



GLOBAL REACH LOCAL PRESENCE

MEDIATEK

2017 Corporate Social
Responsibility Report



MediaTek Chairman **Tsai Ming-Kai**

🌿 Creating A Better World With Innovations 🌿

Words from Our Chairman

We celebrated the 20th anniversary of our Company in 2017 with the vision to "Connect the Next Billion" for the next 20 years. It is our ultimate goal to enable more people to connect to the world, create values and explore infinite possibilities with our innovative strength. Though challenges lie ahead, I believe we shall prevail and break new ground for future growth.

Throughout 2017, we worked diligently to prepare for the challenges ahead. We persisted in strengthening our global reach and continuing our investment to ensure sufficient talent pipeline. In addition, we enhanced our operational efficiency through organizational restructuring to increase our competitiveness. On top of these, we continued to reinforce our internal communication channels to ensure a smooth flow of information, allowing our employees worldwide to share the same vision, build up synergy and join hands to create a brighter future together.

On the Corporate Social Responsibility front, MediaTek is committed to the welfare of the billions of people globally with our principle of "global reach, local presence." As we approach the era of 5th-generation mobile networks (5G) and artificial intelligence (AI), we aspire to disseminate the power of technology to people, and with such power, they can break free from constraints imposed by digital divide and pursue their own welfare.

It is with this aspiration that we are particularly attentive to diverse local values and the power of innovation. We put our words into practice with concrete actions and encourage technological innovations in diverse fields. I believe our core competitiveness should also be beneficial to creating social value. In the course of promoting economic development and social prosperity, we also need to be friendly to our environment and attend to the needs of the society. Adding up, this will lead us to earn the trust from the public and will in turn contribute to the sustainable growth of our Company.

2018 is the 21st anniversary of our Company and it also marks the beginning of our next 20 years. We will continue holding true to our mission of bringing social innovations through technological innovations. It is with our innovative technologies that we are able to spark "Everyday Genius" in individuals from every corner of the world, empowering them to create unlimited possibilities.



Global Reach Local Presence 🌿

Management Philosophy: Talent, Innovation & Global Perspectives

MediaTek's vision is to provide the best IC products through continuous innovation to help people worldwide create a better future. Our philosophy is founded on three pillars, "talent, innovation, and global perspectives." Regarding talent, we aim to motivate employees to learn and challenge themselves, propelling the company with their potential. Through innovation, we strive to provide competitive products and services to our customers. With global perspectives, we plan and operate with the world in mind, aspiring to lead in our industry. On top of the above, our guiding principle is to provide the best products and services in a timely manner.

The spirit of innovation is creating economic value

There are three levels of innovation based on its scale and influence: incremental innovation, substantial innovation, and transformational innovation. Every company is striving for different levels of innovations. At its growing stage, MediaTek entered the market with its competitive CD-ROM chips, a quasi-substantial innovation. Subsequently, it expanded its product lines to the multifunctional DVD-ROM market, which was an incremental innovation. Nowadays, MediaTek has ventured into the field of telecommunication to pursue greater—even transformational—innovations. Innovation has been the lifeline in MediaTek's development, which is why we emphasize it in the mission statement and management philosophy.

Increase competitiveness by leveraging talents and global resources

We encounter increasingly greater challenges as we shift into the early stage of product development. Apart from our own conditions, environmental factors have become more and more important. Global perspectives and global resources thus play a major role in our management, as we can only increase our competitiveness by recruiting more talent and making the most out of global resources.

Capitalize on core business and pursue sustainable growth

The greatest challenge for any company lies in how to maintain continuous growth. To this end, the identification of its core competency is crucial. If the company decides to develop a new core business, the new business shall reinforce the existing one. Like tree rings, the new core business shall grow out from the center (i.e., the original core) layer by layer. This will allow the company to fully leverage its existing core businesses as it moves on to pursue sustainable growth.

MediaTek nurtures innovation by leveraging global talents and resources, creating economic and social opportunities for communities around the world.

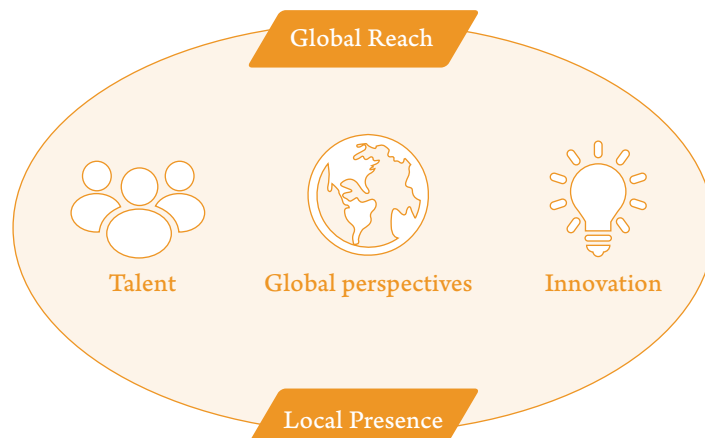
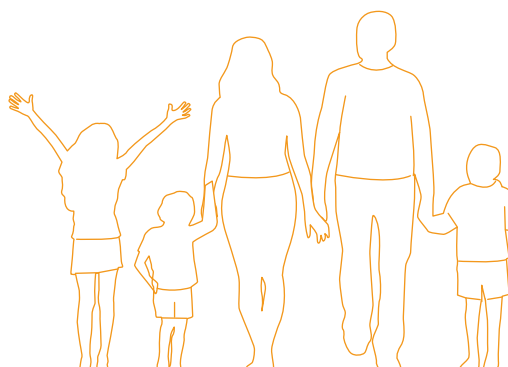


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▼ About this Report

Thank you for reading the 2017 Corporate Social Responsibility (CSR Report) of MediaTek Inc. (hereafter referred to as "MediaTek"). This report aims to comprehensively demonstrate MediaTek's efforts and results toward environmental, social, and governance (ESG) performances, and allow stakeholders to get a clearer picture of how MediaTek fulfill corporate social responsibility.

Reporting Scope and Guideline

The disclosure period of the Report is between January 1, 2017 to December 31, 2017. The previous Report was issued in July 2017. The Company publish the Report on our website on an annual basis, which serves a crucial mission in realizing the sustainable development of our business. The scope of information disclosure will be focused on our operations in Taiwan, part of the information will encompass MediaTek's overseas branches, and remarks will be made when information from other regions is used. The Report has adopted Global Reporting Initiative (GRI) G4, and is written in accordance with the Core option.

Report Management

Information relevant to the Report is provided by each responsible department of MediaTek. The information has been audited by the managers of each department for accuracy and completeness, then the CSR Team under the Corporate Social Responsibility (CSR) Committee will be in charge of compiling the information and writing the Report. Data on the financial reports is publicly disclosed information that has been certified by Ernst & Young. The unit of calculations is New Taiwan Dollar (NTD). The basis and units of calculations for environmental data comes from the government's public information, while socially-relevant data encompasses MediaTek Foundation. When special meaning is derived from the other quantitative data, remarks will be provided for explanations.

Third-Party Assurance

The Report has been verified by independent and credible third party verification company SGS Taiwan, in accordance with AA1000 AS (2008) Type 1 Medium-level assurance as well as GRI G4 Core option. Results have been adequately communicated with relevant governance departments after the assurance procedures have been completed. Please see the Declaration for Independent Assurance in the Report's Appendix for details.

