MEDIATEK 2018

Corporate Social Responsibility Report

Words from Our Chairman

Ming-Kai Tsai
Chairman, MediaTek

Global Reach

Local Presence

Enhance and Enrich Everyone's Life

2018 marked MediaTek's 21st year since its inception, and 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, talent, innovation, 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. We focus on our 3A strategy enabling people from all corners of the world to enjoy *Accessible*, *Affordable*, and *Available* devices and services. We strive to empower the general public with technological innovation, eventually benefiting all humankind with digital opportunities engendered by the widespread dissemination of technologies and thus leading a better life.

Reflecting on 2018, MediaTek invested 57.5 billion NTD to sustain our global R&D capabilities to provide our customers the best products and services and collaborated with our worldwide partners to drive technological innovation in 5G and artificial intelligence. In terms of green management, we created high-performing and power-efficient chips, thereby reducing carbon emissions equivalent to the carbon storage capacity of 275 Daan Parks. On societal community engagement, we devoted 1.7 billion NTD to cater to local community needs over the last 18 years. In relishing our aspiration about "doing one thing for one's hometown," we launched the "Genius for Home" campaign, igniting digital social innovative capabilities in local communities.

In 2019, MediaTek will continue to fulfill our social responsibilities, leveraging our global R&D capabilities and customer support system to provide the best user experiences powered by innovative technology so as to enhance and enrich the lives of all humankind.

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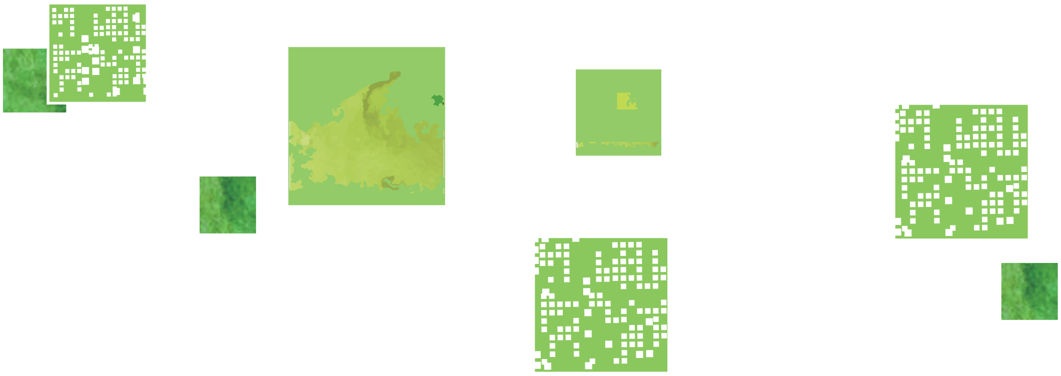

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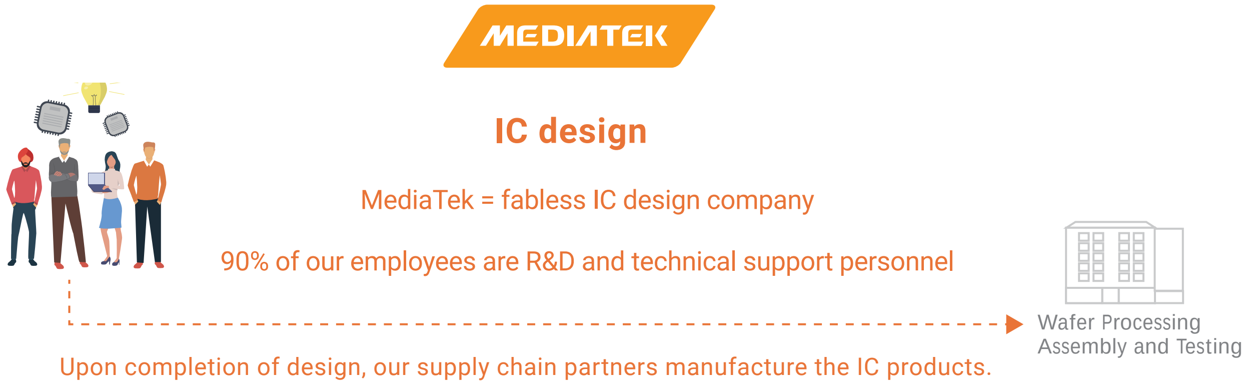
About MediaTek

Founded in 1997, MediaTek is the world's 4th 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 and mobile devices.

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.



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IC design

MediaTek = fabless IC design company

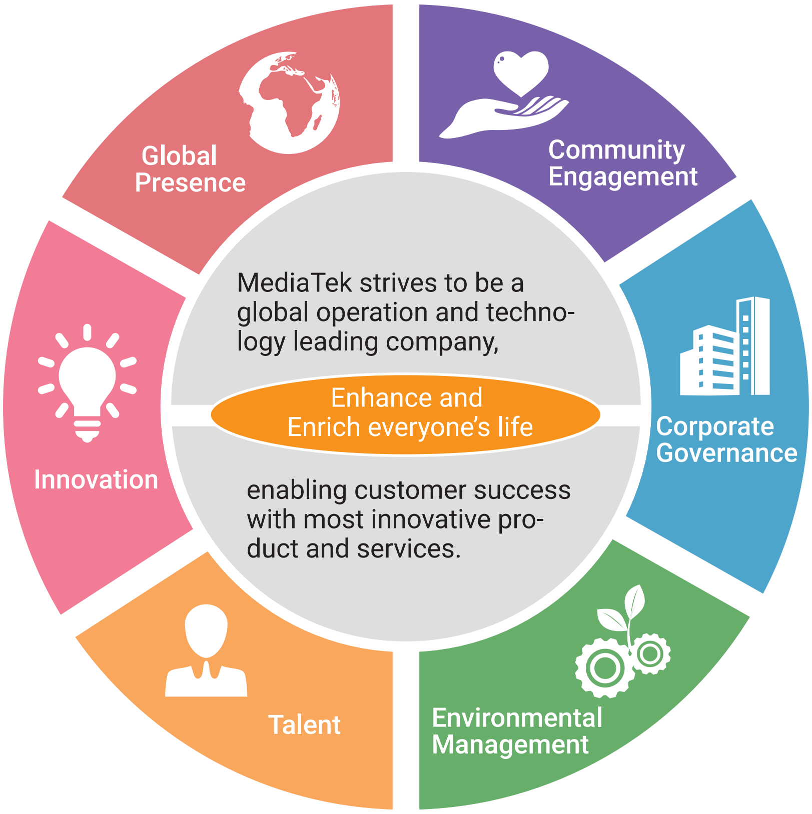
90% of our employees are R&D and technical support personnel

Wafer Processing
Assembly and Testing

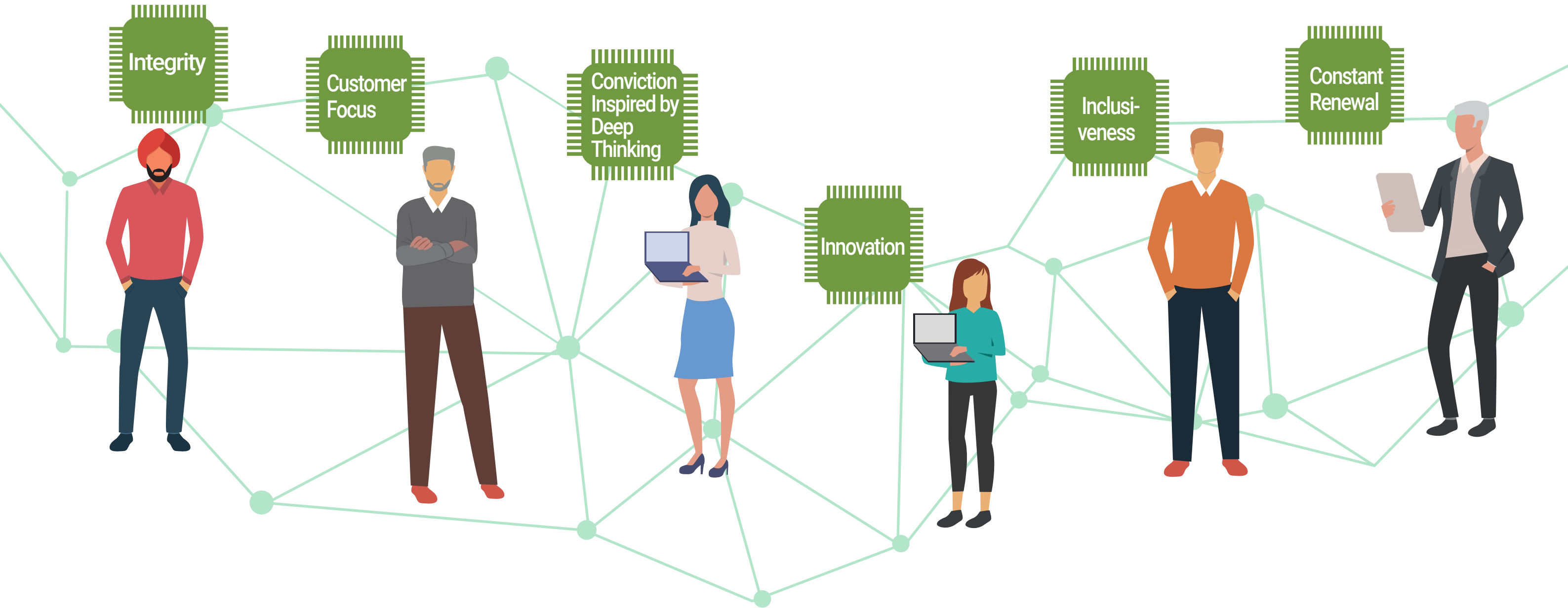
Upon completion of design, our supply chain partners manufacture the IC products.

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.

We base our sustainability initiative on our six core values, which are part of the "DNA" of all MediaTek employees. These values make our strong corporate culture, which MediaTek takes great pride in. Upon this foundation, we continue to work on our six aspects of sustainability: Global Presence, Innovation, Talent, Corporate Governance, Environmental Management, and Community Engagement.


Global Presence
Community Engagement
Corporate Governance
Environmental Management
Talent
Innovation
MediaTek strives to be a global operation and technology leading company,
Enhance and Enrich everyone's life
enabling customer success with most innovative product and services.

Mission (inner circle), Vision (middle circle), and Sustainability Strategies (outer circle)


Integrity
Customer Focus
Conviction Inspired by Deep Thinking
Innovation
Inclusiveness
Constant Renewal

MediaTek's Six Core Values

2018 Global Awards & Recognitions

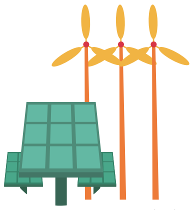
Overall Performance

- Chairman Tsai Ming-Kai was a four times winner of the "100 Best-Performing CEOs in the World" presented by *Harvard Business Review*
- Received the "Outstanding Asia Pacific Semiconductor Company Award" from the Global Semiconductor Alliance (GSA)
- Ranked No. 18 in *CommonWealth Magazine's* 2018 Corporate Citizen Awards (Large enterprises group)
- Received a "Top 50 Corporate Sustainability Award" and a Platinum "Corporate Sustainability Report Award" from the Taiwan Corporate Sustainability Awards (TCSA), hosted by the Taiwan Institute for Sustainable Energy (TAISE)
- Listed among the top 20 "Best Taiwan Global Brands" of the MOEA's Branding Taiwan Project for 4 consecutive years
- Won the title of the "Most Honored Company" among *Institutional Investor's* "The All-Asia Executive Team" rankings and was one of the top 3 companies for the "Best CEOs", "Best CFOs", "Best IR Professionals", "Best Investor Relations Programs", "Best Analyst Days" and "Best ESG SRI Metrics"

Innovation

- MediaTek's Helio P60 was awarded *Android Authority*'s "Best of MWC 2018"
- Received TCSA's "Growth Through Innovation Award"

Environmental Management



- Received silver recognition of the MOEA's "Energy-Saving Leadership Award"
- Received bronze recognition of the EPA's "ROC Enterprises Environmental Protection Award"
- Received TCSA's "Supply Chain Management Award"

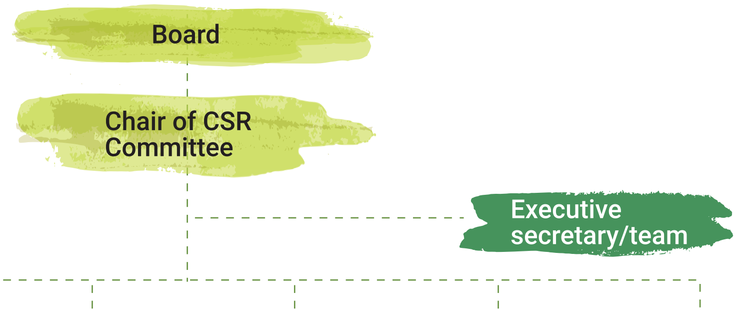
Talent

- Received TCSA's "People Development Award"

Community Engagement

- Received TCSA's "Social Inclusion Award"

CSR Committee: Organization, Strategy & Sustainability Issues



Board

Chair of CSR Committee

Executive secretary/team

Working team	**Global Presence**	**Innovation**	**Talent**	**Environmental Management**	**Corporate Governance**	**Community Engagement**
Strategy	MediaTek aspires to lead and operates with a global mindset.	MediaTek actively innovates to provide highly competitive and compelling products and services to our customers.	MediaTek provides an environment of diversity and inclusiveness to attract global talent, with opportunities for them to unleash their potential and grow with the company.	We ensure responsible supply chain management by reducing our environmental impact where possible, encouraging suppliers to work together on issues relating to climate change.	MediaTek has adopted corporate governance practices to reflect our strong commitment to protecting stakeholder interests.	Be involved through our core capabilities to promote technology education and innovative technological applications, empowering innovation and local implementation
Sustainability issues	● Technology inclusivity ● Brand value ● Customer satisfaction ● Product quality and service management	● Product innovation ● Develop technologies	● Compensation and benefits ● Diverse and inclusive workplace ● Human rights of workers ● Employee development	● Environmental policies ● Supply chain management ● Energy and climate change	● Corporate governance ● Legal compliance ● Economic performance ● Full and transparent information disclosures	● Social welfare activities ● Social development ● Social influence

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Message from the Chair of our CSR Committee

MediaTek is a leading technology company that focuses on both technological innovation and user experience. We have integrated our core values into the heart of our sustainability initiatives and, through the dissemination of technology, committed ourselves to enriching the lives and enhancing the welfare of humankind.

To better understand any issues of concern among our stakeholders, we have conducted a variety of investigations and communications, including interviews with senior executives, brand surveys, corporate perception surveys, and employee surveys. To bridge the gap we discovered between external and internal feedback, we requested participation from senior management and integration into the six working teams in our CSR committee. With senior executives from across Business Units leading each working team we are able to continue promoting our CSR strategies with a proactive attitude and timely action to any stakeholders' concern, fulfilling our responsibilities as a citizen of the global community.

Overview

Since its establishment, MediaTek has grown from a 20-person team of multimedia-chip experts to the 4th largest fabless IC design company in the world. Headquartered in Hsinchu Science Park, Taiwan, our R&D and business presence spreads to over 50 sites worldwide, including North America, Europe, Greater China and throughout Asia. At our overseas sites, we proudly invest in local talent, with over 86% of managers hired locally. For several consecutive years we have invested over 50 billion NTD annually in research and development, with the amount reaching 57.5 billion NTD in 2018. For many years, our annual procurement from Taiwanese semiconductor suppliers has exceeded 100 billion NTD. MediaTek took first place in the amount of compensation we paid on average among the semiconductor companies listed on the Taiwan Stock Exchange (TWSE) in 2018, providing over 10,000 jobs - nearly 90% of which are through engineering positions in R&D and customer support. 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.

Energy Conservation and Carbon Reduction

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. End devices powered by MediaTek saw a reduction of energy consumption by at least 14% in 2018, compared with that of 2017. Based on our annual shipment value, we were able to save 192 million kWh of electricity, translating to 106,368 tons of reduced carbon emissions. Additionally, MediaTek has established two high-density energy-saving data centers, as well as the first private roof-top solar power system in Hsinchu Science Park, conserving 6.26 million kWh of electricity each year.

Talent Cultivation and Community Engagement

MediaTek is committed to the promotion of science education and the dissemination of technology. Over the past 18 years, we have dedicated more than 1.7 billion NTD in relevant domains. In 2018, we hosted the first “Genius for Home: MediaTek Digital Social Innovation Campaign". As part of the campaign, 323 innovative solutions were proposed for 180 towns, showcasing Taiwanese capacity for social innovation and the love of their hometowns. Beyond this initiative, we have long invested in higher education by co-establishing research centers in universities, supporting academic research projects, joining academic research institutes, aiding the recruitment of overseas talent into the faculty to encourage diversity, financing doctoral students and participating in high-tech exchange activities—all under our collaborative relationship with 17 domestic and overseas universities.

As a global citizen and leader in the semiconductor industry, we set ourselves the task of guiding the value chain towards sustainable development by utilizing our core businesses to exert maximal social influence. We nurture innovation by leveraging global talent and resources, creating economic and social opportunities around the world.

Rick Tsai
CEO and Chair of Corporate Social Responsibility Committee, MediaTek

Sustainability Highlights

Global Presence

We continue to sustain a diverse and balanced business for R&D operations and customer support

- Our headquarters in Taiwan coordinate global resources alongside thousands of R&D personnel working from offices across North America, Europe and Asia.
- Provide customized services based on local needs, serving clients such as Amazon, Microsoft, Google, and Sony through our customer support system.
- More than 86% of managers at overseas sites are locally hired.
- We collaborate with ecosystem partners such as Nokia, NTT DOCOMO, and Chunghwa Telecom.

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Innovation

We continue to strengthen core technologies and coordinate developments in 5G and AI innovation

- Invested 57.5 billion NTD, or 24% of our revenues, in research and development to maintain technological leadership.
- Launched the world's fastest 5G modem chipset, MediaTek Helio M70, and played an important role in establishing the global 5G ecosystem.
- Utilized green innovation to create powerful but power-efficient products that consumed 14% less energy compared with 2017, reducing 192 million kWh of electricity per year, the equivalent of 106,368 tons of carbon emissions, or the carbon storage capacity of 125,187 acres of U.S. forests in a year.
- Ranked No.3 among applicants that filed with the Taiwan Intellectual Property Office (TIPO) and No.25 with the European Patent Office (EPO) in the field of digital communications.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Talent

Established a brand as the best employer

- According to Taiwan Stock Exchange (TWSE), MediaTek has been recognized as one of the top compensation packaging listed companies in the industry.
- Global turnover rate of 9.4%, which is lower than the 13.8% (12.5% in Taiwan) average within the high-tech industry.
- Women now hold 17% of the R&D and technical positions in MediaTek; higher than the 13-15% average of female graduates with EE/CSIE degree in Taiwan annually.
- We received 17x more applications than actual job openings, displaying our competitive advantage in attracting talent.
- Emphasized comprehensive communication during the Mstar integration; the overall retention rate was higher than 90%.

4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES

Corporate Governance

Strengthened governance structure to protect stakeholder interests and enhance internal auditing and control functions

- MediaTek has adopted Control Self-Assessment (CSA) system, allowing our employees to self-assess the design and operation of internal control and give their feedback online.
- There were two scheduled meetings of CSR Committee in 2018, and the Chairperson of CSR Committee reports the latest status to the Board of Directors on a regular basis.
- One of MediaTek's compensation policies is "Sustainability". Compensation policy at senior management level aims to strike a balance between long-term and short-term effects, thereby encouraging our senior managers to achieve long-term goals and leading MediaTek to sustainable development through the long-term reward program.
- The 2018 meeting attendance rates of the Board of Directors, Audit Committee, and Compensation Committee were 100%.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Environmental Management

Supported responsible supply chain management and reduced environmental impact through technological innovation

- In response to UN SDGs, we plan to host our first MediaTek responsible supply chain seminar, inviting thought leaders, academic experts, and suppliers to exchange ideas and experience. We completed the preparation in 2018 and expect to host this event in 2019.
- Our two high-density and energy-efficiency-focused Data Centers conserved 6.1 million kWh of power, or 18.3 million NTD in electricity fees over the year.
- We installed the first privately run roof-top solar power system in Hsinchu Science Park. Composed of 480 solar panels integrated with Taipower's power grid, this system has a capacity of 146.4 KW and is expected to generate 160,000 kWh of power each year, reducing carbon emissions by 89 tons.
- Application of energy-conserving products: Our conference rooms were upgraded with MediaTek IoT platforms (MediaTek LinkIt 7697) that can automatically sense whether the room is in use, and control the lighting and air conditioning systems accordingly. This can save 564 kWh of electricity per room per year. Since MediaTek has more than 100 conference rooms, we expect to save at least 56,400 kWh per year, in the future.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Community Engagement

Enhanced and enriched the lives of the general public by promoting science education, our investment accumulating to 1.7 billion NTD over the past 18 years

- In 2018, we launched the "Genius for Home-MediaTek Digital Social Innovation Campaign," where 323 innovative solutions were proposed across 180 towns in Taiwan, showcasing the capability for social innovation within local communities.
- We have long invested in higher education, through co-establishing research centers on campuses, implementing academia-industry consortia through specific projects, joining academic research institutions, supporting the employment of talent from overseas, providing support for domestic and international doctoral students, and proactively participating in high-tech exchange activities--collaborating with 17 domestic and overseas universities.
- We supported basic science education by organizing a series of events centered on the National Primary and High School Science Fair. We reserved 40% of slots for schools located in remote, , aboriginal, and disadvantaged communities in order to help close resource gaps.
- We contributed charitable projects in 2018 that benefited 24,000 people worldwide.

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

6 CLEAN WATER AND SANITATION

Stakeholder Engagement

Highlights of stakeholder engagement in 2018

To fulfill our corporate social responsibility, MediaTek communicates with stakeholders through various channels, reviewing our performance on issues of concern raised with us. This year we identified several key trends in sustainable development, specifically: inclusiveness and equality in the workplace, the application of innovative technology to achieve sustainable goals, the importance of human rights, supply chain management, and the importance of open communication channels. Furthermore, we conducted a variety of investigations and communications activities, including interviews with senior executives, brand surveys, corporate perception surveys, and employee surveys, in addition to routine contact with clients, suppliers and investors. The collected information was consolidated into 10 sustainability issues we are now prioritizing our focus on.

Sustainable corporate operations require comprehensive long-term communications with stakeholders. Since 2014, when we published our first Corporate Social Responsibility Report, MediaTek has reinforced its communication channels with stakeholders and provided timely responses to noted issues of concern through our sustainable operations guidelines. Comprehensive communication with stakeholders enables us to respectfully include their input as we work together toward our mutual future.

Stakeholders refer to persons or organizations who benefit from, have requirements of, or have interests in MediaTek. When identifying our stakeholders, we adopted the five major principles of the AA1000 Stakeholder Engagement Standards (SES): Dependency, Responsibility, Influence, Diverse perspectives, and Tension to balance the relationship and impacts between MediaTek and all stakeholders as we identified six main stakeholders for communication, including customers, the government, employees, shareholders and investors, suppliers, and the general public/media.

Model of Stakeholder Engagement

Stakeholder	Significance	Method	Frequency	Sustainability Issue	Response
Customers	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.	● Visits ● Communication via phone and email ● MediaTek On-line platform ● Customer complaint system	● Non-periodic ● Daily ● Immediate ● Immediate	● Customer relationship management ● Innovation ● Brand identity and Market perception	● Put ourselves in clients' shoes and communicate in through various channels towards an effective resolution ● Invested 57.5 billion NTD (24%) of our revenues, on research and development of technology innovations ● Communicate a new brand identity through a wide variety of owned, sponsored or paid-for channels
Government	The government is an important stakeholder in fostering a positive business environment for business to operate. We comply with the laws and regulations set by corresponding governments.	● Conferences, public hearings, regulation briefings, seminars, meetups ● Official correspondences and visits ● Communication with government authorities through industry organization ● Market Observation Post System (which is regulated by the TWSE)	● Non-periodic ● Immediate ● Non-periodic ● Immediate	● Economic performance ● Corporate governance and legal compliance ● Social welfare activities ● Adherence to relevant regulations for products and services	● Global market share was 1.7%, ranking MediaTek at #14 in the global semiconductor industry (In terms of revenue, Including foundries) ● Actively respond to questions related to regulation and operating environment, and if necessary adjust operations to improve overall operating environment ● Continually act with authority to promote technology education and development of innovative industries

Stakeholder	Significance	Method	Frequency	Sustainability Issue	Response
Employees	MediaTek employees are our most important asset. Our efforts in innovation of IC design and cultivation of our global talent has helped MediaTek to become a global technology leader	● Labor meeting ● Global communication meetings with employees of all levels ● Employee surveys ● Communication platform ● Ombudsman service ● Corporate suggestion box	● Quarterly ● Monthly/ quarterly ● Periodic ● Immediate ● Immediate ● Immediate	● Innovation ● Compensation and benefits ● Establishing a diverse, inclusive workplaces with equal opportunities	● Continually work on talent cultivation for key R&D areas ● Formulate competitive salaries and overall compensation strategies and provide a variety of attractive benefits in order to shape an appealing workplace for sustainable corporate development ● Provide equal employment and development opportunities. Safe and friendly working environments
Shareholders and investors	Shareholders and investors are the driving force supporting MediaTek. Investment of funds and participation in corporate governance helps MediaTek extend sustainable development	● Annual Shareholders' General Meetings ● Quarterly investor conferences	● Once per year ● Four times per year	● Economic performance ● Corporate governance and legal compliance	● Operating profits in 2018 grew by over 60% compared to 2017 ● Interact with and listen to suggestions from our investors and use these as important references for developing future strategies
Suppliers	Through mutual trust and collaboration, suppliers are MediaTek's best partners to help provide excellent products and services. Provision of assistance when faced with challenges help suppliers to achieve sustainable growth	● Supplier conferences ● Supplier audits ● Grievance mechanism	● Non-periodic ● Non-periodic ● Immediate	● Supply chain management	● Launched the "MediaTek Supply Chain Social Responsibility Award" and host supplier forums to encourage for our top suppliers
General public/ the media/ Community	The public is MediaTek's partner in enhancing and enriching everyone's life. We work with local communities, the media and NGOs to fulfill our responsibility as a corporate citizen	● Participation in welfare activities ● CSR mailbox ● Websites and social media ● Press conferences ● News releases ● Media interviews	● In accordance with project progress ● Immediate ● Non-periodic ● Non-periodic ● Non-periodic ● Non-periodic	● Innovation ● Brand identity/ Market perception ● Social welfare activities	● Launch increasingly advanced products that enable more people worldwide to enjoy the benefits brought about by technological innovation ● Integrate our brand mission of inclusiveness with our 3A strategy to promote digital opportunity and facilitate the spread of knowledge ● Hosted the first "Genius for Home – MediaTek Digital Social Innovation Campaign" to advocate local community introspection

Procedures for Analyzing Materiality

MediaTek continues to maintain open communication channels with stakeholders to ease identification of any sustainability issues. In 2018, MediaTek conducted an in-depth study of the materiality of various economic, environmental, and social issues, and in respect of the results we enhanced our core CSR strategies and management guidelines for material issues. Our analysis procedures referenced the following four steps:

1.Benchmarking： MediaTek conducted annual analysis of key industrial issues at home and abroad to keep up with changes in trends of industrial issues. We also collected information from major international sustainability assessment institutes such as DJSI, Sustainalytics, CSRHub, and other channels to understand which issues reflected significant organizational economic, environmental, and social impacts.

International industrial sustainability trends for 2018 included:

- Proposal of specific sustainability policy, commitments and goals
- Energy-efficiency of operations
- In-depth communications with stakeholders
- Establishment diverse, inclusive, and equal workplaces
- Supply Chain Management (SCM)
- Talent development and management
- Promotion of STEAM (Science, Technology, Engineering, the Arts and Mathematics) education
- Community involvement
- Integration of innovative technologies with sustainability

2.Issue identification： after integrating our benchmark results with recent ESG issues of concern to stakeholders, we established 23 issues.

Economic aspect

- Anti-corruption initiative
- Corporate governance and legal compliance
- Risk management
- Economic performance
- Ethics and integrity
- Indirect economic impacts
- Brand identity/Market perception
- Customer relationship management
- Sustainable management of supply chains
- Innovation (product and service innovation)

Environmental aspect

- Environmental policies
- Water resource management
- Management of raw material usage
- Energy and climate change
- Management of waste and hazardous substances

Social aspect

- Employee development
- Human rights of workers
- Labor-management relations
- Social welfare activities
- Compensation and benefits
- Establishing a diverse and inclusive workplace with equal opportunities
- Talent attraction and retention
- Occupational health and safety

3.Sequencing of material issues： Through surveys of internal and external stakeholders we assessed differences in MediaTek ESG issues of concern for different stakeholders such as thought leaders, the general public, our customers, global employees, and supplier partners, as well as possible risks, and potential opportunities to improve in operational processes.

Internal Surveys

- Executive manager survey and in-depth interviews, 2018 11 executive managers
- Employee survey, 2016
  9,000+ employees; 88% completion rate

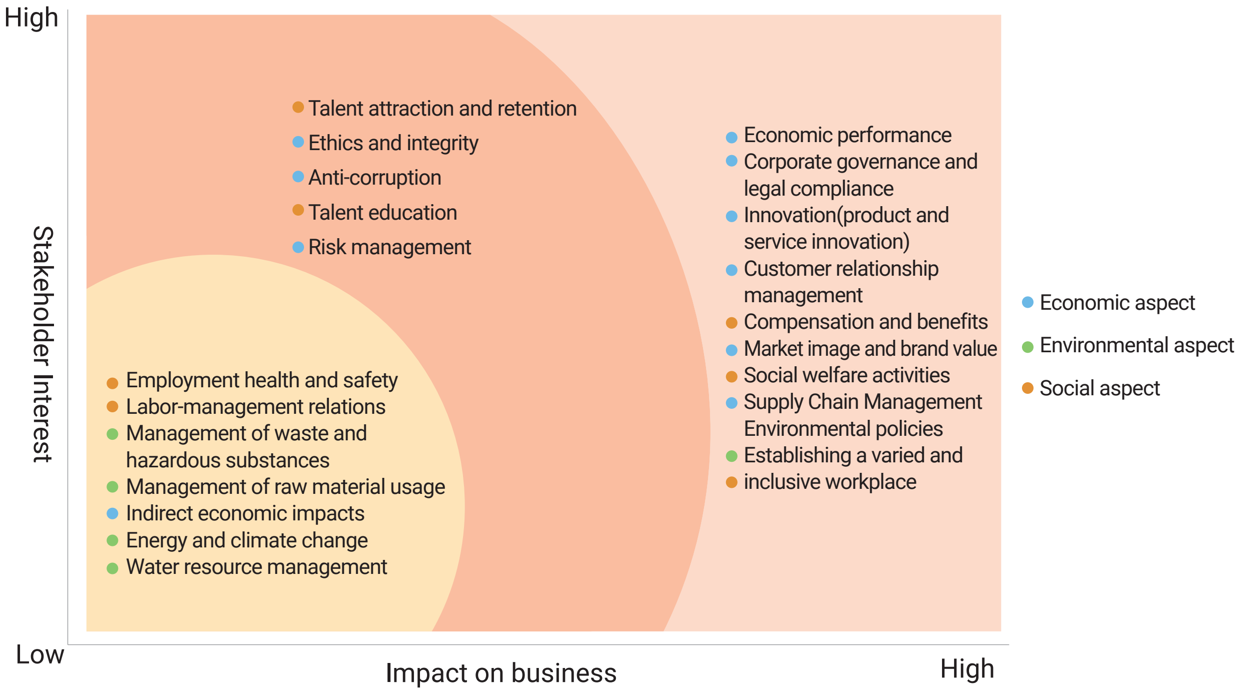
External Surveys

- Brand survey, 2018
  1,202 customers, thought leaders, and consumers
- Corporate perception survey, 2017
  1,433 thought leaders and members of the general public

4.Confirmation of material issues: Differences between internal and external stakeholder issues include, but are not limited to:
External stakeholders: highly focused on whether MediaTek continues to invest in social care, sustainable management of supply chains, human rights and diversity in the workplace

Internal stakeholders: concentrated on employee communications and talent attraction and retention.

