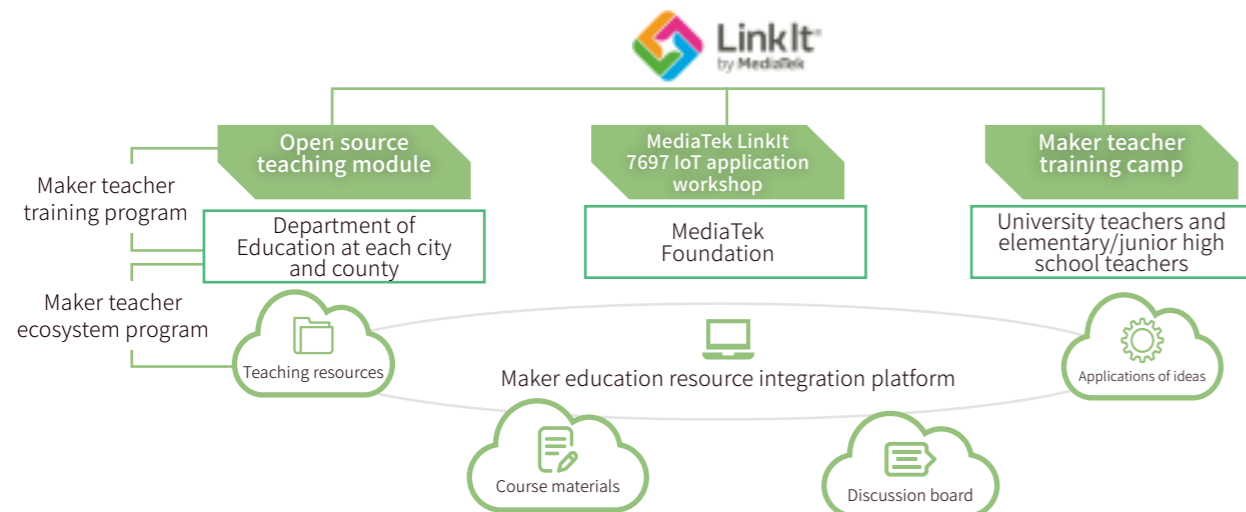
- Primary tools: Open source education modules for different age groups with MediaTek LinkIt™ as the cornerstone
- Training format: Conducted workshops and instructor training camps that guide teachers to become familiar with software programming of simple IoT (Internet of Things) applications
- Supplementary resources: Presentation of lesson plan and teaching materials, as well as technology for rear-end application

**Achievements and Invested Resources**

A total of 18 in-house and external staff members participated in this project, including coordinators of county/city governments and education partners. In 2019, we completed training programs in Ilan County, Kaohsiung City, and New Taipei City, training 159 instructors and reaching about 1,301 students, with 78.5 training hours completed



MediaTek LinkIt Maker Resource Integration Platform – Cultivating Talent to Solve Social Problems



#### School

Inspire interest in science and technology among students, address insufficient resources in remote areas

**Project Description**

**Practical Science Award Program**  
Launched in 2011, the company subsidizes scientific projects undertaken by teachers and students, helping students in making the first step for popular science learning.

- Provision of resources: Selected popular science books, instructor cultivation camp, and three-stage prize money, including entry subsidy, prize money for municipal scientific fair, and prize money for national scientific fair.
- Care for remote areas: Retain 40% entry quota for participants from schools in remote areas, backward areas, aboriginal communities, and the underprivileged.
- Other kinds of sponsorship: Sponsorship for 59 national scientific fairs, masters' lectures, and youth

**Achievements**

In 2019, 43 proposals from 39 schools, involving 81 teachers and 201 students, were selected from 121 entries, with 39 selected works awarded at municipal scientific fairs and 11 at national scientific fairs.

Masters' lectures: around 300 attendees

Donation of 2,000 popular science books to selected schools, as teaching materials at science-week events, which received 1,625 feedback notes from students.

Youth cultivation plant of National Taiwan Scientific Education Center: 43 works by 77 students were accepted for the youth cultivation plan, including 23 hitting the finalist list for competition at 2020 Taiwan International Science Fair.

Instructor cultivation camp: Cultivation of 47 guiding teachers for scientific projects.