Contact Information:

To maintain communication with stakeholders, MediaTek welcome stakeholders to contact us and provide us with your valuable recommendations. Contact information as below:

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E-mail: csr@mediatek.com

MediaTek's CSR Website



<https://www.mediatek.tw/about/corporate-social-responsibility>

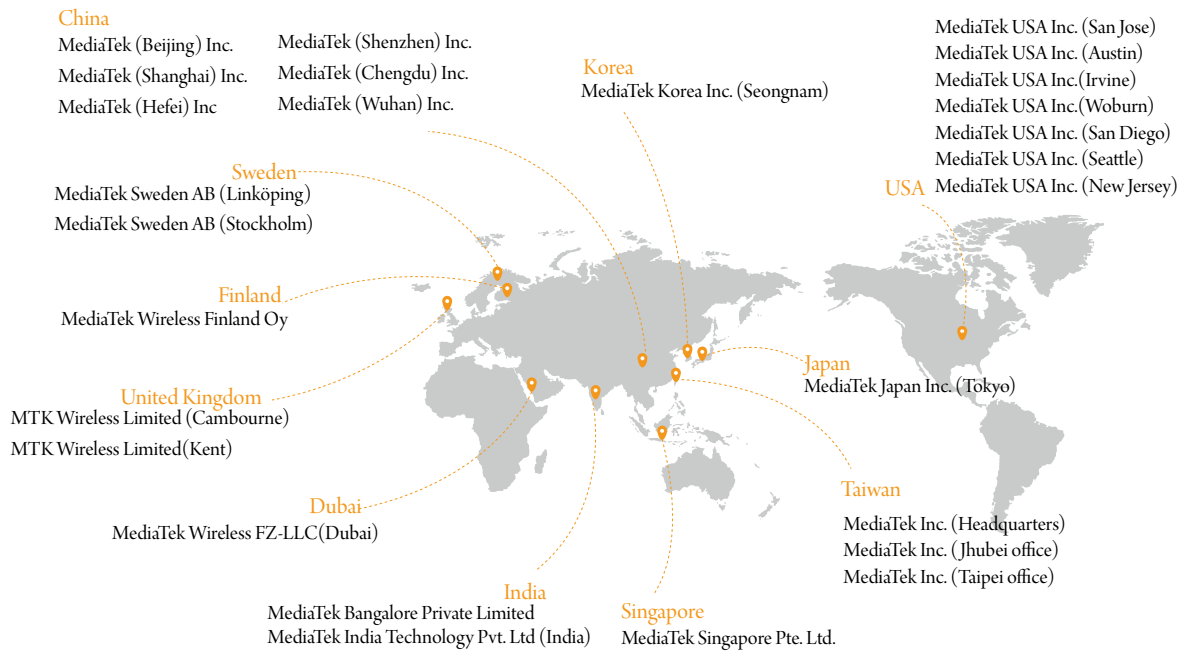
MediaTek Profile

Company Name	MediaTek Inc.
Date of Founded	May 28, 1997
Stock Information	Stock Code: 2454, on Taiwan Stock Exchange Corporation (TWSE)
Capital	NT\$15,814,139,730
Product & Services	Multimedia integrated circuit (IC), Computer peripheral IC, High-end consumer IC, Other special application IC



Global Locations

Our global headquarters is established in the Hsinchu Science Park in Taiwan, and we have set up either sales or R&D teams in Singapore, China, Hong Kong, India, the United States, Japan, Korea, the United Kingdom, Finland, Sweden, and Dubai. The Company has over 10,000 employees around the world, and we offer real-time and quality service for customers throughout the globe.



CSR Reports

2014



2015



2016



MediaTek Overview

Established in 1997

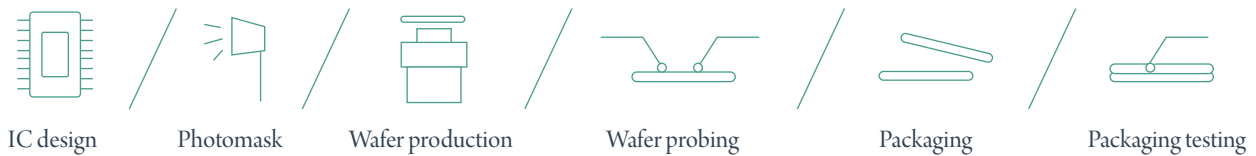
2017 marked MediaTek's 20th anniversary

Global operations spanning 14 countries, with 30 offices established worldwide

Everyday Genius: MediaTek is dedicated to making technology more accessible.

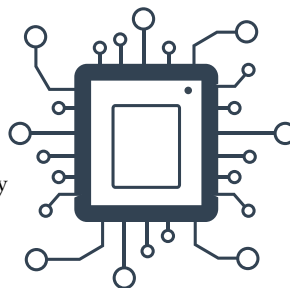
We believe technology can improve human life, connect us to the world,
and give us the potential to create endless possibilities.

Semiconductor Supply Chain



MediaTek= integrated circuit (IC) design company with no factory production

89.9% of employees are R&D and technical support



Downstream Manufacturer

MediaTek's orders are outsourced to production companies

Semiconductor Industry

The electronics and semiconductor industries are ever-evolving, and product life cycles are relatively short. In the midst of accelerated competition in the high-tech industry, MediaTek will continue to invest in R&D, actively planning and developing products to enhance organizational effectiveness, and pay close attention to market demands and trends. We aspire to make timely responses with more advanced R&D capabilities to increase our competitiveness and to expand our market shares.



Internet of Things (IoT)

- Smart health management
- Smart family
- Wearable products
- Positioning system (shared bicycles)



Automotive Market

- Automated Driving System,
- Telematics, In-Vehicle
- Infotainment (IVI) System

MediaTek provides innovative wafer system integration solutions in optical storage, digital home (including digital TV, DVD player, and Blu-Ray player), mobile telecom products, IoT wearable devices and automotive electronics products.

A Day with MediaTek

With the progress in the standard of living and rapid changes in technology, integrated circuits (ICs) designed by MediaTek is now intricately tied with almost everyone's lives. The presence of MediaTek's IC is seen from the indispensable TV and audiovisual products to voice assistance in each family and personal mobile devices, including smartphones and tablets. Though users may not recognize us, MediaTek has already established our presence in the daily lives of people across the globe. MediaTek produces and delivers approximately 1.5 billion chips each year and are used in over 50 types of consumer electronic products. Starting from 2016, we have actively expanded into the automotive market, expanding MediaTek's connection to humankind from individual and family use, to mobile transportation.