All suggestions and expectations were compiled, then our CEO and heads of the six major working teams discussed the raised issues and confirmed the final material sequence. Following which, our CSR Committee organized the core CSR strategies and management guidelines for 10 material issues. Our material issues matrix for 2018 is as shown below:



MediaTek material issues matrix

Material Issues and MediaTek's Value Chain

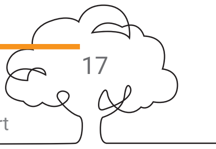
As MediaTek is an IC design company that does not have in-house production lines or fabs; we are located at the top of the overall value chain, and our main business is design and sales of products through commissioned client designs. Our suppliers carry out the entire manufacturing process, including raw materials procurement, wafer processing, assembly, and testing. MediaTek used the perspective of the "value chain" to review our positive and negative impacts. We conducted materiality analysis to filter material issues, then studied the effect on the value chain to assess further impacts. Material issues and icons for boundary levels are as shown in the table below:

Impact level Direct: ● Indirect: ○

Material issues	Chapters	Corresponding GRI material issues	Scope of value chain impacts			
			R&D	Client commissions	Supplier manufacturing	End usage
Economic Performance 8 DECENT WORK AND ECONOMIC GROWTH	Ch4 Corporate Governance	GRI 201: Economic Performance 2016	●	●	●	○
Corporate Governance and Legal Compliance 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ch4 Corporate Governance	GRI 307: Environmental Compliance 2016 GRI 419: Socioeconomic Compliance 2016	●		●	
Innovation 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Ch2 Innovation	Non-GRI material issue	●	●		●
Brand Identity and Market Perception 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Ch1 Global Presence	Non-GRI material issue	●	●		●
Customer Relationship Management 8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS	Ch1 Global Presence	Non-GRI material issue		●		
Compensation and Benefits 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH	Ch3 Talent	GRI 401: Employment 2016	●			
Establishing a Diverse and Inclusive Workplace 5 GENDER EQUALITY 10 REDUCED INEQUALITIES	Ch3 Talent	GRI 405: Diversity and Equal Opportunity 2016	●			
Supply Chain Management 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ch5 Environmental Management	GRI 308: Supplier Environmental Assessment 2016 GRI 414: Supplier Social Assessment 2016			●	
Environmental Policies 13 CLIMATE ACTION	Ch5 Environmental Management	GRI 307: Environmental Compliance 2016	○			○
Social Welfare Activities 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION	Ch6 Community Engagement	Non-GRI material issue	○			●

Material Issue Management

Material issue	Significance	Goals	2018 Status	Measures
Financial Performance	We are committed to pursuing sustainable operations and long-term benefits, maintaining our industry leadership, and generating a multitude of values for our stakeholders.	Short term ● Launch highly cost-effective products that appeal to client's needs ● Assist clients in rapid and smooth mass production processes that take advantage of market opportunities Mid to long term ● Develop various business opportunities ● Strengthen internal operational efficiency and effective external communications, maintain good relations with global capital markets	Consolidated net revenues for the year equaled 238.1 billion NTD, consolidated gross margins increased from 35.6% to 38.5% compared with 2017, operating profits grew by 60% compared to the previous year, consolidated operating margins increased by 2.7 percentage points, and we are gradually building a healthier profit structure	Short term ● Acting on market trends and client needs, continue to develop highly competitive and advanced process designs ● Integrate products and existing cross-platform market advantages of new M&A ● Maintain sound and flexible financial systems that support R&D needs. Mid to long term ● Strengthen long-term relations with international clients and business partners ● Establish a more comprehensive global management system ● Seek out appropriate investment targets that are beneficial to product expansion
Corporate Governance and Legal Compliance	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.	Short term ● No events violating major social, environmental, and economic regulations ● Improve Corporate Governance Evaluation results and rank in top 5% of public companies Mid to long term ● Enhance Board operations	● Improved corporate governance: In 2018, the results of our corporate governance evaluations (performed by TWSE Corporate Governance Center) ranked 6-20% among listed companies. In order to enhance the governance rating to a higher level, we are actively working with external consultants to improve the underscored indices. ● Focus on business integrity: In 2018, we provided numerous internal trainings to the amount of 6,795 hours attended by a total of 13,925 persons. ● Enhanced internal audit: We introduced a new CSA system for the management and employees to self-assess the design and operation of internal control and give their feedback online	Short term ● Conduct external performance evaluation of the Board of Directors Mid to long term ● Respond actively to corporate governance practices recommended by the government agencies and institutions to enhance the Board's overall operations
Innovation	MediaTek employees worldwide work unceasingly on technological innovations to create new products that enhance and enrich everyone's life.	Short term ● Mass-produce 5G products ● Apply AI features in a variety of products Mid to long term ● Realize application of 5G technologies in various product categories ● Establish AI application ecosystem for various product categories	● Development of core competency- launched the Helio M70 5G multi-mode modem with industry-leading speed, energy efficiency, and reference designs ● By participating in technical associations, collaborating with business and academic partners, we strived to increase the competitiveness of our technologies and products	● Allocate resources to enhance our technologies and products, continue growing our collaboration and exchanges on hardware IC designs and software platforms



Material issue	Significance	Goals	2018 Status	Measures
Customer Relationship Management	"Customer Focus" is one of MediaTek's six core values and is a guiding principle for sustainable development.	Short term ● Enhance client satisfaction, sales, and forecast accuracy Mid to long term ● Discover new market opportunities	● Regularly use various quantitative and qualitative methods such as visits, active project numbers, and Q&A numbers to obtain feedback from clients ● Collect 5,000 queries annually from potential clients via online forms/ email and pass them on to relevant departments to follow up ● Sales representatives integrate feedback from ODM and Brand customers to prevent oversight and misunderstanding	● Proactively assist our clients to increase client value. Forecast clients' needs from the perspective of a business partner
Compensation and Benefits	Employees are key assets for MediaTek. We provide competitive, internally-fair compensation and diverse benefits to our employees to enhance their engagement and also to drive sustainable business growth of the company.	Short term ● Provide competitive salary and benefit ● Provide diverse learning resources ● Established flexible benefits programs Mid to long term ● Continue to provide performance-oriented and sustainable compensation ● Provide challenging and innovative environments to unleash employee potential ● Continue to care for the physical and mental health of our employees and provide high-quality and healthy workplace environments	● Design and strengthen employee benefits to ensure competitive compensation. According to Taiwan Stock Exchange (TWSE), MediaTek has been recognized as one of the top compensation packaging listed companies in the industry ● Continue efforts to establish our 'in-house' kindergarten facilitates; we completed recruitment of professionals and planning of campus grounds in 2018, with student enrollment starting in 2019; the satisfaction levels for the major annual events in 2018 exceeded 85 points (the maximum score was 100); plan to establish flexible benefits policy in 2019 ● In 2018, 774 managers participated in high-potential talent training, 43% and 24% of mid-level and entry level managers that participated in our training program received promotions; more than 50 book club meetings were hosted by our business units throughout the year ● Establish employees' physical and mental health check system-96% of employees applied for health check subsidies, and we provide comprehensive internal and external employee assistance programs	● Collect market compensation data, develop competitive compensation strategies and provide statutory retirement benefits to the employees. Provide corresponding learning and development resources to our managers and employees across job levels and duties, so as to help the development of their specific work capabilities ● Provide a variety of benefits to our employees such as health checks in order to shape a positive workplace experience
Brand Identity and Market Perception	We aspire to enrich and enhance everyone's life through our innovative technologies, leading products, strong business model, and effective corporate feedback.	Short term ● Provide increasingly high-value products to our global clients ● Increase brand awareness and brand preference Mid to long term ● Continue to enhance market share in our high-growth products	● Reached 33% of smartphone market share ● Is a first tier business entity among smartphone, voice assistant, smart TV and consumer network equipment industry	● Continue to enhance our market image and brand value through investment in core technologies/ IP, astute corporate strategy, management and processes

Material issue	Significance	Goals	2018 Status	Measures
Social Welfare Activities	Technological innovation is more than an endeavor to spearhead the industry—we aspire to use our core competencies to motivate positive social welfare changes. Aggregating Company resources, we aim to improve the accessibility of knowledge and education. Like technological innovation, we believe that knowledge drives a better future by bringing opportunities to people.	Accessibility to Science Education Short term ● Through local government co-operation, expand the pool of computer programming instructors for school children Mid to long term ● Promote STEAM education for K-12 students Social Innovation Short term ● Plan events to collect ideas and proposals Mid to long term ● Encourage project implementation and follow up on results Academic Support Short term ● Support academic research Mid to long term ● Collaborate with others to develop cutting-edge innovative research Welfare and Social Engagement ● Support philanthropic events related to social innovation and science education	Accessibility to Science Education ● Established Aapato Honor Society that has continued to make a positive impact ● Collaborated with county and city governments to organize programming training for teachers, expanding the talent pool demanded by the educational revolution ● We sponsored hands-on research in 38 elementary schools, 40% of which are located in resource-limited rural areas Social Innovation ● Organized the "Genius for Home: MediaTek Digital Social Innovation Campaign," attracting 323 proposed solutions across 180 towns through Taiwan. Academic Support ● Since 2013, we have co-established 3 research centers in partnership with NTU, NTHU, and NCTU ● Since 2002, we have supported a total of 71 doctoral students, including 63 domestic students and 8 students from ASEAN and India. 12 of them are currently receiving scholarships Welfare and Social Engagement ● 258 volunteers participated in 2018 ● The 20 million NTD charity funds raised on MediaTek's 20th anniversary sponsored 8 projects around the globe and 10 community bookstores	Continue working on areas of Accessibility to Science Education, Social Innovation, Academic Support, and Welfare and Social Engagement to drive a better future
Supply Chain Management	MediaTek is an IC design company. The results of inspections relating to climate change risks and Company carbon footprint showed that our back-end manufacturing processes had the most impact on the environment. Therefore, one of MediaTek's top priorities is to work with our suppliers to decrease these risks.	Short term ● In 2020, more than 80% of our suppliers must sign and return their Guarantee of Code of Behavioral Conduct Mid to long term ● Maintain ESG risk levels of our testing and memory suppliers at low levels, and complete on-site audits with 80% of suppliers by 2025	● 100% of our smelting companies have received Responsible Minerals Initiative (RMI) certification ● 44% of our suppliers have signed their Guarantee of Code of Conduct ● 100% of our domestic suppliers received ESG assessment and audit ● 76% of suppliers filled out RBA survey, less than the target of 80% set in 2017	Short term ● Provide guidance for suppliers that do not comply with regulations Mid to long term ● Increase the percentage of supplier on-site audits

Material issue	Significance	Goals	2018 Status	Measures
Environmental Policies	MediaTek's chip products are deployed in over a billion devices globally, annually. We actively respond to climate change-related risks and enhance the resource efficiency of daily operations. We are also committed to optimizing our energy efficiency in chip design so that our products can contribute to lowering the power consumption in their life cycles (which include the four stages of design, manufacturing, usage, and waste).	Short term ● Continue to enhance the energy efficiency of our products ● Optimize operations of our high-performance, and power-efficient Data Centers to achieve energy conservation indicators of 1.35 ● Calibrate equipment in new buildings to optimize operations Mid term ● Expand carbon-emission inspections to sites in China ● Optimize operations of our Data Centers ● Establish a platform for global sites to exchange best practices. Long term ● Conduct global carbon emissions inspections and risk assessments ● Save 4% of electricity usage over all corporate Data Centers within three years	● Decreased 14% of product energy consumption ● 2018 annual energy-conservation rates reached 11.7% ● Installed a solar power system with a projected annual power generation of 160,000 kWh, reducing carbon emissions by 89 tons	● Continue to use energy efficient, environmentally conscious designs ● Energy management in routine operations follows a process of planning, management, and education of environmental protection ● Exchange best practices in energy conservation among global sites
Establishing a Diverse and Inclusive Workplace	MediaTek upholds diverse and inclusive talent strategies, providing equal opportunities for employees of different nationalities and genders; establishing a safe and friendly working environment through a diverse and inclusive workplace	Short term ● Continue to recruit talented individuals and provide salary based on their experience ● Continue to evaluate employee promotions based on performance and potential ● Maintain unimpeded grievance channels, and appoint designated personnel to investigate and respond ● Continuous to mandate courses on prevention of sexual harassment ● Continue to provide maternity care Mid to long term ● Continue to recruit global talent ● Continue to enhance employee satisfaction on diverse and inclusive workplace	● The number of female employees in the R&D/technical departments was 1,708, making up 17% of the R&D/technical departments, which is higher than the average proportion of female graduates (13-15%) in the electronics, electrical engineering, and computer science in Taiwan ● Completion rates for prevention of sexual harassment classes for new hires in 2018 were 100%; two incidents of sexual harassment were sent to our grievance reporting inbox. Both cases have been addressed and closed ● All offices offer lactation rooms that provide comprehensive care and assistance for our employees. We keep track of employees returning to work after parental leave	● Continually adhere to the International Bill of Human Rights, maintain our employees' rights and ensure we do not to discriminate ● Establish friendly working environment by implementing human rights related regulation

Global Presence

MediaTek aspires to lead and operates with a global mindset.

1.1 Brand Vision
1.2 Global Operations
1.3 Client Services

Topics in this chapter

Brand identity and market perception

Customer relationship management

Collaborate with international partners

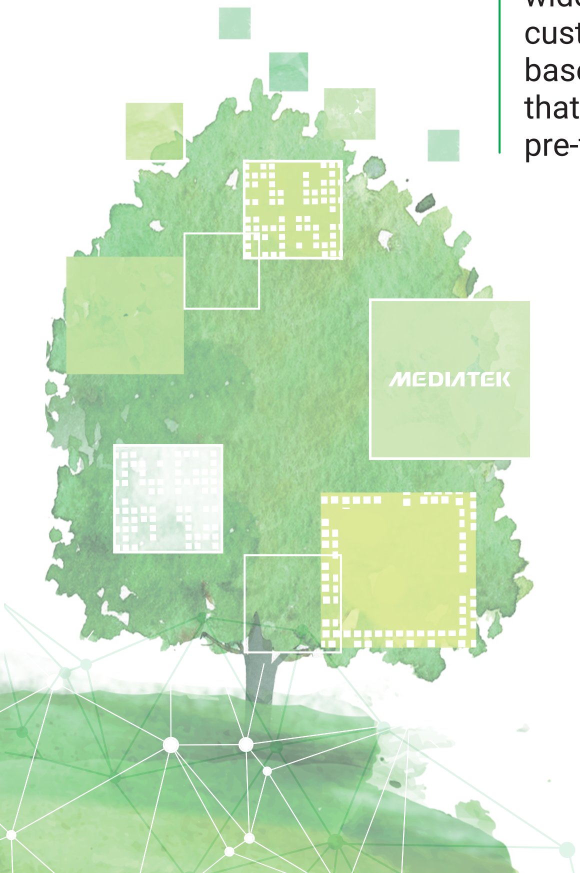
We provide a broad product portfolio and wide range of customized services based on local needs that extend from pre-to-post sale.

Worldwide R&D capabilities

50 sites distributed globally

Emphasis on local talent

More than **86%** of managers at overseas sites are local hires.



In MediaTek, innovation is at our core. We pursue it not just in technologies, but our strategies, marketing, management and procedures. Through a "3A strategy" which provides "Accessibility", "Affordability", and "Availability", ultimately, our goal is to deliver products that enhance and enrich everyone's life, satisfying people from all walks of life with devices powered by MediaTek.

In addition, we have dedicated ourselves to the global market, offering New Premium user experiences. In order to develop new technologies and effectively utilize our global resources, we have established R&D centers throughout the world to strengthen our R&D capability as we continue to expand our market share.

MediaTek lays special emphasis on local cultures and local talent, with more than 86% of managers at overseas sites sourced from the local population. We also facilitate cross-site technical enhancements. With our core values in mind, we respond to client needs with sophisticated project management and effective communication.

1.1 Brand Vision

Brand identity and Market Perception	Management Approach for Material Issues Non GRI Material Topic 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS
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 technologies, strategies, marketing, management, and processes.

Goals

Short term:

- Act on market trends and develop leading technologies in 5G, AI, and voice control systems to provide increasingly high-value products to our global clients
- Increase brand awareness and brand preference

Mid to long term:

- Continue to enhance market share in our high-growth products

Our Management System

- **Responsible unit:** Sales and Marketing Departments
- **Resources:** Digital channels (social media, corporate website, co-marketing campaigns, brand stores, etc) and international electronic product exhibitions
- **Communication channels:**
  - International electronic product exhibitions
  - Overseas technology meetings
  - Telephone number: 886-3-5670766
  - Email: csr@mediatek.com
- **Assessment mechanism:** Evaluation results for global brands

Specific Performance

- Listed among the top 20 "Best Taiwan Global Brands" of the MOEA's Branding Taiwan Project for 4 consecutive years
- Received the "Outstanding Asia Pacific Semiconductor Company Award" from the Global Semiconductor Alliance (GSA)
- Received the 2018 "Top 50 Corporate Sustainability Award" from the Taiwan Institute for Sustainable Energy, along with the "Platinum Corporate Sustainability Report Award ", "People Development Award", "Growth through Innovation Award," "Social Inclusion Award", and "Supply Chain Management Award"

1.1.1 Connecting the Next Billion

MediaTek's mission is to enhance and enrich everyone's life. We strive to utilize our core capabilities to develop innovative, powerful and capable yet highly power-efficient products. Every employee at MediaTek is committed to providing highly integrated platforms for a wide variety of end devices, such as smartphones, tablets, smart speakers, smart home, advanced automotive, and broad scope IoT to AIoT devices (an integration of artificial intelligence (AI) and Internet of things (IoT)). Such devices connect consumers with the wealth of digital resources and the global online population, fulfilling their needs in work and life and maximizing their potential. In such a way, MediaTek seeks to connect the next billion and embrace a smarter future.

Inclusiveness

Inclusiveness is a highlight within the blueprint of MediaTek's corporate vision and is integrated with our 3A strategy as we strive to increase the popularization and accessibility of technology. We believe that Internet access is a human right and not a privilege. We hope that all people can obtain an equal right to accessibility through the promotion of inclusive technologies, using it to generate infinite possibilities.

Brand Value

For the 4th 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 355 million USD.

MEDIATEK
everyday genius
355
US Million

Top 20 "Best Taiwan Global Brands" by Interbrand

Brand Communication

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.

1.1.2 Global Brand Activities

Long-term Engagement in Brand Communication Activities around the World

MediaTek showcases its technological innovation and competitive products in key international exhibitions, including MWC Barcelona, CES, and IMC. By participating in those exhibitions, MediaTek also markets its positioning and commitments to key influencers and the global market.

1 Mobile World Congress (MWC) in Barcelona

At MWC 2018, MediaTek showcased its latest technologies, themed "Bringing AI and 5G to Everyone."

BEST OF MWC AWARD!
MediaTek helio | P60
#MWC18
BEST OF MWC ANDROID AUTHORITY 2018

2 Consumer Electronics Show (CES) in Las Vegas

At CES 2018, MediaTek announced its new automobile brand, AUTUS, and displayed solutions as they were applied to mmWave radar, V-ADAS, telematics and infotainment.

3 India Mobile Congress (IMC) in New Delhi

MediaTek Helio P70 premium smartphone solution was announced with AI applications showcased, such as real-time human pose recognition and AI-based video encoding.

MediaTek helio | P70
DEFINING THE NEW PREMIUM
MEDIATEK

India – Strengthening Our Market Communication

IESA Makeaton

Collaborating with India Electronics and Semiconductor Association (IESA), we invited the developer community to explore our NeuroPilot platform and SDK to create new applications. Participants included start-ups, entrepreneurs, developers, product designers and college students.

Makeathon
BUILD. CONNECT. GROW.
#startupindia
IESA
MEDIATEK
MOUSER
arm
CYPRESS
intel
Texas Instruments
DigitalOcean
FUNDTONIC

AI Tech forum

MediaTek promoted our AI technology leadership through our exclusive NeuroPilot software and AI Processing Unit (APU) hardware. Speakers from Google and Facebook expressed how they actively co-work with MediaTek on AI technology development towards ongoing and future products and services.

POWERING 1.5 BILLION DEVICES A YEAR
AI FORUM

MediaTek:
1/3

5G India Leadership Summit

As MediaTek is has made many technical contributions towards 5G commercialization, we collaborated with industry partnerships to help prepare the Indian market for 5G. MediaTek is already meeting worldwide market commercialization targets with our 5G products.

KONECT
5G INDIA Leadership Summit 2018

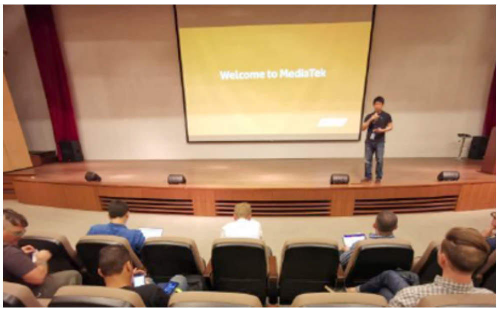
China- MediaTek Helio P90: AI at Your Fingertips

MediaTek hosted a MediaTek Helio P90 launch event in Shenzhen with the theme "AI at your fingertips". More than 400 domestic and international clients and collaborating partners attended the event, and around 75 members of the press from China, India, and Southeast Asia participated. The MediaTek Helio P90 platform is currently the world's most powerful AI processor in a smartphone SoC. Our aim is to unlock the potential of new, novel AI applications and services to provide consumers with the best user experience.

AI 3D 实时人体姿态追踪
AI 3D REAL TIME HUMAN POSE TRACKING
MEDIATEK

US region - International Media Visited MediaTek Headquarters

In November 2018, MediaTek invited seven journalists and key opinion leaders (KOLs) from notable US-based media such as Android Authority, Android Central, Digital Trends, GadgetMatch, Pocketnow and The Unlockr, to take a tour of our headquarters in Hsinchu, providing them with an opportunity to understand MediaTek's technologies and wide-ranging products through presentations and executive interviews, showcasing MediaTek's corporate image of an all-encompassing and professional IC design company.



1.1.3 MediaTek 'New Premium' Strategy

Building on its Everyday Genius foundation, MediaTek has been undertaking a strategy called "New Premium", by which aims to use our accumulated industry experience over the past 20+ years to develop technologically advanced products that allow more people worldwide to enjoy better user experiences. 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 2018 were as follows:

Market Share by Country

Country	Proportion (%)
India	~35%
Middle East	~40%
Southeast Asia	~42%

Market Share by Product

Product category	Proportion (%)
Mobile phones	>33%
TV	>50%
Smart speakers	>70%

Currently, there are still billions of people throughout the world that have had little-to-no experience with connected technologies. MediaTek has integrated a 3A (Accessibility, Affordability, Availability) strategy into our corporate brand vision, in expectation of extending connected experiences to the next billion consumers, providing them improved life experiences and conveniences through our technologies and platforms.

Accessibility
3A strategy
Affordability
Availability

Expanding the Indian market - "Make in India" program

India houses the world's second largest population and is an important building block for MediaTek's New Premium market. MediaTek entered the Indian market in 2004 and has established an R&D center in Bangalore. The Indian government began promoting its "Make in India" program in 2014 and by January of 2018, MediaTek had conducted almost 87 Internet training courses. In March 2018 we invited key trainees to our Headquarter offices to partake in advanced training courses.

5G Smart City collaboration with Emirates Integrated Telecommunications Company

MediaTek has developed a new generation of low power-consuming, narrow-band IoT technologies that use system-on-a-chip (SoC) architecture to provide advantages of broad coverage and low power consumption; these technologies can be applied in all types of IoT products such as smart trackers, wearables, IoT security, smart metering, and other industrial applications. In order to exercise our innovative R&D capabilities, MediaTek collaborated with Emirates Integrated Telecommunications Company to build a 5G smart city.

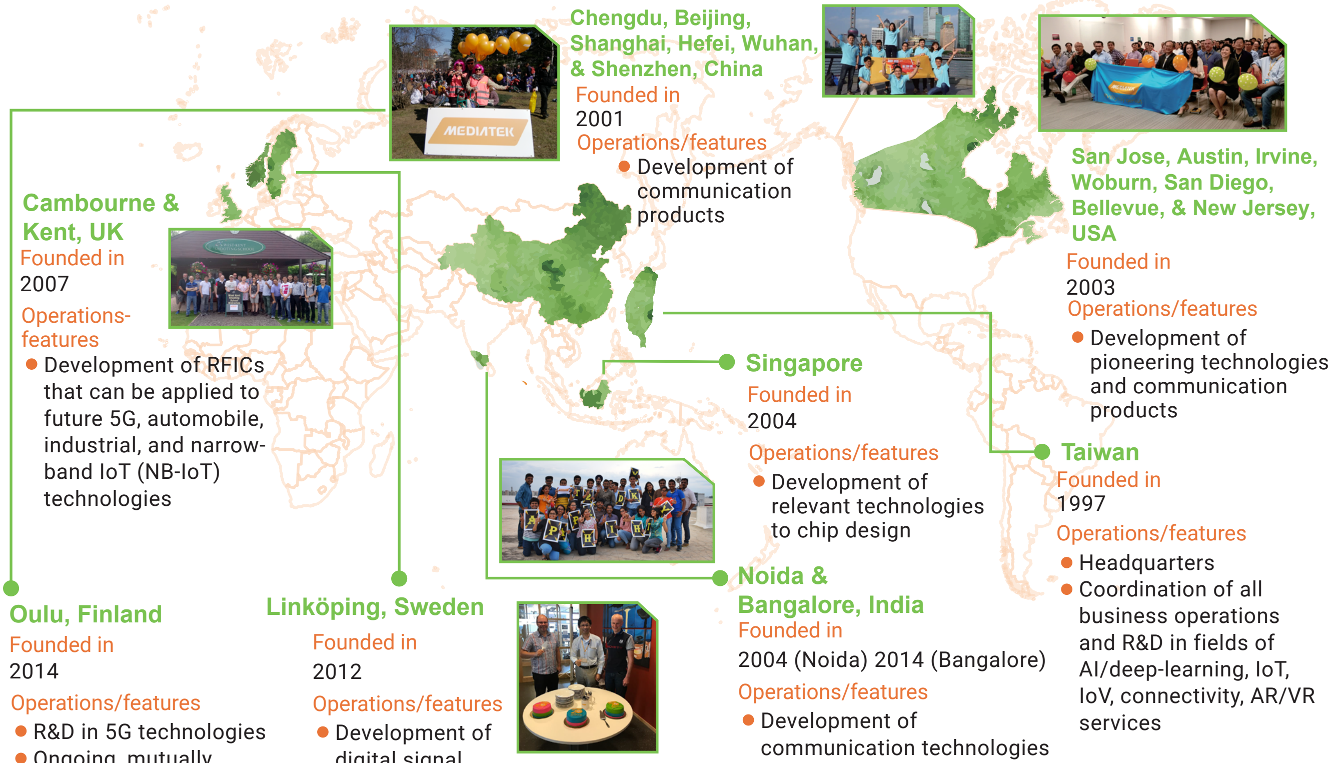
With MediaTek assistance, Transsion phones to gain market share in the Sub-Saharan African market

Using our professional R&D capabilities, we collaborated with Transsion to enter the sub-Saharan African market. In a commitment meeting the needs of local users, MediaTek co-developed ‘beautification’ filters within the smartphone camera apps so they were tailored to work better with local skin tones and cultural preferences. We also analyzed and edited 6000 photographs and successfully developed photography features that proved popular with regional users.

1.2 Global Operations

1.2.1 Worldwide R&D Capabilities

MediaTek is headquartered in Hsinchu Science Park, Taiwan and has more than 50 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.



Chengdu, Beijing, Shanghai, Hefei, Wuhan, & Shenzhen, China

Founded in
2001

Operations/features
- Development of communication products

Cambourne & Kent, UK

Founded in
2007

Operations-features
- Development of RFICs that can be applied to future 5G, automobile, industrial, and narrow-band IoT (NB-IoT) technologies

San Jose, Austin, Irvine, Woburn, San Diego, Bellevue, & New Jersey, USA

Founded in
2003

Operations/features
- Development of pioneering technologies and communication products

Singapore

Founded in
2004

Operations/features
- Development of relevant technologies to chip design

Taiwan

Founded in
1997

Operations/features
- Headquarters
- Coordination of all business operations and R&D in fields of AI/deep-learning, IoT, IoV, connectivity, AR/VR services

Oulu, Finland

Founded in
2014

Operations/features
- R&D in 5G technologies
- Ongoing, mutually beneficial partnerships with local academic entities and businesses

Linköping, Sweden

Founded in
2012

Operations/features
- Development of digital signal processors (DSP) for mobile communication

Noida & Bangalore, India

Founded in
2004 (Noida) 2014 (Bangalore)

Operations/features
- Development of communication technologies
- Local customer engagement

1.2.2 Global Exchange 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 ecosystem, 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

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 2018, we published a number of papers in leading academic Electrical Engineering and semiconductor publications (such as IEEE and ISSCC). Additionally, our US teams liaise with Electrical Engineering professors from renowned universities as technical consultants, ensuring that advancements in academia can be integrated with industrial practice.

In 2018, we hired 23 interns at our sites in California, Massachusetts, and Texas. 90% of these interns were international students from six different countries, and more than a third of the interns were PhD students from top US universities. During this time, we hosted various learning and sharing activities to facilitate communication and understanding between interns and local employees, and organized exchanges between interns around the world through our pen-pal program. We aim to cultivate international talent and allow students to apply their technical expertise and learn about the IC industry.

Finland

In 2018, MediaTek conducted multiple academic exchange activities with Oulu University and Oulu University of Applied Sciences. In order to gain visibility and respect with local talent, MediaTek sponsored several IT-related student guilds from Oulu University and Oulu University of Applied Sciences, through which we gained many opportunities to conduct exchanges with both universities. This included participation in several academic seminars and student guild anniversary events at Oulu University. We also provided opportunities for students to visit our local offices, where they were briefed about MediaTek and what it is like to work with us. Our staff lectured on RF theory and guided how to perform experiments and measurements at one of the student guilds of Oulu University of Applied Sciences. Currently, MediaTek is viewed by local technology talent as a key company they wish to work for, and we have received recognition from many talented students who have since graduated and joined MediaTek.

UK

In the UK, MediaTek has established operational 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

More than 86% of managers at overseas sites are local hires

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, 86% of all managerial positions at overseas sites are locally hired, and we will continue to tap the global talent market in the future.

Respect for Diverse Cultures

MediaTek operates in over 50 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.

Activities with employees of all nationalities

Diwali in India

Celebration event at Austin, USA

1.3 Client Services

Customer Relationship Management	Management Approach for Material Issues Non GRI Material Topic 8 DECENT WORK AND ECONOMIC GROWTH 17 PARTNERSHIPS FOR THE GOALS
Importance to 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

Mid to long term:

- Discover new market opportunities

Our Management System

Responsible unit:	Led by Vice President of Corporate Sales, but managers of all levels participate proactively
Resources:	Around 300 Corporate Sales Department employees
Communication channels:	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 e-Service online support
Assessment mechanism:	Forecast accuracy and client satisfaction

Specific Performance

- We regularly employ various quantitative and qualitative methods such as visits, active project numbers, and Q&A numbers to obtain feedback from clients.
- Our online mailbox collected 5,000 queries annually from potential clients, which were passed onto relevant departments to follow up.
- 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.

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

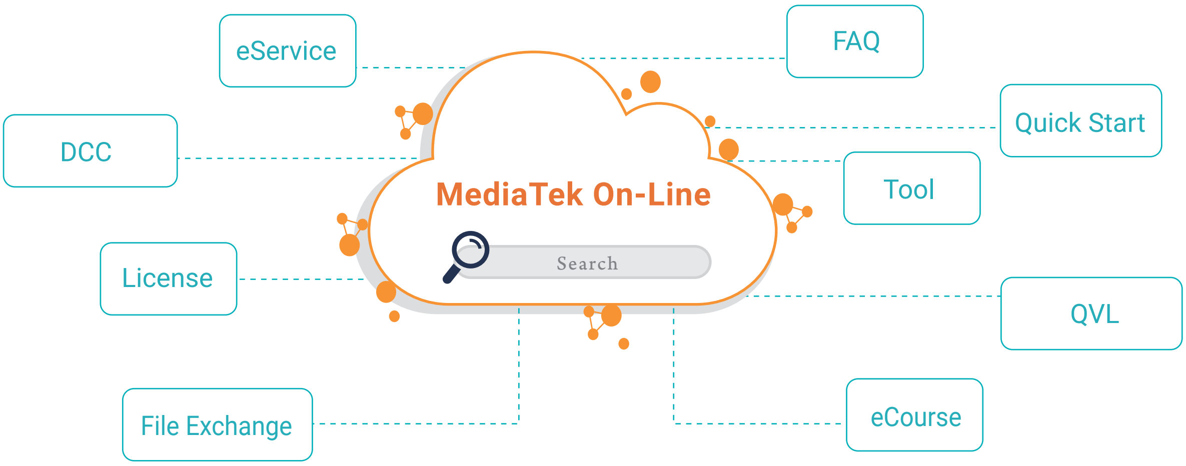
In order to provide our clients with the best possible service, our project management processes are initiated from the moment we contact a client. MediaTek uses an established client service platform system that compiles all client suggestions, strategic considerations, and relevant questions; these 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.

Promtion	Design In	Project Tracking	Mass Production
● Discuss with clients' representatives ● Compile promotional information ● Propose reasons and improvement measures for unsuccessful promotions	● Arrange for kick-off meetings ● Review the schedule of relevant software and hardware development to ensure effective support ● Confirm production schedule and provide FCST data	● Keep abreast of any ongoing issues ● Monitor market competition and prices at all times and propose suggestions	● Collect client FCST and provide delivery schedule and pricing information ● Promote and expand project items to maximize product output

Project Management Processes

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.

We have had many successful examples of localized service. For example, in December 2018, during the MediaTek Helio P90 launch event in Shenzhen, we demonstrated our real-time 3D pose and movement tracking application, powered by the high-performance AI processing unit (APU) within the P90 SoC. The demonstration successfully caught the public's attention, increasing awareness of our leading hardware and novel software capabilities. By providing appropriate localized services, we can assist clients in applying innovative technologies that fulfill the differentiation needs of local markets.

Client services

- Periodic meetings with clients
- Provide product demos
- Continue to exchange product and market information
- Tech Days

Demonstration of the AI 3D pose tracking function

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 issues in this chapter

Innovation

57.5 billion NTD investment in R&D activities

MediaTek Helio M70 launched as the **world's first 5G modem chipset**

MediaTek Helio P60 was awarded Android Authority's "Best of MWC 2018"

Ranked **No.3** among applicants that filed with the Taiwan Intellectual Property Office (TIPO) and **No.25** with the European Patent Office (EPO) in the field of digital communications.

Management Approach

Innovation	Management Approach for Material Issues Non GRI Material Topic 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
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 better 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:

- Mass production of 5G-integrated products starting from 2019
- Apply Artificial Intelligence (AI) features through a wide range of products

Mid and long term:

- Realize application of 5G technologies in various product categories
- Establish AI application ecosystem for various product categories

Our Management System

- **Responsible unit:** Engineering R&D unit
- **Resources:** In 2018, we invested 57.5 billion NTD: greater than 24% of our revenue.
- **Communication channels:** Our R&D and sales departments maintain an active two-way communication channel with our clients to help us keep abreast of market trends and consumer needs
- **Assessment mechanisms:**
    - ISSCC
    - Quantity of patent application

Specific Performance

Talent

MediaTek is planning and expanding human resource allocation for key products and technologies in order to meet the challenges of a very significant year in the 5G development and its relevant industries. For more information, please refer to Section 1.2 (Global Operations and Perspectives) of this report.

Corporate Culture

Our internal culture of innovation is shaped through our active participation in semiconductor industry and academic exchanges and our continued hosting of the MediaTek Innovation Awards and Special Contribution Awards.

- 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 15 consecutive years.
- The number of participants and participating teams in the 2018 Innovation Awards and Special Contribution Awards both increased.

Exchange Activities

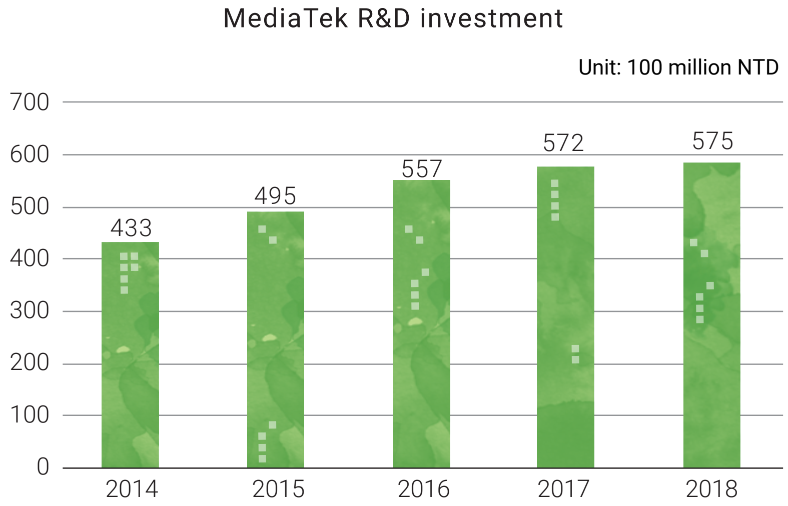
Participation in the Industrial Ecosystem: We foster creative ideas and give back to the ecosystem through:

- collaborating with international business partners,
- participating in relevant international technical associations and standards bodies,
- cultivating talent with expertise in AI

Patent Strategies and Establishment of Industry Specifications

- Ranked third-largest patent filer at the Taiwan Intellectual Property Office (TIPO).
- Ranked No. 25 filer of global patents at 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 and Perspectives) of this report.

2.2.2 Corporate Culture

As innovation is an essential element of MediaTek's business philosophy, we encourage our employees to be fearless in an attempt to build an proactive and positive culture within the company. We actively participate in the annual ISSCC hosted by the Institute of Electrical and Electronics Engineers, interacting with international industry and academic experts in semiconductor and chipset systems and exchange ideas and learn about international development trends.

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.

MediaTek is the only Taiwanese company whose papers have been accepted by ISSCC for 15 consecutive

The International Solid-State Circuits Conference (ISSCC) acts as a leading indicator of global R&D trends in semiconductors and solid-state circuits. It is the best forum for industry, academic, and research experts to exchange information on top technologies relating to international semiconductor and chipset systems; the ISSCC plays a pivotal role in both industrial and academic terms, and is therefore known as the Olympics of the IC design domain.

Through these internal and external activities and forums, we encourage our employees to continue participation, thus internalizing the meaning innovation holds for MediaTek employees and strengthening our implementation.

International Solid-State Circuits Conference

Every year, the International Solid-State Circuits Conference selects and publishes the latest studies from top universities and corporations around the globe that are the most indicative of R&D trends in IC research. The ISSCC is the world's largest, most authoritative and prestigious international solid-state circuit forum, where thousands of academic and industrial participants attend every year. MediaTek has been honored with its papers selected for publication in since 2004.