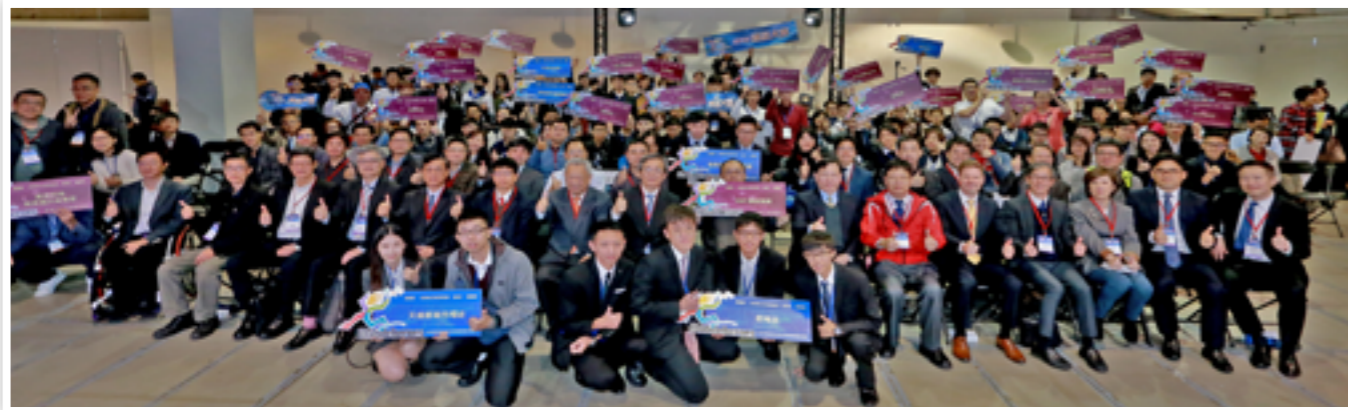


Hands-on approach to resolving social and environmental issues

Individuals

Mobileheroes 2019

The Mobileheroes contest is renowned as the “Oscar of the Communications World” and was hosted for the 18th year in 2019. 206 teams with 596 members took part the communications competition. Two corporate awards were granted a "VMFi wireless microphone" team and an "antenna" team for their proposals with daily-life application value.



Young Talent Intelligence Technology Camp

MediaTek joined hands with National Taiwan Science Education Center and the Department of Electric Engineering, National Taiwan University, in launching the Young Talent Intelligence Technology Camp, offering, free of charge, 34 topnotch senior-high students and one junior-high student, lectures and opportunities for massive practices, which involved theories in electric engineering, programming, AI, for creating intelligent scientific and technological projects, under the guidance of experts and scholars.



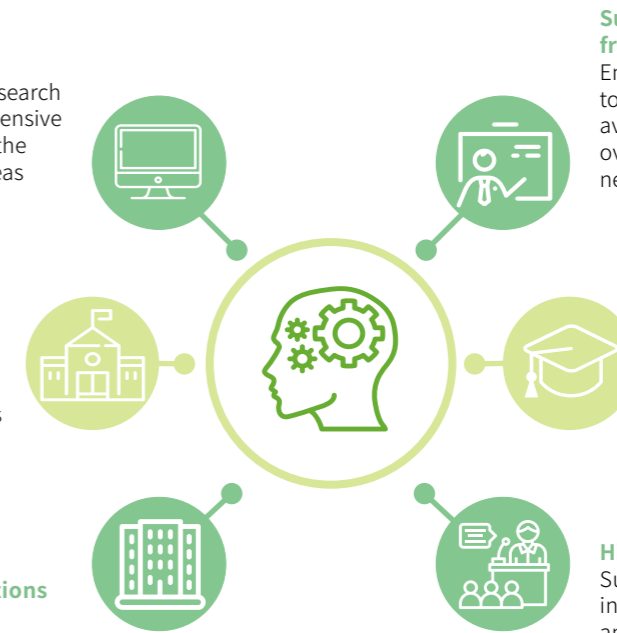
6.2.2 Academic Support: Investments in Industry-University Collaboration and Talent Cultivation in Higher Education

MediaTek has been engaged in collaboration with local universities since 2002, setting different collaborative R&D themes every year, according to schools' specialties, notably development of cutting-edge technologies, plus talent cultivation and connection with the world. Over the past 18 years, the company has invested over 1.2 billion NTD in the cause. The collaboration takes various forms, including setup of innovative research center, alliance for specific projects, attendance of various international forums, and scientific and technological exchanges. Up to now, MediaTek has collaborated with 19 universities, both in Taiwan and abroad, including National Taiwan University, National Tsing Hua University, National Chiao Tung University, National Taiwan Normal University, National Cheng Kung University, National Chung Cheng University, National Taiwan Ocean University, National Taiwan University of Science and Technology, Peking University, University of Science and Technology of China, University of Florida, Harvard University, University of Oulu, Oregon State University, University of Mississippi, Massachusetts Institute of Technology (MIT), University of Twente, University of Southern California, UT Austin.