Home entertainment

- Digital TV/ Stereo DVD
- player/Digital TV player



Mobile Telecom

- Smartphone, Tablet

2017 Awards & Recognition

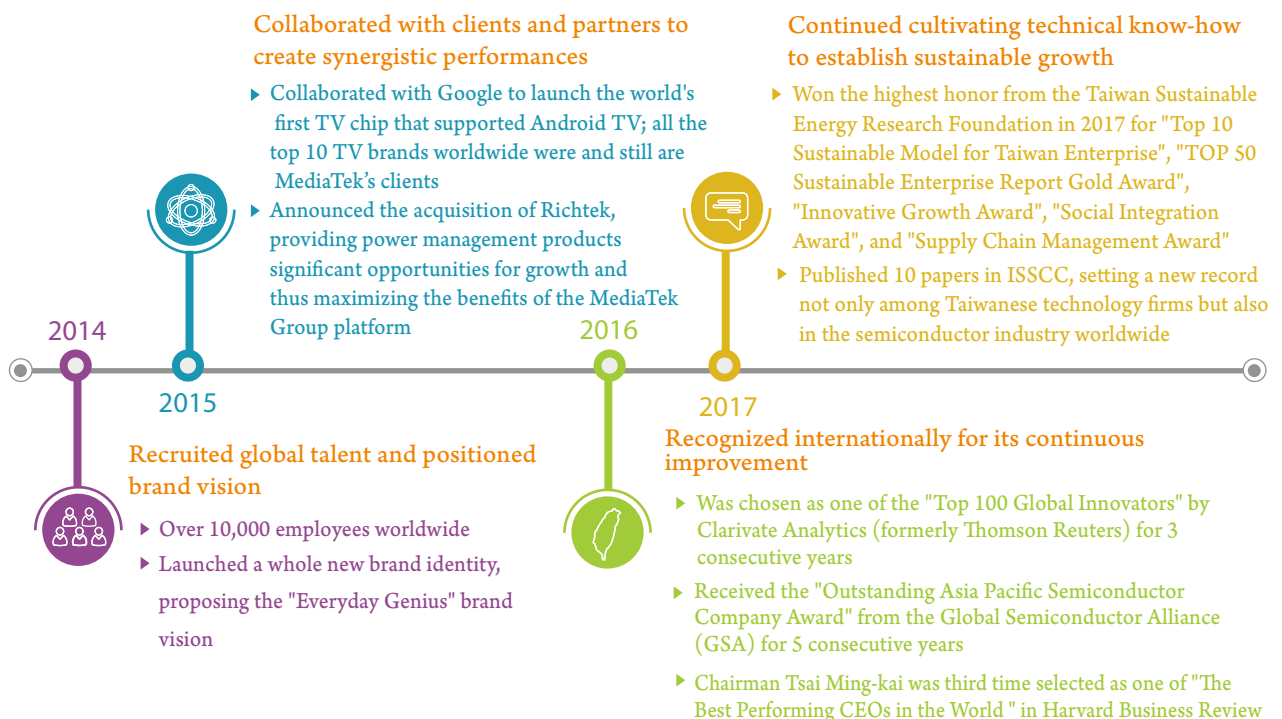
Global Brand

- ▶ 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 IR Program," and "Best Analyst Days."
- ▶ Honored in Forbes' "Top Multinational Performers" and "Growth Champions," and nominated as one of "Asia's Fab 50 Companies"
- ▶ Awarded "Foreign Direct Investment Company of the Year 2017" by the City of Oulu in Finland
- ▶ Was selected as one of Interbrand's top 20 "Best Global Taiwan Brands" for three consecutive years
- ▶ Selected as a constituent in the FTSE4Good TIP Taiwan ESG Index
- ▶ Received the "The Most Prestigious Sustainability Awards-Top 10 Domestic Corporations," which was the highest honor among the Taiwan Corporate Sustainability Awards (TCSA), from the Taiwan Institute for Sustainable Energy (TAISE). Among specific categories of TCSA, MediaTek received the "Top 50 Corporate Sustainability Report Award," "Growth through Innovation Award," "Social Inclusion Award," and "Supply Chain Management Award."

Innovation

- ▶ MediaTek's MT2503 won the "OFweek 2017 Innovative IoT Product Award"
- ▶ Works on the HEVC codec as a member of the Joint Collaborative Team on Video Coding (JCT-VC), whose work was awarded the 2017 Primetime Emmy Engineering Award
- ▶ Was the only Asian company among the top 100 companies that had applied for European patents for three consecutive years, ranking No. 81 in the world and No. 1 in Taiwan! (256 patent applications were filed in 2017, mostly in the field of telecom and multimedia technology.)
- ▶ Ranked one of the top 1000 companies in PwC's 2017 Global Innovation 1000 Study

Milestones



Goals and Performance in Sustainable Development

	Short-term Objectives	Mid-term & Long-term Objectives	2017 Performance
Global Market	<ul style="list-style-type: none"> Optimize smartphone products and increased market share Provide more products with high added value to customers throughout the world using groundbreaking technologies including 5G, artificial intelligence (AI), voice control, etc. 	<ul style="list-style-type: none"> Achieve a more diversified and balanced product revenue strategic layout of mature products, products in development, growth products, and mobile computing platforms Increased market share in growth products 	<ul style="list-style-type: none"> Enjoyed No. 1 market share in digital TV, DVD/Blu-Ray player, voice assistance devices, functional cell phones, and Android tablets; No. 2 in the smartphone market; No. 3 in the network connectivity market
Innovation	<ul style="list-style-type: none"> Reinforce core technology - 10nm and below process technology; 4G/LTE communication/modem technology; HEVC/H.265 compressing standard technology; AI accelerator technology, SoC multi-core technology, energy-saving and software platform technology Reinforce application technology - develop applications for smartphones and tablets; develop applications of artificial Intelligence (AI) and of the internet of things (IoT) Collaborate with universities - participate in various industry-university projects proposed by the government to foster interactions between the industry, universities, and research institutes on software and hardware technologies in IC design 	<ul style="list-style-type: none"> Develop 7nm and below process technology Extend innovation technology from smartphones to other product application Research and develop advanced technologies including IoT, 5G communications, AI, Industry 4.0, Internet of Vehicles (IoV), image compression standards, and software & Internet services; Participate proactively in international standard developing organizations, submitting proposals and participating in the decision-making process Develop AI on-device hardware and software, SoC energy-saving, and software platform optimization Collaborate with universities - exchange and discuss with the academia about pioneering technologies apart from IC design 	<ul style="list-style-type: none"> Budgeted NT\$57.2 billion for R&D Received more than 10,000 patents worldwide Ranked No. 4 by the Taiwan Intellectual Property Office (TIPO) among applicants for invention patents Ranked No. 1 by the European Patent Office (EPO) among Taiwanese applicants for three consecutive years (2015-2017) Rose up to the top 100 worldwide, and No. 3 among Taiwanese firms, for the number of granted patents received from the United States Patent and Trademark Office (USPTO). MT2503 was honored with the "OFweek 2017 Innovative IoT Product Award" Was selected as one of Interbrand's top 20 "Best Global Taiwan Brands" by Interbrand for three consecutive years Received the 2017 Primetime Emmy Engineering Award with the High Efficiency Video Coding (HEVC) applications as a member of the Joint Collaborative Team on Video Coding (JCT-VC) Was the only Taiwanese company whose papers were accepted for the International Solid-State Circuits Conference (ISSCC) for 14 consecutive years
Talent	<ul style="list-style-type: none"> Establish a recruitment policy and processing platform compliant with multi-national business practices Design and reinforce non-monetary incentives to ensure the overall competitiveness of compensations Establish an alert mechanism for physiological and psychological health conditions for employees Provide a work environment that is gender-friendly and friendly to physically and mentally challenged individuals Integrate global learning resources onto a global Learning Website Assist employees in building Individual Development Plan (IDP) to improve job functionality Improved performance and talent evaluation mechanism to strengthen talent development. Implement global communication mechanism to enhance the effectiveness of communications Plan and implement a cohesion program for worldwide employees and their spouses for the Company's 20th anniversary. Implement improvement measures based on employee feedback surveys 	<ul style="list-style-type: none"> Enhance the click-through rate of the MediaTek brand on global social recruitment platforms Establish a global talent pipeline on critical technology Coordinate resources for industry-university collaborations to establish and strengthen relations with major colleges throughout the world Establish medical assistance resources compliant with legal regulations. Proactively plan improvement measures for abnormal physiological and mental health indicators in employees. Be accredited a healthy workplace by the government/credible institutions Construe a cross-site best management practice sharing platform. Integrate innovation into a designing process of company activities and structure. Communicate planned topics, inspire and build staff cohesion through a diversified platform 	<ul style="list-style-type: none"> Reduced employee turnover ratio by 0.91% compared with 2016 Increased new employee recruitment ratio was increased by 6.53% in 2017 compared with 2016 Organized 19 campus recruitment events, where we recruited over 340 employees Mobilized 7,440 employees and their families and received an average satisfaction rating of 4.1/5 in health promotion activities