In 2018, a total of seven papers from Taiwanese corporations were selected by ISSCC; three from MediaTek were selected (MTK-Taiwan only), including papers on the industry's fastest 80MHz system specifications and class-D amplifiers with pulse-width modulation, which can be applied in mobile media devices such as phones or tablets, or in HiFi sound system products. As of 2018, a total of 60 MediaTek papers have been selected for publication. We are also the only Taiwanese company whose papers have been selected for 15 consecutive years, and our technical and innovative capabilities have both gained international recognition.

The 16th Special Contribution Awards and the 17th Innovation Awards

A total of 21 teams (158 people) were nominated for 2018. Compared to 2017, the number of overseas participants increased from 25 to 44 people. The awards were respectively won by the teams whose members work from Taiwan, the US, and China.

2018 ISCA 頒獎典禮

Winning team of the 2018 Innovation Award

2018 ISCA Innovation Award & Special Contribution Award
Congratulations to our Nominees, Finalists and Awardees!

Winning team of the 2018 Special Contribution Award

2018 ISCA Innovation Award & Special Contribution Award

Winning team of the 2018 Special Contribution Award

2.2.3 Participation in the Industrial Ecosystem

In response to rapid changes in user needs, as well as trends in the industry, we seek to react fast and think outside the box. Exchanges with members of the industrial ecosystem is an important practice that fosters creative ideas. MediaTek staff are encouraged to interact and partner with academia, our business partners, and international Standards Associations. As much as this ecosystem helps us grow, we also give back and help it by nurturing talents in this ecosystem and by facilitating the development of key technologies, e.g., AI technologies.

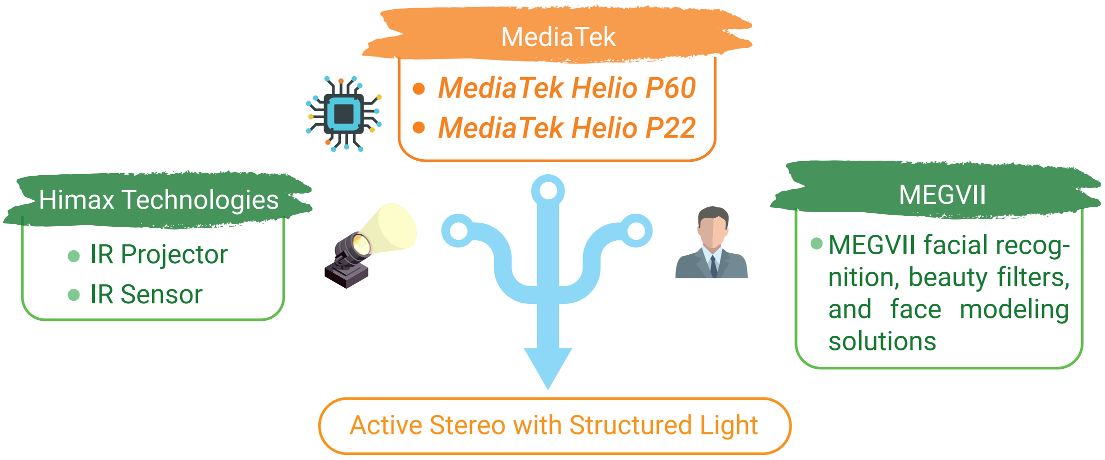
We address our interaction with the academia in section 6.2.2.

Cultivating AI talent in Taiwan

Artificial Intelligence is expected to create a huge impact in future science and industrial developments, and to our daily lives. In 2017, MediaTek sponsored the establishment of the "Taiwan AI Academy", which has trained 2,700 professionals in AI expertise as of 2018. Additionally, MediaTek began in 2018 to coordinate cultivation of AI seed instructors in universities with the Taiwan Semiconductor Research Institute at the National Applied Research Laboratories. AI seed instructors were provided with AI software and hardware platforms and relevant training courses so that they could pass on the practical skills of AI application to their students, facilitating the proliferation and advancement of Edge AI. We ultimately expect this will provide a larger talent pool to create further AI industry transformations in Taiwan.

Co-creating Opportunities with Business Partners

With the popularization of full screen smartphones, many branded device makers have sought to replace fingerprint scanners with secure facial recognition systems. In 2018, MediaTek led the charge by collaborating with Himax and leading AI company MEGVII to launch Active Stereo with Structured Light reference designs for application in smartphones. We built a high performance depth-of-field acceleration engine into our latest MediaTek Helio P60 and P22 chipsets, and paired this with an IR projector, 2 IR cameras, and facial recognition, beauty filters, and face modeling software provided by MEGVII to complete the solution. This reference design has significant cost advantages compared to 3D structured light, and can achieve similar levels of face modeling accuracy and payment security when compared to premium smartphones on the market, without the need for external more expensive digital signal processing (DSP) elements, thus bringing this technological advantage and convenience to a much wider audience, enhancing the quality of life for many.


MediaTek
• MediaTek Helio P60
• MediaTek Helio P22
Himax Technologies
• IR Projector
• IR Sensor
MEGVII
• MEGVII facial recognition, beauty filters, and face modeling solutions
Active Stereo with Structured Light

Value Chain Collaboration

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 further novel ideas.

Internet Communication

- ETSI (European Telecommunications Standards Institute)
- GSMA (Groupe Speciale Mobile Association)
- 25 Gigabit Ethernet Consortium
- 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

- TSIA (Taiwan Semiconductor Industry Association)
- TIARA (Taiwan IC Industry and Academia Research Alliance)
- 25 Gigabit Ethernet Consortium
- GSA (Global Semiconductor Alliance)
- JEDEC Solid State Technology Association
- PCI-SGI (Peripheral Component Interconnect Special Interest Group)
- SD Card Association
- USB-IF (USB Implementers Forum)
- MIPI Alliance
- The Serial ATA International Organization

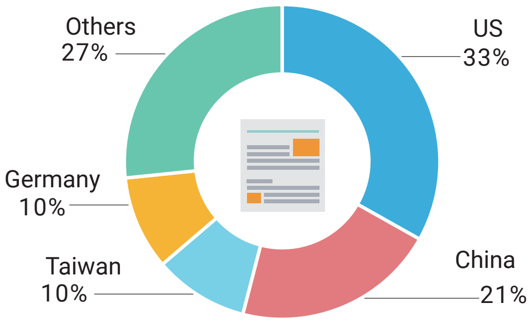
*This list is provided as an example of major associations and is not exhaustive of every association in which MediaTek participates

2.2.4 Patent Strategies and Establishment of Industry Specifications

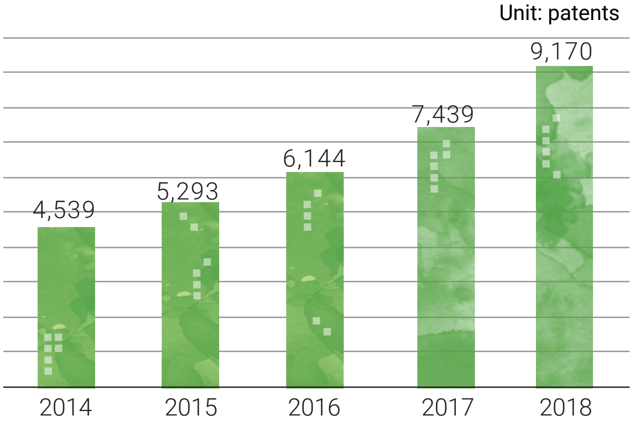
Patents are a specific indicator of MediaTek's efforts in innovation and R&D. MediaTek's patent strategy for 2018 continues to consider both quantity and quality as we maintain over 9,000 patents. We were ranked the third-largest patent filer at the Taiwan Intellectual Property Office (TIPO) and the 25th 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 2018, we were granted 1,731 new patents, 574 of which were US patents, and 361 of which were Chinese patents. The number of US patents we received for 2018 increased compared to the number of US patents received in 2017 (398; ranking among the top 100 of global patent filers).

Proportional breakdown of new patents granted in 2018



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
Third Generation Partnership Project (3GPP)	● Promoted MediaTek's R&D results for adoption as 5G technical standards, improving upon first-generation 5G technologies. ● Served as vice chair for RAN2 and head of oversight for several technical issues, actively promoting standard-setting efforts for 5G technology. ● Continued to submit revised 5G/LTE technology proposals based on product experiences to improve upon specification details.
Taiwan Association of Information and Communication Standards (TAICS-TC1)	● 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. ● Facilitated regular dispatches of technical experts from foreign companies to Taiwan to engage in technical exchanges relating to 5G. ● Participated in international technical conferences as a representative of Taiwan and presented 5G R&D developments, enhancing Taiwan's visibility in the international 5G industry.
Global TD-LTE Initiative (GTI)	● 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. ● Consecutively awarded the GTI Honorary Award for 2018/2019.
Joint Video Experts Team (JVET)	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.

2.3 Innovation Achievements

2.3.1 Communication

MediaTek Helio M70

The MediaTek Helio M70 is a 5G multi-mode modem chip launched in 2018, and shipping in 2019. The M70 is an independent 5G modem chip that offers significantly faster connection speeds, with high power efficiency, and comprehensive support for product designs. M70 specifications were designed in accordance with 3GPP Rel-15 5G NR standards, with support for both Standalone (SA) and Non-Standalone (NSA) 5G networks, Sub-6GHz frequencies, High Power User Equipment (HPUE), and other key 5G technologies. Apart from Sub-6GHz frequency bands, MediaTek's 5G solution will also support millimeter wave frequency bands to comply with the needs of different telecom operators. This technology is not only applicable to smartphones, but can also be applied to IoT devices, data cards, and various other internet terminal devices. MediaTek immerses 5G technology in different application fields through our varied product lines. Real-world data tests using the sub-6GHz frequency band with the M70 have shown transmission rates at over 5Gbps, leading the industry.

MediaTek is active in 5G development and fully participated in the establishment of 5G standards. According to a report from German market research company IPlytics GmbH, of the top 20 worldwide companies that submitted 5G standard technologies proposals to 3GPP, MediaTek's 5G proposals had a 43.18% approval rate, ranking third among 3GPP members, indicating that MediaTek's R&D capabilities had received high acclaim from international specification organizations.

Additionally, MediaTek collaborated with other industry-leading telecoms companies such as NOKIA, NTT Docomo, and China Mobile during the product design and development stage to conduct 5G network testing. We are committed to continuing this strong collaborative partnership with key industry leaders. With our M70 5G modem chip, and soon our 5G SoC and other products, MediaTek brings a whole new portfolio of 5G network solutions to our partners and clients, and will continue to play an important role in the global 5G industry ecosystem.

2.3.2 Computing

AI

NeuroPilot: an Edge AI Enabler

MediaTek launched NeuroPilot in 2018 to promote AI computing and application in terminal devices. We integrated Artificial Intelligence Processing Units (APUs) into our SoC's and provided software technologies including the NeuroPilot Software Development Kit (SDK). This brought edge-AI to a wide range of consumer technology products from smartphones and smart home products to assistive driving/autonomous vehicle platforms, and more ongoing.

(1) AI processing units within our SoC's accelerate the completion of real-time decision-making in a wide range of products. This provides a unique, highly efficient and specialized computing element that companies can tap to enhance their products. MediaTek's APU expertise allows our solutions to consistently optimize operating effectiveness while balancing power consumption.

(2) MediaTek's NeuroPilot brings better efficiency and feasibility to implementation and operation of AI applications on terminal devices and supports existing AI development methods on the market, including Google's TensorFlow, Caffe, Amazon's MXNet, Sony's NNabla, and others. NeuroPilot supports both Android and Linux operating systems, depending on the needs of the application.

(3) MediaTek has also launched the NeuroPilot SDK, which allows developers to utilize the AI performance MediaTek products more conveniently and create exciting AI applications and unique features for consumer devices at lower cost, greater scale and faster time to market.

APU2.0

MediaTek launched its first AI Processing Unit (APU) in 2018, which is composed of single-core and multi-core AI processing units. APU 1.0 was a first generation APU specifically designed for smartphones and similar mobile devices; featuring highly energy-efficient AI processing capabilities.

APU 2.0 utilizes MediaTek's latest fusion AI architecture which delivers a very large (4 fold) increase in AI performance and functionality compared to APU 1.0. The APU 2.0 is integrated into the MediaTek Helio P90. It has resulted in benchmark-topping performance and positive recognition from media and customers by providing AI computing capacity of 1165 GMACs (2.25TOPs) that greatly exceeded industry expectations.

Through this powerful AI engine, MediaTek Helio P90 is able to provide rapid and flexible support for complex AI tasks such as human pose and movement recognition. The MediaTek Helio P90 offers Google Lens support, deep learning facial recognition, real-time filters and overlays, and object and scene recognition. It can facilitate commercial realization of augmented reality (AR) and mixed reality (MR) on terminals, and provide support for other instant image enhancement applications.

2.3.3 Multimedia

MediaTek Helio P90 - Enhanced Photographic Capabilities

MediaTek's Helio P90 supports super-sized 48MP cameras or up to 24+16MP dual camera arrays that captures the best quality images and delivers a superior smartphone photography experience for consumers. Users can experience zero-latency shutter shots at 48MP resolution, and up to 30 frames per second (FPS) capture speeds, or alternatively make use of 480FPS slow motion shots to record exciting moments with a unique style. MediaTek revolutionizes camera resolution technology with our upgraded triple Image Signal Processor (ISP) design capable of handling 14-bit RAW and 10-bit YUV images, providing photography lovers with a more flexible high-quality imaging tool. Additionally, our new ISP-AI engine is specifically designed for AI photography and can accurately detect faces and scenes in low-light or fast motion conditions, allowing users to capture great moments easily and effortlessly.

Active Stereo with Structured Light - Enhanced Recognition Capabilities

MediaTek has worked on developing Stereo Matching Depth Engines for several years, and was one of the first smartphone companies to integrate real-time deep depth preview technologies through midrange-to-premium smartphones. With the proliferation and popularity of all-screen technology, MediaTek launched Active Stereo with Structured Light reference designs in collaboration with our business partners.

Cost-wise, in contrast with 3D structured light technology (also known as monocular structured light technology), which needs to be paired with expensive dot matrix IR projectors, Active Stereo with Structured Light modules use normal random texture IR projectors and standard installation processes for dual cameras, greatly simplifying calibration processes, enhancing yield rates and the capacity for mass production, and thus generate a significantly more attractive cost advantage. Compared to other low-cost, non-structured-light facial recognition technologies, the Active Stereo with Structured Light solution has the advantages of higher accuracy and lower rates of failure in darker environments.

In terms of use scenarios, monocular structured light technologies are easily affected by environmental light, so coded spots emitted by dot matrix IR projectors can easily be submerged by sunlight when used outdoors, resulting in lower recognition rates. Active Stereo with Structured Light technology offers a higher resistance to environmental interference and can deliver a much more consistent user experience across a variety of light and climate conditions. MediaTek's Active Stereo with Structured Light solution is expected to trigger a new wave of optical revolutions through its excellent user experience, which greatly speed application of facial recognition payment applications, smart beautification filters, and 3D facial animation features on smartphones.

2.3.4 Green Innovation

MediaTek's core technology is IC design. Since our chipsets power a variety of products, 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

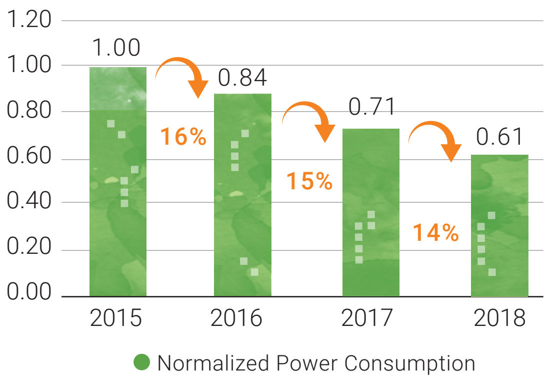
We have lowered the power consumption of our products by at least 14% each year from 2015 to 2018. Based on the sales of 2018, we contributed to the energy conservation of devices powered by our products by 192 million kWh of electricity per year, the equivalent of 106,368 tons of carbon emissions, or the carbon storage capacity of 125,187 acres of U.S. forests in a year.

Disposal

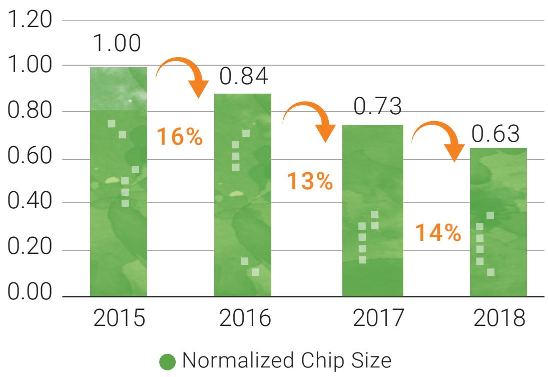
Minimization of chip designs

We have reduced the size of our IC products by at least 13% each year between 2015 to 2018. Compared with 2017, the size of IC products was reduced by 14%, cutting at least 18,645kg of waste in total.

Power Consumption Trend Chart



Chip Size Trend Chart



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 Employee Experience

Material issues in this chapter

Compensation and Benefits

Establishing a Diverse and Inclusive Workplace

Global turnover rate： of **9.4%**, which is lower than the **13.8%** (12.5% in Taiwan) in the high-tech industry.
We received **17x** more applications than actual job openings

According to Taiwan Stock Exchange (TWSE), MediaTek has been recognized as one of the best-paying listed companies in the industry.

Over **10** communication meetings for MSTAR employees, with the CEO attending the sessions for Director and above. The overall retention for MSTAR integration reached over **90%**.

CEO Vlog series enabled global employees to better understand our vision and the expectation for employees

Women now hold **17%** of the R&D and technical positions in MediaTek; higher than the **13-15%** average of female graduates with EE/CSIE degree in Taiwan annually.

Arranged at least one hour-long mentoring session per month for directors with high potential, accumulating to **252** people-hours, with **43%** of such directors being promoted.

3.1 Talent Strategy

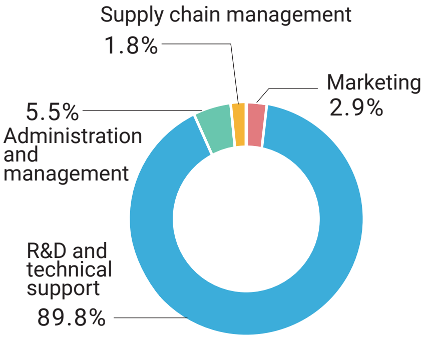
As research and development is a core requirement, MediaTek is driven by a need to seek out leading technical talent globally. As of the end 2018, the total number of MediaTek staff (including contractors) and our global subsidiaries have amounted to 11,170. In order to effectively leverage our global R&D capabilities, MediaTek has established over 27 sites around the world. Our overseas employees make up 42% of the total. We hope to increase the timeliness of product development and technical support through exchanges and collaboration between our global employees.

3.1.1 Manpower Structure

MediaTek maintains a robust employee structure and continues to bring in talented people that adhere to MediaTek's recent developmental goals of innovation, growth, and interdisciplinary integration.

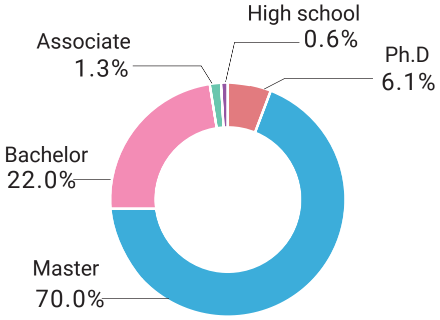
Employee function

MediaTek's industry leadership depends on innovation and contribution from professionals of all domains; around 90% of our employees are R&D and technical support personnel.



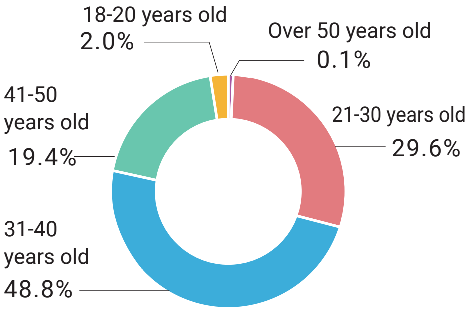
Education level

The semiconductor industry is a knowledge and expertise-intensive industry; more than 76% of our employees hold Masters or Ph.D degrees.



Employee age structure

In terms of age structure, most of MediaTek's employees are aged between 30-40 years old, 30% of our employees are younger than 30 years old, and 19.4% of our employees are older than 40 years old.



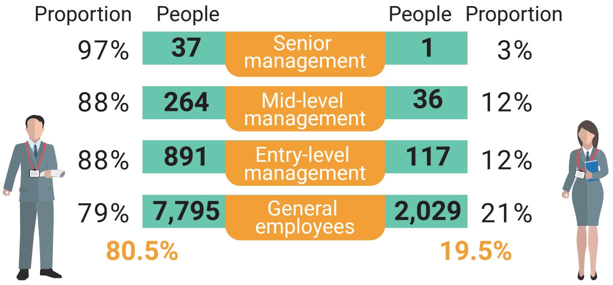
Employment status

Full-time employees make up 97% of MediaTek employees, and we comply with legal requirements to hire and protect the rights of disabled people and provide them with equal employment opportunities. In 2018, we hired 32 disabled employees. We provide engineering positions or other appropriate job positions based on professional expertise and backgrounds.

Employment contract	Employment type	Male	Female	Total
Permanent	Full-time	8,795	2,044	10,839
	Part-time	4	3	7
	Total	8,799	2,047	10,846
Temporary	Full-time	138	107	245
	Part-time	50	29	79
	Total	188	136	324

Distribution of gender by level

Given the characteristics of the labor market in the tech industry, most of MediaTek's employees are male. We currently employ 8,987 and 2,183 male and female employees respectively. The number of new female hires grew slightly in 2018, and we will continue to hire talented female personnel.



Proportion	People		People	Proportion
97%	37	Senior management	1	3%
88%	264	Mid-level management	36	12%
88%	891	Entry-level management	117	12%
79%	7,795	General employees	2,029	21%
80.5%				19.5%

[Note] This information includes employee numbers from MediaTek and its subsidiaries, but does not include employees at independently operating subsidiaries.

[Note] The above information was obtained on December 31, 2018

3.2 Best Employer

MediaTek's leadership of IC industry markets is sustained in part due to our attraction of the best employees, which we do through several initiatives. Firstly, we provide compensation packages that are superior to the industry average. This, paired with our diverse training system, provides our employees with the best platform for development. We utilize different recruitment channels and are committed to becoming a highly attractive employer that the most talented and capable individuals will actively seek out.

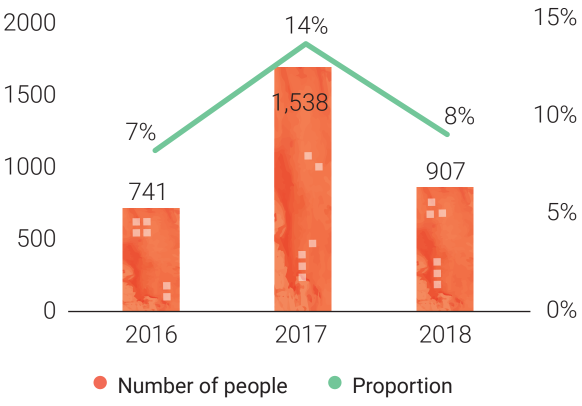
3.2.1 Recruitment and Retention

In 2018, MediaTek had a global turnover rate of **9.4%**, which was significantly lower than the **13.8%** (**12.5%** in Taiwan) in the high-tech industry.

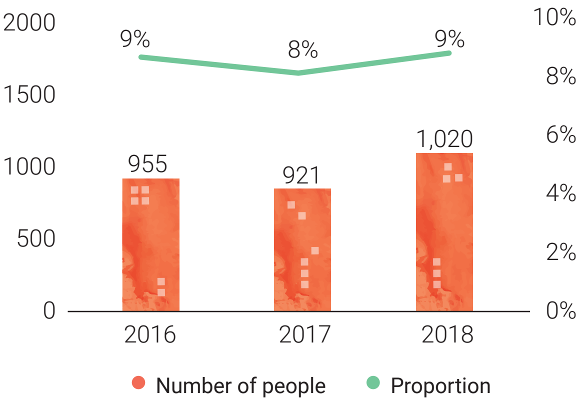
To continue the optimization of MediaTek's talent structure, we not only focus on indicators for new hires and employee turnover, but also pay close attention to the number of applications per job, offer-to-acceptance rates, and development and retention of new hires. We hope we can continue to attract 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 2018, we hired 907 new employees. Of these, around 70% were younger than 30 years old; we believe that a talent structure skewed in favor of the younger generation can bring more insights into leading trends and more diverse thinking to our products. Our overall turnover rate was 9.4%, lower than the industry average in Taiwan. We strive to understand reasons behind employees exits so as to provide a baseline for improvement. We also provide care from many aspects, for example by sharing information about how the company is performing and changing for the better, or conducting telephone interviews, so as to maintain good interactions between us and our former employees. We hope that by listening to employee feedback, we can continue to improve and build a foundation for an optimal work environment. Continuing on from discussions and plans made in 2018, we expect to formally implement our internal job transfer system during 2019, providing all of our employees worldwide the chance for more channels of advancement.

Proportion of new hires in previous years



Proportion of exiting employees in previous years



[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 2018		Exiting employees in 2018	
	Number of people	Proportion of employees in category	Number of people	Proportion of employees in category
Female	170	8.30%	171	8.40%
Male	737	8.40%	849	9.60%
Over 50 years old	11	5.40%	26	12.30%
30-50 years old	268	3.30%	720	8.60%
Below 30 years old	628	24.80%	274	11.60%
Taiwan	443	7.00%	381	6.00%
Asia (excl. Taiwan)	409	10.40%	554	14.20%
North America	40	12.00%	68	20.40%
Europe	15	5.70%	17	6.50%
Total	907	8.40%	1,020	9.40%

Recruitment and offer-to-acceptance rates

Compared to our industrial peers, 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 2018, we planned to recruit 1,170 people and received a total of 19,944 resumes, 17 times the number of planned hires. Our offer-to-acceptance rate was around 84%, showing that MediaTek is a competitive and attractive employer, and highly sought-out brand.

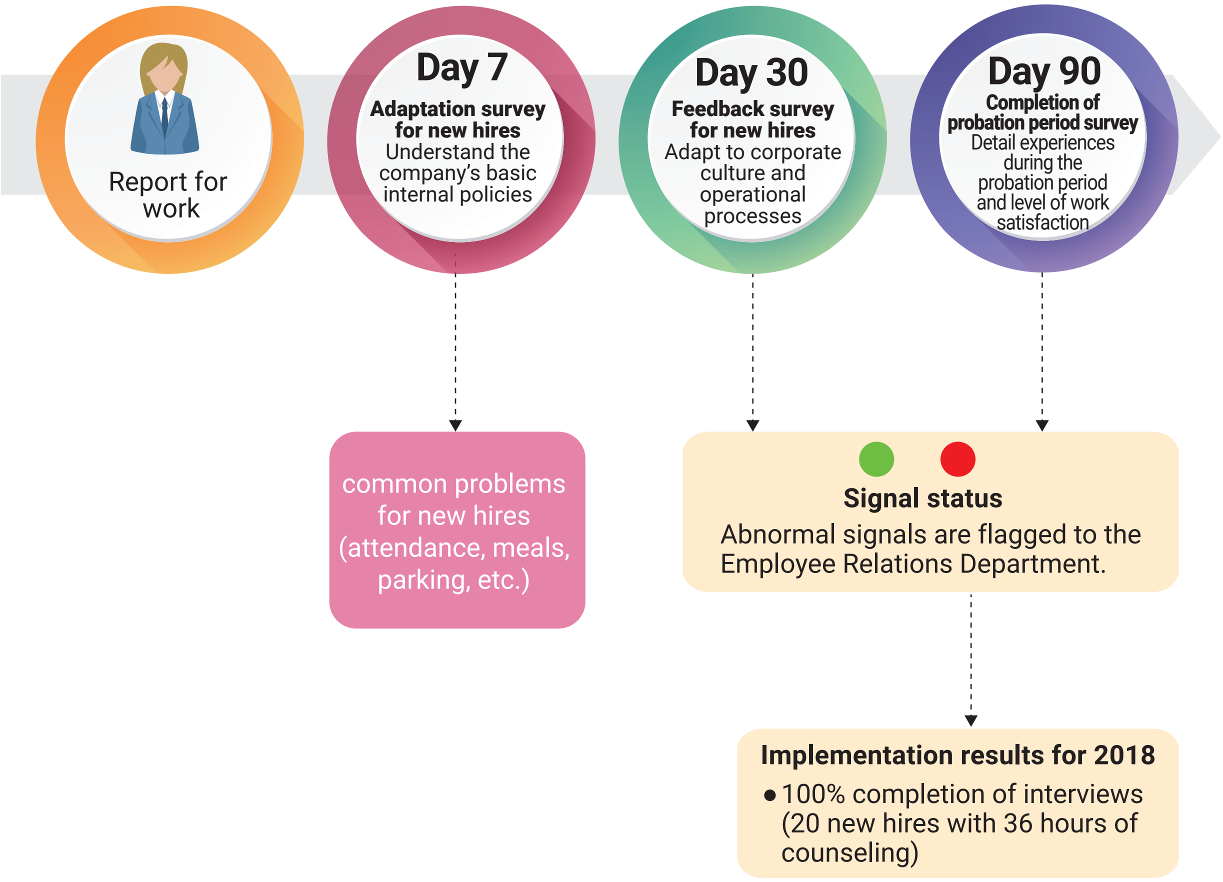
Item	Number of people	Applications per job (ratio)
Number of applicants in 2018 (A)	19,944	17 times
Planned MediaTek hires in 2018 (B)	1,170	

Item	Number of people	Applications per job (ratio)
Number of applicants who accepted our job offers in 2018 (C)	906	84%
Number of offers issued in 2018 (D)	1,078	

[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. For details on Care System procedures, please refer to the figure below:



Report for work

Day 7
Adaptation survey for new hires
Understand the company's basic internal policies

Day 30
Feedback survey for new hires
Adapt to corporate culture and operational processes

Day 90
Completion of probation period survey
Detail experiences during the probation period and level of work satisfaction

common problems for new hires (attendance, meals, parking, etc.)

🟢 🔴
Signal status
Abnormal signals are flagged to the Employee Relations Department.

Implementation results for 2018
- 100% completion of interviews (20 new hires with 36 hours of counseling)

Procedures of the Care System for new hires

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 2018, three-year retention rates for new hires was around 88%, and two-year retention rates for new hires surpassed 90%.

Three-year and two-year retention rates

Two-year retention rates for new hires (%)	90%
Three-year retention rates for new hires (%)	88%

Item	Number of people
Number of new hires in 2016 (A)	741
Number of new hires in 2017 (B)	1,538
Number of new hires in 2018 (C)	907
Total	3,186
Number of new hires in 2016 who exited during January 1 to December 31, 2016 (D)	143
Number of new hires in 2017 who exited during January 1 to December 31, 2017 (E)	201
Number of new hires in 2018 who exited during January 1 to December 31, 2018 (F)	39
Total	383

[Note] Formulas for calculation:
Two-year retention rate for new hires=B+C-(E+F)/B+C
Three-year retention rate for new hires=A+B+C-(D+E+F)/A+B+C

Exit interviews

MediaTek is focused on talent management and strives to listen to employee feedback, review management issues, and develop stronger retention strategies. Statistical information for exiting employees in 2018 showed that the main reasons employees left MediaTek included: pursuit of better compensation or moves to different industries.

Faced with the rise of emerging industries and worldwide competition for talent, MediaTek's management team has responded to changes in external industry environments by providing dynamic positioning, enhancing operational capabilities, and continuing to adjust compensation structures so as to maintain our competitive advantages and increase the timeliness and effectiveness of incentives.

Additionally, as we continue to develop and enhance employee capabilities, HR personnel responsible for specific business units take the initiative in creating customized organizational analysis and collaborate with BU heads, continuing to optimize organizational and work-process designs, thus creating an environment that is beneficial in enhancing employee work motivation and in providing a sense of accomplishment.

3.2.2 Diverse Recruitment Channels

As information technology continues to advance, recruitment channels have evolved accordingly. 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 1.1 billion NTD.

Industry-academia collaboration

up to now has surpassed 1.1 billion NTD.

Key results of talent recruitment in 2018

Intern program

- Elite Summit: invited high-performing students (60 participants) from NTU, NTHU, NCTU, and NCKU.
- Overseas internships: 3 students travelled to our Singapore and Indian branch offices for their internships.
- “MediaTeker Talk”: We invited our engineers to share and discuss their own interests outside of work. A total of 300 students attended these lectures.
- Intern Paper: periodically published internship activity reports, intern experience sharing, and interviews with MediaTek employees. We published 5 issues of the Intern Paper over two months.
- Global interns: our International Pen Pal Program allows interns in different countries to share their interning and life experiences. Around 50% of global interns received advanced job offers to directly join MediaTek as regular employees in the following year.

Overseas internships

MediaTeker Talk

Global Intern Activity
International Pen Pal
We Love MTK

Intern paper-Pen pal sharing

Industry-university collaboration

- Invested more than 1.1 billion NTD in industry-university collaborations over 17 years
- Established NTU IoX Center, NCTU Innovative Research Center, and NTHU Research Center

NTHU Research Center
Strengthen establishment of communication standards, mobile computing, and other domains

NTU IoX Center
Conduct research on wireless access, smart handheld devices, mobile networks, mobile application services, and other research

NCTU Innovative Research Center
Develop new generation processors, computers, communication systems, applications, and system software

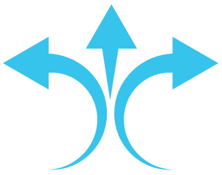
Campus recruitment

Hosted 19 campus recruitment activities and successfully recruited more than 340 people

Intern program

MediaTek's intern program is an annual learning and development program for students. In 2018, we provided internship opportunities for almost 350 students, which was an increase of 50 students compared with 2017. 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.

We emphasize the processes and contributions of interns. 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.



Career guidance
- MediaTeker Talk
- Senior management conference
- Technical exhibitions

Exchanges and care
- Group interaction
- Adaptation survey
- Focus group interview
- Intern Paper
- Social club competitions

Professional training
- One-on-one manager coaching
- Project training
- Online training courses

Three main themes of our intern program

3.2.3 Compensation Competitiveness

Compensation and Benefits	Management Approach for Material Issues GRI 103-1,103-2, 103-3, 201-3, 401-2, 401-3 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Importance to MediaTek	Talented employees are key assets for MediaTek. We provide competitive, internally-fair compensation and diverse benefits to our employees to enhance their engagement and also to drive sustainable business growth of the company.
Commitments and Relevant Policies	Responsible units have been established to be in charge of collecting market compensation data, developing competitive compensation strategies, and providing statutory retirement benefits to the employees. We also provide corresponding learning and development resources to our managers, and employees of different levels and across job duties, so as to help develop their work capabilities. We provide a variety of benefits to our employees such as health checks, in order to shape a caring workplace for sustainable corporate development.

Goals

Short term:

- Provide competitive salaries and benefits
- Plan learning development blueprints for managers and employees and provide diverse learning resources
- Establish flexible benefits program to take care of employee needs in different cycles

Mid to long term:

- Continue to provide performance-oriented and sustainable compensation
- Provide challenging and innovative environments to unleash employee potential
- Continue to care for the physical and mental health of our employees and provide high-quality and healthy workplace environments

Our Management System

- **Responsible units:** Compensation and Benefits Department, Employee Relations Department, Employee Welfare Committee
- **Resources:** Operational management budget, employee benefits fund, and other funding
- **Communication channels:**
  - Manager communications meeting
  - Labor meeting
  - Communication platform (FAQ)
  - Ombudsman service
  - Suggestion box
  - Satisfaction survey for major activities
- **Assessment mechanisms:**
  - Conduct regular meeting to review current compensation level to make sure its competitiveness within the industry
  - Implementation results and benefits of all talent development programs
  - Participant satisfaction surveys for major annual events
  - Analysis of annual employee health check results and psychological survey assessment indicators

Specific Performance

Compensation & Benefits

- According to Taiwan Stock Exchange (TWSE), MediaTek has been recognized as one of the top compensation packaging listed companies in the industry.
- Benefits surpassing legal requirements: 19 public holidays, 1 paid day for volunteer leave, and 2 more days for paternity leave.