**Innovative R&D center**  
Jointly established on-campus research centers to co-operate with the extensive R&D capabilities of academia for the development of more creative ideas

**Academia-Industry Consortiums**  
Formed industry-university consortiums with schools, in line with the Ministry of Science and Technology policy that “the academia should work on problems posed by the industry”

**Academic Research Institutions**  
Joined academic research institutions



**Support the Employment of Talent from Overseas**  
Encouraged elite Taiwanese nationals to return to work in Taiwan, and where available we recruited top professors and overseas talent if their skills matched our needs

**Support for Graduate and Doctoral Students at Home and Abroad**  
Provided scholarships for the most talented local graduates and doctoral students in the fields of electronic engineering and information technology; cultivated future talent for domestic technology research and education; enhanced local competitive advantage in basic research for electronic technologies

**Hi-Tech Exchange Events**  
Supported and proactively participated in hi-tech exchange events at home and abroad to promote industry advancement

Project	Achievements
<p><b>Research Centers</b> Established the “MediaTek-NTU Research Center”, “MediaTek-NCTU Research Center”, and “MediaTek-NTHU Research Center” at the end of 2013, integrating the deep research and development capabilities of NTU, NTHU, and NCTU in order to incubate innovative ideas. Provided funding to research proposals submitted by professors; the total investment of MediaTek in industry-university collaboration with higher education reached 50 million NTD in 2019.</p>	<p>These 3 research centers implemented 26 projects, applied for 5 patents, published 59 papers, and a total of 19 graduates who worked on these projects were recruited by MediaTek.</p>
<p><b>Academia-Industry Consortiums</b> Formed industry-university consortiums with schools in line with the Ministry of Science and Technology policy that “the academia should work on problems posed by the industry”, the consortiums are meant to take advantage of universities' solid R&amp;D strength and innovative capability to help enterprises solve their problems. During 2014-2019, MediaTek invested over 200 million NTD in two projects, "study on key technologies for next-generation mobile communications terminals" with National Taiwan University and "three-dimensional online communications technology and its application in smart campus" with National Chiao Tung University.</p>	<ul style="list-style-type: none"> <li>"Study on key technologies for next-generation mobile communications terminals" Results: over 30 patent applications, over 200 papers published in academic journals. The university put forth 36 proposals in three years, on top with 19 joint proposals with domestic and foreign enterprises, in standards proposal meetings.</li> <li>"Three-dimensional online communications technology and its application in smart campus" As one of the five participants in the project, which also includes Quanta Computer, Hermes Epitek, Truelight, MediaTek filed three patent applications, published 42 papers in academic journals, and put forth one standard application.</li> </ul>
<p><b>Participated in Academic Research Institutions</b> In addition to collaboration with universities, MediaTek also take part in various technology research bodies, to keep up with the latest international trend.</p>	<p>In 2019, MediaTek took part in the projects of various academic research bodies, including Taiwan Semiconductor Industry Association, Taiwan IC Industry &amp; Academia Research Alliance, Taiwan EM Industry-Academia Consortium (TEMIAC), and NTU System-on-Chip Center.</p>