	Short-term Objectives	Mid-term & Long-term Objectives	2017 Sustainability Performance
Localized Executions	<ul style="list-style-type: none"> ▶ Enhance volunteer participation rate and influence to help employees achieve self-actualization ▶ Establish the AaPaTo Honor Society ▶ Partner with NTU, NTHU, and NCTU to establish innovation research centers ▶ Provide scholarship for ASEAN and Southern Asian students to study in Taiwan (focusing on India in the inaugural year) 	<ul style="list-style-type: none"> ▶ Confront social problems through technological innovation by using core R&D competencies ▶ Increase accessibility of science education by sponsoring relevant programs in and out of schools ▶ Promote academic knowledge exchange and technological development ▶ Follow social dynamics ▶ Extend the New Southbound scholarships to South Asian and ASEAN nations to bring overseas talent to Taiwan ▶ Collaborate with overseas subsidiaries on volunteering projects and other large-scale projects 	<ul style="list-style-type: none"> ▶ Social Innovation Applications: 1,100 makers ▶ Scientific education accessibility program: trained 431 lecturers and influenced 4,711 students and makers; spent approximately NT\$170 million on industry-school cooperation and social welfare expenses; provided scholarships to over 500 graduate and Ph.D. students ▶ Charity and Social Participation: NT\$26 million charity donations, benefiting over 30,000 individuals worldwide ▶ 20th Anniversary Global Charity Marathon: over 10,000 participants in 11 countries, ran over 40,000 miles collectively. Launched 9 charity projects, and directly/indirectly benefiting over 27,000 individuals. Miles translated into NT\$20 million of MediaTek donations to charities
Operation Management	<ul style="list-style-type: none"> ▶ Increase the energy effectiveness of IC products during consumption ▶ Enhance supplier management of hazardous materials and ensure that 100% of the products are free of conflict minerals ▶ Enhance energy efficiency and utilization of renewable energy ▶ Signing rate of supplier CSR statement: 100% ▶ Supplier Economic, Social, and Environment evaluation, and audit: 100% for major domestic suppliers ▶ Supplier EICC Self-Evaluation Questionnaire: 80% ▶ Supplier CDP rate: 80% 	<ul style="list-style-type: none"> ▶ Reduce environmental impacts of IC products during consumption and disposal ▶ Collaborate with suppliers to control carbon emissions of products, effectively reducing GHG emissions ▶ Respond to call for energy conservation and carbon reduction and conserve 4% power consumption throughout the corporate data center within three years ▶ Respond to the global proposition of sustainable development and relevant questionnaires ▶ Improve weaknesses in the supply chain ▶ Economic, Social, and Environment (ESG) evaluation and audit for the supply chain: 100% for major overseas suppliers ▶ Supplier EICC SAQ: 100% ▶ Supplier CDP response rate: 100%, rating above B and C 	<ul style="list-style-type: none"> ▶ Energy conservation rate in vendor production sites reached 10.6% in 2017, reducing electricity expenditure by NT\$24.72 million and 3,522 metric tons of CO₂ emissions. Carbon reduction effectiveness: 41% ▶ Chips sold in 2017 reduced carbon emissions of a total of 126 hectares of Taiwan mangrove forests during consumption due to enhanced energy efficiency (approximately the size of 4 Da'an Forest Parks) ▶ Carbon reduction effectiveness of the two high-density energy-saving data center reached 32 hectares of Taiwan mangrove forests (approximately the size of Da'an Park) ▶ 100% Maintain zero conflict mineral usage
Governance	<ul style="list-style-type: none"> ▶ Enhance information transparency in operations and strengthen the authority of the Board of Directors: Proactively participated in Evaluation of Corporate Governance to strengthen information disclosure and protect shareholders rights ▶ Hold true to integrity, honesty, and core values by establishing Corporate Code of Conduct, by abiding by management procedures and mechanism, and by incorporating such a mechanism into annual self-assessment of internal control to evaluate employee awareness of ethical conduct ▶ Strengthen the risk management mechanism: Identify critical operational risks and relevant contingency measures 	<ul style="list-style-type: none"> ▶ Protect stakeholder rights and strengthen the functionality of the Board of Directors and Audit Committee by enhancing the support for directors and the control of financial operations and by reinforcing information transparency ▶ Create a whistle-blower system platform, which discloses all types of incidents to against corruption, fraud, and crime. 	<ul style="list-style-type: none"> ▶ Won the title of the "Most Honored Company" among <i>Institutional Investor's</i> "The All-Asia Executive Team" rankings and was one of the top 3 companies for the "Best CEOs", "Best CFOs", "Best IR Professionals", "Best IR Program," and "Best Analyst Days" ▶ Selected as a constituent in the FTSE4Good TIP Taiwan ESG Index ▶ Honored in Forbes' "Top Multinational Performers" and "Growth Champions," and nominated as one of "Asia's Fab 50 Companies" ▶ 100% attendance rate for Board of Directors meetings ▶ Received the "The Most Prestigious Sustainability Awards-Top Ten Domestic Corporations," which was the highest honor among the Taiwan Corporate Sustainability Awards (TCSA), from the Taiwan Institute for Sustainable Energy (TAISE); received among specific categories of TCSA the "Top 50 Corporate Sustainability Report Award," "Growth through Innovation Award," "Social Inclusion Award," and "Supply Chain Management Award"

MediaTek's Sustainability Highlights

Connecting the next billion



2017 marked MediaTek's 20th anniversary. In the unbounded field of technology, huge technological advancement was witnessed in 20 years, bringing equally pioneering products from MediaTek. Our IC solutions can be applied to cell phones, TVs, set-top boxes, digital video disc players, routers, tablets, as well as smartbands, smart watches, and video game consoles. This implies that MediaTek has helped individuals to effectively connect to the world over the past 20 years so that people can effectively utilize their competencies and form connections to enjoy the beautiful things in their lives.

MediaTek's goal has always been to strive to build a more inclusive world. Our vision is to enhance and enrich everyone's life to connect to the next billion using pioneering technology. We believe that everyone has the potential to create "Everyday Genius" through MediaTek.

Sustainable Development Strategies

Our four major sustainable development strategies are founded on our management philosophy of "talent, innovation, and global perspective," and our six core values of integrity, customer focus, innovation, conviction inspired by deep thinking, inclusiveness, and constant renewal.

- ▶ **Global Perspectives** : Plan and operate with the world in mind, aspiring to lead in our industry.
- ▶ **Talent** : Motivate employees to learn and challenge themselves, propelling the company with their potential.
- ▶ **Innovation** : Innovate to provide competitive products and services to customers.
- ▶ **Local Presence** : Involve and care for the communities with our beliefs in global perspectives, talent, and innovation.

CSR Committee

The MediaTek "Corporate Sustainable Development Team" is chaired by Senior Vice President, CFO and company spokesman David ku, and the company's chairman & CEO Ming-Kai Tsai oversees its operation as the highest-ranking officer responsible. The Committee's most important guidance policy is sustainable development, and it leads each responsible department to plan and implement project proposals targeted at different perspectives. This includes tasks and missions such as establishing the primary target and direction of the Company's sustainable development in a given year, communications and negotiations between the Company's senior officers and each department, allocation of internal resources, control of project progress, and application for verifications, audits, and awards. The Committee hosts discussions and meetings periodically each year, in which the execution plan of the 6 development strategies for the given year are reported and the previous year's implementation results are reviewed, to realize continuous improvement and achieve the highest policy of sustainable business development. To continuously pursue sustainable business development and understand the overall economic, societal, environmental trends and movements in both domestic and overseas markets, in addition to arranging core personnel to undertake internal and external CSR educational training, the Chairman, Mr. Ming-Kai Tsai, and Independent Director ChungYu Wu have also studied "Strengthening the Blueprints of Corporate Governance, CSR and Comprehensive Information Disclosure" and "Practices of How a Business Could Perform CSR and Report-Writing Well," respectively, to continuously enhance MediaTek's sustainability.



▼ 20th Anniversary Celebrations Connecting Global Employees, Building High-Level Coherence

While celebrating our 20th anniversary, MediaTek has hosted various activities for our employees all over the world. Starting from the "We Say Hi" (global video campaign) video in early April, in which 277 well-wishing videos were collected all over the world, subsequently, we also decorated over 116 "Post-it Walls" through our global teams. Besides beautifying the walls of our Company, the results also demonstrated MediaTek employee's endless creativity. During May, in coordination with the yearly anniversary celebration, Chairman Tsai also shared with our employees his story of working diligently and creating a new future over the past 20 years through videos and promises to continue growing and to advance with our employees. On the date of our anniversary, a live global broadcast was also organized for the first time so that employees all over the world can join in the celebration together. In November, our annual Sports Day was expanded in scale, and a torch was passed within each of our global offices, bringing over 15,000 participants together from our headquarters, group offices, and families of our employees.

SUSTAINABLE DEVELOPMENT GOALS

Positive Work and Economic Growth



MediaTek provides an innovative and diversified working environment. Our global operations all provide diversification, technology upgrades, and innovations to realize the high standards of economic productivity.



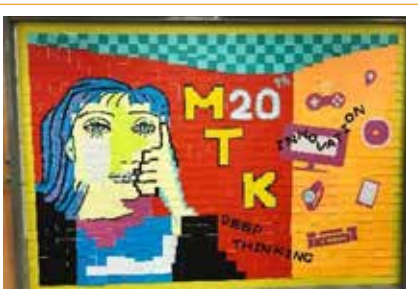
277 "We Say Hi" celebratory videos



Corporation Sports Day, initiating global torch relay and inviting global sites to join in the celebration



The global charity marathon accumulated over 40,000 miles, donating NT\$20 million to 9 charitable events all over the world



116 "Post-it Walls"



▼ Humanized Innovations Driving Social Advancement

MediaTek's technology is human-oriented and strives to enhance and enrich everyone's life. We hope to bring smarter, healthier, and higher-quality living to the society. MediaTek's IC allows billions of people throughout the world to create "Everyday Genius" through technological innovations. We no longer benefit just ourselves. Instead, MediaTek works as an initiator and empowerer that helps the public to promote social advancement.