Talent Development

- A total of 774 people participated in our high-potential talent support plan in 2018
- 43% and 24% of the mid- to high-level managers and entry level managers in our high-potential talent pool were promoted
- Business units held over 50 manager book club sessions

Employee and family care

- 33 health promotion activities hosted at Taiwan headquarters and in China for a total of 7,679 participants
- Satisfaction levels for the major annual events in 2018 exceeded 85 points (the maximum score was 100)
- Planned flexible benefits program for implementation in 2019
- Application rates for annual health check subsidies was 96% and this activity continues to help employees focus on their health
- Completed the infrastructure and faculty recruitment of the MediaTek Preschool; first semester is scheduled to begin in August, 2019

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 ensure its competitiveness within the industry. In 2018, taking Taiwan as an example, the average salaries for non-managerial staff increased by 0.4% as compared to 2017. For more information, please refer to the table on the right. 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 salaries for non-managerial staff in Taiwan in 2017 and 2018

MediaTek	Non-managerial staff	
	2017	2018
Total salary amount for full-time non-managerial staff (A)	15,943,980 (thousand NTD)	16,650,764 (thousand NTD)
Number of full-time non-managerial staff (B)	5,921	6,155
Average salaries for full-time non-managerial staff (A/B)	2,693 (thousand NTD)	2,705 (thousand NTD)

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. In terms of base salary, MediaTek makes appropriate annual adjustments in accordance with local macroeconomic indicators, overall market compensation standards, and other relevant guidelines. MediaTek hopes to inspire our employees to continue innovation, display collaborative team spirit, and realize the spirit of labor-management profit sharing.

According to Taiwan Stock Exchange (TWSE), MediaTek has been recognized as one of the best-paying listed companies in the industry.

Performance-oriented

- Link compensation to corporate business performance
- Make differentiation according to individual contributions and job characteristics

Sustainable

- Our compensation program balances long- term and short-term effects
- Utilize long-term programs to facilitate achievement of long-term targets

MediaTek Compensation Guidelines

Balanced

- Compensation planning and reviews must consider balance between external markets and internal management

3.2.4 Retirement Plan

MediaTek's domestic and overseas operational 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 99.4% of our employees adopt the new pension plan while 0.6% of employees still adopt the old pension plan (stipulated by the Labor Standards Act). Employee pensions are paid according to bases for years of service and average monthly salaries at time of retirement. Two bases are given for each full year of service rendered up to 15 years. For years of service over 15 years, 1 base is given for each full year of service rendered. The total number of bases shall be no more than 45. 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 2018 was 1.716 billion NTD.

3.3 Employee Development

MediaTek firmly believes that the key to success is "uniting talent through core values". Our six core values are integrity, customer focus, innovation, conviction inspired by deep thinking, inclusiveness, and constant renewal. We focus on our customers and 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.

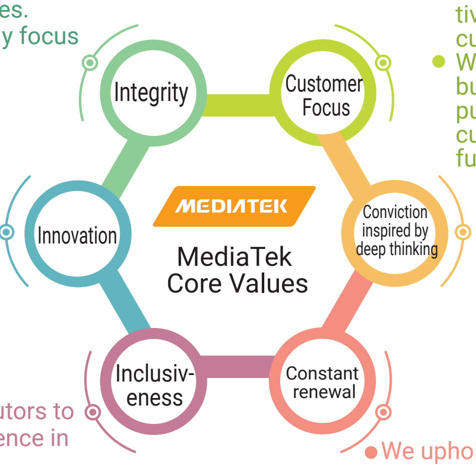
We also believe that our core values are the cornerstone which helps MediaTek in becoming a global enterprise; these values need to be actively supported and implemented by each one of our employees. We constantly encourage our employees to lead by example as they implement these six core values, and we also invite our employees to share their thoughts on the implementation of our core values at core.values@mediatek.com.

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. Managers actively use this incentive tool to encourage global cross-team collaborations. Of the 20,000 global nominations proposed in 2018, the cross-team nomination rate was 39.5% and the cross-site (across subsidiaries) nomination rate was 11.1%.

- 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 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 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.



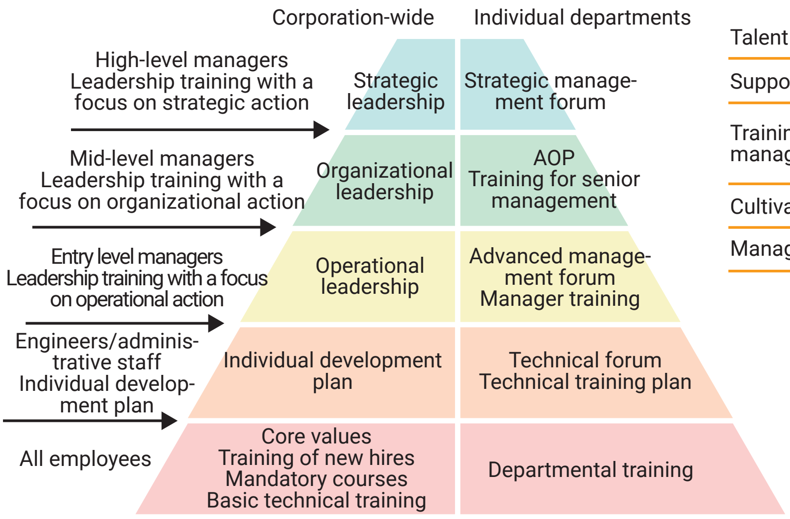
- We thrive to exceed the expectations of the customers and ensure priority in satisfying them.
- We consistently seek enhancement from the end users' perspective so as to generate value to our customers.
- We engage our customers as business partners and will purposefully collaborate with the customers on their anticipated future needs and opportunities.

- We 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.

- 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.

MediaTek's training structure strictly adheres to our six core values. 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 2018, we invested more than 34.22 million NTD in training. The average training time undertaken per employee was 7 hours, and the total number of participants was more than 10,000.

MediaTek learning structure



	Corporation-wide	Individual departments
High-level managers Leadership training with a focus on strategic action	Strategic leadership	Strategic management forum
Mid-level managers Leadership training with a focus on organizational action	Organizational leadership	AOP Training for senior management
Entry level managers Leadership training with a focus on operational action	Operational leadership	Advanced management forum Manager training
Engineers/administrative staff Individual development plan	Individual development plan	Technical forum Technical training plan
All employees	Core values Training of new hires Mandatory courses Basic technical training	Departmental training

MediaTek training program

Talent training for the Board and high-level managers
Support plan for high-potential talent
Training for mid- to high-level and entry level managers
Cultivation of leadership capabilities
Manager sensitivity training

- In 2018, we invested more than 34.22 million NTD in training.
- The average training time was 7 hours.
- The total number of participants was more than 10,000.

Training courses on employee obligations, health and safety-Training in technical work
Management competencies
Training for new hires
Individual performance
External training
Language proficiencies

Diverse Learning Courses

Type of training	Training content and implementation results for 2018
New hires	● 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. ● All departments formulate training blueprints for new hires based on unit responsibilities. ● MediaTek emphasizes workplace and laboratory safety, and therefore all engineering personnel are required to receive training in laboratory safety before working with lab equipment. ● Health and safety management, prevention of workplace harassment, and prevention of insider trading. Training completion rates were 100%.
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 32 technical courses. Additionally, the Company has begun development of AI courses and now allows trainees to link to online classes from external networks. 3,564 people participated and the total training time committed was 16,239 hours.
Individual performance ➜ 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.

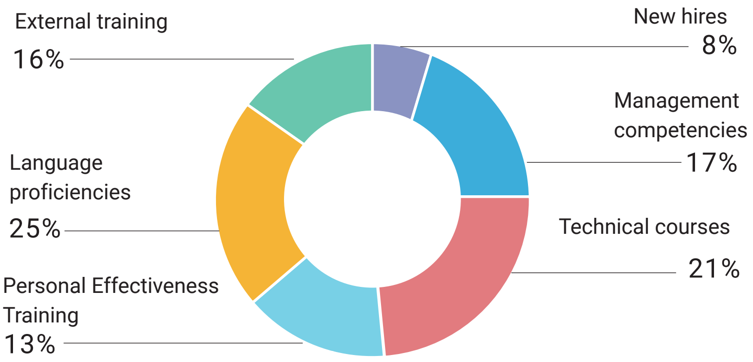
Results of training conducted in 2018

Type of training	Total number of classes	Trainee types	Total participants			Total hours
			Male	Female	Total	
New hires	41	All employees	1,040	246	1,286	5,992
Management competencies	91	Management	1,929	249	2,178	13,300
Technical courses	32	All employees	3,124	440	3,564	16,239
Individual performance	78	All employees	1,580	478	2,058	9,995
Language proficiencies	60	All employees	1,722	466	2,188	19,053
External training	378	All employees	375	155	530	12,275
Total	680		9,770	2,034	11,804	76,854

Average number of training hours for 2018 was 7 hours/person. Total expenditures were 34.22 million NTD.

[Note] Number of trainees and training hours include numbers from our global branches

Distribution of training types



3.3.1 Talent Cultivation Program

In consideration of the career development and professional capabilities required at different management levels, we provide a rich array of training courses to employees. We ensure all employees can maximize their potential and we strengthen management skills, with the expected result of inspiring engagement and commitment to the Company. High-level managers receive advise and training direct from the Board; employees have senior managers as mentors when establishing their individual development plans; managers with high potential are offered courses related to the development of leadership competencies. These programs are interwoven into a comprehensive training system to assist every employee at MediaTek in their career development.

43% and 24%

In 2018, MediaTek promoted 43% and 24% of mid-level and entry-level managers respectively from our "high-potential" talent pool.

MediaTek cultivation program

Item	Talent training for the Board and high-level managers	Support plan for high-potential talent	Cultivation of leadership capabilities	Manager sensitivity training
2018 results	● Focused on corporate strategy plans and business competencies, as well as belief and implementation of our core values ● Enhanced their professional capabilities through job rotation, coaching provided by internal and external professionals, and individual development plans	● A total of 252 people-hours from mid-to high-level managers ● A total of 522 participation hours from entry level managers ● 43% of mid-to high-level managers received promotions ● 10% of entry level managers received promotions	● More than 50 book club meetings ● Recommended readings: *Mindset: The New Psychology of Success* and *The Founder's Mentality*	● Each course lasts 6 hours ● A total of 11 sessions were held in 2018

Talent cultivation and communication from the Board to 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 managers 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.

Coaching Program for high-potential talent

In order to enhance management perspectives and promote diverse thinking in cross-team leadership for senior managers, we organize 'Coaching Programs' for high-potential talent at least once a month; each talk lasts an hour, and in 2018, our high-potential employees participated in 252 hours of talks. Entry-level managers with high-potential undergo educational talks at least once every two months; each talk lasts 1.5 hours, and in 2018, our entry-level managers participated in 522 hours of talks. Our goals are formulated in accordance with individual development plans (IDP), and we conduct periodic mid-term and end-of-term reviews of participant learning and development effectiveness.

MediaTek not only provides educational plans for mid- to high-level and entry-level managers with high potential, but also hosts annual courses on leadership competencies. Additionally, we also appointed mid- to high-level managers to provide periodic group coaching for our high-potential talent. Following completion of training, 43% of mid- to high-level managers and 24% of entry-level managers from our high-potential talent pool were promoted in 2018; these training courses not only assist managers to advance rapidly, but also strengthen our organizational management capabilities and industrial competitiveness.

Cultivation of leadership capabilities

Through our "manager book clubs" a list of selected books are put together for managers to continue their personal growth. The meetings allow staff to share their thoughts about the books they read, allowing opportunity to grow ideas and insights. To establish a common language for all managers worldwide, and to establish our corporate management culture, we provide manuals on recommended procedures for common management issues. Book club picks for 2018 were *Mindset: The New Psychology of Success* and *The Founder's Mentality*. More than 50 book club workshops were hosted by our business units throughout the year.

Management sensitivity training

A professional psychologist lectured on "Empathy", "Techniques for Communication with Subordinates", "Evaluation of High-Risk Employees" among other topics. 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. These courses were held 11 times during 2018.

3.3.2 Diverse Learning Resources and Channels

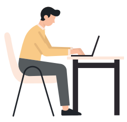
MediaTek emphasizes talent training and development, and our managers help employees to establish an annual IDP (Individual Development Plan) according to individual work content, performance evaluation results and career development needs. These serve as a reference for employee training plans.

Our learning resources come from a combination of training courses and experience sharing talks from internal experts, as well as materials from external training institutions (for specialties such as languages and professional skills) and online learning websites. Our expectation is that by providing our employees with rich learning opportunities, they can continue to enhance their professional capabilities.

Online education platform

To help our employees understand and systematically manage all educational processes and records, we established an internal education website (the "i-Learning 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.

Information for new hires can be located in a specific section of the website, helping to speed integration at MediaTek. The number of courses available for 2018 was 1,638, which is a two-fold increase since 2017.



Educational platforms

i-Learning platform
- Our employees can track their progress through educational courses

e-learning portal
- Provides 1,638 online self-teaching courses and “after-class” extension courses that our employees can access at any time

3.3.3 Performance Management and Development

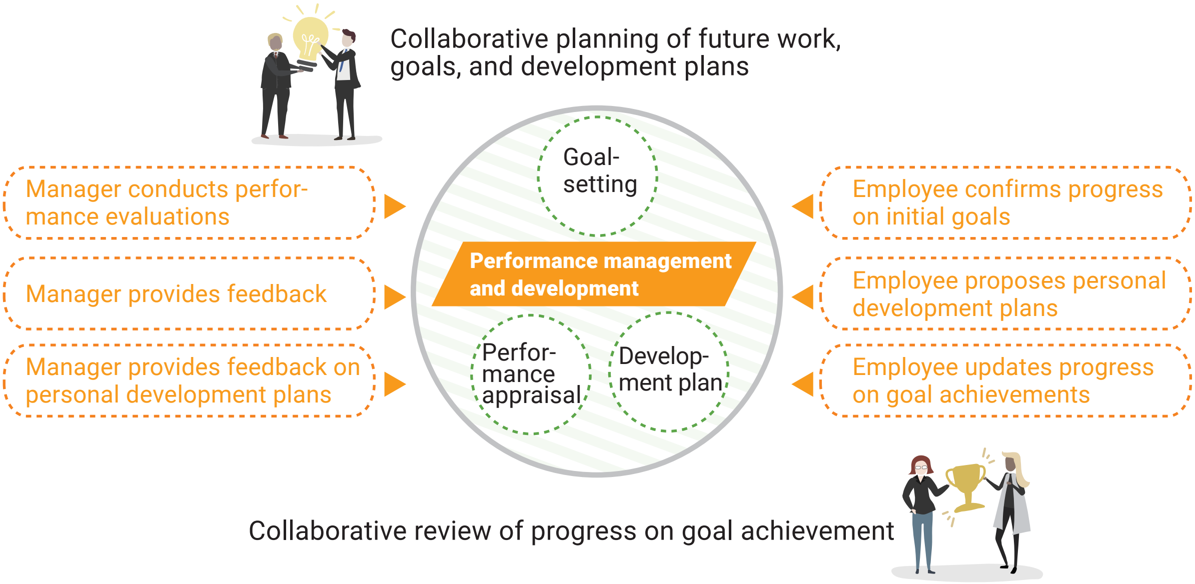
To link corporate targets with individual goals, MediaTek's Performance Management & Development (PMD) system reviews and measures development of employees capabilities through goal-setting, performance reviews and feedback mechanisms, thus inspiring organizational and individual performance. Our Performance Management & Development system is applicable for all permanent employees worldwide (the system is applied to full-time employees on unpaid leave after they return to work). Evaluations are divided into two stages:

Mid-year Review / During July-August of every year

Employees ensure that their initial goals and IDPs are aligned with actual results, then reconfirm their goals during this mid-year review

Year-end Review / Mid-November to end of January the following year

Managers provide one-on-one feedback, and conduct an performance appraisal based on employee performance for the year. Annual goals and development plans are established for the following year. This two-way communication and feedback between managers and employees help to enhance individual performance and achievements.



Collaborative planning of future work, goals, and development plans

Manager conducts performance evaluations

Manager provides feedback

Manager provides feedback on personal development plans

Goal-setting

Performance management and development

Performance appraisal

Development plan

Employee confirms progress on initial goals

Employee proposes personal development plans

Employee updates progress on goal achievements

Collaborative review of progress on goal achievement

PMD Pulse Survey

In order to understand the effect of our evaluation policy and communications between managers and employees, we conducted online surveys regarding the implementation of performance feedback starting in 2017. These online surveys were conducted following annual PMD evaluations, showing our concern for, and management of employee performance and career development. Response rates for our initial survey in 2017 were 65.6%, which then rose to 75.7% in 2018. Our survey results showed that 85.2% of our employees agreed with the performance feedback given to them by their managers, and that periodic guidance was helpful in enhancing their performance.

3.4 Employee Experience

MediaTek emphasizes employee experiences and strives to help each employee enjoy their work. Employees derive positive experiences from different things, so therefore 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. In 2018, we continued to uphold our principle of building "a great place to work", forming high-quality employee experiences, and creating a brand as one of the best employers.

Employee communication

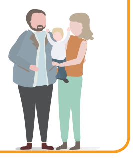
- CEO Vlog
- Global manager communication meetings
- Communication meetings with different manager levels / employee groups
- Company Suggestions box
- Ombudsman service
- Communication platform (FAQ)
- Labor meeting

Establishment of healthy workplace

- Physical and mental health care
- Workplace for You
- Health checks and management
- Employee Assistance program
- Maternity health protection
- Healthy, hygienic, and a wide variety of meal choices
- Health promotion activities
- Sound work environments and stress relief

Family care

- Family care platform and family activities
- Childbirth and parental leave coverage
- MediaTek Preschool
- Networking event



Benefits that exceed legal requirements

- Vacation days
- Volunteer leave
- Paternity leave

Maintain work-life balance

- Social club activities
- Promotions and benefits from contracted stores
- Employee activities
- Subsidies
- Retirement plans

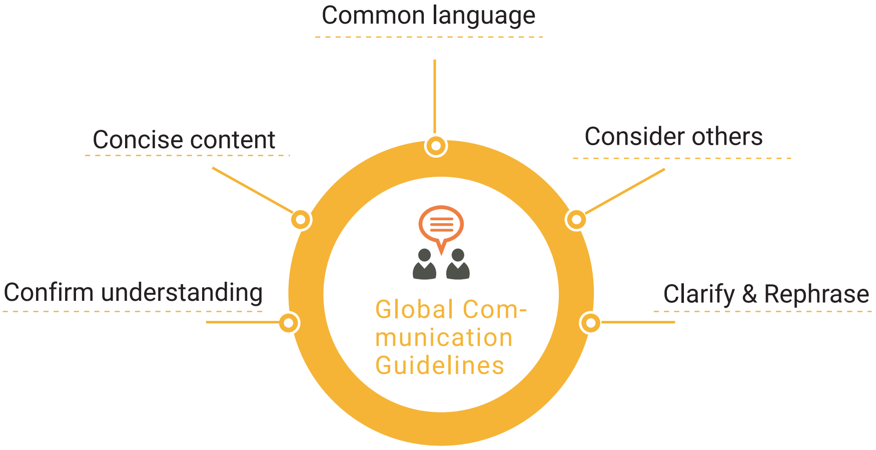
Diverse and inclusive workplace

- Follow International Human Rights Standards
- Female employment & empowerment
- Implementation of sexual harassment prevention measures

Employee experience

3.4.1 Employee Communications

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.



Diverse Channels for All-round Communication

With our communication guidelines we aim to align employees smoothly and effectively, encouraging all to work together toward the same goal.

CEO Vlog

In 2018, 4 CEO interview Vlogs were released to all employees, enabling them to better understand the CEO’s thoughts and expectations of the Company and its employees through candid videos that explained MediaTek’s future plans and vision.

Sit Down with Rick
Video Series

Mstar integration and employees retention

ONE TEAM ONE GOAL
Welcome Celebration 歡 祝

ONE TEAM ONE GOAL

To help Mstar employees understand MediaTek's business culture and philosophy, we conducted more than 10 communications meetings with managers and employees prior to the integration. We provided comprehensive, public explanation of job positions and titles and the compensation and benefits structure at MediaTek. Our CEO took part in the communication meetings with director-level and above from Mstar to share our corporate vision, business philosophy, core values, and expectations of managers. Our face-to-face communications meetings and interactions helped Mstar employees better understand MediaTek, which led to a final overall retention rate exceeding 90%.

To commemorate this historical moment, we hosted a global celebration event after the integration went into effect. More than 2,200 people attended directly and online. We also initiated employee care surveys and biweekly newsletters to help Mstar employees adapt to their new work environments; integrating with our corporate culture, and thereby allowing us to move forward together as "one team”, with “one goal".

Employee surveys

Starting in 2004, MediaTek invited professional third-party consulting companies to conduct periodic employee surveys. The results of which were analyzed and responded to via institutional improvements. In 2016, the scope of our surveys was broadened to 27 sites , and more than 9,000 employees worldwide completed them , with an overall response rate of 88%. Subsequently, a series of improvement plans was initiated based on the feedback, and we plan to conduct another global employee survey in 2019 to understand the effectiveness of improvements made and current topics of concern for our employees.

Completed by **9,000** people across **27** sites Response rate: **88%**

Survey results for 2016 showed that there were two major issues of concern , namely, "mid- to long-term goals" and "communication". MediaTek responded to the survey results and continued to be attentive to issues of concern from our employees. We also formulated improvement plans around these two major issues and established a project team to see through the implementation.

The following are improvement measures carried out by MediaTek in 2018: we conducted communications meetings with managers of all levels and communicated mid- to long-term plans and other important issues to our employees through digital communications channels. This conveyed our corporate vision and technological advances through two-way communication between our employees and the Company. We help our employees to better understand the Company through a systematic process that communicates Company policies and responds to employee questions on the Company and work environments.

Employee survey improvement plans

Improvements	Explanation
FAQ 2.0 communication platform	In 2018, we collected feedback from 336 employees relating to our human resource policies and services through the FAQ communication platform. To comply with the expectations of two-way communication from the new generation employees, we designed a new platform and conducted final system tests in 2018. New online communication platform will be formally launched in the first half year of 2019, and will adhere more closely to employee needs to meet our goal of 'effective communication'. MediaTek emphasizes two-way communication and is committed to providing an open, transparent, and two-way communication channels for managers, employees, and peers.
Global manager communication meetings	Conducted as either face-to-face meetings or online communications, and with focus on the business outlook, technical updates, and organizational human resource issues. Managers from headquarters conduct face-to-face meetings to ensure there is global alignment among offices.
Communication meetings with different manager levels / employee groups	Lead by Level 2 managers and above, through 'themed sharing', this provides responses to questions regarding employee work and lives, as well as internal issues within the Company or the business unit.
Labor meeting	There are 5 representatives for both labor and management, making up a 1:1 ratio. Labor representatives are elected through public elections and conduct discussions on labor conditions, management issues, and previously collected queries. The results of the meetings are publicly disclosed. The labor meetings for 2018 not only continued to focus on the construction progress of MediaTek Preschool, but also discussed employee incentive measures and internal transfer systems

Improvements	Explanation
Internal monthly newsletter hot paper	In 2018, we gradually expanded introductions of our global offices and global partners working in Taiwan, highlighting the importance of experiences and through the understanding of cultural differences between countries.
Ombudsman service	Grievances on damaging corporate behavior such as injustices in the work environment, unreasonable incidents (such as sexual harassment and workplace violence), violations of PIM, or destruction of Company reputation can be anonymously reported online.

3.4.2 Benefits Policies

The work-life balance of our employees is important, and MediaTek provides benefits that exceed legal compliance, 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	Benefits in MediaTek
Vacation days	12 national holidays per year	12 national holidays + 7 vacation days + per hour flexibility
Volunteer leave	None	Employees can apply for 1 day of paid volunteer leave per year; applications can be submitted separately
Paternity leave	5 days	7 days

3.4.3 Establishment of Healthy Workplace

Visions and goals

That employees and their family members can all work and live with the best physical and mental health

Direction

- Balance physical and mental health to establish personnel supporting system
- Able to predict and avoid the potential issues
- Assist to solve individual issues to enhance organizational atmosphere
- Caring for our employees included their families

Implementation

Workplace for You

- Humane office spaces design
- Healthy, hygienic, and various food for choices
- Sound work environments and stress relief
- Maternity health protection

Physical and mental health

- Health checks and management
- Employee assistance program
- Health promotion activities
- Occupational safety and health

MediaTek emphasizes the physical and mental health of our employees and their relatives. We have established visions, goals, and directions for a healthy workplace, and offer a "Workplace for you" program that set physical and mental health as the two main goals.

Workplace for You

Humane design of office spaces

MediaTek emphasizes the establishment of safe and appropriate workplaces. When establishing our second Data Center, we considered the often long working hours of IT personnel and carried out the following work-space optimizations to increase user convenience and work efficiency.

Division of hot and cold corridors to increase the comfort of work environments

Discussed lighting with employees and selected brightness levels and lighting colors that were more in-tune with their preferences

Healthy and hygienic catering options

MediaTek's employee canteen includes more than 21 eateries and enjoys an average of 90% uptake in daily use, with around 15,000 diners. Canteen eateries include foreign cuisine, Chinese fast food, fried dumpling, noodle and vegetarian restaurants, healthy juice bars, and takeout lunch boxes, providing our employees with a wide variety of eating options.

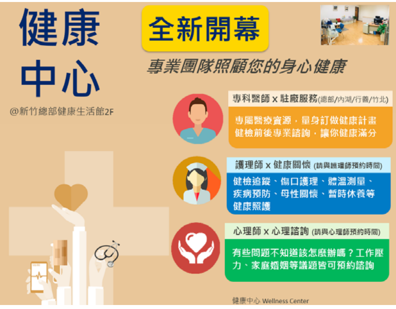
Management requires that food safety and quality is prioritized. In 2018, we advocated three health and eco-friendly food principles (please refer to the table below), and conducted multiple sales at Moon Festival and Lunar New Year in combination with charitable organizations so that our employees could eat healthily while also giving back to society.

Promotion of healthy, safe, and hygienic food. Encouragement and education of environmental protection

- We encourage the development of local produced produce by promoting sales of fruits and vegetables sourced from local farmers. By assisting them to produce locally and sell locally, we enhance the development of local agriculture. We held seasonally themed events to encourage the consumption of seasonal foods.
- We continue to focus on food safety and hygiene through bimonthly SGS inspections.
- In January of 2018, we required restaurants in our canteen to refrain from providing free plastic bags. This policy exceeded existing legal requirements and reduced the usage plastic bags by 300,000 per year (95% reduction). In September 2018, we required takeout boxes should be gradually changed to paper containers, reducing the use of plastic containers by 15,000.

Sound work environment and stress relief

- **Stress relief through massage:** In 2018, we hired 32 blind masseuses that provided services for a total of 14,865 employees. This service is extremely popular and reservation rates were consistently 100%.
- **Gym:** Gym equipment and exercise space has been established in all office buildings. Daily usage rates for the gym is 100%, and we also provide areas to play badminton, basketball, table tennis, and billiards to facilitate employee health and after-work social interactions.
- **On-site medical team services:** a medical team from the Hsinchu Branch of NTU Hospital works on-site 18 times per month and provides professional one-on-one consultation services to our employees. A total of around 600 reservations were made throughout the year.



健康中心

全新開幕

專業團隊照顧您的身心健康

@新竹總部健康生活館2F

專科醫師 x 駐廠服務(總部/內湖/行善/竹北)

專屬醫療資源，量身訂做健康計畫
健檢前後專業諮詢，讓你健康滿分

護理師 x 健康關懷 (請與護理師預約時間)

健檢追蹤、傷口護理、體溫測量、
疾病預防、母性關懷、暫時休養等
健康照護

心理師 x 心理諮詢 (請與心理師預約時間)

有些問題不知道該怎麼辦嗎？工作壓
力、家庭婚姻等議題皆可預約諮詢

健康中心 Wellness Center

Protection of maternity health

In 2018, a total of 90 candidates required maternity protection, and doctor interview were conducted with 23 people

The team at our health 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 13 rooms that can accommodate at least 20 employees at the same time. The health 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, which exceeds legal compliance requirements. In addition, MediaTek emphasizes the mental health of our employees, and therefore 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 health center provide subsequent care and follow-up on employees at risk and transfer potential high-risk cases to external employee assistance program (EAP) therapists for professional assistance. Our employees can also enjoy three times, and one-hour therapy session each every year, providing another resource that helps to balance physical and mental health. In 2018, 96% of employees applied for health check subsidies, and total health check expenses were 39 million NTD.

Employee assistance program

To build a healthy workplace environment and protect the mental health of our employees, the Company provides comprehensive internal and external employee assistance programs. In terms of external programs, MediaTek collaborates with the Hsinchu City EAP Service Center and the Newmind EAP Consultant Co. so that our employees can undergo stress-free, private and professional counseling and consultation. Fees incurred by the employee assistance program (EAP) are borne by the Company. In terms of internal employee assistance programs, we have formulated the "Level 1, 2, 3 mental health prevention program":

Level 1

Prevention and education

Partner with the EAP Service Center to target common challenges employees face, publishing quarterly flyers on stress management, parent-child relationships, intimate relations, and social interaction

Level 2

Employee counseling assistance and handling of employee grievances

Apart from its collaboration with the Hsinchu City EAP Service Center, but also has an internal therapist to provide timely assistance to our employees. This assistance becomes a comprehensive network of caring for both the "individual" and "organization"

Level 3

Handling of employee crisis events

Includes employee absence without leave, work injuries, or other emergency assistance events; the Company has established comprehensive procedures and our Human Resources department provides immediate and comprehensive assistance.

Implemented since 2016, we continue to run the "Care program for employees with extensive work hours". We first conducted crisis-level classifications for employees who work long hours and display abnormalities on health check results. We require these employees to undergo respective interviews with on-site doctors, counseling with psychologists, and health education with nurses, in hopes of providing more complete and focused care to employees who need assistance.

Activities for health promotion

Taiwan headquarters	China
Hosted 13 sessions in 2018 for a total of 3,290 participants	Hosted 20 sessions in 2018 for a total of 4,389 participants
Hsinchu Bulau 115 cycling activity, Hsinchu City marathon, badminton, volleyball, softball, billiards, basketball, 21-people crossover jump-rope, kickball competition, and Frisbee dodgeball.	Power walking activities, fun competitions, hiking activities, fat-reduction and muscle-gaining activities, ball game competitions, and health promotion activities

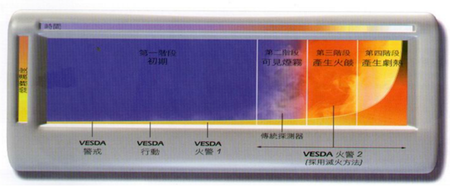
Workplace health and safety

MediaTek emphasizes employee work safety and began conducting full evacuation drills in 2015 to help our employees better understand evacuation routes, assembly points, and personnel check. This exceeds industry standards as most IC design companies only conduct drills with a small number of personnel or conduct drills through sand-table exercises.

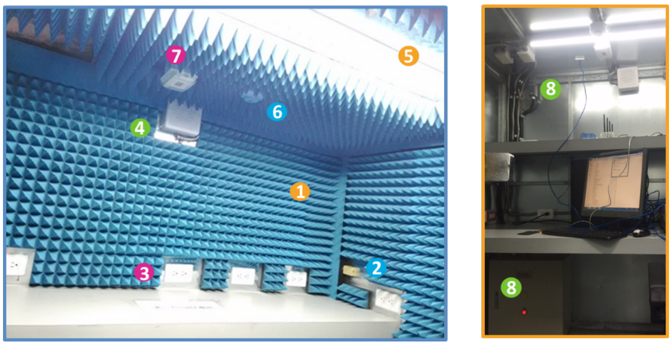
Our drills for 2018 also included fire simulations and care for injured personnel, taking place in the office buildings in Hsinchu, Zhubei, and Taipei. The number of drill participants was 5,519 people, an increase of 327 people over 2017. To ensure full safety of Company environments, we not only make occasional promotions of various safety measures to our employees and visitors, but also periodically conduct on-site inspections of environment and process safety.

Very Early Smoke Detection Apparatus

To continue strengthening of employee environment safety and to prevent potential damages, MediaTek began installing VESDA devices globally in laboratories starting in 2015. In addition, emergency PA systems, emergency distress systems, smoke detectors, and temperature-controlled power switch systems in shielding rooms exceed industrial practices and provide effective prevention and protective mechanisms, enabling early warning of fire and smoke sensing in high-risk lab areas, ensuring personnel safety and decreasing the potential of financial loss. We completed installation of VESDA devices in 100% high-risk lab areas in December 2018.



VESDA



1.Fireproof and flame-resistant absorbent cotton on tabletops and floors (to prevent fire expansion)

2.Phone socket (so employees can communicate with external units if incidents occur)

3.Adequate sockets without need for extension cords (for prevention of fires)

4.Amplifier (so employees can hear emergency warnings from outside)

5.LED lights (operate at lower temperatures so help to prevent fires)

6.VESDA detector (early warning of fires and prevention of fires)

7.Emergency call button (so employees can call for help in emergencies)

8.Temperature-controlled power switch system (which switches off power when environmental temperatures exceed 35 degrees to prevent fires)

Establishment of safety equipment for shielding rooms

MediaTek emphasizes workplace health and safety. Through training and promotion, the frequency and severity of work-related injury or ill health for 2018 were both lower than for 2017.

Recordable work-related injury or ill health in 2018

Item/year	Gender	2017	2018
Disabling injury frequency rate (FR) Pieces of work affected (only counted for leave of more than 8 hours) x 1,000,000/total working hours	Male	0.39	0.19
	Female	0.48	0.46
Overall average		0.41	0.23
Occupational disease rate (ODR) # of occupational diseases x 1,000,000/total working hours	Male	0.00	0.00
	Female	0.00	0.00
Overall average		0.00	0.00
Disabling injury severity rate (SR) Days away from work x 1,000,000/total working hours	Male	9.44	0.28
	Female	2.88	0.46
Overall average		8.32	0.31
Absence rate (AR) Total days of absence/Total working days	Male	0.026	0.004
	Female	0.018	0.012
Overall average		0.020	0.005

[Note] Total days of absence includes days of personal leave, sick leave, and leave for occupational injuries, but does not include approved leave such as national holidays, training leave, maternity leave, paternity leave, and funeral leave.

(1) Sick leave (including unpaid sick leave, sick leave with partial pay, and menstrual leave): 48,405.48 hours
(2) Personal leave (including family care leave): 15,312.94 hours
(3) Leave due to occupational injury: 2,447.83 hours
(4) Total working hours: 12,774,840 hours (247*8*6,465=12,774,840)

In order to ensure the safety management of our contractors, MediaTek has conducted occupational health and safety training for the personnel involved in construction (for example: new buildings and maintenance), conducted hazard notification and publicized safety construction specifications to prevent occupational disasters. In 2018, the contractors involved in safety seminars totaled 131 people, and we achieved the goals 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 social club activities, provides discounts from contracted stores, and provides many other benefits and subsidies to employees.