Project	Achievements
<p><b>Supported the Employment of Talented Professors from Overseas</b>                      In hopes of enhancing innovative capabilities to drive industry advancement, MediaTek and NCTU jointly announced the "MediaTek Junior Chair Professor" grant program, with 7.2 million NTD to be released over four years (2017-2020) to attract excellent academic talent. MediaTek encourages elite Taiwanese nationals to return to work in Taiwan, and proactively recruits top teachers and key talents from overseas to match skills where required. Supported faculty include new faculty members appointed by NCTU in the electrical engineering and electronics and information engineering fields.</p>	<p>Five young professors have returned to Taiwan, including Assistant Professors Y.C. Kuan and Tian-Li Wu of the NCTU International College of Semiconductor Technology; Assistant Professor Hsueh-Cheng "Nick" Wang of the College of Electrical and Computer Engineering (ECE); Assistant Professor Chi-Yu Li of the College of Computer Science; and Assistant Professor Yung-Ju Chang of the College of Computer Science. Their areas of expertise include robotics, 4G/5G communications, UX/UI design, and innovative semiconductor technology.</p>
<p><b>Support for more than 500 Domestic and International Graduate and Doctoral Students</b>                      MediaTek actively promotes the development of technological knowledge and education. The "MediaTek Taiwan Ph.D. Scholarship" was founded in 2002, and the "Innovative Research Center Scholarship" was launched in 2014. These initiatives aim to incentivize outstanding graduate students in the electrical engineering and information fields, helping these students to complete their doctoral degrees in Taiwan, and foster future talent in technological research and education to enhance our nation's competitive advantage in the future. Doctoral students sponsored by the scholarship receive NT\$ 35,000 per month for a maximum of 48 months.</p>	<p>Between 2002 and 2019, we have supported 71 doctoral students, including 63 domestic students and 8 students from ASEAN and India. In 2019, we had 7 scholarship recipients, some of whom started receiving the multiannual scholarship as early as 2015. In addition, we granted 1 MIT doctoral student and 5 IIT exchange doctoral students at National Chiao Tung University in 2019.</p>
<p><b>Comprehensive Support for Hi-Tech Exchange Events</b>                      Supported and proactively participated in hi-tech exchange events at home and abroad to promote industry advancement.</p> <div data-bbox="184 1018 658 1260"> </div> <p data-bbox="231 1270 611 1329">2019 Seminar on IC Design Between Cross-Strait Topnotch Universities</p> <div data-bbox="184 1339 658 1612"> </div> <p data-bbox="296 1623 546 1656">2019 IC Summer Camp</p> <div data-bbox="184 1665 658 1917"> </div> <p data-bbox="195 1932 647 2018">Workshop on Electric Engineering, Information Technology, and AI for Senior-High Teachers</p>	<p>Actively participate in or sponsor hi-tech exchanges, including</p> <ol style="list-style-type: none"> <li>1<sup>st</sup> Taiwan Telecommunications Annual Symposium</li> <li>1<sup>st</sup> YST Forum</li> <li>25<sup>th</sup> Workshop on Compiler Techniques and System Software for High-Performance and Embedded Computing</li> <li>AVSS 2019 Taipei (16th IEEE International Conference on Advanced Video and Signal-based Surveillance, AVSS)</li> <li>CVPR 2019, (2019 Conference on Computer Vision and Pattern Recognition)</li> <li>24th Asia and South Pacific Design Automation Conference</li> <li>2019 ASPDAC TPC meeting</li> <li>2019 AICAS (IEEE International Conference on Artificial Intelligence Circuits and Systems)</li> <li>International Conference on Analog VLSI Circuits, 2019</li> <li>2019 VLSI-DAT Forum</li> <li>VLSI-CAD Forum</li> <li>Sponsorship for 2019 TSIA Award and Assembly</li> <li>2019 Seminar on IC Design Between Cross-Strait Topnotch Universities</li> <li>2019 Symposium on Engineering, Medicine, and Biology Applications (SEMBA)</li> <li>Science and Technology Ecosystem Development Association</li> <li>2019 IC Summer Camp</li> <li>Workshop on Electric Engineering, Information Technology, and AI for Senior-High Teachers</li> <li>Camp for AIS3 Information Security Talent, the Ministry of Education</li> </ol>



## 6.3 Welfare and Social Engagement



MediaTek has long been committed to addressing social needs, and we are proactive in social engagements and social welfare support programs. Below are several long-term projects that continued through 2019:

### Volunteer Club

Character education, Reading and Writing Project, toy drive, beach cleanups, water-resources conservation



### Social Engagement

Greater Chao Nan Cultivation Plan, Christmas Wishes, Voice of IC broadcast program sponsorship, Hsinchu Children's Discovery Center



### 6.3.1 Volunteer club

MediaTek encourages employees to engage in social affairs and to give back to the society. Many employees have dedicated themselves to volunteer activities, helping underprivileged groups. Subsequently founded in 2012, the volunteer club aimed to facilitate social engagement through systematic management. Since 2015, an annual eight-hour volunteer leave has been available for employees in Taiwan, encouraging them to engage in public services and fulfill their responsibilities as a member of the society.

In 2019, our Volunteer Club managed a number of projects, including "character education," "Reading and Writing Project," "beach cleanups," "toy drive," and "water resource conservation."

#### Character Education

Since 2016, MediaTek volunteers have been engaging in character education at LongShan Elementary School, near Hsinchu Science Park. In 2019, 28 instructors have taught 672 third-grade students from 24 classes, boosting the accumulated figures to 132 instructors and 1,597 third-grade students from 59 classes.



#### Toy Drive

Volunteers collected over 800 used toys and donated them the Taipei City Parenting Resource Center and other similar facilities.



### Reading and Writing Project

Inaugurated in 2018, the Reading and Writing Project has helped many elementary-school students in Hsinchu and Miaoli develop reading habits and improve writing skills, using self-developed teaching materials and lively and interesting teaching skill. Thirty two volunteers have joined the program, spending 1,225 hours in total so far, whose participants include many schools with large numbers of aboriginal students, such as Donghe school in Miaoli, Po-Ai school in Zhubei of Hsinchu County, Baoshan school in Baoshan village of Hsinchu County, Donghai school in Zhubei, Shangsi school in Baoshan village, and Shanhu branch of Baoshan school. There are four courses every semester, when students learn how to observe, generate ideas, and write. 120 students have joined the program.



### Beach Cleanups at Nanliao, Hsinchu

The event was held on the occasion of the World Cleanup Day and participated by 66 MediaTek employees and relatives/friends.