Cloud-Based Smart Disease Prevention

IoT insect lamps have been installed at shops in five major shopping districts throughout Tainan, including Zhongzheng, Guohua Youai, NCKU, and Tainan Confucius Temple in 2017. The first step of smart disease prevention is to install the IoT insect lamps, which enhances the precision of disease prevention while largely reduces its associated costs. Together with controlling the disease and enhancing the accuracy in predictions, our ultimate goal was also to lower the threat that Dengue Fever posed to the public health. Through the practical experiences of industry collaborations and disease prevention, we also aim to foster young talent in public health and IT toward disease prevention.

MAKERTHON

In 2017, MakeNTU was focused on the topic of AI Makerthon - AInsight, and MediaTek's Business Award theme of "solving a real problem in a city through AI or IoT," attracted over 30 teams of challengers. From which we chose a smart garbage can that solves environmental issues and a navigation cap for visually-impaired persons. Makers are changing the world through their hands!



IoT Safeguards the Campus - Rixin Elementary School Campus

Surveillance System

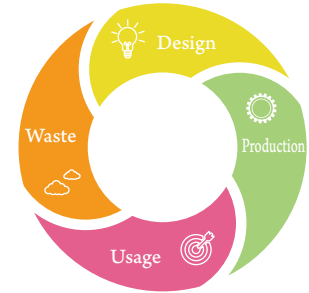
MediaTek assisted Rixi Elementary School to utilize MediaTek's LinkIt Smart 7688 platform to integrate video camera, laser detector, and cloud-based system to design a campus security system that is low-cost, highly mobile, easy to set up and to maintain.



Industrialization, Innovation, and Infrastructure

Appropriate technology can bring solutions to social problems. Founded on innovation, MediaTek actively promotes innovative technological applications and partners with the government and the academia to collectively solve social problems so that everyone can enjoy benefits from technology. At the same time, we also provide affordable access to the Internet.

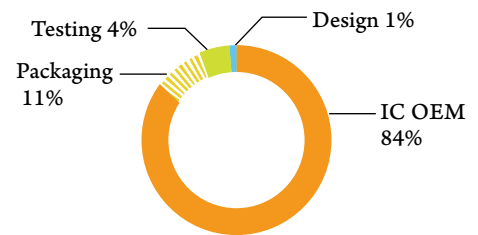
▼ MediaTek Engineers Promote IC Green Innovation



MediaTek's core products and technologies lie in IC design. Nowadays, IC applications are prevalent in the society, and in response to risks from climate change and global warming, we believe that during IC design phase, energy-saving structure and miniaturized designs in technology products can lead to significant impacts. IC counts for a relatively small part of an overall product, but it is the core that powers the product's operations. Influences from a well-designed IC can be perceived throughout the product's lifecycle. Founded on the logic of product life cycle, MediaTek evaluates the environmental impacts of a product from four stages, namely design, production, usage, and disposal. In recent years, we have continued to evaluate the carbon footprint of IC products have already built a fairly comprehensive IC carbon footprint database. This helps us to undertake risk evaluation of product production through life cycle stages from product design, IC OEM, packaging, to design. In 2017, carbon emission assessment during product use and during product disposal stages were also added in the hopes of continuing to enhance environmental design competency for IC and helping the Company to transition to a product form of low environmental impacts.

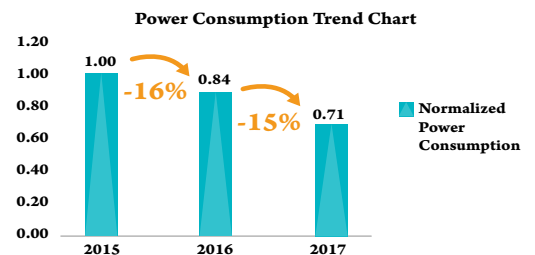
Design and Production Stages

Emissions during IC design and production stages are mostly from IC OEM and account for 80% of overall carbon emissions. MediaTek strives to exert its influence over the overall industry chain. Besides continuing to require suppliers to comply with various environmental policies from MediaTek, we also actively work with suppliers to research production methods that could lower carbon impact to reduce carbon emissions from OEM processes of advanced IC.



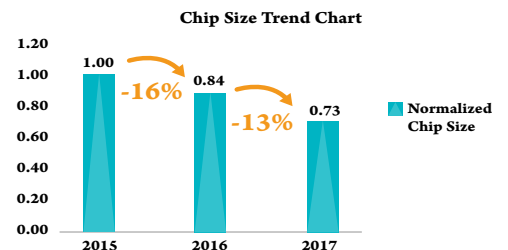
Usage Stage

Enhanced product energy efficiency: based on IC design in 2015, we have continued to reduce at least 15% of energy consumption ratio from 2016~2017. Based on the IC production volume in 2017, we have conserved 239 million kWh of power and reduced 126,431 tons of CO₂ emissions, which is relatively the carbon absorption volume from 126 tons of Taiwanese mangrove forest (or approximately 4 times the size of building area in Da'an Park).



Disposal Stage

Miniaturized IC design: continued to reduce IC size by 13% between 2016~2017. Based on 2017 IC production volume, we have reduced 19,415 kg of waste.



SUSTAINABLE DEVELOPMENT GOALS



Responsible Production and Consumer Model
Continue to enhance IC miniaturization design: MediaTek continued to reduce IC mass by 13% in 2017, which helps to reduce 19,415 kg of waste during IC product disposal stage.







Climate Change Policies
Enhanced energy efficiency during IC design stage: continued to reduce at least 15% of energy consumption ratio in 2017, which helps to save 239 million kWh of power during product usage and reduces 126,431 tons of CO₂e emissions.



▼ Stakeholder Engagement

Sustainable business operations require in-depth, long-term communications with stakeholders, and a company can only understand stakeholders' concern through well-rounded communication. In recent years, MediaTek has continued to build channels of communication and has focused on responding to topics of stakeholders' concern, adjusting the Company's strategies for sustainable operations. MediaTek aspires to work hand-in-hand with stakeholders toward infinite possibilities.

Stakeholders refer to individuals or entities with benefits, requirements, and interests in MediaTek. The CSR Committee identified 10 major stakeholders and distributed survey questionnaires to senior managers to assess the level of correlation and influence each stakeholder has with/on MediaTek. The survey employed the five principles of AA 1000 Stakeholder Engagement Standard (SES), namely, dependency, responsibility, influence, diverse perspectives, and tension. With which, we narrowed down to six major stakeholders: customers, government, employees, shareholders and investors, suppliers, and the public/media.

MediaTek's Material Issues

Stakeholders	Significance to MediaTek	Channel	Material Issues	Management Procedures
 Customers	<p>Customers are the best strategic partners of MediaTek. We hold true to our philosophy of being customer-driven and have developed various products and services to help customers succeed.</p>	<ul style="list-style-type: none"> ☰ Telephone and email (daily) ☰ MediaTek On-line platform (immediate) ☰ Customer grievance handling channel (immediate) 	<ul style="list-style-type: none"> ☐ Technical R&D and Culture of Innovation ☐ Market Image/Brand Value 	<ul style="list-style-type: none"> ☐ "Global perspective" chapter ☐ "Innovation" chapter ☐ "Global Customer" chapter
 Government	<p>The government is an important bridge that connects MediaTek to new markets and in stabilizing local relationships. At the same time, it is our fundamental business ethics to immediately respond to the legal regulations of each local government.</p>	<ul style="list-style-type: none"> ☰ Market Observation Post System (MOPS) (immediate) ☰ Legal Affairs Conference (occasionally) ☰ Public hearing (occasionally) ☰ Ministry of education from each county/city (occasionally) ☰ Ministry of Education, R.O.C. (occasionally) 	<ul style="list-style-type: none"> ☐ Compliance with local legal regulations ☐ Compliance with relevant products and services laws ☐ Promotional programs for popularization of scientific education ☐ Empowering Teachers for Maker Education ☐ Topics of concern from educational institutions 	<ul style="list-style-type: none"> ☐ "Corporate Governance" chapter ☐ "Technology Incubation" chapter
 Employee	<p>Employees are the most important assets of MediaTek. MediaTek has become a world-leading enterprise with pioneering technology through the innovation and hard work in terms of IC design from our global talents.</p>	<ul style="list-style-type: none"> ☰ Labor Conference (quarterly) ☰ Global communications meetings in each rank (monthly/quarterly) ☰ Employee satisfactory survey (every two years) ☰ Communications platform (immediate) ☰ Global Communication Platform (immediate) ☰ Employee grievance mailbox (immediate) ☰ Company feedback mailbox (immediate) 	<ul style="list-style-type: none"> ☐ Employee recognition and retention ☐ Career development and training 	<ul style="list-style-type: none"> ☐ "Talent" chapter
 Shareholders/ Investors	<p>Shareholders and investors are supporters of MediaTek. MediaTek is able to achieve even further sustainable growth through their capital investment and participation in corporate governance.</p>	<ul style="list-style-type: none"> ☰ Annual shareholder meeting (annually) ☰ Quarterly Investor Conference (quarterly) 	<ul style="list-style-type: none"> ☐ Sustainable Development Strategies ☐ Corporate governance and business performance 	<ul style="list-style-type: none"> ☐ "Global perspective" chapter ☐ "Corporate Governance" chapter ☐ "Innovation" chapter