Social club activities

Up to 2018, a total of 49 social clubs had been formed, including the newly formed skiing club, fun diving club, coffee club, Taipei board game club, and Indian Association. We provided subsidies to allow social clubs to operate more smoothly, and there were 2,400 employees who participated in at least one club. The Indian Association was initiated by our Indian employees in hopes of generating exchanges between Taiwanese and Indian employees. Our Taiwanese employees exchanged tips on local foods, transportation, and accommodation, helping our Indian employees to quickly adapt to life in Taiwan. Our Indian employees also shared their cultural celebrations, such as Holi and Navaratri so that our Taiwanese employees could experience the beauty of different cultures.

Promotions from contracted stores

More than 4,000 contracted stores in Taiwan provide promotions that our employees can take advantage simply by showing their employee identification or mobile app. Employees can search for nearby stores at any time, which is highly convenient. We also host book sales and product exhibitions on special occasions such as Children's Day or Christmas.

Family Day activities

As part of MediaTek's commitment to work-life balance and family activities we host Family Day events every year and invite employees and their families to participate. Activity formats include sports days, fetes, concerts, or funfair tours. The Family Day for 2018 was held at the Green-World Farm in Hsinchu County. Around 10,000 people were in attendance (around 4,000 were employees) . Satisfaction at the event was recorded at 78%, up by 2 percentage points compared the funfair Family Day held in 2016.

Benefits and subsidies

To help benefits adhere more closely to the needs of each employee, we organized a "flexible benefits" policy starting in 2018, providing combined subsidies for travel expenses, movie tickets and bonuses for three major festivals and employee birthdays. This allows our employees to choose whether to use their subsidies on any one of up to five benefit items, for example, on "travel subsidies", "annual shopping sprees", "entertainment and the arts", "selected health check items", or "group insurance for family members", where the amounts for each item are also determined by the employees themselves. This flexible benefit program is set to take effect in 2019.

MediaTek respects differences in the diverse cultures of all our employees when formulating our global benefits policies, so we focus on providing flexibility and choice where possible. In our Singapore office, which combines the most diverse nationalities and cultures, we have implemented a flexible benefits policy where our employees can choose their own benefits items, and we also include subsidies for plane tickets and expenses for visa applications for employee relations as part of our benefit options. Our employees can mix and match their individual benefits items as needed.

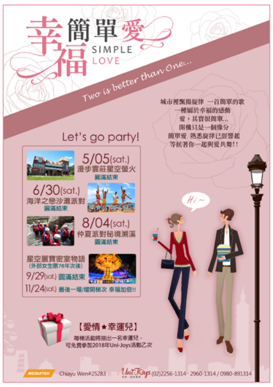
3.4.5 Family Care

MediaTek works to establish a tight-knit network between the Company, its employees and their family members through a range of benefits, activities and communication changes. By promoting family harmony and positivity, we aim to create a virtuous cycle between our employees and their families, thus bringing more positivity into society.

Single	Married	Pregnancy & Childbirth	Family
● Networking events for singles ● Sessions: 5 ● Participants: 107	● Marriage subsidy: 10,000 NTD ● 8 days of marriage leave	● 5 days of pregnancy check-up leave ● 56 days of maternity leave ● 7 days of paternity leave ● Childbirth bonus: 2,000 NTD for each child ● Applicants: 349	● Family care platform and family activities ● Search and recommendation platform for childcare resources ● Bonuses for child education ● Family care leave ● Unpaid childcare leave

Networking activities

Planned different activities such as the "Starlight and Fireflies" event, beach parties, and river trekking, allowing our employees to enjoy the outdoors on vacation days and meet new friends, enriching their life outside of work.


幸福簡單愛
SIMPLE LOVE
Two is better than One...
Hi~

城市裡飄揚旋律 一首簡單的歌
一種屬於幸福的感動
愛，其實很簡單...
開機只是一個緣分
簡單愛 熟悉旋律已經響起
等候著你一起與愛共舞!!

Let's go party!

5/05(sat.) 漫步雲莊星空螢火 圓滿結束
6/30(sat.) 海洋之戀沙灘派對 圓滿結束
8/04(sat.) 仲夏派對秘境溯溪 圓滿結束
星空麗寶密室物語 (外部女生限76年次後)
9/29(sat.) 圓滿結束
11/24(sat.) 最後一場/增開梯次 幸福加倍!!

【愛情★幸運兒】
每梯活動將抽出一名幸運兒，
可免費參加2018年Uni-Joys活動乙次

MEDIATEK Chiayu Wen#25283 Uni-Joys (02)2256-1314、2960-1314 / 0980-891314

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 2018, the reinstatement rate for employees who had taken childcare leave was around 85.3%. 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 2018

Item	Male	Female	Total
A. Number of employees eligible for unpaid childcare leave in 2018	585	216	801
B. Actual number of employees who took unpaid childcare leave in 2018	9	31	40
C. Estimated number of reinstated employees returning from unpaid childcare leave in 2018	7	27	34
D. Actual number of reinstated employees returning from unpaid childcare leave in 2018	7	22	29
E. Reinstated employees who returned from unpaid childcare leave in 2017 and have continued working for 1 year	10	21	31
F. Number of reinstated employees who returned to work from unpaid childcare leave in 2017	10	21	31
Application rates (B/A)	4.2%	5.3%	5%
Reinstatement rates (D/C)	100%	81.5%	85.3%
Retention rates (E/F)	100%	100%	100%

A. Number of employees eligible for unpaid childcare leave in 2018: number of employees who applied for unpaid childcare leave from January 1 to December 31, 2018

B. Actual number of employees who took unpaid childcare leave in 2018: number of employees who applied for unpaid childcare leave from January 1 to December 31, 2018

C. Estimated number of reinstated employees returning from unpaid childcare leave in 2018: number of employees whose unpaid childcare leave period expired between January 1 to December 31, 2018

D. Actual number of reinstated employees returning from unpaid childcare leave in 2018: number of employees whose unpaid childcare leave period expired between January 1 to December 31, 2018, and who were reinstated

E. Reinstated employees who returned from unpaid childcare leave in 2017 and have continued working for 1 year: number of employees who returned from unpaid childcare leave from January 1 to December 31, 2017 who have continued to work for one year

F. Number of reinstated employees who returned to work from unpaid childcare leave in 2017: number of employees who returned from unpaid childcare leave from January 1 to December 31, 2017 who have continued to work for more than one year

The MediaTek Preschool

Over the past 20 years, MediaTek has endeavored to provide our employees with a work environment that brings peace of mind, and have listened carefully to the needs of our employees. To establish a work environment that brings peace of mind and allow employees to balance their family lives and care for their families, we announced that we would build a "self-established Preschool" in 2017. This ranked at No. 1 of employees' most desired benefits, and also displays our efforts in caring for the families of our employees. In 2018, we continued to make preparation for establishing our Preschool through recruitment of professionals and the planning of campus grounds. We hope that every child that joins and learns with the MediaTek Preschool can grow alongside the Company.

- Average employee age: **34** years old
- Number of employee children of Preschool age: **900** people
- Ranked No. **1** of most desired employee benefits

Location

Behind Hsinchu headquarters, on 1-2 floor of Building D with total nearly 426 ping

Schedule

First semester has started in August, 2019

Number of people

Around 136 in the first two years, growing to 166 students starting from the third year

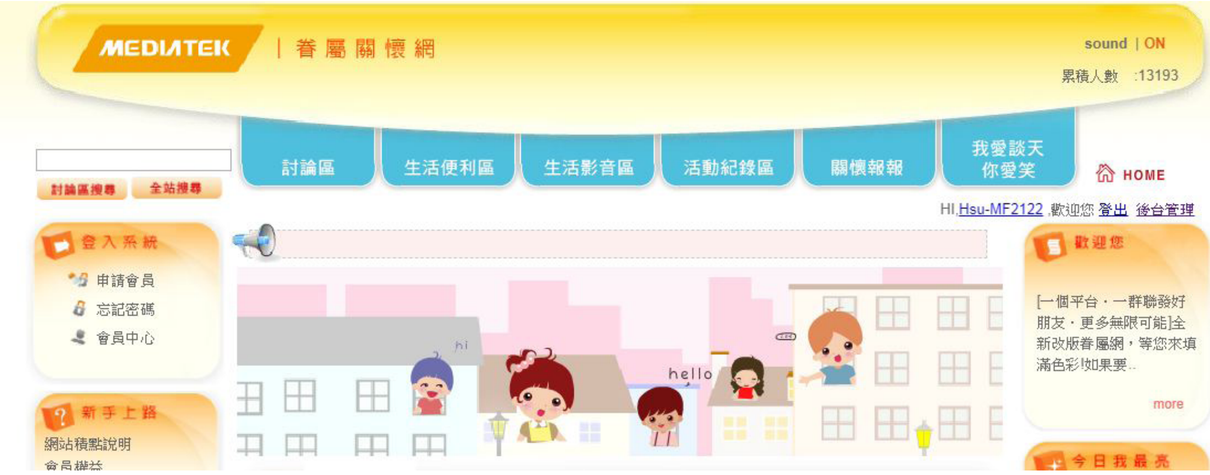
Target

MediaTek employee children aged 2-6

Family care platform and family activities

MediaTek's care for its employees also extends to the families of our employees. We provide a free Internet-based discussion platform that allows family members to freely exchange information on everyday life, childcare experiences, and resources for local healthcare information, while MediaTek HR also uses the platform to share Company information on parent-child activities. As of year-end 2018, the platform has accumulated 13,192 users.

Employee family members also voluntarily established a family member network on Facebook. Currently, more than 370 family members have joined this network, consolidating a sense of unity with the Company among employee family members.


MEDIATEK
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生活便利區
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活動紀錄區
關懷報報
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你愛笑
HOME
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申請會員
忘記密碼
會員中心
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會員權益
hi
hello
歡迎您
more
今日我最亮

[一個平台・一群聯發好朋友・更多無限可能]全新改版眷屬網，等您來填滿色彩!如果要..

MediaTek allows employee family members to use the Company's exclusive "healthy living center", which has a room designated for parent-child activities. Employee family members voluntarily established activity classes for employee family members. Class sizes are deliberately kept small to help enhance learning effectiveness. In 2018, 144 employee family members participated.

Classes offered

- Child dance and rhythm class
- Parent-child rhythm class
- Advanced dance and rhythm class
- Child science class
- Adult yoga class
- Graffiti art class

3.4.6 Diverse and Inclusive Workplace

Establishing a Diverse and Inclusive Workplace	Management Approach for Material Issues GRI 103-1, 103-2, 103-3, 405-1, 405-2 5 GENDER EQUALITY 10 REDUCED INEQUALITIES
Importance to MediaTek	MediaTek upholds diverse and inclusive talent strategies, provides equal employment and development opportunities across nationalities and genders, with a safe and friendly work environment that promotes an inclusive, healthy and collaborative workplace.
Commitments and Relevant Policies	MediaTek adheres to the International Bill of Human Rights and maintains our employees' freedom of association rights. We do not discriminate based on race, age, gender, sexual orientation, disability, pregnancy, political affiliation, or religion, and implement our "Grievance Reporting and Disciplinary Procedures for Prevention of Sexual Harassment" by establishing a Sexual Harassment Grievance Response Committee to handle all matters of gender equality in the workplace.

Goals

Short term:

- Use applicant job position and educational and work experience as a basis for determining salaries of new hires
- Talent promotion based on performance and individual potential
- Establish employee grievance reporting channels, staffed by dedicated personnel, who are responsible for investigating and responding to employee grievances
- Mandatory classes on prevention of sexual harassment: new hires must complete training within 1 month of reporting for work. Currently, class completion rates are 100%
- Implement maternity care measures by establishing lactation rooms and continuing to follow up on healthcare needs and assistance for employees returning to work after parental leave

Mid to long term:

- Continue to recruit excellent global talent and provide diverse learning, development, and internal transfer opportunities
- Continue to enhance global employee satisfaction of our diverse and inclusive workplace

Our Management System

- **Responsible unit:** Human Resource department, Sexual Harassment Grievance Response Committee, all managers
- **Resources:** Classes on prevention of sexual harassment in the workplace, prevention of sexual harassment website, management courses
- **Communication channels:**
  - Hotline for prevention of sexual harassment: 21999
  - Email: call21999@mediatek.com
  - Ombudsman service
  - Face-to-face and online learning courses
  - Manager communication meetings
- **Assessment mechanism:**
  - Use surveys to determine employee satisfaction of our diverse and inclusive workplace
  - Number of employees who have completed classes on prevention of sexual harassment in the workplace as well as number of grievances

Specific Performance

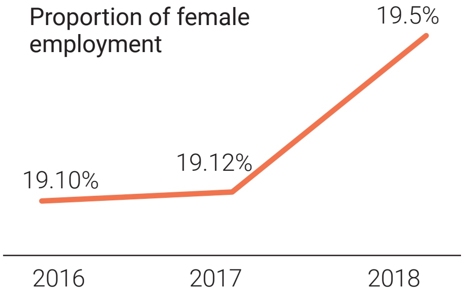
- Women now hold 17% of the R&D and technical positions in MediaTek; higher than the 13-15% average of female graduates with EE/CSIE degree in in Taiwan annually.
- Completion rates for prevention of sexual harassment classes for new hires in 2018 were 100%. Two incidents of sexual harassment were sent to our grievance reporting inbox. Both cases have been handled and concluded.
- Lactation rooms have been established in all offices, and we conduct 100% follow-up of healthcare needs of employees returning to work from maternity leave

MediaTek upholds diverse and inclusive talent strategies; provides equal opportunities for our male and female employees; adheres to international human rights standards; prohibits any discrimination, use of child labor, and forced labor; and stipulates that all employees must undergo classes for prevention of sexual harassment, thus establishing a diverse and inclusive workplace.

Adherence to international human rights standards

MediaTek strictly adheres to the Labor Standards Act and complies with the International Bill of Human Rights, maintaining employee freedom of association and prohibiting the use of child labor. In terms of employment, we prohibit all discriminatory behaviors, 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.

Female employment



MediaTek is committed to creating a friendly and fair workplace for our female employees. In 2018, the proportion of female employees at MediaTek and our global subsidiaries was around 20% of all employees. The number of female employees in the R&D/technical departments was 1,708 (17%), 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 2018 slightly increased on-year. In comparing the annual 2018 salaries of permanent male and female engineering employees the salary ratio is 1:1.

MediaTek founded the Women InTek (WIT) social club in April 2015. The club members are comprised of more than 200 women across Shenzhen, Wuhan, Hefei, and San Jose in the US. The club's goals are the promotion of work-life balance, advancement in tech careers, and individual potential. Annual, themed sharing meetings, mentor programs, online sharing, outdoor exchange activities and more are hosted by the club to enhance interactions between women in the workplace, allowing them to share life and work problems and experiences, grow confidence, assist with mutual growth, and share insights; encouraging women in the tech industry to shine. As of 2018, a total of 46 activities and 22 online sharing events have been hosted, and 131 articles have been posted through the messaging app. In 2019, WIT will continue expansion to Taiwan and other global operational sites.

Work/Life Balance

- Parenting tool kit, Montessori education sharing, parent-child drawing activity

Individual Potential

- WIT plan, rock climbing, archery, boxing, painting, plant care, embroidery, etc.

Tech Career

- High productivity, project management, English speaking, communication, overseas expedition kits

LEAN IN CIRCLE
Women In Tek
Selfie City

Sexual harassment Prevention

To ensure that employees can enjoy an environment of equality and respect, and eliminate workplace discrimination and harassment, 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" we not only established "Grievance Reporting and Disciplinary Procedures for Prevention of Sexual Harassment" , but also established 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.

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 2018 were 100%. Additionally, we have established a website for the prevention of sexual harassment to promote important information and enhance gender equality. In light of the fact that promotion of the prevention of sexual harassment in the workplace and subsequent handling of incidents by managers are also very important, we established a "Manager section" on the website containing mandatory online classes. In 2018, 2 incidents of sexual harassment were sent to our grievance reporting inbox, with both cases having been handled and concluded.

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 Financial Performance
4.7 Investor Relations

Material issues in this Chapter

Corporate Governance and Legal Compliance

Economic Performance

There were two scheduled meetings of CSR Committee in 2018, and the Chairperson of CSR Committee reports the latest status to the Board of Directors on a regular basis.

One of MediaTek's compensation policies is "Sustainability". Compensation policy at senior management level aims to strike a balance between long-term and short-term effects, thereby encouraging our senior managers to achieve long-term goals and leading MediaTek to sustainable development through the long-term reward program.

The 2018 meeting attendance rates of the Board of Directors, Audit Committee, and Compensation Committee were **100%.**

MediaTek has adopted Control Self-Assessment (CSA) system, allowing our employees to self-assess the design and operation of internal control and give their feedback online.

Management Approach

Corporate Governance and Legal Compliance	Management Approach for Material Issues GRI 103-1, 103-2, 103-3, 307-1, 419-1 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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.
Commitments and Relevant 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:

- Ensure no material violations against social, environmental, and economic regulations
- Enhance results of the corporate governance evaluation conducted by TWSE to top 5% among listed companies
- Conduct external performance evaluation of the Board of Directors

Mid to long term:

- Respond actively to corporate governance practices recommended by the government agencies and institutions to enhance the Board's overall operation

Our Management System

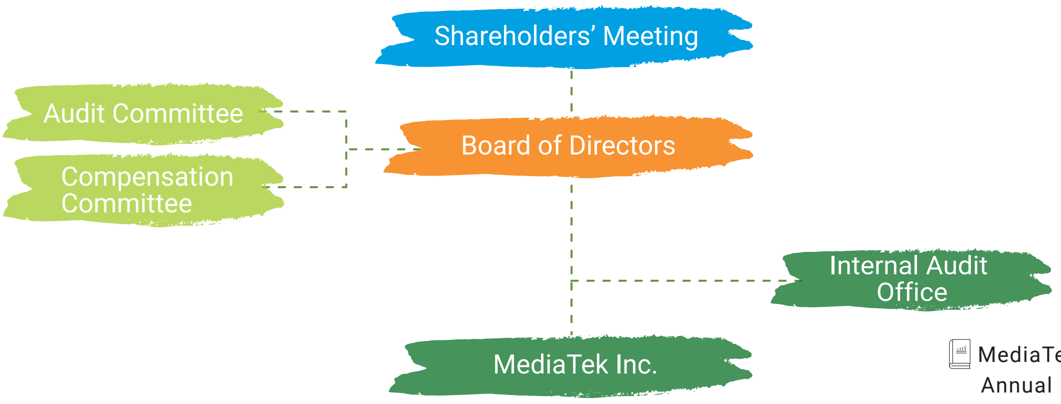
- **Responsible unit:** Legal & Intellectual Property Unit
- **Resources:** Corporate Social Responsibility Committee
- **Contact person:**
  - Mr. Chen, Corporate Social Responsibility Committee
  - Telephone: 886-3-567-0766
  - Email: csr@mediatek.com
- **Assessment mechanisms:** the Internal performance evaluation of the Board of Directors, Annual Shareholders' meeting, and Corporate Governance Evaluation

Specific Performance

- **Strengthened governance structure:** The 2018 meeting attendance rates for the Board, the Compensation Committee, and the Audit Committee were 100%. In addition to that, the Corporate Legal Division was authorized to be in charge of corporate governance affairs.
- **Improved corporate governance:** In 2018, our corporate governance evaluation result ranked 6-20% among listed companies. In order to enhance the governance rating to a higher level, we are actively working with the outside experts to improve the underscored indices.
- **Focus on business integrity:** In 2018, we provided numerous internal trainings to the amount of 6,795 hours attended by a total of 13,925 persons.
- **Enhanced internal audit:** We introduced a new CSA system for the management and employees to self-assess the design and operation of internal control and give their feedback online.

4.1 Governance Structure

Integrity is the first priority for MediaTek to conduct business. In accordance with this principle, the MediaTek Board has established two Board Committees, in which the Audit Committee is responsible to strengthen the independence of corporate governance, and the Compensation Committee aims to reinforce our corporate compensation policy. In addition, the Board provides 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 2018 Annual Report.



MediaTek's Organizational Structure

MediaTek's 2018 Annual Report.

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 2018 Annual Report.
- **Frequency of Meeting:** The Board meets at least once each quarter; it convened 6 times in 2018 with 100% 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 2018.

▶ Responsibilities:

The main purpose of the Audit Committee is to supervise the following matters:

- 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 [note]
- **Frequency of Meeting:**
  The Compensation Committee meets at least once per year, and the Committee convened 4 times in 2018 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:
  - Periodic oversight of the amount of compensation for the Company' directors and managers
  - Establish corporate standards and structures regarding the compensation policy
  - Regular review of the directors and managers' performance

CSR Committee

- **Members:**
  The CEO serves as the Chair of the Committee and is responsible for convening meetings with committee members. These member positions are filled by senior executives from relevant business and functional units, including R&D, MarCom, Sales, HR, Process Technology & Manufacturing Operations, Legal, Finance, Internal Audit, and MediaTek Foundation.
- **Frequency of Meeting:** Twice per year
- **Six working teams:** Global Presence, Innovation, Talent, Environmental Management, Corporate Governance, 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 of corporate affairs relating to Board meetings and the annual shareholders' meeting, to provide corporate directors orientation and continuing education, to provide necessary information for the directors to fulfill their duties, and to assist the directors to comply with 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.

[Note] The Chairperson of the Board was invited regularly to attend the meeting and may excuse himself/herself when there is a conflict of interest.

4.2 Corporate Governance Enhancements

We believe that a transparent information disclosure policy has positive influences on business operations and corporate governance. For this belief, we insist on a fair and timely principle to provide information regarding business operations, finance, the Board, and the Shareholders' Meetings - in compliance with relevant laws and regulations. In addition, we actively participate the Corporate Governance Evaluation every year to self-examine the degree and measures of our disclosure policy aiming to enhance our current practice to a higher level.

Corporate Governance in 2018

MediaTek has shown a strong commitment to best practice in corporate governance by enforcing important governance policies, 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 Company 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.

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 corporate governance area. For example, MediaTek has stayed in the leading group of the corporate governance evaluation by TWSE and has won the Corporate Citizen Awards by *Commonwealth Magazine*.

Major corporate governance practices

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

Annual report disclosures

- 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

4.3 Integrity and Legal Compliance

Integrity tops the first position of MediaTek's six core values. In addition to the Ethical Corporate Management Best Practice Principles and Code of Ethics and Business Conduct, the MediaTek community strictly adheres to the highest standards of integrity and requires our employees to constantly and vigilantly promote the top eight guidelines in the Code of Ethics and Business Conduct in carrying out their duties. 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 terms of legal compliance, MediaTek continues to be aware of domestic and international policies and laws that may potentially impact the Company business and financial operations. Meanwhile, MediaTek fully understands and complies with all laws and regulations that govern our business, such as the Company Act, the Securities and Exchange Act, the Labor Standards Act, the Fair Trade Act, the Employment Service Act, the Act of Gender Equality in Employment, and other applicable laws. All relevant units will receive notification if the laws, regulations, and internal rules are changed, and in turn the auditing unit would accordingly review and examine the enforcement status of legal compliance.

Mediatek adopts a zero-tolerance policy for corruption and bribery, unfair competition, intellectual property infringements, and insider trading. Any violator of the Code of Ethics and 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 ethic values. For more information on our Code of Ethics and Business Conduct, please refer to our website: https://www.mediatek.com/investor-relations/corporate-governance.

Due to the harmonization between MediaTek's long-term corporate strategy and the government's policies, in 2018, we received government subsidies, mainly including tax deductions and exemptions. For more information, please refer to p.200 of the Annual Report. Moreover, in 2018 and as of the date of this Annual Report, the Company fully respects and complied with all laws and regulations. The Company was only issued a fine of 70,000 NTD for violation of the employee's overtime application and approval not being processed in accordance with the relevant procedures. We have therefore enhance education and communication on overtime application procedure with our employees.

8 top guidelines of the Code of Ethics and Business Conduct

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

How to whistleblow

If our employees discover any irregularities against the Ethical Corporate Management Best Practice Principles or the internal rules, they are encouraged to report anonymously either to their direct supervisor or the Internal Audit Divsion. MediaTek treats the whistleblowing tip and conducts investigation in a confidential and sensitive manner, thus the whistleblower's identity will remain confidential, and the senior manager will personally administer the complaint.

☎ 886-3-603-0011 (Chief of Internal Audit Executive)

✉ ethics.reporting@mediatek.com
(Automatically transfer to the Chief of Internal Audit Executive)

📍 MediaTek Chief of Internal Audit Executive, No. 1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City 30078, Taiwan

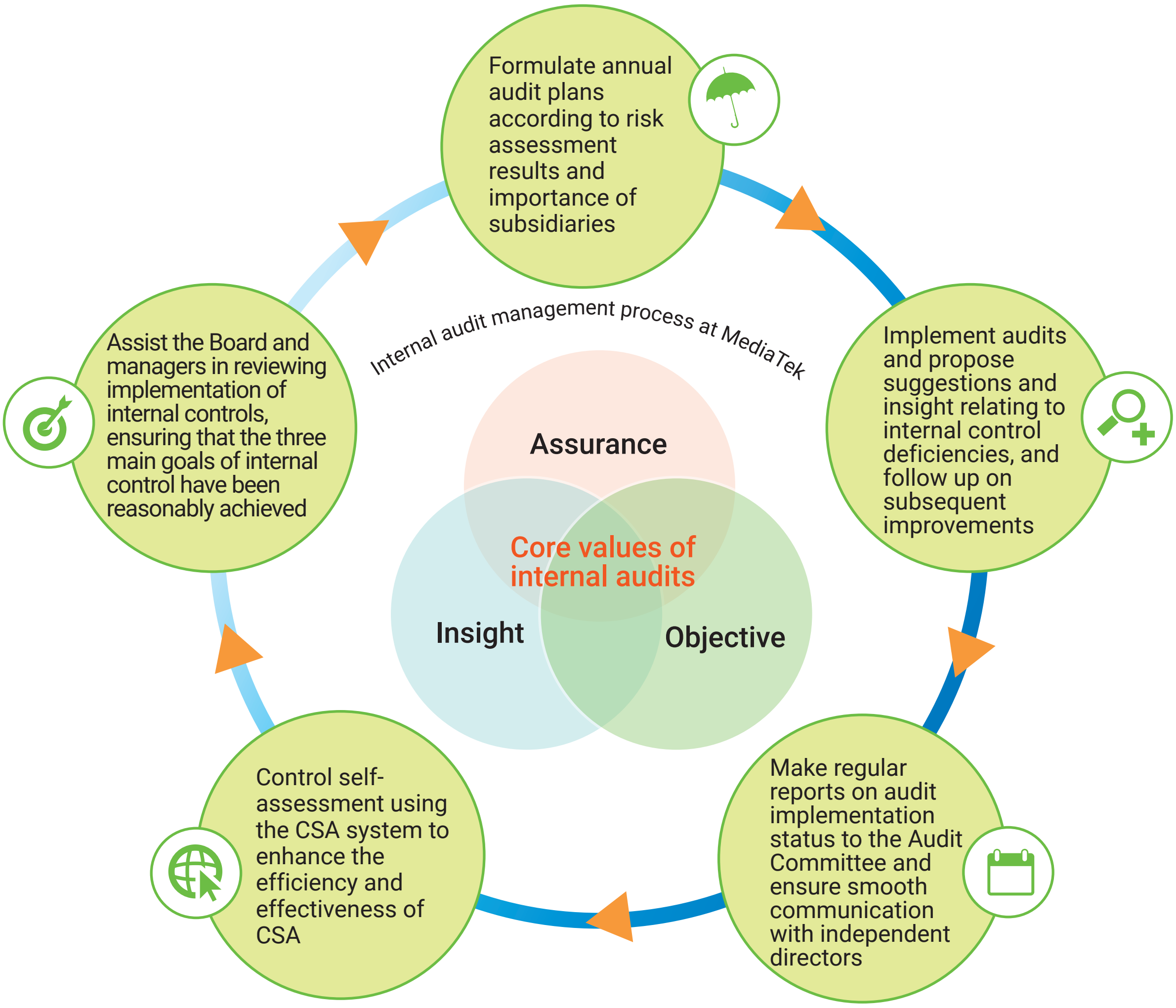
Training for employee in 2018

Courses	Participants (Global/HQ)	Number of employees who completed the training	Passing rate
Code of Business Conduct	Global	11,359	93%
Propriety Information Management	Global	1,224	91%
Insider Trading Prevention	HQ	346	82%
Trade Secret Protection	HQ	497	83%
Legal compliance of internal and client communications	HQ	499	83%

4.4 Internal Audits

MediaTek's Internal Audit Division was established under the leadership of the Board of Directors and is composed of a chief audit executive and staff members with the necessary knowledge and experience, in accordance with the company's scale, business operations, management needs, and relevant regulations. Our internal audit process is shown in the figure below. The internal audit process aims to assist the Board of Directors and managers in examining and reviewing the effectiveness of the internal control system and provide recommendations for further improvement when necessary, thereby ensuring internal control has been implemented in an efficient and effective way. The Internal Audit Division also examines the annual internal control self-assessment process and results from different units and subsidiaries according to relevant regulations. The consolidated self-assessment result is provided for the Board of Directors and the President to evaluate the overall efficiency of existing internal control system before generating an internal control statement.

In order to enhance the effectiveness and efficiency of internal self-assessments, we adopted the control self-assessment (CSA) system in 2018. The online mechanism of the system simplifies the process for employees and managers to report internal control implementation results and feedback, which the system analyzes the data and generates results.


Internal audit management process at MediaTek
Assurance
Core values of internal audits
Insight
Objective

Formulate annual audit plans according to risk assessment results and importance of subsidiaries

Implement audits and propose suggestions and insight relating to internal control deficiencies, and follow up on subsequent improvements

Make regular reports on audit implementation status to the Audit Committee and ensure smooth communication with independent directors

Control self-assessment using the CSA system to enhance the efficiency and effectiveness of CSA

Assist the Board and managers in reviewing implementation of internal controls, ensuring that the three main goals of internal control have been reasonably achieved

Ensure reasonable effectiveness and efficiency of operations (including profits, performance, and asset protection)	Reliable, timely, and transparent reporting	Compliance with relevant laws and regulations

Measures of internal control implementation at MediaTek

4.5 Risk Management

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 control 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.

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

Business Continuity Management Committee

Emergency response procedures → Emergency notification and incident (injury) investigation → Response procedures for emergency at production sites → Disaster backup and recovery procedures

Processes and procedures for risk response

Risk management and opportunity benefits

Risk aspects	Risk topics	Impacts	Management measures	Response measures	Opportunity benefits
Govern-ance	Operat-ion Rick	Impacts on the safety of MediaTek employees and equipment, causing disruption of 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.	Appropriate management of operational risks can protect our employees, our most important assets, and also increase 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.	

Risk aspects	Risk topics	Impacts	Management measures	Response measures	Opportunity benefits
Governance	Exchange rate changes	Relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries	Forward exchange contracts	The Company 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 fluctuation impacts on MediaTek cash flows and asset values
	Interest rate changes	Relates primarily to the Company's investment of debt instruments at variable interest rates and bank borrowings with fixed interest rates	Sensitivity analysis for interest rate risks	The sensitivity analysis for interest rate is performed on items exposed to interest rate risk as of the end of the reporting period, including investments with variable interest rates. It analyzes the impact on 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 and legal issues	Information Security Policies, Controls and Audits Information Security Committee	Cyber Security: We have a comprehensive set of Internet and computer security protection systems and processes to control and maintain important corporate functions such as the Company operations and IC R&D tasks. Information Security: We have established an Information Security Committee who defines information security policies and manages the Company' s information security. In addition, Internal Audit conducts annual reviews of information security systems to ensure that these systems are functioning properly. Last, when providing sensitive information to third parties, we require these parties to sign confidentiality agreements and to comply with confidentiality obligations	Strict adherence to information security policies and periodic review on the effectiveness of information security control system operations helps to strengthen MediaTek's resilience and resourcefulness in responding to cyber-attacks
Environmental	Climate change	To decrease occurrences of extreme weather, there is global attention on whether enterprises are complying with various environmental protection trends and standards	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 of 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 and creates differentiated values
Social	Supply chain risks	Inability of suppliers to provide raw materials and services may result in MediaTek's inability to provide products and services to our clients	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, and allows MediaTek to keep track of supplier situations

4.6 Financial Performance

Economic Performance	Management Approach for Material Issues GRI 103-1, 103-2, 103-3, 201-1, 201-2, 201-3, 201-4 8 DECENT WORK AND ECONOMIC GROWTH
Importance to 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

Short term:

- Fully grasp market trends and client needs; continue to develop highly competitive and advanced process designs; and launch highly cost-effective products that adhere to client specifications.
- Integrate products and existing cross-platform market advantages of newly merged companies to assist clients in rapid and smooth mass production processes that take advantage of market opportunities.
- Maintain sound and flexible financial systems that support R&D needs.

Mid to long term:

- Strengthen long-term relations with international clients and business partners to develop new business opportunities.
- 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.

Our Management System

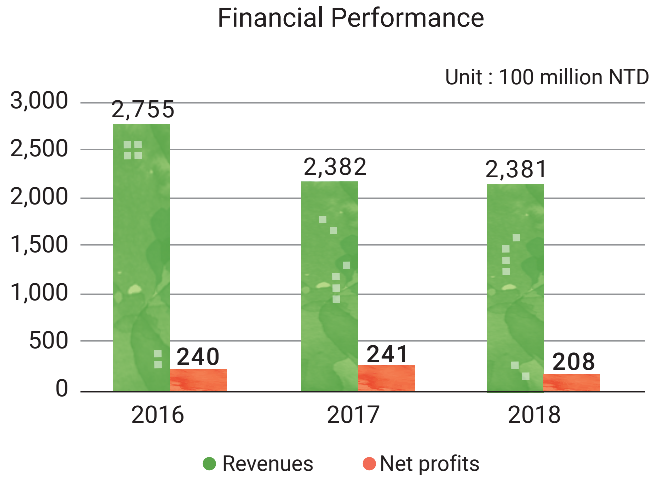
- **Responsible unit:** management team
- **Resources:** Finance, Sales and Investor Relations
- **Communication channels:**
  - Ms. Wang, Investor Relations
  - Telephone number: 886-3-567-0766
  - Email address: ir@mediatek.com
- **Assessment mechanisms:** Board of Directors and Shareholders' Meetings

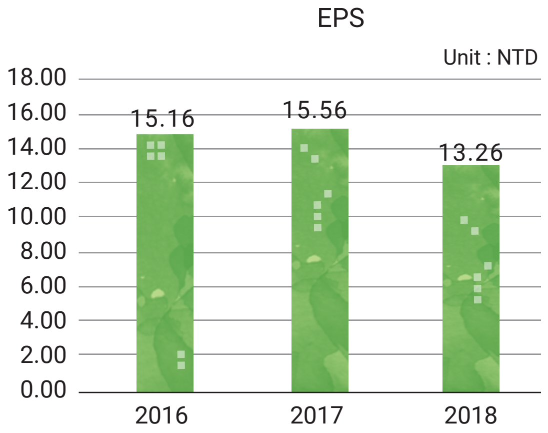
Specific Performance

- Consolidated net revenues for the year equaled 238.1 billion NTD, consolidated gross margins increased from 35.6% to 38.5% compared with 2017, operating profits grew by 60% compared to the previous year, consolidated operating margins increased by 2.7 percentage points, which are contributing to the gradual building of a healthy profit structure.
- Market leadership in mobile phones, voice assistants, digital televisions, and network connection devices.
- We work closely with world-class companies such as Amazon, Google, Microsoft and Alibaba to create in-chip AI opportunities.