### Care for Stray Animal

Representatives of Heart of Taiwan Animal Care were invited to give lectures on such topics as TNR (Trap-Neuter-Return). The event was combined with a joint fundraiser with the Coffee Club, whose income was donated to the Heart of Taiwan Animal Care, Taipei Stray Cat TNR Association, and other animal care associations.

The volunteer club also held online fundraisers and donation for a number of animal care associations to help them sustain their operations.



## 6.3.2 Social Welfare Activities

MediaTek seeks to achieve social consensus through long-term participation in social welfare activities, including the following activities:

- Greater Chao Nan Cultivation Plan**  
 For more than ten years, MediaTek has invested almost 130 million NTD in the Pingtung area, seeking to preserve local culture through initiating investment in education. In 2019, a total of 1,775 people benefited from this project.
- Hsinchu Children's Discovery Center**  
 MediaTek supported the transition of the World Expo Taiwan Pavilion into the Hsinchu Children's Discovery Center for the promotion of popular science education and reading.
- Christmas Wishes**  
 We collaborated with social welfare organizations nearby and invited employees to donate Christmas gifts. Christmas wishes of 2,000 people were successfully granted in 2019.
- Exclusive Sponsorship of The Voice of IC**  
 Our long-term, exclusive sponsorship of radio broadcasts help to convey exemplary historical models, principled decisions, and modern reflections to all listeners, enabling them to develop the ability to think independently and subsequently increase their involvement in social welfare issues.

### Greater Chao Nan Cultivation Plan

Mr. Ming-Kai Tsai, Chairman of MediaTek, cares particularly for the education and environment of children in his hometown of Pingtung. Over the past decade, MediaTek Foundation has donated close to 130 million NTD to the Pingtung area, improving education and providing support for disadvantaged groups. The MediaTek Foundation has partnered with Lovely Taiwan Foundation on the "Greater Chao Nan Cultivation Plan" that aims to preserve local culture in education through the introduction of resources for arts and humanities and popular science education. The Greater Chao Nan Cultivation Plan is a four-year scheme that has gradually launched initiatives including "Chao Academy", "Agriculture@Chao Nan", "Blue Sky Classroom", and "Slow-Touring the Greater Chao Nan Region." The 4 initiatives benefitted 2,653 people in 2019, boosting the total number over the past four years to 10,127 people over 3,380 sessions and 637 classes.

Among the four sub-plans, "Agriculture@Chaonan" sponsors cultivation of rice paddy fields by schools, embodying profound feeling of Chairman Tsai Ming-kai towards his homeland, as well as fulfillment of his commitment for the sustainability of Taiwan's land, fostering understanding of and love for nature and humanistic environment among children, as well as their affection for hometown.



### Christmas Wishes

MediaTek works with social welfare organizations at the end of every year to organize a collection of Christmas wishes. Children and adults under the care of these social welfare groups are invited to write down their Christmas wishes, which are then undertaken by MediaTek employees who strive to achieve them, thus helping all those in need to have a warm and merry Christmas. 2,000 X'mas wishes were fulfilled under the program in 2019.

### Exclusive Sponsorship of The Voice of IC

MediaTek has exclusive, long-term sponsorships of two radio programs, "I Like Talking and You Like Laughing", hosted by former National Tsing Hua University President Chung-Laung Liu, and "Conversations with History", hosted by the renowned scholar Tsann-Liang Liu. It is hoped that the incisive and in-depth analysis of historical personages and events provided by these programs will convey exemplary historical models, principled decisions, and modern reflections to listeners among communities and all corners of society.



### Hsinchu Children's Discovery Center

On the occasion of its 20th anniversary, MediaTek donated 50 million NTD to sponsor the conversion of the Taiwan Pavilion Expo in the World's Fair into Hsinchu Children's Discovery Center, with the aim of promoting science and reading. After its groundbreaking in April 2020, the interactive facilities is scheduled for inauguration in the second half of 2021, serving as a ground for popular science as well as reading and storytelling with children.



## About this Report

Thank you for taking time to read the 2019 Corporate Social Responsibility Report (CSR Report) of MediaTek Inc. This Report is a transparent and comprehensive presentation of MediaTek’s performance in the three ESG (Environmental, Social, and Governance) domains that aims to help our stakeholders understand our principles and actions regarding sustainability. We provide responses to our stakeholders’ expectations and needs within this Report and strive to exceed their expectations by reviewing and enhancing our practice.

### Reporting Standards

This Report has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI standards): Core option. It provides comprehensive disclosure on economic, environmental, and social issues of concern to our stakeholders, showcasing MediaTek’s performance and determination in sustainable development.