Stakeholders	Significance to MediaTek	Channel	Material Issues	Management Procedures
 Suppliers	Suppliers are MediaTek's best partners in providing outstanding products and services. A mutually trusting relationship will allow MediaTek and suppliers to mutually lend a helping hand in challenging times, helping us to achieve sustainable growth with suppliers.	<ul style="list-style-type: none"> Supplier Conference (irregular) Supplier audit (irregular) Grievance mailbox (immediate) 	<ul style="list-style-type: none"> Suppliers' Sustainable Management Conflict Minerals Management 	<ul style="list-style-type: none"> "Responsible Supply Chain" chapter
 Public/ Media	The public is MediaTek's partner in realizing a sustainable future. We strive to understand those in need of assistance in the society and work with local communities, media, and NGOs to fulfill our responsibility as corporate citizens.	<ul style="list-style-type: none"> Social welfare event participation (irregular) Press conference (irregular) On-campus speech (irregular) Email inbox (irregular) Phone interview (irregular) Facebook (immediate) MediaTek Foundation Facebook Fan Page (immediate) 	<ul style="list-style-type: none"> Science education Social welfare events Volunteer participation Donations to welfare organizations 	<ul style="list-style-type: none"> "Local presence" chapter "Technology Incubation" chapter "Social Innovation" chapter "Talent Cultivation" chapter "Community and Social Participation" chapter

Materiality Analysis

MediaTek continues to improve our method of identifying key issues in terms of corporate social responsibility (CSR). Besides continuing to research about stakeholders, we took one step further in 2017 to explore the materiality of CSR topics in-depth, as well as to plan core CSR strategies. Please see the following four steps for the process of analysis:

Benchmark analysis

MediaTek undertakes industry key topic analysis on an annual basis to understand changes and trends in the industry's focus.

Identifying topics

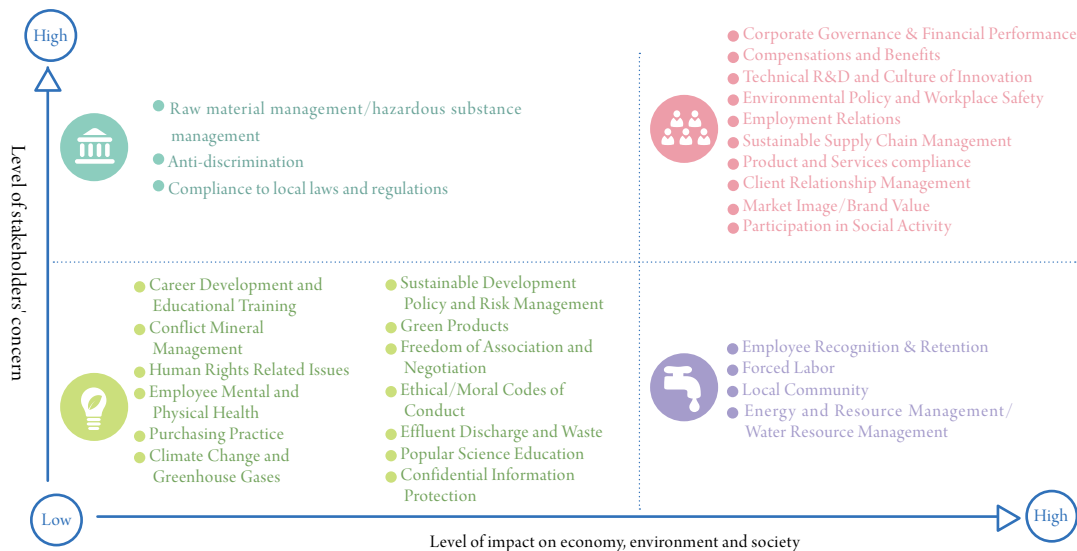
results of the benchmark analysis is combined with ESG topics of stakeholders' concern in recent years to establish 2017 CSR topics.

Ranking the material issues

we undertake both internal and external stakeholder research to understand the level of concern for MediaTek's ESG topics, and potential risks and opportunities during operations. We also actively understand the analysis results of past material topics to actively analyze stakeholders' opinions.

Results of the material issues

results of both internal and external stakeholder research will be announced and evaluated at CSR Committee. In-depth discussion and prioritization of the material topics will be undertaken, and core CSR strategies will be planned.



Material Aspects and Boundaries



Global reporting initiative (GRI) indicators and management objectives were used in data collection for the materiality analysis, and comprehensive explanation of MediaTek's sustainable actions and results toward material topics will also be provided. Based on the scope of information, we have established both internal and external scope to ensure the transparency and completeness of information disclosure. Additionally, though some of the topics are not of great concern, holding true to the philosophy of transparent and complete disclosure, MediaTek has undertaken performance disclosure based on the GRI standards.

▶ Material ▶ Material and information is comprehensively disclosed

Material Issues	GRI G4 Material aspects	Within the organization		Outside the organization		
		Taiwan HQ	Global subsidiaries	Customers	Suppliers	General public
Corporate Governance and Business Performance	Economic performance	▶	▶			
Compensations and Benefits	Employment Relations	▶	▶		▶	
	Training and education	▶	▶		▶	
Technical R&D and Culture of Innovation	Non-GRI indicators	▶	▶	▶	▶	
Environmental Policies and Occupational Health and Safety	Energy	▶	▶		▶	
	Water	▶	▶		▶	
	Emission	▶	▶		▶	
Labor Relations	Employment Relations	▶	▶			
Suppliers' Sustainable Management	Supplier environmental assessment	▶	▶		▶	
	Supplier assessment for labor practices	▶	▶		▶	
	Supplier human rights assessment	▶	▶		▶	
	Supplier assessment for impacts on society	▶	▶		▶	
Compliance with relevant products and services laws	Legal compliance	▶	▶		▶	
Customer Relations Management	Non-GRI indicators	▶	▶	▶		
Market Image/Brand Value	Non-GRI indicators	▶	▶	▶		▶
Social welfare events	Indirect economic impact	▶	▶			▶