2018 was a bountiful year for MediaTek. Improvements to our cost structure resulted in more than 60% growth in operating profits compared with the previous year. In terms of market share, an estimation report issued by Gartner at the end of 2018 showed that revenue for the semiconductor industry was 476.7 billion USD and that MediaTek's global market share was 1.7%, ranking at No. 14 in the global semiconductor industry. Looking to 2019, 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	2016	2017	2018	Unit (NTD)
Revenues	2,755	2,382	2,381	billion NTD
Operating costs	1,773	1,533	1,463	billion NTD
Employee benefits expenses	433	445	451	billion NTD
Income tax expenses	32	32	29	billion NTD
Net profits after tax	240	241	208	billion NTD
EPS	15.16	15.56	13.26	NTD





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 2018 Annual Report.

4.7 Investor Relations

30+ domestic and international forums and roadshows

300+ meetings with institutional investors

4 earnings conference calls in 2018

7,000+ global investors served in 2018

Recognition from **Institutional Investor and IR Magazine**

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.

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.

Spokesperson policy

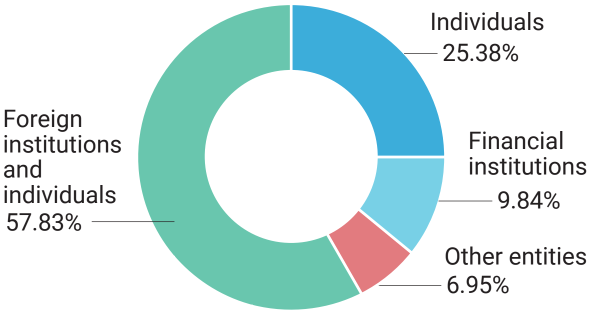
Spokesperson：David Ku
Acting Spokesperson: Jessie Wang

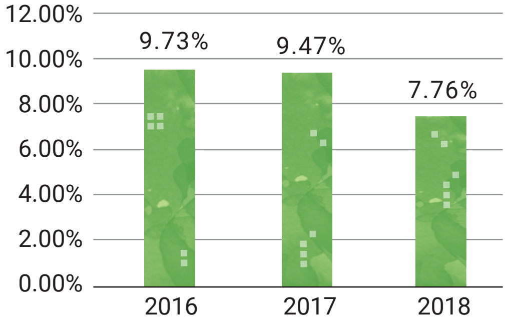
Collection and disclosure of corporate information
Contact：Jessie Wang
Contact information
- Phone：886-3-567-0766
- Email：ir@mediatek.com

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.


Investor management - proportion of dividends


Return on equity

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.

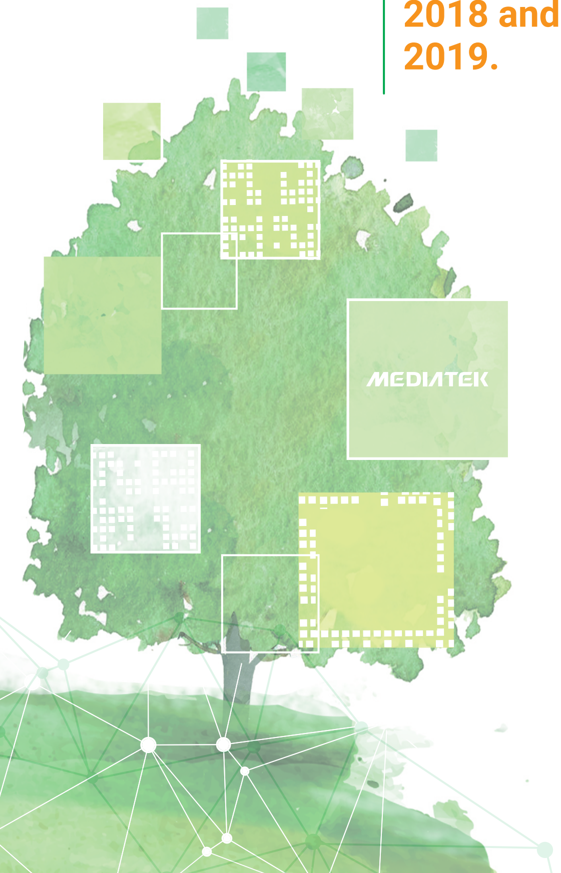
5.1 Supply Chain Management
5.2 Climate-Related Risk Management
5.3 Facility Management

Material issues in this chapter

Supply Chain Management
Environmental Policies

In response to UN SDGs, we plan to host our first Supplier Forum, inviting thought leaders, academic experts, and suppliers to exchange ideas and experiences. **We completed the preparation in 2018 and expect to host this event in 2019.**

Our two high-density Data Centers are designed to be energy-saving focused and save in total **6.1 million kWh** of electricity and **18.3** million NTD in electricity fees for the year.



We installed the first private roof-top solar power system in Hsinchu Science Park. Composed of **480 solar** panels that are integrated into Taipower's national grid. This system has the capacity of 146.4kW and is expected to generate **160,000 kWh** of power each year, reducing carbon emissions by **89 tons**.

Application of energy-conserving products: our conference rooms are integrated with in-house developed IoT solutions that save **564 kWh** of electricity per room per year; MediaTek has more than **100 conference rooms,** and we expect to save at least **56,400 kWh** of electricity in the future.

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

Supply Chain Management	Management Approach for Material Issues GRI 103-1, 103-2, 103-3, 308-1, 414-1 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
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 effects on the environment and risks to society.
Commitments and Relevant Policies	Establish 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 supplier forums to provide awards and generate encouragement for our top suppliers.

Goals

Short term:

- In 2020, more than 80% of our suppliers must sign and return their Declaration on Code of Conduct, and we will provide guidance for suppliers that do not comply with regulations.

Mid to long term:

- Maintain ESG risk levels of our testing and memory suppliers at low levels, and complete on-site audits for 80% of suppliers by 2025

Our Management System

- **Responsible unit:** Process Technology and Manufacturing Operations and collaborating suppliers
- **Resources:** 10 specialists on Supply Chain Management by default, with additional CSR and technical personnel to attend on-site audits in response to individual needs
- **Communication channels:** MediaTek conducts monthly exchange meetings with our suppliers
- **Assessment mechanism:**
  - Response rate of the Guarantee on Code of Conduct
  - Results of supplier ESG risk assessment
  - Rate of on-site audits

Specific Performance

Supplier Code of Conduct

Of our 25 suppliers, 44% have signed their Guarantee of Code of Conduct forms

Risk assessment

Average rate of obtained supply chain certificates was 96% for economic aspects, 100% for environmental aspects, and 82% for social aspects

Environmental assessment

13 suppliers conducted environmental assessments, including 5 foundries and 8 IC packaging companies

Social responsibility assessment

- Eighteen suppliers voluntarily disclosed their CSR actions
- Every year, we conduct on-site audits of 3 suppliers that have excelled in CSR
- Hosted 5 supplier conferences

Conflict minerals

100% of smelting companies we cooperate with have received Responsible Minerals Initiative (RMI) certification

Local procurement

Percentage of localized materials and general suppliers was 68% and 81%, respectively

Supplier forum

In response to UN SDGs, we plan to host our first Supplier Forum, inviting thought leaders, academic experts, and suppliers to exchange ideas and experiences. We completed the preparation in 2018 and expect to host this event in 2019.

Online training

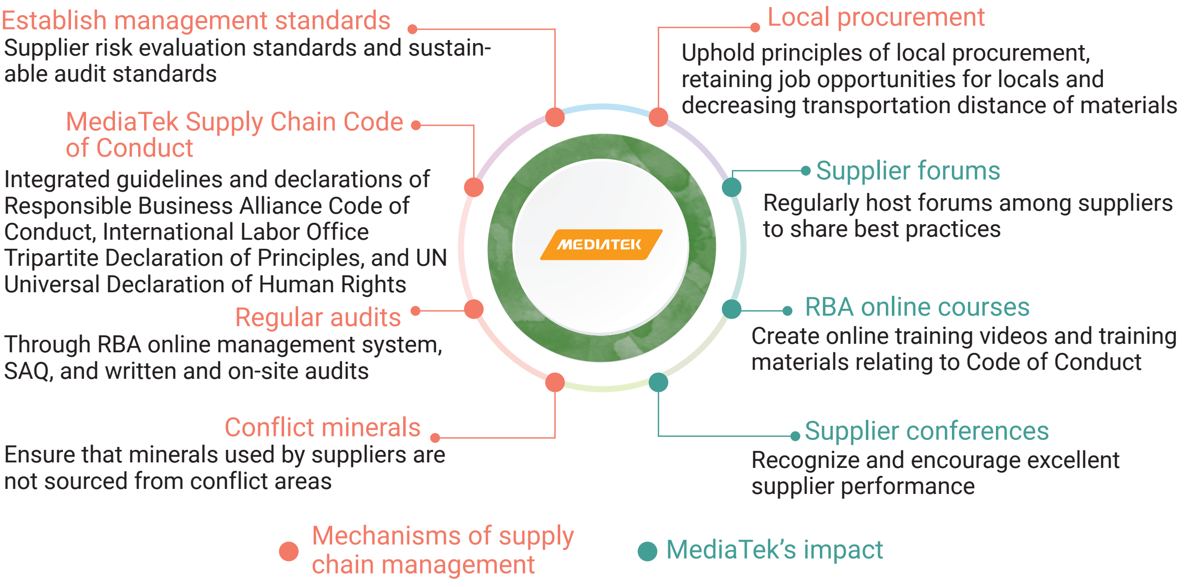
Code of Conduct online training videos are available

Supplier Conference

144 representatives attended our supplier conference

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, OEM, packaging, 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 our annual supplier conference; working together with our value chain partners to build a business model of sustainable development.



Establish management standards
Supplier risk evaluation standards and sustainable audit standards

MediaTek Supply Chain Code of Conduct
Integrated guidelines and declarations of Responsible Business Alliance Code of Conduct, International Labor Office Tripartite Declaration of Principles, and UN Universal Declaration of Human Rights

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

Conflict minerals
Ensure that minerals used by suppliers are not sourced from conflict areas

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

Supplier forums
Regularly host forums among suppliers to share best practices

RBA online courses
Create online training videos and training materials relating to Code of Conduct

Supplier conferences
Recognize and encourage excellent supplier performance

● Mechanisms of supply chain management
● MediaTek’s impact

Overview of MediaTek's supply chain management tools

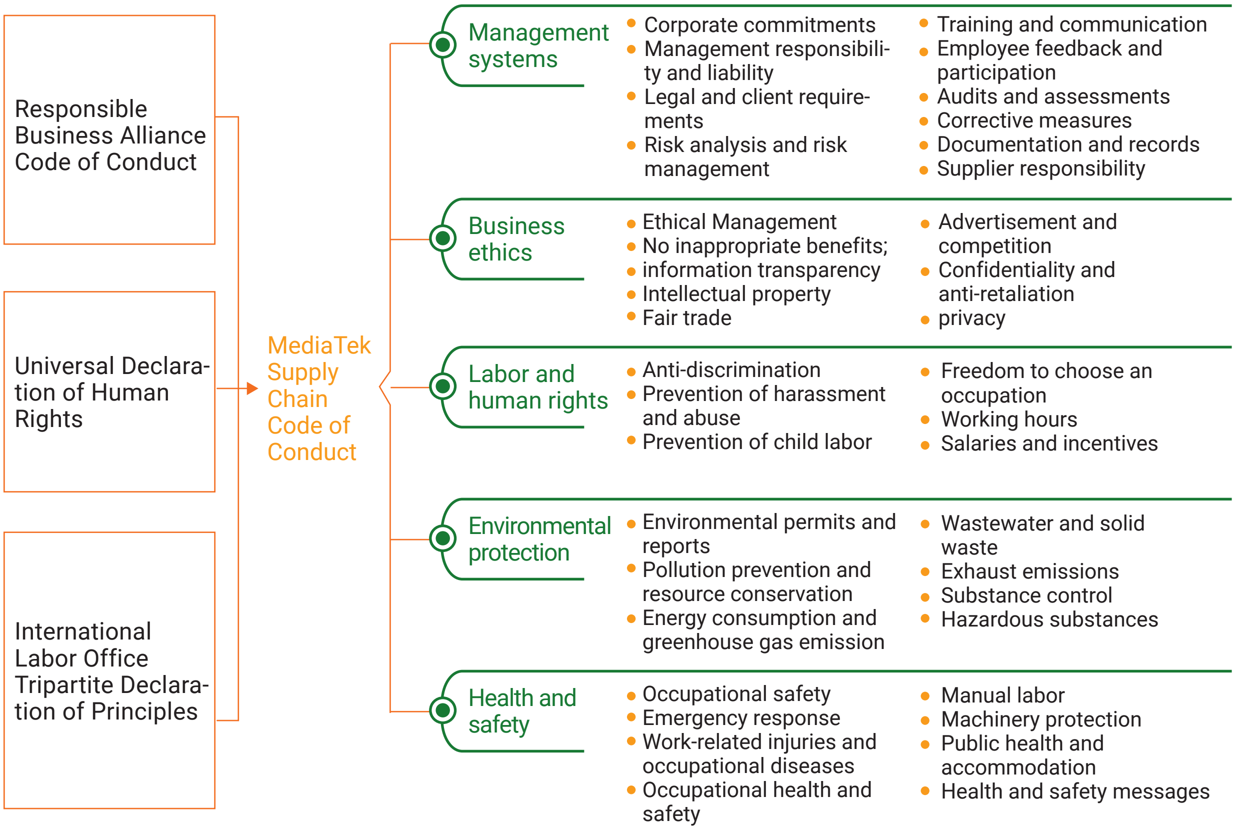
5.1.1 Mechanisms of Supply Chain Management

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 CSR guarantee statements, but also manage their performance through our Responsible Business Alliance (RBA) online management system.

Short term goals	Medium term goals	Long term goals
In 2020, we expect that more than 80% of our suppliers will sign their Declaration on Code of Conduct, and we will provide guidance for suppliers that do not comply with regulations.	Maintain a low risk status of ESG risk assessment results of our testing and memory wafer fabrication suppliers.	To mutually develop with our suppliers and continue to improve our supply chain. We will conduct on-site audits to understand the implementation status of our suppliers and propose improvement requirements with regard to supply chains that did not adhere to our Code of Conduct. We expect to complete more than 80% of on-site supplier audits by 2025.

MediaTek 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 Code of Conduct for Suppliers. 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 Code of Conduct for Suppliers 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 2018, 44% of our 25 suppliers have signed their Guarantee on Code of Conduct; we will continue to promote this in the future, anticipating more than 80% of response rate by 2020.



Responsible Business Alliance Code of Conduct

Universal Declaration of Human Rights

International Labor Office Tripartite Declaration of Principles

MediaTek Supply Chain Code of Conduct

Management systems
- Corporate commitments
- Management responsibility and liability
- Legal and client requirements
- Risk analysis and risk management
- Training and communication
- Employee feedback and participation
- Audits and assessments
- Corrective measures
- Documentation and records
- Supplier responsibility

Business ethics
- Ethical Management
- No inappropriate benefits;
- information transparency
- Intellectual property
- Fair trade
- Advertisement and competition
- Confidentiality and anti-retaliation
- privacy

Labor and human rights
- Anti-discrimination
- Prevention of harassment and abuse
- Prevention of child labor
- Freedom to choose an occupation
- Working hours
- Salaries and incentives

Environmental protection
- Environmental permits and reports
- Pollution prevention and resource conservation
- Energy consumption and greenhouse gas emission
- Wastewater and solid waste
- Exhaust emissions
- Substance control
- Hazardous substances

Health and safety
- Occupational safety
- Emergency response
- Work-related injuries and occupational diseases
- Occupational health and safety
- Manual labor
- Machinery protection
- Public health and accommodation
- Health and safety messages

MediaTek Supply Chain Code of Conduct

Supplier ESG risk assessment standards

MediaTek addressed economic, social, and environmental aspects in its relevant standards and initiatives, to pre-control possible risks that may occur:

ESG risk assessments for suppliers

	Management aspects	Management standards
Economic assessment	In accordance with MediaTek's strategic outlook for the IoT 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
Environmental assessment	We strive to ensure that our suppliers do not use hazardous substances, introduce environmentally 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
Social assessment	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

MediaTek has an ongoing commitment to these standards and guidelines, and conducts comprehensive assessments of their economic, environmental, and social aspects.

In terms of economic aspects, we emphasize quality management; in terms of environmental aspects, we continue to enhance our management performance of hazardous substances; in terms of social aspects, effectiveness of supplier management of social risks has significantly increased, and we will continue to actively encourage our suppliers to disclose the results of their self-assessment surveys through RBAON and enhance the efficiency of social responsibility management. In future, we will also continue to follow up on supplier compliance, and we hope to assist all suppliers in maintaining low-level environmental risks within 2-3 years. For the supply chain certification assessment results, please refer to the following table:

Supply chain certification assessment results

Aspects	Economic assessment		Environmental assessment		Social assessment	
Category	ISO 9001	IATF 16949	ISO 14001	Sony Green-Partner/ QC 080000 HSPM	OHSAS 18001	RBA/SA 8000
	Quality Management System	Automobile Industry Quality Management	Environmental Management System		Occupational Health and Safety Management	Social Responsibility Management
Fab companies	100%	100%$^{+20\%}$	100%	100%$^{+20\%}$	80%$^{-20\%}$	60%$^{-20\%}$
Assembly companies	100%	100%	100%	100%	100%	100%
Testing companies	100%	80%	100%	100%$^{+20\%}$	100%$^{+40\%}$	60%
Wafer fabrication companies	100%	86%$^{+29\%}$	100%	100%$^{+57\%}$	71%$^{+42\%}$	71%$^{+57\%}$
Overall proportion	100%	92%	100%	100%	88%	76%

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

[Note] Superscripts refer to level of change as compared with the previous year

Supplier Sustainability Assessment

Sustainable review criteria items

Quality Assessment	MediaTek's objective for quality management is to achieve the highest level of standards in the industry. Besides requiring quality certifications and management systems, 12 categories and 242 quality indicators have been setup in our review form, including management responsibilities, materials, manufacturing processes, warehouses, control of unqualified products, correction and prevention, statistical technology, quantified surveillance, training, document management, contract control, and design control.	Four evaluation standards in the assessment: Excellent (score ≧ 85), Good (70 ≦ score ＜85), Reassessment Required (60≦ score ＜ 70), and Disqualified (score < 60) Suppliers must achieve a "Good" standard or above in order to pass the assessment. "Reassessment Required" suppliers are given a timeframe for improvement, after which we will reassess improvement measures. We cancel all orders for supplier that rank as "Disqualified" and cease all transactions.
Sustainability Assessment	To ensure that our suppliers comply with relevant regulations set out by our "Green Product Environmental Policy", we conduct green reviews of our suppliers every year. Our assessment categories are divided into management responsibilities, outsourcing management, control of manufacturing processes, and customer support, and we have a total of 51 inspection indicators. This also includes inspection of conflict minerals. We require our suppliers to sign MediaTek's non-conflict mineral usage guarantee and provide relevant inspection data.	
CSR Assessment	The "MediaTek Supplier Code of Conduct" was established in accordance with Responsible Business Alliance (RBA) guidelines, and we conduct reviews based on the five major aspects of labor and human rights, health and safety, environmental protection, business ethics, and management systems. We also conduct in-depth analysis on supplier implementation of social responsibility, using RBA-ON to confirm supplier Self-Assessment Questionnaires (SAQ) and Validated Audit Processes (VAP).	Confirm whether suppliers have become RBA members or joined RBA-ON to fill out SAQs or passed the VAP

Assessment System of Supplier Corporate Social Responsibilities

Every year, MediaTek inspects all aspects of our supplier implementation through supplier ESG risk assessments and sustainability reviews. In 2017, we further established an assessment system of supplier corporate social responsibilities and conducted inspections on supplier implementation of four major components; this helped MediaTek better understand supplier requirements and specific actions on all corporate social responsibility indicators, and also helped suppliers understand MediaTek's emphasis and specific requirements on corporate social responsibility.

Four major components of supplier inspections

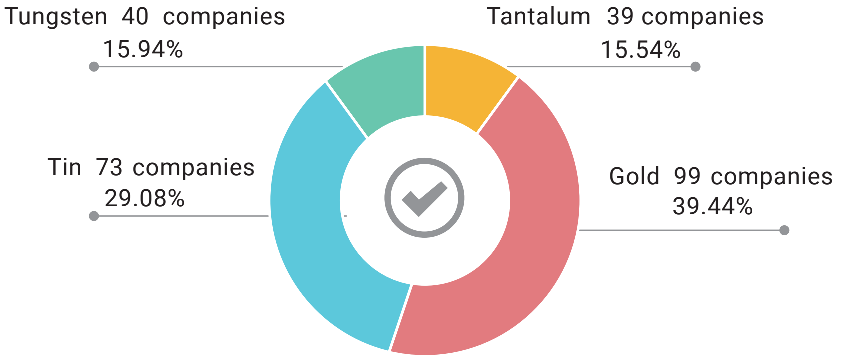
Components	Implementation method	Explanation	Goal	Benefits and Performance
Company corporate social responsibility commitments	Review specific supplier corporate social responsibility commitments	MediaTek believes that making commitments is a company's first step in displaying specific corporate social 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	Allow suppliers to understand MediaTek's emphasis on commitments and increase the proportion of suppliers who signed the Guarantee of Code of Conduct form. (For information on the proportion of suppliers who signed the Declaration 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 scores 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	In 2018, 18 suppliers voluntarily disclosed their CSR actions
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 our active communication channels between MediaTek and our suppliers	We hosted 5 supplier seminars and conducted in-depth exchanges
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. In 2018, we launched the MediaTek Supply Chain Social Responsibility Awards in hopes of exercising our influence; to help 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 2018, MediaTek used Version 5.11 of CMRT; materials were sourced from 251 smelting companies across 37 countries and 100% of our smelting suppliers have received Responsible Minerals Initiative (RMI) certification. We also began using CRT to conduct cobalt inspections at the end of 2018 and require that 100% of smelting companies in our supply chain have received Responsible Minerals Initiative (RMI) certification.

RMI certified smelters



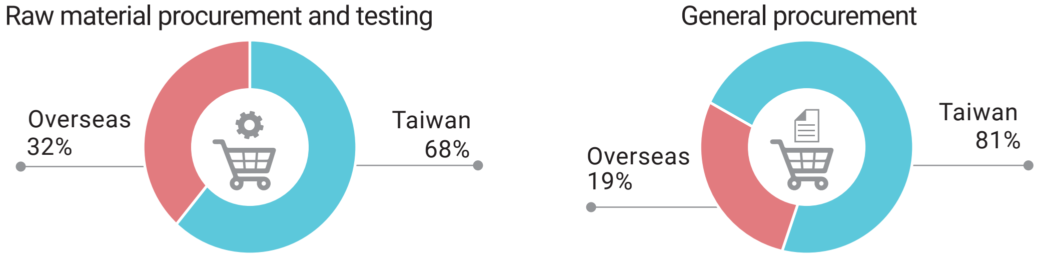
Local procurement

MediaTek upholds principles of local procurement in hopes of increasing the job opportunities for local residents, while also decreasing carbon emissions due to reduced material transportation distances. Faced with a highly competitive global market, MediaTek conducts risk assessments of overall supply conditions and procures appropriate proportions of materials from suppliers in different regions to disperse material risks. Additionally, we continue to establish strategic collaborations with suppliers and periodically assess products and services to ensure the quality and supply stability of supplied raw materials. In future, we will continue to strengthen collaborations with our existing fab partners and proactively contact other fab companies at home and abroad to provide operational options and guarantees for material sources, quality, and price.

Procurement conditions

Procurement types	Procurement items	Proportion of local suppliers	Distributed regions
Raw material procurement and testing	Wafer, IC chip assembly, IC testing	In 2018, we used 25 suppliers, 17 (68%) of which were based in Taiwan	Taiwan China Singapore Korea
General procurement	Suppliers provide equipment, hardware facilities and maintenance, component parts and supplies, application software, and testing services	In 2018, we used 613 suppliers, 496 (81%) of which were based in Taiwan	Taiwan China US Europe

Proportion of local procurement


Raw material procurement and testing
General procurement

5.1.2 Leveraging MediaTek 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:

2014
Called for suppliers to emphasize social responsibility

2015
Proposed the “MediaTek Supplier Code of Conduct”

2016
Established the RBA Online Education Training Course

2017
Established the corporate social responsibility supply chain assessment system

2018
Launched the “MediaTek Supply Chain Social Responsibility Award”

Steps to Promote Sustainability among Suppliers

Promoting sustainable management with our Supplier Forum

MediaTek shoulders the responsibility as an industry leader to promote sustainable management. We embrace several United Nations sustainability goals for supply chain management, including the SDG12 goal for sustainable resources and the SDG13 goal for sustainable energy and climate action. We host regular supplier experience-sharing sessions and proactively participate in RBA events. Additionally, we have arranged for our first Supplier Forum to be launched in 2019. Topics include assembly, testing, quality, and corporate social responsibility. MediaTek will invite suppliers to share their experiences and exchange the latest technology and research findings. By hosting this Forum, MediaTek aims to reiterate its commitment towards quality and sustainability, while also calling upon all suppliers to embrace their own corporate social responsibility.

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

SDG	Concept	Action	Targets
SDG12 Responsible Consumption and Production	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	Regular hosting of supplier experience-sharing sessions is expected to commence in 2019: ● 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 ● Proactive sharing of MediaTek experiences in promoting occupational health and safety ● Invitation to industry speakers to host lectures and training sessions for suppliers	● 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, increasing MediaTek's influence
SDG13 Climate Action	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, promote the use of renewable energy, and increasing international participation	**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 ● Gradual adoption of renewable energy (Please refer to 5.3.2 Resource Management)	● Establish a climate change risk database for the IC industry to compile related risks and opportunities and guide the future direction of industry climate strategy ● Reduce climate change risk presented by the supply chain in accordance with international and government trends that seek to raise the proportion of renewable energy used

Online education and training relating to MediaTek supplier code of conduct

Following proposals made in the "MediaTek Supplier Code of Conduct", we created online training videos and materials, including an introduction to the RBA (formerly the EICC), an explanation of the current landscape, benefits of participation, audit procedures, and indicators to be used in the five main areas, raising awareness among our suppliers and ensuring implementation of our Code of Conduct in internal management processes. We hope that this information will assist suppliers in developing a clear understanding of the business impact and importance of the RBA, helping them to grasp the actions needed to fulfill each indicator, and helping them to comply with the social responsibility review process conducted by MediaTek. These online courses have already been distributed to suppliers. We intend to follow up on their process and provide regular assistance in order to ensure the implementation of the regulations set out in the Code of Conduct.

電子行業公民聯盟行為準則
EICC Code of Conduct
供應商線上教育訓練課程

MediaTek Online Training Courses for Supplier Code of Conduct

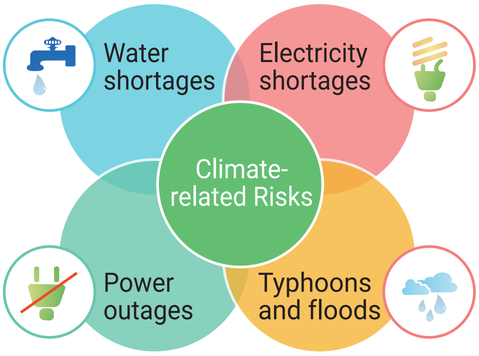
Supplier Forum

Our OSAT (Outsourced Semiconductor Assembly and Test) awards are presented annually in recognition of excellent performance in winning suppliers. Over 100 suppliers attended the ceremony in 2018. We selected the best companies in assembly, testing, and shipping, and awarded prizes for technological development and superior operations after reviewing aspects of supplier quality, product planning, and engineering skills. In order to encourage suppliers to recognize the importance of sustainable development, we launched the MediaTek Supply Chain Social Responsibility Award in 2018, and the first recipients will be honored in early 2019. During the judging process we review supplier performance in four areas: commitment, management, projects, external disclosure and communication results (For details of our judging standards, please refer to 5.1.1 Mechanisms of Supply Chain Management).

5.2 Climate-Related Risk Management

In recent years, extreme weather events and natural disasters due to climate change have always ranked as high-probability and high-impact risk items in the Global Risks Report published by the World Economic Forum. Climate change will not only cause destruction of the global environment and ecosystem, but will also increase corporation operational risks, and therefore governments around the world are working with corporations to meet this threat. As a leading global IC design company, MediaTek is committed to ceaseless development of novel energy-conserving products, and in initiating activities pertaining to environmental protection, energy conservation, and efforts towards carbon-neutral operation. We will also leverage our influence with suppliers so we can face the risks of climate change together as we seek to find all possible ways to manage and adapt to this threat.

In light of this, MediaTek has proactively assessed risks that may be brought by climate change (e.g., water shortages, electricity shortages, typhoons, extreme heat, etc.), and will continue to monitor and manage the operational impacts and losses that may result from extreme weather. Using business continuity management (see 4.5), we have developed a response mechanism to natural disasters at different operational sites, so as to ensure that operations can swiftly resume after disasters occur.



Risks, impacts, and responses relating to climates

Climate-related risks	Impact on operations	Response measures	Cost
Water shortage	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.	● We have completed segregation systems for our water supply system to distinguish between water supplies for equipment and everyday use; existing water supplies can sustain normal daily water usage for 2 or more days (greater than the longest expected duration for water outage) ● Water for equipment: a water tanker will be on hand to deliver water and support water use across different facilities; this tanker can support equipment water use for at least 1 week	● Water segregation system: 960 thousand NTD (built in 2015) ● Water tanker: 5,000 NTD per tanker
Electricity shortage and power outage	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.	● Uninterruptible Power Supply (UPS) systems will be activated, and UPS batteries can cover all electricity needs at the Data Center for short durations ● Generator systems will be activated; existing fuel supplies are capable of sustaining Data Center electricity needs for more than 10 hours ● Oil tankers will be requested to supply generator fuel siloes; current capacity can support several days of fuel needs	● Uninterruptible Power Supply system: 25 million NTD (built in 2017) ● Generator system: 9.2 million NTD
Typhoons and floods	Typhoons and floods that impact a wide area and persistent for an extended period may damage certain facilities and affect normal business operations.	● 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 ● 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 ● 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	● Response team members: 20 personnel ● Sandbags: 20 pieces costing 4,000 NTD total

5.3 Facility Management

Environmental Policies	Management Approach for Material Issues Non GRI Material Topic 13 CLIMATE ACTION
Importance to MediaTek	MediaTek is a professional IC design company and our products are widely used around the world. We actively respond to climate-related risks and enhance the resource efficiency of daily operations. We are committed to optimizing our energy efficiency in chip design so that our products can contribute to a lower total power consumption during their life cycles (which include the four stages of design, manufacturing, usage, and waste).
Commitments and Relevant Policies	MediaTek is committed to protecting the environment and worker safety; we strictly adhere to laws and regulations, implement environmentally conscious designs, strengthen training, and improve our resource management system. The management of energy usage in routine operations follows three steps: planning, management, and education of environmental protection.

Goals

Short term:
- Continue enhancing the energy efficiency of our products
- Optimize operational energy efficiency of our high-performance, Data Centers to achieve energy conservation indicators of 1.35
- Calibrate equipment in new buildings to optimize operations

Mid term:
- Expand green-house gas inspections to sites in China
- Continue to optimize operational energy efficiency of our high-performance, Data Centers
- Establish a platform for global sites to exchange best practices

Long term:
- Conduct global green-house gas inspections and risk assessments
- Reduce electricity usage by 4% across all corporate Data Centers within three years
- Exchange energy conservation best practices among global sites

Our Management System

- **Responsible units:**
  - External policies: adhere to laws and regulations and respond to international green and zero-incident initiatives
  - Internal policies: implementation and certification of ISO related management systems
- **Invested Resources:**
  Responsible unit: Facility Management
  Funding: investment in environmental protection for the year was 46,644,000 NTD
  Knowledge: Environment and safety training
  Equipment: shuttle buses, M-Bikes, electric motorcycles for security personnel
- **Communication channels:** Corporate social responsibility email: CSR@mediatek.com
- **Assessment mechanism:** Implement ISO 14001 revisions

Specific Performance

Environmental management
- Adhere to laws and regulations: zero violations of environmental protection regulations and penalties
- Environmentally conscious designs: our designs all comply with ROHS and WEEE regulations and do not use prohibited substances
- Education and training: 100% completion rates of environmental and safety training by new hires
- Continued improvement of resource management systems: implement ISO 14001 revisions; we also plan to implement OHSAS18001 (ISO 45001) revisions in 2019

Resource management Energy

Energy
- High-density energy-saving data centers
- Self-developed energy-efficient application chips
- Solar power system

Water resources
- Improvement of washing water usage in recycling areas
- Adjustment of water faucets
- Recycling of rainwater
- Recycling of AC condensation water

Waste
- Strict selection of collaborating companies for waste disposal and reuse
- Non-periodic audits of legal compliance in disposal of waste processes

Green transportation
- Commuter shuttle buses in lieu of personal vehicles
- Cross-site shuttle buses and M-Bikes in lieu of personal vehicles
- Electric motorcycles for security personnel

Greenhouse gases
- Complete greenhouse gas emission verification for all sites in Taiwan

Apart from proactive identification and continued action against climate change risks, we are committed to promotion of environmentally friendly and carbon-reducing actions, as seek to find all possible ways to respond to climate change. MediaTek continues to implement energy-conserving and carbon-reducing measures on all our sites. Our energy conservation rates for 2016-2018 ranged from 8.9% to 11.7% (versus 2015 baseline), and our energy conservation target for 2019 is 14.9%.

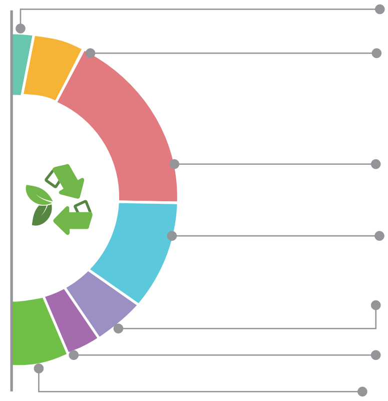
5.3.1 Environmental Policies

We are a global fabless semiconductor company that is focused on the design and development of leading technologies and IC products. All of our fabrication, assembly, and testing production processes are outsourced to external companies. As such, MediaTek emphasizes implementation of environmentally friendly product designs, procurement and management of external companies, reduction of resource and wasted energy, and protection of employee health and safety. These are not only part of MediaTek's corporate social responsibilities, but are also important assets for our international competitiveness in the future. MediaTek proactively implements our environmental policies through the following four management actions. In 2018, our investment on environmental protection was 46.64 million NTD.

		Actions	Results
1	Legal compliance	Adhere to environmental protection, health and safety laws and other governmental requirements, and also respond to international green and zero-incident initiatives.	In 2018, there were zero violations of environmental protection regulations at MediaTek (zero penalties).
2	Green designs	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.
3	Education and training	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 2018, we completed environmental and safety training for new hires; training completion rates were 100%.
4	Continued improvement of resource management systems	Eradicate hazards, reduce risks, and continue to improve management systems, including adopting ISO 14001 and OHSAS 18001, 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.	In 2018, we completed verification of ISO 14001:2015 revisions, and periodically completed annual verification audits of ISO 14001 ENS management systems. We plan to implement OHSAS 18001 revisions (ISO 45001) in 2019 so that we are in step with the latest international management systems.

Unit: thousand NTD

Expenditures for environmental protection



Annual verification of EHS management system	$250
Outsourced disposal of general waste	$2,018
On-site cleaning and floor cleaning services	$26,733
Landscaping maintenance	$12,768
Sewage system cleaning	$1,070
Vector control	$636
Cleaning materials	$3,169

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 2018 were focused on energy management and conservation:

Five aspects of resource management

- Energy management and conservation
- Water resource management
- Waste management
- Transportation management
- Greenhouse gas emissions management

Enhanced efficiency

High-density power efficient Data Centers

Successfully completed conversion to a new-generation of high-density power-efficient Data Centers that have become a core functional support behind our technology development.