### Scope of this Report

The disclosure period of this Report is January 1, 2019 to December 31, 2019. Our previous CSR Report was published in October 2019, and all reports are published annually on www.mediatek.com as part of our continuing mission to realize sustainable corporate development. Information disclosed in this Report is focused on our headquarters located in the Hsinchu Science Park of Taiwan, though some information may cover MediaTek branch offices around the world. Information disclosures that involve other regions are noted within this Report. We plan to gradually include important information regarding our affiliated companies and subsidiaries so as to display our sustainable influence on our value chain.

### Reporting Guidelines

MediaTek compiled and conducted material analysis on important international economic, environmental, and social issues to better understand issues of concern among our stakeholders; this serves as the main information disclosures for this Report. We adhere to the three Universal Standards and six reporting quality principles of the GRI Standards, while also conforming to the Inclusivity, Materiality, and Responsiveness principles of the AA 1000 AccountAbility Principle Standard (APS).

### Data Collection

Relevant information in this Report was provided by corresponding units in MediaTek, reviewed for accuracy and comprehensiveness by department managers, and compiled, edited, and reviewed by the CSR Committee. The Board and executives of the CSR Committee reviewed and confirmed MediaTek’s strategic initiatives and management approaches for sustainable development.

Data in our financial reports were taken from publicly disclosed information certified by Ernst & Young, and the unit of calculations used was New Taiwan Dollars (NTD). Calculations and units for environmental data was sourced from publicly available governmental information. Social data encompasses the MediaTek Foundation, and a note is made for all other quantitative data of significance.

### Third-Party Assurance

Verification of this Report was entrusted to the BSI (British Standards Institution) Taiwan Branch and Type 1 moderate-level assurance was conducted according to the AA1000 Assurance Standard with 2018 Addendum, confirming adherence to the GRI Core option. Relevant results were fully communicated to governance units subsequent to the completion of assurance. Please refer to the Independent Assurance Declaration in the appendix of this Report for more information.

#### MediaTek Inc.

**Founding date** May 28, 1997  
**Public listing** TWSE stock code 2454  
**Capital** 15,896,473,000 NTD  
**Main areas of business** Smart home, wireless communications, IoT, advanced automotive, ASIC, smart TV, mobile devices

**Contact information**  
 Responsible unit: MediaTek CSR Committee  
 Address: No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu  
 Phone number: 886-3-5670766 #27518  
 Email: csr@mediatek.com



**MediaTek CSR website** <https://www.mediatek.tw/corporate-social-responsibility#>

## GRI Standards Index

GRI Standards	Disclosure	Chapter	Page	
Universal Standards				
Organizational Profile				
GRI 102 : General Disclosure 2016	102-1 Name of the organization	About this Report	65	
	102-2 Activities, brands, products, and services	1 Global Presence	14	
	102-3 Location of headquarters	About this Report	65	
	102-4 Location of operation	1 Global Presence 1.2 Global Operations	14 17	
	102-5 Ownership and legal form	About this Report	65	
	102-6 Markets served	1 Global Presence	14	
	102-7 Scale of the organization	1 Global Presence 3 Talent 4 Corporate Governance About this Report	14 27 41 65	
	102-8 Information on employees and other workers	3 Talent 3.1 Talent Strategy	27 27	
	102-9 Supply chain	5 Environmental Management 5.1 Supply Chain Management	47 48	
	102-10 Significant changes to the organization and its supply chain	No changes		
	102-11 Precautionary Principle or approach	4 Corporate Governance 4.5 Risk Management	41 44	
	102-12 External initiatives	2 Innovation 2.2 Innovation in Practice 5 Environmental Management 5.1 Supply Chain Management	22 23 47 48	
	102-13 Membership of associations	2 Innovation 2.2 Innovation in Practice	22 23	
	Strategy			
	102-14 Statement from senior decision-maker	Words from Our Chairman		02
102-15 Key impacts, risks, and opportunities	4 Corporate Governance 4.5 Risk Management		41 44	

GRI Standards	Disclosure	Chapter	Page	
Universal Standards				
Ethics and Integrity				
GRI 102 : General Disclosure 2016	102-16 Values, principles, standards, and norms of behavior	4 Corporate Governance 4.3 Integrity and Legal Compliance	41 43	
	Governance			
	102-18 Governance structure	4 Corporate Governance 4.1 Governance Structure	41 42	
	102-20 Executive-level responsibility for economic, environmental, and social topics	4 Corporate Governance 4.1 Governance Structure	41 42	
	102-32 Highest governance body's role in sustainability reporting	4 Corporate Governance 4.1 Governance Structure	41 42	
	102-33 Communicating critical concerns	4 Corporate Governance 4.1 Governance Structure	41 42	
	Stakeholder Engagement			
	102-40 List of stakeholder groups	Stakeholder Engagement	08	
	102-41 Collective bargaining agreements	No union or collective bargaining agreements, but periodic communication via labor meetings and multiple other communication channels were offered instead.		
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement	08	
	102-43 Approach to stakeholder engagement	Stakeholder Engagement	08	
	102-44 Key topics and concerns raised	Stakeholder Engagement	08	
	Reporting Practice			
	102-45 Entities included in the consolidated financial statements	About this Report	65	
	102-46 Defining report content and topic Boundaries	About this Report Table 2: Material Issues and MediaTek's Value Chain	65 13	
	102-47 List of material topics	Stakeholder Engagement	08	
	102-48 Restatements of information	No restatements of information.		