Material Issue Management Approach

Items of Material Topics	Significance to MediaTek	Governance	Corresponding Chapter
<p>Corporate Governance and Business Performance</p>	<p>A sound governance structure is the core foundation for business operations and maintaining economic growth is the driver for operations. We strive to focus on both environmental and social benefits to create the greatest value.</p>	<ol style="list-style-type: none"> The Company has established a set of Articles of Association and an organizational structure based on relevant laws to corporate governance in Taiwan. The Board of Directors is established as the highest decision-making level of management, and the Board of Directors' meeting is regularly held in each year to discuss and decide on the Company's operational strategies and directions. Continue to innovate and develop to maintain the leadership position in each product line. The Company will actively develop more competitive products, and to enhance overall product competitiveness and profitability through new product development, optimizing product design and cost control and more. 	<p>Corporate Governance</p>
<p>Compensations and Benefits</p> 	<p>To attract and retain high-performing personnel, MediaTek provides competitive salaries and incentives, as well as thoughtful benefits to build employee cohesion.</p>	<ol style="list-style-type: none"> The Company adjusts base salary appropriately in each year based on relevant principles after evaluating overall salary standards in the market. An Employee Welfare Committee is formed by nominating committee members from each division pursuant to the "Organization Regulations on Employee Welfare Committee" decreed by the Ministry of Labor. We continue to provide comprehensive educational and training program and a challenging, innovative environment to realize employees' full potential. 	<p>Talent</p>
<p>Technical R&D and Culture of Innovation</p> 	<p>The key to MediaTek's leadership position in the global semiconductor industry is our continuous enhancement in the endless possibilities of technology and proposition of innovative solutions.</p>	<p>The Company has established a comprehensive patent application procedure to protect intellectual property. In each year, R&D Gold Medal and Special Contribution Award are given to encourage employees to apply patents for their innovative creations. This has shaped our internal atmosphere for innovation and strengthened our R&D competitiveness.</p>	<p>Innovation</p>
<p>Environmental Policies and Workplace Safety</p>	<p>We provide a safe and healthy work environment that allows employees to be fully committed to their work, realize their talents, and create value.</p>	<p>Our occupational health and safety policies are established pursuant to ISO 14001 and OHSAS 18001, and the Company regularly audits the occupational health and safety management system and announces such policies on internal websites and educates employees of all ranks.</p>	<p>Green Operation</p> 
<p>Labor Relations</p>	<p>MediaTek strives to build a work environment conducive to diversified learning and is challenging and fun, and one that is capable of attracting outstanding talents from all over the world. In a globalized work environment with increased work complexity, teamwork is needed for effective performance; moreover, a team needs to be inclusive of talents from different cultures and learn knowledge from different cultures and to seek for innovative solutions.</p>	<ol style="list-style-type: none"> Provide talent selection, incubation, and retention system in line with and more competitive than what is legally stipulated. Provide competitive compensations system and thoughtful benefits. Built a work environment conducive to diversified learning and is both challenging and fun. Diversified and smooth internal communication channels and complete handling procedures 	<p>Talent</p> 

Items of Material Topics	Significance to MediaTek	Governance	Corresponding Chapter
<p>Suppliers' Sustainable Management</p>	<p>In the overall value chain, as a technical design company, MediaTek is at the very front. On the other hand, suppliers are the keys to lowering our social and environmental impacts.</p>	<p>We undertake supplier screening using ESG criteria to confirm the suppliers' management systems. We also arrange educational training and award high-performing suppliers.</p>	<p>Responsible supply chain</p>
<p>Compliance with relevant products and services laws</p> 	<p>Every three cell phones in the world would have one with MediaTek Inside, showing our vast influence. Therefore, abiding by-product laws is our fundamental responsibility to globalization.</p>	<p>Our Legal Affairs and Intellectual Property-General Office is responsible for establishing relevant policies, and the Audit Division is in charge of supervising their implementations. We continue to focus on both domestic and international policies and legal regulations that could affect Company business and financial results.</p>	<p>Corporate Governance</p>
<p>Customer Relations Management</p>	<p>Helping customers to succeed and building a close-knit partnership is part of our management philosophy. Hence, customer relations management is a necessary management procedure.</p>	<p>We service our customers through the MediaTek Online platform, and we also communicate with customers through various platforms and channels.</p>	<p>Global Customers</p>
<p>Market Image/ Brand Value</p>	<p>MediaTek always sees 'Everyday Genius' as our brand mission. It is our ultimate mission to utilize innovative, technological solutions and integrative competency to influence the society.</p>	<p>Innovation is one of MediaTek's core values, and we aspire to undertake comprehensive innovations that encompass technical know-how, strategies, marketing, management, and processes, to take action and overcome critical problems when faced with challenges. This will help the Company to transform our ideas into actions and to create a new market image and brand value.</p>	<p>Global perspective</p> 
<p>Social welfare events</p> 	<p>MediaTek's mission is to enhance and enrich lives. One of the routes to achieve this objective is through technological breakthroughs and developments to create products that are beneficial toward the society and the environment. We also realize our mission of giving back to the community through long-term devotion to social welfare. Furthermore, "realizing our responsibilities as a corporate citizen" is also one of the principles of our eight primary management philosophies, and this is deeply rooted in the day-to-day activities of all of our employees.</p>	<p>On our path toward "science education" and "innovative technological applications," we continue to cultivate Taiwan through four action plans: "Social innovation," "technological incubation," "talent cultivation," and "welfare and social participation." As of 2017, we have cumulatively invested over NT\$1.5 billion toward education advocacy, industry development, and culture and humanities. It is our vision to grow and to prosper with the society.</p>	<p>Local Presence</p>

Global Perspectives

Plan and operate with the world in mind, aspiring to lead in our industry.



▼ Global Perspectives

Starting from Taiwan, we have expanded MediaTek's operations and products throughout the world. MediaTek has operations spanning 30 locations in 14 countries across the globe. While Taiwan remains the headquarters of our operations and R&D, we utilize global R&D resources in the United States, United Kingdom, Finland, Singapore, and India, and continue to expand to European and American markets while expanding to emerging markets including Southeast Asia, Africa, China, and India. We hope to provide everyone across the world the opportunity to obtain economic and social opportunities through technology, and to implement our brand vision through local presence!

- Founded in 2014, the operation has become the largest foreign-owned tech company in Oulu.
- Oulu was the birthplace of Nokia, and MediaTek seized the opportunity of access to talent in wireless communications while opening up chances for Oulu to begin strategic 5G layout. We have now become the top foreign company that local students wish to join and to participate in R&D for.



Oulu, Finland

- 7 locations
- Focused on R&D of pioneering technology and telecom products

San Jose, Austin, Irvine, Woburn, San Diego, Seattle and New Jersey, USA

Cambourne, UK

- On the outskirts of Cambridge
- Our UK office is a key laboratory in the future 5G technology. Engineers in Taiwan, Europe, or India can all use remote access to collaborate in the design of cell phone IC and network verification.



Taiwan

- Founded in 1997
- MediaTek continues to invest in Taiwan and focused on the pioneering research and development and technologies of AI/deep learning IoT, IoV, connectivity technology, AR/VR, and software and Internet services, as well as expanding our operations to the world.

Noida and Bangalore, India

- 2004 - Subsidiary established in Noida
- 2014 - Expanded and established new operations in Bangalore
- Main businesses include R&D of telecom technology, backend R&D of semiconductor, and embedded and mobile device customer service

Singapore

- Focused on the R&D of mature technologies



China

- 6 locations: Chengdu, Beijing, Shanghai, Hefei, Wuhan, and Shenzhen



Make it in India

Assist MediaTek's partners in the cell phone supply chain to cultivate business opportunities in India, a land of endless potentials, while increasing bi-lateral interactions between Taiwanese and Indian telecom industry to create more collaborative opportunities. The event has attracted nearly 100 mid-ranking managers and senior engineers from 35 Indian telecom companies in 2017. Since entering the Indian market in 2004, MediaTek has established an R&D Center in Bangalore, India. The Indian government has begun promoting the "Make it in India" campaign in 2014. In coordination with the Indian government's policy, MediaTek has pioneered the first multinational talent cultivation plan within the Taiwanese semiconductor industry in 2016, and the first batch of trainees had completed their training in 2017.

Providing everyone the opportunity brought by obtaining technology and realizing our brand vision.

While the one billion population throughout the world with high disposable income dominates the market, we are more focused on the emerging market comprised of more than six billion populations worldwide. MediaTek aspires to respond to the technological needs from emerging markets including Southeast Asia, Africa, China, and India, and promote the popularization of technology to bring more social and economic opportunities to people across the world. This is also a part of our corporate responsibility as well as our vision.

▼ Brand philosophy: "Everyday Genius" means to enhance and enrich lives through technical innovations, and to promote the popularization of technology through integrating digital resources.

MediaTek has always perceived "Everyday Genius" as our mission. To achieve this goal, we strive to provide easy and accessible technology to the public and to promote technology from a more user-friendly and practical perspectives, helping users in utilizing technology to solve or to improve problems in their daily lives, thus helping the whole society. We are in an era of technological advancement and global partnership, where everyone has infinite opportunities to connect to and influence the society through technology. By utilize pioneering technological solutions and integrative competency to popularize the latest technology and inspire everyone's potentials. This helps to satisfy all kinds of needs from everyone's lives, for work, for entertainment, and enables everyone across the world to form close ties and unleash great influence.

Inclusive - Creating Infinite Possibilities

Inclusiveness is an essential element of MediaTek's technological vision. Hence, we strive to make technology accessible to all people. The world is changing, and technology has given us power and brought a fair competitive environment. We believe that access to the internet is no longer a privilege, but rather a human right. Those who stand out is not because of acquire technology. Instead, they should have used the success gained by means of technology to create astounding feats with infinite possibilities.