Innovative application

Self-developed energy-efficient application chips

Smart devices that use MediaTek's highly power efficient IoT ICs automatically switch off lighting and AC systems to reduce energy waste and detect conference room conditions to optimize usage.

Self-generation of electric power

Solar power system

480 solar panels with a capacity of 146.4 KW. MediaTek was the first non-public institution to connect with Taipower's roof-top solar energy generation facility power grid.

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.

Results and targets of high-density power-efficient data centers

Taiwan (Current results)

- PUE energy conservation indicators for our new generation power efficient Data Centers in 2018 reached PUE 1.34, an improvement over results for 2016 and 2017 (PUE 1.37 and PUE 1.35).
- Optimized operations of our first new high-performance energy-efficient Data Center. Calibrated equipment in new buildings to achieve optimized operations.

China (Short term)

- Continue to optimize operations of our second high-performance power efficient Data Center. PUE energy conservation indicators for 2018 have already reached PUE 1.44 and we expect to improve to PUE 1.39 in 2019.
- We will continue to focus on both corporate development and energy-use reduction, and will also establish a cross-site sharing platform for best management practices so that our global offices can exchange and share best practices in energy-conserving resources.

(Long term) **Global**

- Save 4% of electricity usage in overall corporate Data Centers within three years.
- Implement energy-conserving improvements in our global offices in accordance with shared cases of best practices in improving energy conservation.

Improvements to our first Data Center

We improved our electricity system, AC system, equipment cabinets, walkways, and lighting systems to lower the overall environmental impacts of our Data Center. We exceeded the limits of traditional equipment rooms, and successfully upgraded our previous hardware into a new-generation high-density, power-efficient Data Center which can support the needs of high-power and high-temperature information servers; serving as a strong support for our R&D efforts.

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

The PUE of our previous data center equipment was 1.6. In 2017, we completed the first round of improvements; PUE for our new generation of hardware was 1.37. In 2018, after we raised the environment temperature to conserve power usage, which decreased our PUE slightly to 1.34; a 15% enhancement over our previous installation, and we have since obtained Gold-level green building certification (LEED).

Establishment of a second Data Center

In 2017, we completed our second Data Center. During the installation process we not only incorporated our learning experiences for our first Data Center, but also formulated flexible, modular, partitioned, and virtual design principles to balance information protection, environmental care, and a friendly workplace. In consideration that IT personnel might spend long hours working in our Data Centers, we established the following 5 functions:

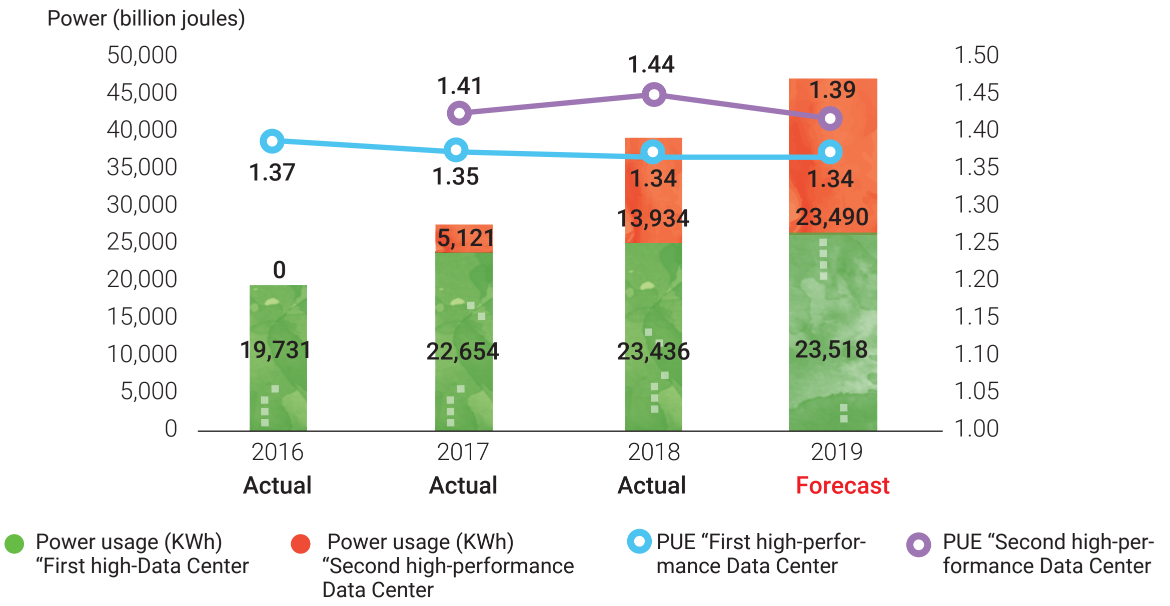
Hardware	Hardware	Hardware	Software	Software
Information safety	Energy conservation	Flexible expansion	Friendly work environment	Management efficiency
High reliability and full grasp of Data Center risks	Establishment of high-quality green Data Centers through installation of energy-conserving electrical supply equipment and cooling infrastructure.	High maneuverability and flexibility of equipment cabinet structures.	Optimization of space configurations and use of divided hot and cold corridors to increase the comfort levels of work environments.	Integrate management platforms to provide analysis and management of environmental/energy/network information, delivering timely support for data center operations, simulations, analysis, and decision-making.

Currently, our two high-density power efficient Data Centers respectively help to save 1.76 million kWh (6,336 billion joules) and 4.34 million kWh of electricity (15,624 billion joules) each year (as compared to traditional data centers), saving in total 6.10 million kWh of electricity (21,960 billion joules) and 18.3 million NTD in annual electricity fees. Our total reduction in carbon emissions is equivalent to the amount sequestered by 3,977 acres of US forests in one year.

Every year, we save **6.10** million kWh of electricity and around **18.3** million NTD in electricity fees.

[Note] 1. 1 kWh of electricity = 3.6 million joules
2. 6,100,000*0.554（carbon emissions factor）＝ 3,379,400 kg/CO_2e = 3,379.4ton/CO_2e
3. EPA Greenhouse Gas Equivalencies Calculator: 0.85 metric ton CO_2 sequestered annually by one acre of average U.S. forest

Improvement progress of our two high-density power-efficient Data Centers in recent years



Highlight 2: Innovative application: Smart, energy-efficient IoT platforms for in-house applications using MediaTek ICs

Due to the nature of conference room use, sometimes reserved rooms are not used or lighting and AC systems are not turned off after use, which results in wasted resources. To improve the awareness of each room and reduce power use we used a MediaTek IoT chipset product to detect real-time conference room usage and automatically switch off lighting and AC systems when not in use. In addition, this product also keeps us informed of conference room usage conditions, thus ensuring optimization of conference room resources.

192.168.0.23
5016
C104

MediaTek LinkIt platform (MT7697 IC) used as smart IoT conference room sensing and status relay platform

MediaTek HQ offices have more than a hundred conference rooms, and we save 3kWh of electricity every day per conference room, amounting to total savings of 564 kWh (or 2 billion joules) per year per room. In future, we plan to expand utilization and application of this technology in safety and resource aspects:

Application aspect	Target	Expected benefits
Safety	• Laboratory thermal chambers • HAPS equipment • Mobile phone charging stands • Warning of FCU water leakage	• Prevent fires • Prevent damage to important equipment, and record and enhance usage rates • Prevent fires • Prevent damage to important equipment
Resource usage	• Conference room usage • Parking space usage	• Record and enhance usage rates • Record and enhance usage rates
Employee perceptions	• Bathroom usage	• Record and enhance usage rates, and enhance employee perceptions

Highlight 3: MediaTek's new solar power system

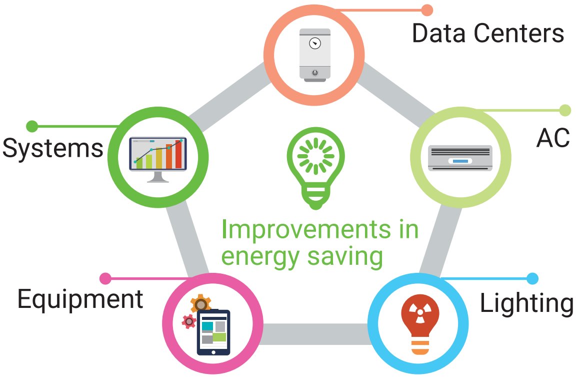
We took advantage of our roof-top space at the headquarters building to install solar energy generation facilities, in an effort to offset our grid-provided power, move towards a carbon-neutral operation and to lower energy expenditure. This marks the first privately installed solar energy conversion system in Hsinchu Science Park that connects to Taipower's power grid.

Upon installation, the system also had the additional effect of lowering the roof-top temperatures by 3-5°C, reducing AC usage in offices on the top floor. Our overall solar power system is composed of 480 solar panels with a capacity of 146.4 KW. We expect annual power generation to reach 160,000 kWh (576 billion joules), reducing carbon emissions by 89 tons every year. In 2019, our solar energy generation facilities will be integrated with Taipower's power grid and we expect to generate 130,000 kWh (468 billion joules) of electricity in 2019, which would make up 0.2% of our expected power usage of 72,820,000 kWh (262,152 billion joules).

Energy management and conservation

In 2018, we used 71,859,000 kWh of electricity, an increase of 2.5% compared to the previous year, mainly due to increases in manpower, expansion of usage areas in the new Building E offices, and increases in usage of the IT Data Center in Building E.

To effectively manage energy usage efficiency, MediaTek continues to focus on carbon-reducing measures on all sites. In 2018, our annual energy-conservation rates reached 11.7%, and our energy-conservation goal for 2019 was set as 14.9% (versus 2015 baseline). The following is an explanation of improved energy-conservation management measures for electricity expenses in Data Centers (for more information, please refer to Enhanced efficiency: high-density power efficient Data Centers), office AC systems, lighting systems, equipment improvements and system management.



Office AC system

Improvement benefits

Annual savings of 11.26 million NTD in electricity expenses
3.75 million kWh (13,500 billion joules) in energy
2,078 tons/CO_2e

- Efficiency enhancements: optimization of chilled water systems and establishment of VAV AC systems
- Reduction of operating machinery: converted AC system to a combined AC system
- Time slot control: during the night when loads are lighter, outflow temperature of chilled water is increased by 1 degree; parking lot exhaust systems were adjusted from full-time operations to peak-time/half-peak-time operations.

Lighting management

Improvement benefits

Annual savings of 2.73 million NTD in electricity expenses 0.91 million kWh (3,276 million joules) in energy
504 tons/CO_2e

- Halved number of lights in the parking lot
- Reduced lighting levels during non-peak commuting times
- Switched off lighting in specific sections during vacation days
- Energy conservation of lighting systems in specific sections, including conversion to LED lights, which help save around 460,000 NTD per year

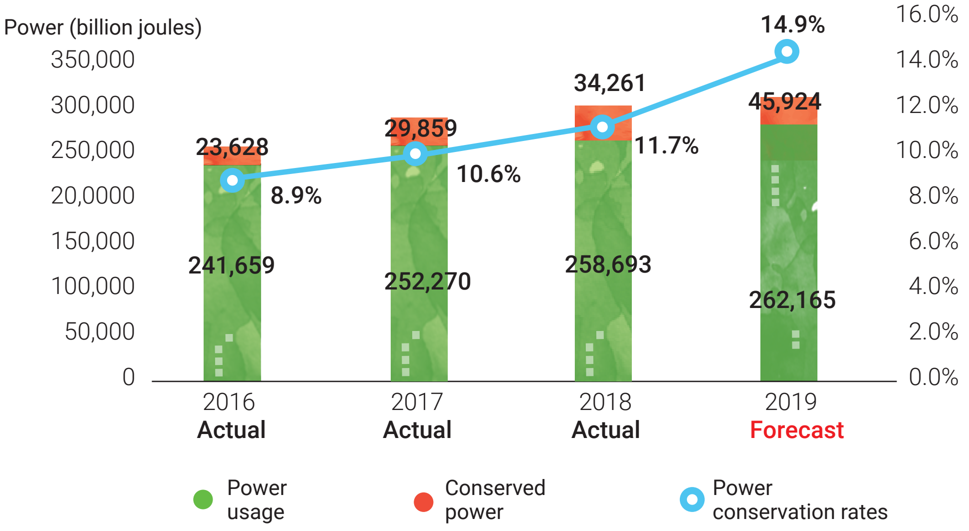
Equipment improvement management and system management

Improvement benefits

Annual savings of 8.2 million NTD in electricity expenses
1.22 million kWh (4,392 billion joules) in energy
676 tons/CO_2e

- Enhanced efficiency of UPS equipment
- Changed AC system for product development emulators to enhance efficiency
- Enhanced temperature and humidity management
- Implemented electricity usage management, following up on and making timely adjustments to contracted electricity usage amounts

Power usage and conservation record and forecast from 2016-2019



Scope of information: includes offices in Hsinchu Science Park, Zhubei, and Taipei

Water resource management

Water used at MediaTek offices is sourced from local water plants. In 2018, our total water usage was 241,871 tons (around 242 million liters), a slight increase compared to water usage for the previous year, mainly due to increases in employee numbers and increased usage in office space. We continue to implement improvement plans for water resources, and have set water conservation rates of 1.5% as our target. In 2018, our wastewater emissions were 93,878 tons (around 94 million liters), a reduction of 19% over 2017, mainly due to internal promotion of water conservation and equipment changes that increased the usage efficiency of water resources.

[Note] 1 ton of water is around 0.001 megaliters

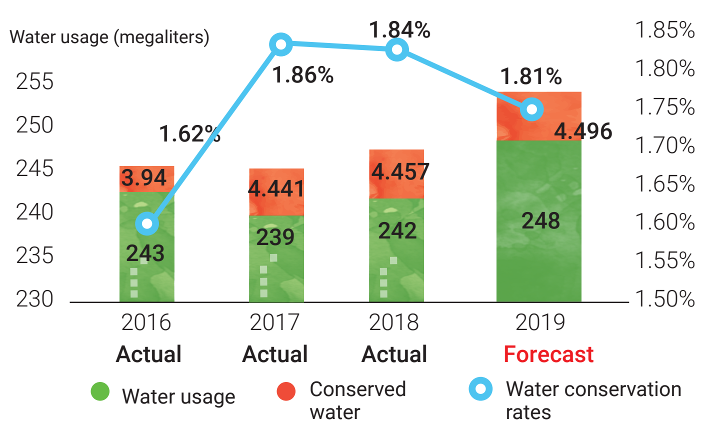
Equipment changes

Improvement benefits	Improvement actions
30.78% conservation of water usage conserved 240 tons of water	- Improvement of washing water usage in recycling areas - Adjustment of water faucets

Recycled water resources

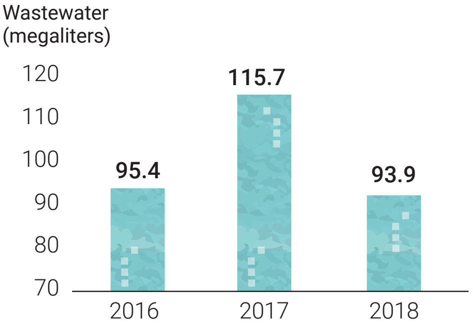
Improvement benefits	Improvement actions
Conserved 481 tons of water	We installed rainwater recycling tanks; rainwater can be recycled for reuse in cooling towers
Conserved 3,720 tons of water	AC condensation water was recycled for use on irrigation systems to reduce wasting water resources

Water usage over the past three years, expected water usage for 2019, and water conservation rates



Scope of information: includes office buildings in Hsinchu Science Park, Zhubei, and Taipei

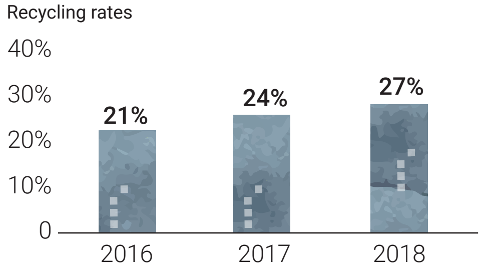
Wastewater emissions for the past three years



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. In 2018, our recycling rates were 27%. In 2019, we plan to recycle and dispose of 19 tons of waste, and our estimated recycling effectiveness will rise from 27% to 29%.

Recycling rates for the past three years



[Note] Recycled amounts/Total waste amounts

Waste management in 2018

Category	Waste categories	Method of disposal	Disposal amount (tons)	Proportion (%)
General waste	Domestic waste	Incineration	47.50	46.21%
	Waste paper	Recycled	12.10	11.77%
	Metal containers	Recycled	0.41	0.39%
	Aluminum containers	Recycled	0.33	0.32%
	Lighting products	Recycled	0.15	0.14%
Hazardous waste	Electronic components, scrap materials, and defective products	Outsourced processing	42.3	41.17%
Total			102.79	100%

Green transportation

Item	Explanation	Results
Commuter shuttle buses	We launched commuter shuttle buses in June 2015, renting large buses to run along four routes to pick up and drop off commuting employees at designated locations. This relieved traffic congestion conditions in Zhubei during rush hours. Additionally, this ride-sharing benefit also promoted our environmental protection and planet saving goals to our employees.	Around 39,840 passengers (6 shuttle runs to work / 8 shuttle runs from work) for 2018. Usage rates increased by 45.9% compared to 2017
Cross-site shuttle buses	The Company provides cross-site shuttle buses that make shuttle runs every 15 minutes to reduce energy consumption and carbon emissions from driving.	Around 107,568 passengers (72 shuttle runs/day) for 2018. Usage rates increased by 20% compared to 2017
Cross-site M-Bikes	To implement eco-friendly living and encourage our employees to exercise, we installed 6 bicycles that employees could use for cross-site trips.	Around 2,988 users (249 days * 12 times/day) for 2018. Usage rates increased by 20% compared to 2017
Electric company motorcycles for security personnel	To promote integration of environmental protection and daily transportation, the Company has installed two electric motorcycles for security personnel to use during routine patrols.	Total mileage for 2018 was 876 kilometers, similar to levels for 2017.

Greenhouse gas (GHG) emissions

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 99.2% 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

To effectively reduce carbon emissions produced by traveling Company employees, we not only established relevant regulations for achieving green targets in our products and buildings, but also strive to implement environmental protection measures through transportation assistance which are a daily necessity for our employees. In 2018, our carbon emissions were 17,386 tons.

Greenhous gas emissions in 2018

Item	Scope 1 GHG emissions			Scope 2 GHG emissions		
	2016	2017	2018	2016	2017	2018
Emissions (tons)	717	748	808	35,511	37,070	37,941
Scope of collected emissions data as a proportion of Revenue/Employees in Taiwan (100%)	100%	100%	100%	100%	100%	100%

[Note] 1. Reference year for greenhouse gas emission verifications was 2016, as this was the first year where MediaTek conducted voluntary verifications.
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

1
(Current results)
Taiwan
Completed greenhouse gas emission verifications of all sites in Taiwan

2
(Short to medium term: 1-5 years)
China
Expand greenhouse gas emissions verifications to buildings located in China

3
(Long term: 6-10 years)
Global
Conduct global carbon emissions verifications and risk assessments

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 issues in this chapter

Social Welfare Activities

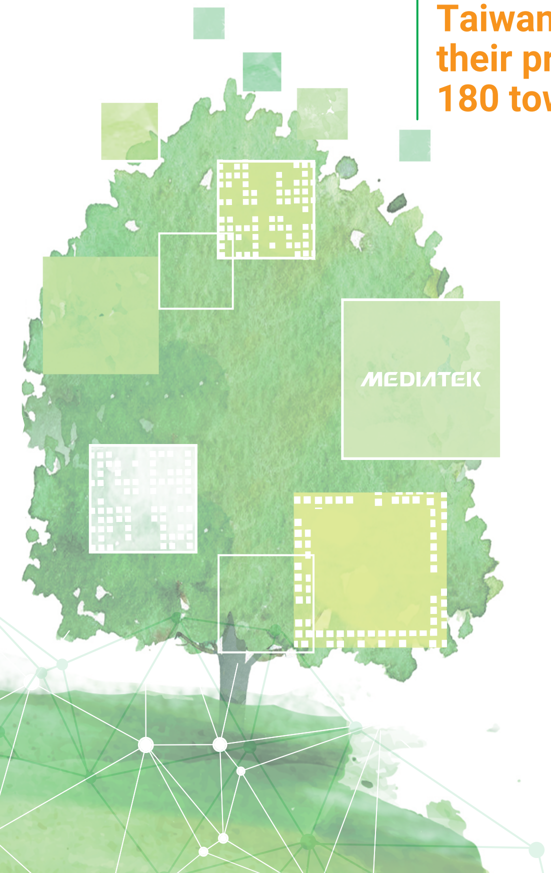
Genius for Home

Hosted the first "Genius for Home – MediaTek Digital Social Innovation Campaign" to advocate local community engagement, with each team proposing methods of improving their hometown.

1,382 people across Taiwan participated, with their proposals covering 180 towns.

Greater Chao Nan Cultivation Plan

Chairman Ming-Kai Tsai cares greatly about the education and environment for children in his native Pingtung hometown, and has **invested almost 130 million NTD in related projects over the past ten years ; 1,264 people benefited from these projects in 2018.**



Love to Read: Community Reading Project

We partnered with ten bookstores to promote reading in local communities, funding events that made reading **interesting and full of surprises. 5 million NTD was devoted, with 249 events held, servicing 23,366 attendees.**

Academic Support

Supported higher education by participating in pioneering research, facilitating the recruitment of overseas talent into the faculty, co-founding research centers with universities, and financing doctoral students. Over the past 17 years, we have invested over **1.1 billion NTD and collaborated with 17 universities for this purpose.**

Management Policies

Social Welfare Activities	Management Approach for Material Issues Non GRI Material Topic 2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION
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 enabling 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

Accessibility to Science Education: Promotion of programming education

Short term:

- Expand the pool of programming instructors in all cities and counties

Mid to long term:

- Promote STEAM education for K-12 students

Social Innovation: Promote the application of technology to resolve social problems

Short term:

- Plan events to collect ideas and proposals

Mid to long term:

- Encourage project implementation

Academic Support: Higher education and industry-university collaborations

Short term:

- Support academic research

Mid to long term:

- Collaborate with others to develop cutting-edge innovative research

Welfare and Social engagement: Support philanthropic events related to social innovation and science education

Our Management System

- **Responsible units:**
  - Social welfare activities: Planned and managed by the MediaTek Foundation
  - Industry-university collaboration: Reviewed and supervised by the CTO Office

Reports regularly to the Board of Directors

- **Resources:**
  - Funds: 253 million NTD
    Including the donations of equipment/materials/goods: Cash equivalent of about 4.24 million NTD
  - Manpower: A total of 289 people, including 258 volunteers and 31 Genius for Home staff
- **Communication channels:**
  - Official website of the Foundation: http://www.MediaTekfoundation.org/
  - Hotline: +886-3-567-0766
  - Foundation Facebook page https://www.facebook.com/mediatekfoundation/
  - Teacher seminar for National Elementary School Practical Science Award Project
  - Workshop for selected 'Genius for Home' teams
- **Assessment mechanism:**
  - Based on the application instructions for each project and participant satisfaction

Specific Performance

Accessibility to Science Education

- Software Programming Training for Teachers
- National Elementary School Practical Science Award Project
- Maker Courses

(Please refer to 6.2.1 Accessibility to Science Education)

Academic Support

- Support three institution-level innovative research centers
- Form industry-university consortiums with schools
- Support the employment of five talented instructors from overseas

(Please refer to 6.2.2 Academic Support)

Social Innovation

- Supported the MakeNTU contest hosted by the Department of Electrical Engineering at National Taiwan University
- Hosted the digital social innovation contest "Genius for Home"

(Please refer to 6.1 Digital Social Innovation)

Welfare and Social Engagement

- Aid for high-risk families
- India Health Project
- Greater Chao Nan Cultivation Plan

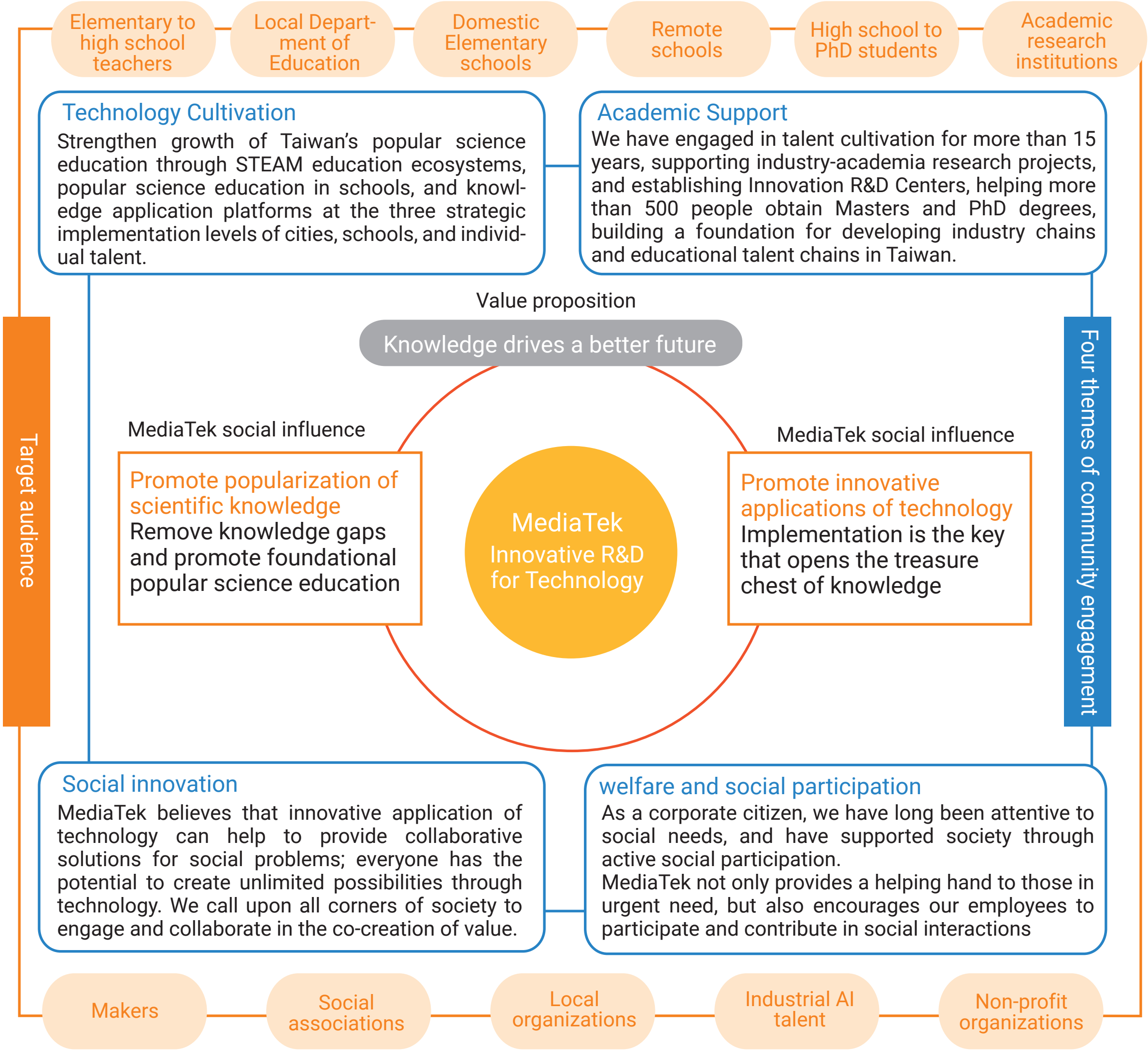
(Please refer to 6.3 Welfare and Social Engagement)

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

As of 2018, we have devoted over 1.7 billion NTD in community engagement. In 2018, we worked closely with 4 county/city Education Bureaus and cultivated 108 seed instructors in technology education, who in-turn taught 1,600 students.

We collaborated with the National Taiwan Science Education Center (NTSEC) to promote science fairs for secondary and elementary schools, supporting 13,000 students and teachers in basic science education. We promoted social innovation, the ‘Genius for Home’ campaign attracting 1,382 participants, who designed 323 solutions for 180 towns.

MediaTek strives to facilitate the dissemination of knowledge. By providing accessibility, affordability, and availability to knowledge, we aspire to open the door to a wider world and brighter future for the next generation. For nearly two decades, 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 set "widely accessible knowledge" and "innovative application of technology" as the basis of our influence, and have consistently endeavored to deepen our influence in Taiwan 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.



Elementary to high school teachers
Local Department of Education
Domestic Elementary schools
Remote schools
High school to PhD students
Academic research institutions

Target audience

Technology Cultivation

Strengthen growth of Taiwan’s popular science education through STEAM education ecosystems, popular science education in schools, and knowledge application platforms at the three strategic implementation levels of cities, schools, and individual talent.

Academic Support

We have engaged in talent cultivation for more than 15 years, supporting industry-academia research projects, and establishing Innovation R&D Centers, helping more than 500 people obtain Masters and PhD degrees, building a foundation for developing industry chains and educational talent chains in Taiwan.

Four themes of community engagement

Value proposition

Knowledge drives a better future

MediaTek social influence

Promote popularization of scientific knowledge
Remove knowledge gaps and promote foundational popular science education

MediaTek Innovative R&D for Technology

MediaTek social influence

Promote innovative applications of technology
Implementation is the key that opens the treasure chest of knowledge

Social innovation

MediaTek believes that innovative application of technology can help to provide collaborative solutions for social problems; everyone has the potential to create unlimited possibilities through technology. We call upon all corners of society to engage and collaborate in the co-creation of value.

welfare and social participation

As a corporate citizen, we have long been attentive to social needs, and have supported society through active social participation.
MediaTek not only provides a helping hand to those in urgent need, but also encourages our employees to participate and contribute in social interactions

Makers
Social associations
Local organizations
Industrial AI talent
Non-profit organizations

MediaTek Blueprint for Community Engagement

6.1 Digital Social Innovation

MediaTek believes that technology can improve the lives of all people and effectively enhance our connections with the world. As a result, 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 also launched the digital social innovation campaign "Genius for Home" in 2018.

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

MediaTek organize "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 2018, a total of 61 people worked on this project, including 31 in-house staff members and 30 staff members from external collaborative agencies.

1 Registration and Proposal

1,382 people participated in this year's inaugural event, and 323 proposals were received from 21 counties and cities, spanning 180 towns. Participant information are listed as follows:

- Age of participants: The youngest contestant was in seventh grade, and the oldest was over 50 years of age; around 40% of the participants were students.
- Participant types: Student teams, startups, members of the general public, university professors, and even housewives formed teams to participate.

Although there were differences in the age and profession of participants, all of them were passionate about technology application and possessed the determination to resolve social issues through their own work.

2 Mentoring and Cultivation

It is impossible to resolve social issues through innovative application of technology in a single step, so after the first round of selection, MediaTek invested heavily in mentoring and cultivating resources to assist and collaborate with selected teams to find solutions best suited to local circumstances.

MediaTek deployed 20 executive managers to serve as team consultants and invited five mentoring experts in design thinking to serve as team instructors; leading teams to seek the best local solutions from each perspective. Each MediaTek consultant, fueled by our mission of "Everyday Genius", provided teams with technical and operational assistance, as well as encouragement and confidence, accompanying selected teams as they honed their proposals during the cultivation process.

- Selected the top 20 teams, with a total of 93 participants.
- Duration: Three months of cultivation assistance

Financial resources: Provided each selected team with a 50,000 NTD award and 50,000 NTD in research and development funding, assisting teams in bridging the initial resource gap during early development stages, and enabling the proposals to reach a higher level of maturity.

Mentor and consultant group:

Five professors in the field of design thinking:

- These experts started from users perspective and examined the proposals to ascertain if they conformed with local needs, then identified necessary changes through training workshops.
- Twenty MediaTek executive managers aided through technical expertise, team management, and efficiency enhancement.

3 Judging Procedures

The final scoring process looked at aspects of issue analysis, creativity, professional application, and social influence, and was undertaken by a panel of judges with a rich and diverse background, including: former Premier, Simon Chang; creativity mastermind, Jing-Ji Wu; senior media professional, Jung-Shin Ho; MediaTek Foundation Director of the Board, Andrew Chang; Frontier Foundation Director, Shu-Fang Tsai; National Taiwan University iNSIGHT Center Chief Strategy Officer, Hung-Chih Lai; and g0v Joint Founder, Hsiao-Wei Chiu.

4 First Prize of One Million Dollars

The winning team received a 1 million NTD first prize was "Go Ahead to Escape Poverty and Become Self-Sufficient":

- Project: Visitation app for social welfare workers
- Improved workflow of social workers: Digitalized processes for social work visits and resolved issues of fragmentation and low efficiency associated with traditional manual processing.
- Enhanced social welfare efficiency: Employed big data and AI to evaluate the needs of disadvantaged and poor families to enhance social welfare capabilities.

5 Implementation Award

MediaTek provided an implementation award for winning teams to encourage them to apply their work to local communities and truly resolve local social issues.

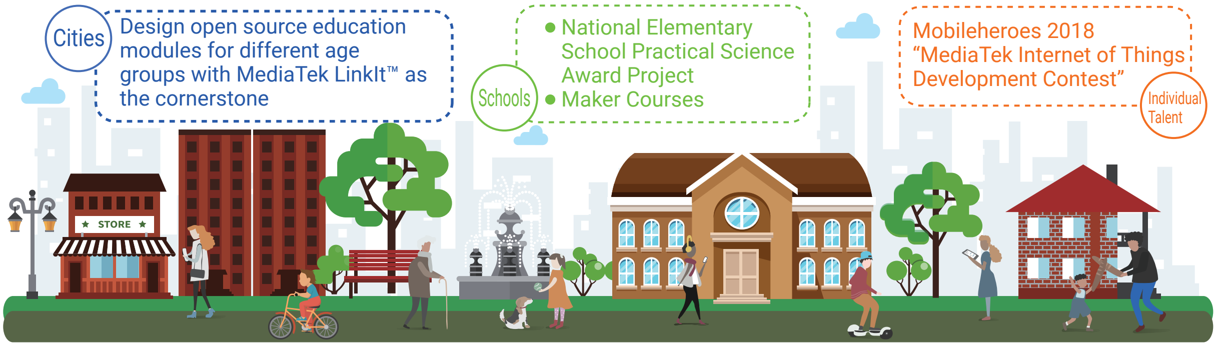
> "The power of technology should benefit everyone. As long as someone is paying attention, even problems in a remote village can be solved. MediaTek wishes to support every creative mind committed to doing something for his/her hometown. The competition and awards will serve as the beginning for aspiring Taiwanese people in creating their dream homelands. Furthermore, we wish to serve by example, and hope that others will join us in nurturing technological innovations that can improve society and people's lives." Statement made by Ming-Kai Tsai, Chairman of the MediaTek Foundation

聯發科技
聯發科技 智在家鄉
首獎

6.2 Accessibility to Science Education and Talent Education

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. As "identifying problems" and "problem-solving abilities" are key skills for future talent, we will continue to cultivate and foster popular science education in Taiwan at three strategic implementation levels: cities, schools, and individual talent.


Cities
Design open source education modules for different age groups with MediaTek LinkIt™ as the cornerstone
Schools
● National Elementary School Practical Science Award Project
● Maker Courses
Mobileheroes 2018 "MediaTek Internet of Things Development Contest"
Individual Talent
STORE

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

Project Description

Software Programming Training for Teachers

Technology application capabilities need to be built from a young age and software programming languages should become a basic ability our children possess. This program is designed to assist the education departments of each county and city in training elementary to high school teachers, thus developing and enhancing their proficiency in software programming education.