GRI Standards	Disclosure	Chapter	Page		
Universal Standards					
GRI 102 : General Disclosure 2016	102-49 Changes in reporting	No significant changes in the list of material topics and boundaries except for the following adjustments: Innovation was expanded to Innovation and Product Accountability; Talent Attraction and Retention, Employee Development, Multi-Channel Communication, and Risk Management were added; Compensation and Benefits, Establishing a Diverse and Inclusive Workplace, and Environmental Policies were deleted.			
		102-50 Reporting period	About this Report	65	
		102-51 Date of most recent report	About this Report	65	
		102-52 Reporting cycle	About this Report	65	
		102-53 Contact point for questions regarding the report	About this Report	65	
		102-54 Claims of reporting in accordance with the GRI Standards	About this Report	65	
		102-55 GRI content index	GRI Standards Index	65	
		102-56 External assurance	About this Report	65	
		Material Issues			
		GRI 103: Management Approach 2016	Economic Performance		
103-1 Explanation of the material topic and its Boundary	1Global Presence 1.4 Financial Performance		14 21		
103-2 The management approach and its components	1Global Presence 1.4 Financial Performance		14 21		
GRI 201: Economic Performance 2016	103-3 Evaluation of the management approach	1 Global Presence 1.4 Financial Performance	14 21		
	201-1 Direct economic value generated and distributed	1Global Presence 1.4 Financial Performance	14 21		
	201-2 Financial implications and other risks and opportunities due to climate change	4 Corporate Governance 4.5Risk Management 5 Environmental Management 5.2 Climate-Related Risk Management	41 44 47 52		



GRI Standards	Disclosure	Chapter	Page
Material Issues			
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	3 Talent 3.4 Employee Experience	27 35
	201-4 Financial assistance received from government	2019 financial assistances received from government are investment subsidies and rental tax exemption. For more information, please refer to the <a href="#">annual report</a> (p.. F-93).	
Corporate Governance and Legal Compliance			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	4 Corporate Governance	41
	103-2 The management approach and its components	4 Corporate Governance	41
	103-3 Evaluation of the management approach	4 Corporate Governance	41
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	No significant fines or penalties (i.e., to the amount of 1 million NTD) were imposed for violating environmental laws or regulation in 2019.	
GRI 419: Socioeconomic Compliance 201	419-1 Non-compliance with environmental laws and regulations	No significant fines or penalties (i.e., to the amount of 1 million NTD) were imposed for violating socioeconomic laws or regulation, except for a case of unregistered time fined for 70 thousand NTD based on the Labor Standards Act. Procedures of overtime claim application was subsequently reinforced in internal communication to avoid further infringement.	
Brand Identity and Market Perception			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1 Global Presence 1.1 Brand Vision	14 14
	103-2 The management approach and its components	1 Global Presence 1.1 Brand Vision	14 14
	103-3 Evaluation of the management approach	1 Global Presence 1.1 Brand Vision	14 14

GRI Standards	Disclosure	Chapter	Page
Material Issues			
Customer Relationship Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	1 Global Presence 1.3 Customer Services	14 20
	103-2 The management approach and its components	1 Global Presence 1.3 Customer Services	14 20
	103-3 Evaluation of the management approach	1 Global Presence 1.3 Customer Services	14 20
Innovation			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	2 Innovation	22
	103-2 The management approach and its components	2 Innovation	22
	103-3 Evaluation of the management approach	2 Innovation	22
Talent Attraction and Retention			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3 Talent 3.2 Best Employer	27 28
	103-2 The management approach and its components	3 Talent 3.2 Best Employer	27 28
	103-3 Evaluation of the management approach	3 Talent 3.2 Best Employer	27 28
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	3 Talent 3.2 Best Employer	27 28
	401-3 Parental leave	3 Talent 3.2 Best Employer	27 28
Multi-Channel Communication			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3Talent 3.4 Employee Experience	27 35
	103-2 The management approach and its components	3Talent 3.4 Employee Experience	27 35
	103-3 Evaluation of the management approach	3Talent 3.4 Employee Experience	27 35