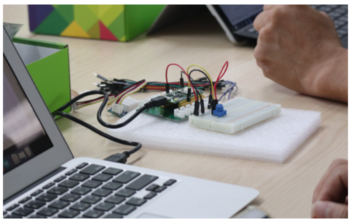
- **Primary tools: Open source education modules for different age groups with MediaTek LinkIt^{TM} as the cornerstone**
- **Training format: Conducted workshops and instructor training camps that guide teachers to become familiar with software programming of simple IoT (Internet of Things) applications**
- **Supplementary resources: Provided curriculums, supplementary learning materials, and technical support for back-end applications**

By assisting teachers in developing educational applications, we helped to establish a pool of programming instructors in the counties and cities involved, thus expanding capabilities to further promote programming education.

Achievements and Invested Resources

A total of eleven in-house and external staff members participated in this project, including coordinators of four county/city governments and education partners.

In 2018, we completed training programs in Taipei, Nantou, Hualien, and Pingtung, training 88 instructors and reaching about 1,400 students, with 168 training hours completed.



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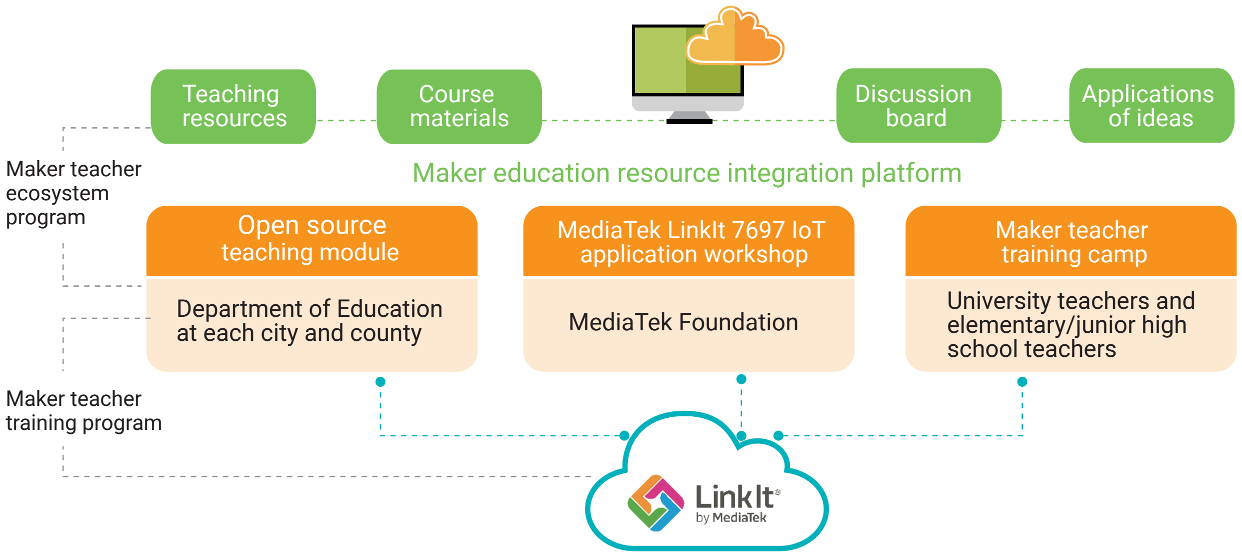
EVERYDAY GENIUS



Teaching resources

Course materials

Discussion board

Applications of ideas

Maker education resource integration platform

Maker teacher ecosystem program

Open source teaching module	MediaTek LinkIt 7697 IoT application workshop	Maker teacher training camp
Department of Education at each city and county	MediaTek Foundation	University teachers and elementary/junior high school teachers

Maker teacher training program

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

Schools

Inspiring student interest in technology; supplementing resource in remote communities

Project Description

National Elementary School Practical Science Sponsorship Project

One thing more important than simply having knowledge is actual hands-on experience; this project was initiated in 2011 in tandem with the Elementary and Secondary School Science Fair Project of the Ministry of Education. It supported teachers and students in conducting science research projects. MediaTek has provided resources to support student science experiments and follow-up research for science projects in participating schools, thereby helping these projects cross the first threshold of popular science education.

- Resources provided: Select popular science publications; three-stage funding including preliminary selection, county/city science fairs, and national science fairs
- Care for remote communities: Reserved 40% of preliminary selection slots for schools located in remote, aboriginal, and disadvantaged communities.
- Other awards: Sponsored Masterclass Lectures and the NTSEC Youth Cultivation Program for the 58th National Science Fair hosted by the National Taiwan Science Education Center

AaPaTo Maker Courses

In 2018, 6 events were hosted for students:

- Offered Maker Go Forward courses at Hsinchu Senior High School
- Trained 30 students from the Department of Electronics Engineering at National Chiao Tung University (NCTU) to serve as teaching assistants
- Hosted a series of Saturday Maker Workshops
- Established a Maker Club to develop course instructors and materials
- Hosted 3 one-day camp sessions during the winter vacation
- Hosted the senior high school information and academia joint exhibition

Achievements and Invested Resources

- For 2018, we received 123 applications nation-wide, and selected 40 applications from 38 schools after the preliminary round. A total of 74 teachers and 181 students were enrolled in the Practical Science Award Project, of which 33 projects went on to win awards in county/city science fairs, and 5 projects won awards at the National Science Fair.
- Masterclass Lectures: About 400 people participated
- Enrolled schools were gifted with popular science books, and many schools held science week/storyteller events to introduce these popular science books. Students participated in reading events and wrote 1,332 book reviews.
- NTSEC Youth Cultivation Program: Cultivated 35 projects and 63 students, of which 50 students traveled overseas to participate in international competitions.
- In 2018, a total of 466 students and 25 instructors were cultivated, for a total of 256 training hours.

第58屆全國科展
生物科
特優
優等
聯發科企業獎

MEDIATEK everyday genius
與大師有約講座 科展經驗分

Individual Talent

Hands-on approach to resolving social and environmental issues

❤ Project Description

Mobileheroes 2018

The Mobileheroes contest is renowned as the "Oscar of the Communications World" and was hosted for the 17th year in 2018.
A total of 227 teams and 616 developers participated in the contest, with almost 40% of teams registered for the "MediaTek Internet of Things Development Contest".
The first prize was awarded to "RelaJet Sees the Future"; the second prize was awarded to "Retaining Wisdom after Wisdom Tooth Extraction" ; and the third prize was awarded to "IoT Battle Group Behind the Mountains". In addition, other awards such as the rising star award, campus elite award, creativity award, and local application award were also presented, making a total of seven awards. The judges unanimously felt that this year's entries were the best yet in creativity and maturity, as these highly skilled participants were able to use IoT to build a much more technologically innovative future.

❤ Achievements

In 2018, 88 teams and 219 persons registered for the "MediaTek Internet of Things Development Contest".

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

Talent is the most important resource for enterprises facing world-class challenges. Since 2002, MediaTek has been committed to industry-university collaborations, exchanging information about industrial needs and academic advancement. In order to be in line with international standards, we have engaged in the nurture of fine talent as well as co-development of pioneering technologies based on the expertise of respective universities. The overall investment for such purposes has exceeded 1.1 billion NTD over the past 17 years. Our collaborative efforts include the joint establishment of innovative research centers on campus, employment of specific grants for operating industry-university consortiums, participation in academic research institutions, supporting the employment of talented professors from overseas, providing scholarships for domestic and international graduate and doctoral students, proactive attendance in hi-tech exchange events, and partnerships with at least 17 domestic and international universities, including National Taiwan University, National Tsing Hua University, and National Chiao Tung University to include National Cheng Kung University, National Chung Cheng University, National Taiwan Ocean University, and National Taiwan University of Science and Technology, 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, Peking University, and the University of Science and Technology of China.

Research Centers

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

Hi-Tech Exchange Events

Supported and proactively participated in hi-tech exchange events at home and abroad to promote industry advancement

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

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

	Project Description	Achievements
Research Centers	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 70 million NTD in 2018.	These three research centers implemented 23 projects, applied for 8 patents, published 61 papers, and a total of 13 graduates who worked on these projects were recruited by MediaTek.
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", with funds invested in each project respectively exceeding 200 million NTD to date. ● **Ongoing projects include:** Industry-university collaboration in advanced technology: 3DNET Technologies and Applications for Smart Campus. Jointly initiated at the end of 2016 with NCTU, Chunghwa Telecom, Quanta Computer, and Hermes Microvision to focus on key low latency communications research, 24 million NTD was invested over a three-year period in the hope that project results will contribute to smart cities and a smarter country. ● **Completed projects include:** key technology research for advanced next-generation mobile communications terminals; this project was jointly initiated in 2014 with NTU, NTHU, NCTU, and NTUST, with funds totaling 180 million NTD over a three-year period.	Applied for more than 30 patents and published more than 200 papers. After partnering schools attended standardized proposal meetings, the number of proposals grew to 36 in three years; in addition, 19 joint proposals with major foreign companies were submitted.
Participated in Academic Research Institutions	Besides industry-university collaboration with schools, MediaTek also works with academic research institutions such as the MIT CSAIL Lab, Khronos Group, Taiwan Semiconductor Industry Association, Taiwan IC industry and Academia Industry Alliance, Taiwan Electromagnetic Industry-Academia Consortium, National Taiwan University SoC Center, and NTHU Micro Sensors and Actuators Technology Consortium.	In 2018, 4 papers by MediaTek were accepted by ISSCC (International Solid-State Circuit Conference), making MediaTek the only industry representative in Taiwan with a record of 15 consecutive years of paper presentation at the conference.

	Project Description	Achievements
Supported the Employment of Talented Professors from Overseas	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.	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.
Support for more than 500 Domestic and International Graduate and Doctoral Students	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.	Since 2002, we have supported a total of 71 doctoral students, including 63 domestic students and 8 students from ASEAN and India. 12 of them are currently receiving scholarships
Comprehensive Support for Hi-Tech Exchange Events	Supported and proactively participated in hi-tech exchange events at home and abroad to promote industry advancement. ● **Sponsored the Taiwan AI Academy:** MediaTek and four other businesses, including Formosa Plastics, Chi Mei, Inventec, and ELAN, have collectively donated 150 million NTD toward the operations of the Taiwan Artificial Intelligence (AI) Academy. We hope that students from the Academy can drive the development of industrial AI and promote industrial advancement upon graduation.	Participated in 8 hi-tech exchange events at home and abroad: 1. Mobileheroes 2018 2. 2018 Cross-Strait Top Universities IC Design Exchange Symposium 3. 2018 TSIA Annual Meeting sponsorship and sub-panel design 4. 2018 The 29th VLSI Design/CAD Symposium 5. 2018 Symposium on Engineering, Medicine, and Biology Application (SEMBA) 6. 2018 International Symposia on VLSI 7. Human-Machine Interaction Symposium 8. IEEE A-SSCC (Asian Solid-State Circuits Conference) 2018

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聯發科技

The 29th VLSI Design/CAD Symposium
超大型積體電路設計暨計算機輔助設計技術研討會

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. In 2018, our three main themes were as follows:

Charitable Projects

Selected through employee voting. Our projects encompass domestic and overseas issues related to children, youth, the elderly, young girls, and disadvantaged families.

Social Engagement

Long-term projects: Greater Chao Nan Cultivation Plan, Christmas Wishes, Voice of IC, Hsinchu Children's Discovery Center

Volunteer Club

Long-term projects:	Character education, secondhand book collection, beach cleanups
Newly initiated projects in 2018:	Reading Education Writing Project, "Sending Warmth" on Lunar New Year's Eve Collection Activity

6.3.1 Charitable Projects

Invested around 20 million NTD
Over 24,000 people benefited globally

The main charitable project for 2018 was planned in conjunction with MediaTek's 20th anniversary, and a "Run for Love" Global Charity Marathon was initiated to promote employee health, enhance their sense of company-community relationship and encourage charitable actions. The run by MediaTek employees from all over the world was converted into MediaTek donations amounting to 20 million NTD, of which 15 million NTD was invested in 8 charitable projects at home and abroad, while 5 million NTD was used to support "Love to Read" Community Reading project. The charitable projects supported with the 15 million NTD in donations were selected through votes from all employees; the projects encompassed domestic and overseas issues related to children, youth, the elderly, young girls, and disadvantaged families, with over 24,000 people worldwide benefiting from these programs.

World Vision Taiwan "High-risk Families Support Program" Taiwan

Conducted from October 2017 to September 2018, serving 146 people and 299 cases in the three areas of Hsinchu, Zhudong, and Wujian.

Child Welfare League Foundation "Fighting Hunger Program" Taiwan

Conducted in partnership with Tienmei Elementary School in Miaoli County and Jinhu Elementary School in Yunlin County, supporting school fees, after-school learning programs, living needs, and food and other resources for economically disadvantaged students. We also provided growth groups and parent-children respite activities, with 287 students benefiting over the entire year.

Old Five Old Foundation "Aid for Disadvantaged Senior Citizens"

Taiwan

Assisted 28 elderly persons in conducting home repairs and provided each person with a 1,000 NTD voucher. Prior to Lunar New Year's Eve, we accompanied 170 elderly persons and helped them conduct their shopping for the Chinese New Year. We mobilized 800 volunteers and 150 vehicles, set up volunteer kitchens, and invited other businesses to take part in this event, during which we handed out 1,500 sets of hot Lunar New Year cuisine to provide New Year cheer for elderly persons living on their own.

The Garden of Hope Foundation "Dandelion Take Flight Program"

Taiwan

Provided 500 NTD support fees and material for each counseling session and supported 153 people for a total of 1,950 sessions.

Eden Social Welfare Foundation "Elephant Pen Project"

Taiwan

Provided after-school study and mentoring opportunities for 105 disadvantaged children.

India Health Program

Overseas

Helped to improve local mother/infant health and health education while enhancing water resources provision, sanitation, and household nutrition. A total of 14,535 people benefitted from this program.

Yunnan Education Program in China

Overseas

Helped to enhance the quality of local early childhood education and cultivation of reading habits in children. A total of 2,666 children benefitted from this program.

Syria Refugee Emergency Response

Overseas

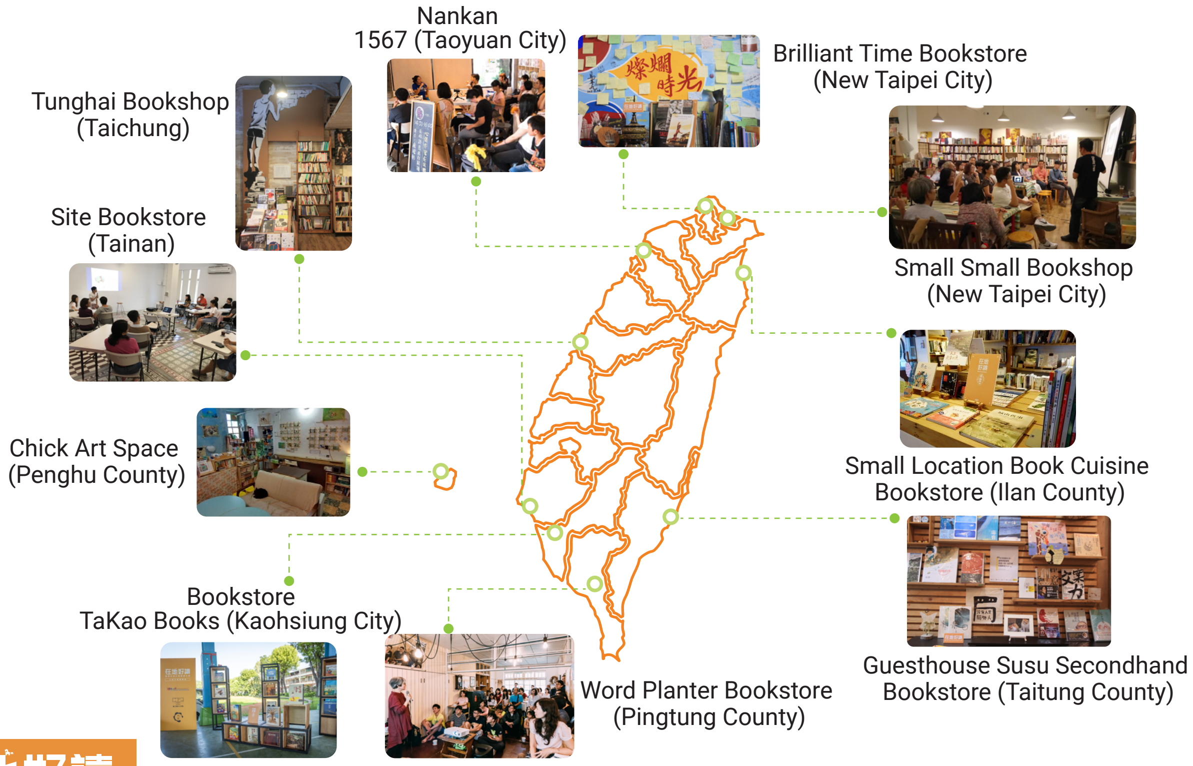
Dug wells and provided water for refugee camps located near villages surrounding Aleppo, and provided food and other resources for 1,250 households, assisting a total of around 5,354 refugees in northern Syria.

6.3.2 Love to Read: Community Reading Project

Apart from charitable projects, MediaTek also proposed the initiation of social welfare activities with humanistic features. Therefore, 5 million NTD of the 20 million NTD in donations collected during MediaTek 20th anniversary celebrations in 2017 were subsequently used to initiate "Love to Read: Community Reading Project". Through partnerships with ten community bookstores engaged in the promotion of local reading, funds were provided to support bookstore owners in promoting reading events.

In 2018, the MediaTek Foundation selected ten bookstores across Northern, Central, Southern, and Eastern Taiwan, as well as on the offshore islands of Penghu, for mutual collaboration. Support was provided to bookstore owners for the promotion of reading activities that included lectures, exhibitions, reading clubs, bookmobiles for remote areas, and eat-and-read sharing activities, thus creating a reading landscape full of interesting surprises. The ten bookstores included the Small Small Bookshop and Brilliant Time Bookstore in New Taipei City; the Nankan 1567 Bookstore in Taoyuan City; the Tunghai Bookshop in Taichung; the Site Bookstore in Xinying, Tainan City; TaKao Books in Kaohsiung City; the Word Planter Bookstore in Pingtung County; the Small Location Book Cuisine Bookstore in Ilan County; the Guesthouse Susu Secondhand Bookstore in Taitung County; and the Chick Art Space in Penghu County. The Love to Read Program ran for almost a year, during which these ten bookstores hosted a total of 249 events, welcoming more than 23,000 people into their shops to experience reading and enjoy cultural journeys.

The ten bookstores are all different in character and they each use their own unique methods to promote different local values, such as themed reading for children, soil and food education in farming communities, spiritual provisions for the traveler, and local cultural perspectives. Of these, the Brilliant Time Bookstore in New Taipei City focused on the culture of Southeast Asian migrant workers, and hosted reading sessions of Southeast Asian literature and related literary awards, helping foreign workers from Thailand, Indonesia, and Vietnam immerse themselves in the beauty of their native languages and culture, despite being away from their home country. These cultural exchanges were also conveyed to readers in Taiwan.


Nankan
1567 (Taoyuan City)
Brilliant Time Bookstore
(New Taipei City)
Tunghai Bookshop
(Taichung)
Site Bookstore
(Tainan)
Small Small Bookshop
(New Taipei City)
Chick Art Space
(Penghu County)
Small Location Book Cuisine
Bookstore (Ilan County)
Bookstore
TaKao Books (Kaohsiung City)
Word Planter Bookstore
(Pingtung County)
Guesthouse Susu Secondhand
Bookstore (Taitung County)
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6.3.3 Volunteer Club

Since 2003, MediaTek has organized a variety of volunteering events in coordination with numerous social groups to encourage employees to interact with society and identify more ways to care and give back. Over the years, volunteer activities have frequently been proactively initiated by MediaTek employees. In order to continue to cultivate and help disadvantaged groups that need assistance, our Volunteer Club was formally established in 2012 to expand MediaTek's social influence through systematic management. Additionally, the "volunteer leave policy" was officially enacted in 2015 for all employees working in Taiwan. To encourage more MediaTek employees to actively participate in charitable activities and fulfill their civic responsibilities, every MediaTek employee is allowed 8 hours of volunteer leave each year.

In 2018, the Volunteer Club completed the following activities: "Character Education for Longshan Elementary School", "Reading Education Writing Project", "Secondhand Book Collection", "Beach Cleanup at Nanliao in Hsinchu", and "Lunar New Year's Eve Collection and Charity Sale".

Beach Cleanup at Nanliao in Hsinchu

A beach cleanup was held at the Hsinchu Nanliao Ecological Sports Park in conjunction with the September 15 World Cleanup Day; 67 MediaTek employees and their relatives and friends participated.

Secondhand Book Collection

2,743 secondhand books were collected for use in libraries in elementary schools, middle schools, and high schools, and also for community libraries.

Reading Education Writing Project

Starting in 2018, passionate MediaTek volunteers initiated the "Reading Education Writing Project", deploying 54 volunteer sessions for a total of 270 hours. Using independently developed teaching materials and lively and interesting teaching methods, these volunteers guided elementary school students from the Taoyuan, Hsinchu, and Miaoli areas in activities related to reading and expressing themselves through writing. Participating schools included Tunghe Elementary School in Miaoli, Boai Elementary School in Zhubei, and Baoshan Elementary School in Baoshan Village of Hsinchu County, all of which have a higher proportion of aborigine students. Four courses were held every semester, and students were taught to observe, think and organize, and complete a full essay. A total of 80 students participated in this project throughout the year.

Character Education

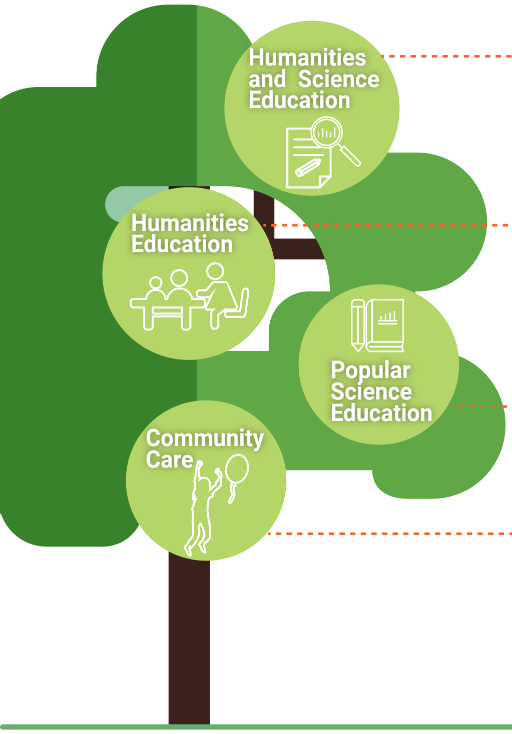
Since 2016, the MediaTek Volunteer Club has been conducting character education courses at the Longshan Elementary School near the Hsinchu Science Park. In 2018, 43 volunteer lecture sessions were conducted in 17 classes comprising of 340 third-grade students. Over the past three years, 104 volunteer lecture sessions have been conducted in 35 classes comprising of 893 third-grade students.

Lunar New Year's Eve Collection and Charity Sale

A "sending warmth collection event" was held before Lunar New Year's Eve in 2018. A total of 120 MediaTek employees joined together to contribute 203,980 NTD, which was used to provide warm underclothing, trousers, and socks for 200 people at the Zenan Homeless Social Welfare Foundation; down jackets and warm trousers to the Old Five Old Foundation; and new shoes for the Hsiang-Yuan Memorial Education and Nursing Institute. During the second half of the year, volunteers in our Coffee Club, Balloon Club, Volunteer Club, and Bodybuilding Club organized charity sales and the proceeds of 68,770 NTD were donated to the Hong-Hua Children's Institute in Taoyuan. The resources and 66,593 NTD proceeds from charity sales collected by the Stray Care Activity were donated to the Taiwan Animal Protection Association, Hsin-Wu Animal Shelter, the Association of the Garden for Stray Animals, Help-Save-A-Pet-Fund Taiwan, and Dr. Hsu's Garden for the Protection of Life.

6.3.4 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 2018, a total of **1,264** people benefited from this project.

Exclusive Sponsorship of The Voice of IC

Our long-term, exclusive sponsorship of history and popular science related 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.

Hsinchu Children's Discovery Center

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

Collaborated with related social welfare organizations and invited employees to help grant Christmas wishes. The Christmas wishes of **1,800** people were successfully granted in 2018.

Greater Chao Nan Cultivation Plan

In 2018, four sub-projects were launched to continuously cultivate local education in the Chao Nan area, with 1,264 people benefiting from these projects, including:

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 the Lovely Taiwan Foundation to promote the "Greater Chao Nan Cultivation Plan" that aims to initiate education through the introduction of resources for arts and humanities and popular science education, and thus helping achieve our goal of preserving local culture. The Greater Chao Nan Cultivation Plan is a four-year scheme that will gradually launch initiatives including "Chao Academy", "Agriculture Plan@Chao Nan", "Blue Sky Classroom", and "Slow-Touring the Greater Chao Nan Region" in years to come. We hope to expand from points to lines and then to full facets as we integrate "the beauty of Chao Nan and the wellbeing of Taiwan" with the beautiful natural and cultural features in Chaozhou and Nanzhou. The unique school agricultural cultivation project in the Greater Chao Nan Cultivation Plan fully demonstrates the love that Chairman Ming-Kai Tsai holds for his home county and his commitment and actions relating to the sustainable development of Taiwan. He hopes that children can understand and protect their natural and cultural environments, forever preserving the beauty of their homeland.

台灣好基金會
聯發科技教育基金會
神農計劃

Agriculture Plan@Chao Nan

Description

Collaborated with primary schools in Chaozhou and Nanzhou Townships to set up the "One School, One Acre School Farm" initiative, thereby internalizing love for hometowns and instilling related life values in children

Achievements

Established six popular natural science courses at each of the four partner elementary schools in Chaozhou and Nanzhou. A total of 27 classes and 385 students participated in this sub-project

Chao Academy

Description

An academy for both elementary school students and society in general. Scholars and experts from various fields were invited to enter the Greater Chao Nan Region and promote education and lead conceptual trends

Achievements

- Invited 88 students and teachers from the senior-grade classes of Nanzhou Elementary School to participate in the "2018 Taiwan Popular Science Round-Island Train" activity
- Helped 60 students and teachers experience popular science education. A total of 72 education professionals attended two sessions of self-leadership education courses

Blue Sky Classroom

Description

Collaborated with Cloud Gate at the two Chaozhou and Nanzhou Elementary Schools to lead children in developing their bodies and their minds

Achievements

Our school camps held a total of 90 classes that were attended by 88 students, while our 24 long-term courses were attended by a total of 380 people and our teacher training programs were attended by 28 teachers

Slow-Touring the Greater Chao Nan Region

Description

Integrated the natural resources and unique features of Chaozhou and Nanzhou for the development of an excellent and in-depth model for localized tourism

Achievements

Our four "Jiangsu excursion" activities were attended by 103 people, while the Nanzhou Junior High School Chaozhou excursion was attended by 40 people

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.

Exclusive Sponsorship of The Voice of IC

"To change the world, sometimes you only need a vision. But to change the current chaos in society, we need to enhance the humanistic qualities of all." In solidarity with the founding philosophy of "I Care, I Can, I Change" of the Hsinchu Science Park radio station, Voice of IC, MediaTek has exclusive, long-term sponsorships of its 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. We hope that through this sharing and educational discussion, more members of the public will be able to develop the ability to think independently, and subsequently increase their involvement in social welfare issues.

Hsinchu Children's Discovery Center

The Hsinchu Children's Discovery Center is a gift to all Taiwanese children and marks MediaTek’s 20th Anniversary, bringing together our aspirations to promote popular science education and reading.

We donated 50 million NTD to support the Hsinchu City Government in transforming the World Expo Taiwan Pavilion into the Hsinchu Children's Discovery Center. The City Government is currently planning the renovation of interior spaces, traffic flows, and is seeking to implement an integrative design that also takes the exterior grounds of the Discovery Center into account. Renovations are expected to commence in 2019 to give the Center a fresh look.

In future, the Hsinchu Children's Discovery Center will continue to focus on the promotion of popular science education, parent-children joint reading activities, and interactive experiences, in order to develop the unlimited potential of children.

About this report

Thank you for taking time to read the 2018 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, 2018 to December 31, 2018. Our previous CSR Report was published in July, 2018, 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	15,814,139,730 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				
GRI 102：General Disclosure 2016	**Organizational Profile**			
	102-1	Name of the organization	About this Report	119
	102-2	Activities, brands, products, and services	1 Global Presence	21
	102-3	Location of headquarters	About this Report	119
	102-4	Location of operation	1 Global Presence 1.2 Global Operations	21 27
	102-5	Ownership and legal form	About this Report	119
	102-6	Markets served	1 Global Presence	21
	102-7	Scale of the organization	1 Global Presence 3 Talent 4 Corporate Governance About this Report	21 43 72 119
	102-8	Information on employees and other workers	3 Talent 3.1 Talent Strategy	43 44
	102-9	Supply chain	5 Environmental Management 5.1 Supply Chain Management	83 84
	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	72 78
	102-12	External initiatives	2 Innovation 2.2 Innovation in Practice 5 Environmental Management 5.1 Supply Chain Management	33 35 83 84
	102-13	Membership of associations	2 Innovation 2.2 Innovation in Practice	33 35
	Strategy			
	102-14	Statement from senior decision-maker	Words from Our Chairman	1
	102-15	Key impacts, risks, and opportunities	4 Corporate Governance 4.5 Risk Management	72 78
	Ethics and Integrity			
	102-16	Values, principles, standards, and norms of behavior	4 Corporate Governance 4.3 Integrity and Legal Compliance	72 76
	Governance			
	102-18	Governance structure	4 Corporate Governance 4.1 Governance Structure	72 74
	102-20	Executive-level responsibility for economic, environmental, and social topics	4 Corporate Governance 4.1 Governance Structure	72 74
	102-32	Highest governance body's role in sustainability reporting	4 Corporate Governance 4.1 Governance Structure	72 74
	102-33	Communicating critical concerns	Sustainability Highlights	10

GRI Standards	Disclosure		Chapter	Page
GRI 102：General Disclosure 2016	**Stakeholder Engagement**			
	102-40	List of stakeholder groups	Stakeholder Engagement	12
	102-41	Collective bargaining agreements	No union and collective bargaining agreements, periodic communication with employees via labor meetings and other diverse communication channels	
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement	12
	102-43	Approach to stakeholder engagement	Stakeholder Engagement	12
	102-44	Key topics and concerns raised	Stakeholder Engagement	12
	Reporting Practice			
	102-45	Entities included in the consolidated financial statements	About this Report	119
	102-46	Defining report content and topic Boundaries	About this Report	119
	102-47	List of material topics	Stakeholder Engagement	12
	102-48	Restatements of information	No restatements of information	
	102-49	Changes in reporting	No significant changes in the list of material topics and boundaries	
	102-50	Reporting period	About this Report	119
	102-51	Date of most recent report	About this Report	119
	102-52	Reporting cycle	About this Report	119
	102-53	Contact point for questions regarding the report	About this Report	119
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report	119
	102-55	GRI content index	GRI Standards Index	
	102-56	External assurance	About this Report	119
Material Issues				
Economic Performance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	4 Corporate Governance 4.6 Financial Performance	72 80
	103-2	The management approach and its components	4 Corporate Governance 4.6 Financial Performance	72 80
	103-3	Evaluation of the management approach	4 Corporate Governance 4.6 Financial Performance	72 80
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	4 Corporate Governance 4.6 Financial Performance	72 80

GRI Standards	Disclosure		Chapter	Page
GRI 201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	4 Corporate Governance 4.5 Risk Management 5.2 Climate-Related Risk Management	72 78 91
	201-3	Defined benefit plan obligations and other retirement plans	3 Talent 3.4 Employee Experience	43 57
	201-4	Financial assistance received from government	2018 financial assistances received from government are investment subsidies and rental tax exemption, please refer to the annual report (pg. F-105) for more information	
Corporate Governance and Legal Compliance				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	4 Corporate Governance	72
	103-2	The management approach and its components	4 Corporate Governance	72
	103-3	Evaluation of the management approach	4 Corporate Governance	72
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	No significant fines or penalties were imposed for violating environmental laws or regulation in 2018 "significant amount is 1 million NTD "	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	No significant fines or penalties were imposed for violating socioeconomic laws or regulation in 2018 "significant amount is 1 million NTD "	
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	21 22
	103-2	The management approach and its components	1 Global Presence 1.1 Brand Vision	21 22
	103-3	Evaluation of the management approach	1 Global Presence 1.1 Brand Vision	21 22
Customer Relationship Management				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	1 Global Presence 1.3 Client Services	21 30
	103-2	The management approach and its components	1 Global Presence 1.3 Client Services	21 30
	103-3	Evaluation of the management approach	1 Global Presence 1.3 Client Services	21 30
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2 Innovation	33
	103-2	The management approach and its components	2 Innovation	33
	103-3	Evaluation of the management approach	2 Innovation	33

GRI Standards	Disclosure		Chapter	Page
Compensation and Benefits				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3 Talent 3.2 Best Employer	43 45
	103-2	The management approach and its components	3 Talent 3.2 Best Employer	43 45
	103-3	Evaluation of the management approach	3 Talent 3.2 Best Employer	43 45
GRI 401: Employment 2016	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3 Talent 3.4 Employee Experience	43 57
	401-3	Parental leave	3 Talent 3.4 Employee Experience	43 57
Establishing a Diverse and Inclusive Workplace				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	3 Talent 3.4 Employee Experience	43 57
	103-2	The management approach and its components	3 Talent 3.4 Employee Experience	43 57
	103-3	Evaluation of the management approach	33 Talent 3.4 Employee Experience	43 57
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3 Talent 3.1 Talent Strategy	43 57
	405-2	Ratio of basic salary and remuneration of women to men	3 Talent 3.4 Employee Experience	43 57
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	103-2	The management approach and its components	5 Environmental Management 5.1 Supply Chain Management	83 84
	103-3	Evaluation of the management approach	5 Environmental Management 5.1 Supply Chain Management	83 84
GRI 308: Supplier Environmental 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	
Environmental Policies				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	5 Environmental Management 5.3 Facility Management	83 93
	103-2	The management approach and its components	5 Environmental Management 5.3 Facility Management	83 93
	103-3	Evaluation of the management approach	5 Environmental Management 5.3 Facility Management	83 93

GRI Standards	Disclosure		Chapter	Page
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GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	6 Community Engagement	103
	103-2	The management approach and its components	6 Community Engagement	103
	103-3	Evaluation of the management approach	6 Community Engagement	103
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	21 27
GRI 204: Procurement Practice 2016	204-1	Proportion of spending on local suppliers	5 Environmental Management 5.1 Supply Chain Management	83 84
GRI 302: Energy 2016	302-1	Energy consumption within the organization	5 Environmental Management 5.3 Facility Management	83 93
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	5 Environmental Management 5.3 Facility Management	83 93
	303-4	Water discharge	5 Environmental Management 5.3 Facility Management	83 93
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	5 Environmental Management 5.3 Facility Management	83 93
	305-2	Energy indirect (Scope 2) GHG emissions	5 Environmental Management 5.3 Facility Management	83 93
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	5 Environmental Management 5.3 Facility Management	83 93
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	3 Talent 3.2 Best Employer	43 45
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3 Talent 3.3 Employee Development	43 52
	404-2	Programs for upgrading employee skills and transition assistance programs	3 Talent 3.3 Employee Development	43 52

INDEPENDENT ASSURANCE OPINION STATEMENT

MediaTek 2018 Corporate Social Responsibility Report

The British Standards Institution is independent to MediaTek (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 2018 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 2018 Corporate Social Responsibility Report provides a fair view of the MediaTek CSR programmes and performances during 2018. 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 2018 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 assurors 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 top level 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.
- 12 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 has sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been initiated 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

2019-06-26

bsi.

AA1000
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000-4

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