GRI Standards	Disclosure	Chapter	Page
Material Issues			
Supply Chain Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	5 Environmental Management 5.1 Supply Chain Management	47 48
	103-2 The management approach and its components	5 Environmental Management 5.1 Supply Chain Management	47 48
	103-3 Evaluation of the management approach	5 Environmental Management 5.1 Supply Chain Management	47 48
GRI 308: Supplier Environment Assessment 2016	308-1 New suppliers that were screened using environmental criteria	No new suppliers	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	No new suppliers	
Employee Development			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	3 Talent 3.3 Employee Development	27 32
	103-2 The management approach and its components	3 Talent 3.3 Employee Development	27 32
	103-3 Evaluation of the management approach	3 Talent 3.3 Employee Development	27 32
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	3 Talent 3.3 Employee Development	27 32
Social Welfare Activities			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	6 Community Engagement	58
	103-2 The management approach and its components	6 Community Engagement	58
	103-3 Evaluation of the management approach	6 Community Engagement	58
Risk Management			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	4 Corporate Governance 4.5 Risk Management	41 44
	103-2 The management approach and its components	4 Corporate Governance 4.5 Risk Management	41 44
	103-3 Evaluation of the management approach	4 Corporate Governance 4.5 Risk Management	41 44

GRI Standards	Disclosure	Chapter	Page
Material Issues			
Other Issues			
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	1 Global Presence 1.2 Global Operations	14 17
GRI 204: Procurement Practice 2016	204-1 Proportion of spending on local suppliers	5 Environmental Management 5.1 Supply Chain Management	47 48
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5 Environmental Management 5.3 Facility Management	47 53
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	5 Environmental Management 5.3 Facility Management	47 53
	303-4 Water discharge	5 Environmental Management 5.3 Facility Management	47 53
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5 Environmental Management 5.3 Facility Management	47 53
	305-2 Energy indirect (Scope 2) GHG emissions	5 Environmental Management 5.3 Facility Management	47 53
GRI 306: Effluents and Waste 2016	306-2 Waste by type and disposal method	5 Environmental Management 5.3 Facility Management	47 53





# Independent Third Party Assurance Statement



## INDEPENDENT ASSURANCE OPINION STATEMENT

### MediaTek Inc. 2019 Corporate Social Responsibility Report

The British Standards Institution is independent to MediaTek Inc. (hereafter referred to as MediaTek in this statement) and has no financial interest in the operation of MediaTek other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of MediaTek only for the purposes of assuring its statements relating to its corporate social responsibility (CSR), more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by MediaTek. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to MediaTek only.

### Scope

The scope of engagement agreed upon with MediaTek includes the followings:

1. The assurance scope is consistent with the description of MediaTek Inc. 2019 Corporate Social Responsibility Report.
2. The evaluation of the nature and extent of the MediaTek's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000 Assurance Standard (2008) with 2018 Addendum assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

### Opinion Statement

We conclude that the MediaTek Inc. 2019 Corporate Social Responsibility Report provides a fair view of the MediaTek CSR programmes and performances during 2019. The CSR report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the MediaTek and the sample taken. We believe that the 2019 economic, social and environmental performance information are fairly represented. The CSR performance information disclosed in the report demonstrate MediaTek's efforts recognized by its stakeholders.

Our work was carried out by a team of CSR report assurers in accordance with the AA1000AS (2008) with 2018 Addendum. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that MediaTek's description of their approach to AA1000AS (2008) with 2018 Addendum and their self-declaration in accordance with GRI Standards: Core option were fairly stated.

### Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to MediaTek's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 7 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000AP (2018).

### Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness and Impact of AA1000AP (2018) and GRI Standards is set out below.

### Inclusivity

This report has reflected a fact that MediaTek has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for economic, social and environmental information in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the MediaTek's inclusivity issues.

### Materiality

MediaTek publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of MediaTek and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the MediaTek's management and performance. In our professional opinion the report covers the MediaTek's material issues.

### Responsiveness

MediaTek has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for MediaTek is developed and continually provides the opportunity to further enhance MediaTek's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the MediaTek's responsiveness issues.

### Impact

MediaTek has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. MediaTek has established processes to monitor, measure, evaluate and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the MediaTek's impact issues.

### GRI Sustainability Reporting Standards (GRI Standards)

MediaTek provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that social responsibility and sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the MediaTek's social responsibility and sustainability topics.

### Assurance level

The moderate level assurance provided is in accordance with AA1000AS (2008) with 2018 Addendum in our review as defined by the scope and methodology described in this statement.

### Responsibility

The CSR report is the responsibility of the MediaTek's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

### Competency and Independence

The assurance team was composed of Lead auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064 and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



Statement No: SRA-TW-2019087  
2020-06-16

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