Honored as a Top 20 Global Brands in Taiwan for three consecutive years.



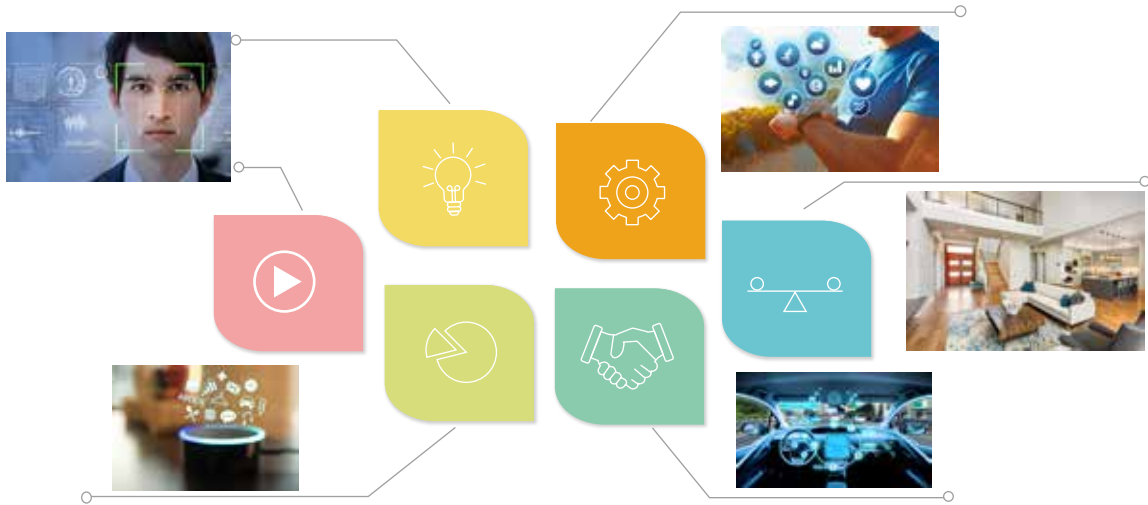
Received the honor of "Leader in Global IC Design" with a brand net worth of US\$384 million from "2017 Branding Taiwan," a survey carried out by globally renowned brand value research agency Interbrand and organized by Taiwan Institute of Economic Research (TIER).
http://interbrand.com/wp-content/uploads/2017/11/BTB-2017-KV_Nov16_O.pdf



Focused on both internal and external operations, and sees internal communication as a priority. MediaTek allows each employee to understand the importance of realizing our brand mission and to realize their potential in developing products that help to either make technology more accessible or more user-friendly, as well as to create more effective solutions. Externally, we have proactively expanded our market and merged product lines, seizing opportunities in smart homes, developing Internet-enabled home networking products, and demonstrating high brand competitiveness in the competitive smart gear market.



MediaTek is aware that brand management is not like guerilla warfare, but rather, a continuous battle that requires persistence and endurance. Our brand management will facilitate more focused communication between our brand and the target audience through various digital channels, including social media.



2017 Brand activities carried out across the world

CEATEC Japan



Launched commercial application of NB-IoT

Participated in the largest consumer electronics exhibition, CEATEC Japan, for the first time in 2017. MediaTek announced to conduct interoperability test for NB-IoT with Softbank in Q1 2018. The IC to be tested would be our first NB-IoT (narrow-band Internet of Things) SoC serial number MT2625, and the said NB-IoT SoC was also displayed at the venue, helping us to prepare for developing commercial use of various NB-IoT in Japan.



Consumer Electronic Show (CES) USA



MediaTek announced at the 2017 Consumer Electronics Show (CES) that our Adaptive Network technology was adopted by British Telecom's (BT) Whole Home Wi-Fi solution. MediaTek will provide stable wireless network service that is easy to install and has no blind spots for family users. MediaTek and BT both play important roles in the growth opportunities in the wireless connectivity market in the future. Moreover, we introduced the MT2533D IC to refresh the audio experience of smart headphones and car speakerphones.



Mobile World Congress(MWC) Barcelona



MediaTek continued to participate in the 2017 Mobile World Congress (MWC) in Barcelona, Spain. Besides displaying cell phone functions such as CorePilot 4.0, dual camera, and higher energy efficiency performance in the brand-new Helio X30, MediaTek also displayed our R&D results in 5G technology: 1) 28Ghz 5G mmWave Hierarchical Beam Forming, 2) 5G Smart Link. In addition, we announced our plan to collaborate with Nokia in developing the next generation of 5G mobile telecom system to build a "5G-ready" ecosystem for telecom providers and end users through integrating MediaTek's broad IoT device customer base and Nokia's expertise in web technology. Participation in exhibitions and various marketing communication messages and channels have garnered MediaTek exposure in 3,142 media reports worldwide this year. Moreover, MediaTek.com has also earned over 20,000 visits as well as over 4,000 social media fans.



India Mobile Congress (IMC)



In 2017, MediaTek also participated in India Mobile Congress (IMC) in Delhi for the first time with Qualcomm, Spreadtrum, and major Indian operators. We showcased our latest technology: Dual 4G VoLTE (dual-card dual VoLTE/ViLTE) and many functions that were exclusively enjoyed in high-end cell phones such as dual camera, eMBMS, and HPUE, have all been included in the mid-to-high-range Helio P23, and even the lower-range MT6739 that were announced in India during this exhibition. Besides receiving attention from local media, we have also cultivated potential business opportunities from the local market.



MediaTek sponsored Taipei 2017 Universiade

MediaTek collaborated with Acer and EasyCard to develop smart sports watches with EasyCard function for Universiade athletes through MediaTek's wearable IC platform and biometric detection IC specifically designed for sports and fitness gear. The three companies donated 13,000 smart sports watches that came with EasyCard functions and can detect real-time heart rate, monitor individual health conditions, and record sports and calories consumption. The watches were provided for athletes and their teams from around the world for an authentic Taiwanese experience that encompassed both convenient lifestyle and sporting records, demonstrating Taiwan's technological design competency in both software and hardware, as well as service integration.



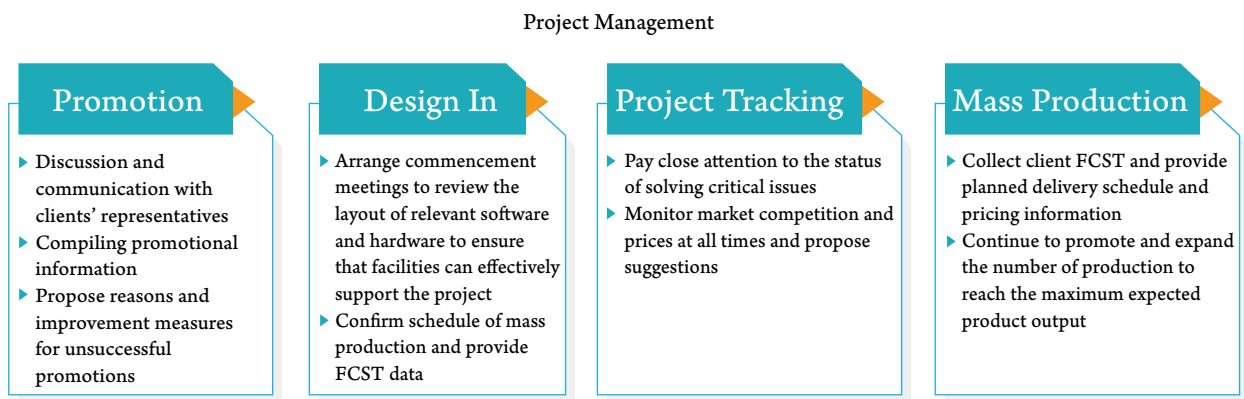
Increasing Taiwan's visibility in the world by helping the Universiade!

▼ Global Customers: Customers are renowned global brands

MediaTek's products are used everywhere. In addition to positive product quality, we also believe that maintaining positive channels of communication with customers and truly understanding customers' needs are keys to successful customer service management. Therefore, we listen to customers' opinions and are customer-driven to help them solve problems. We accelerate customer's new product R&D, assist them to succeed, and become their best technical support, creating a synergistic partnership.

Customer Project Management

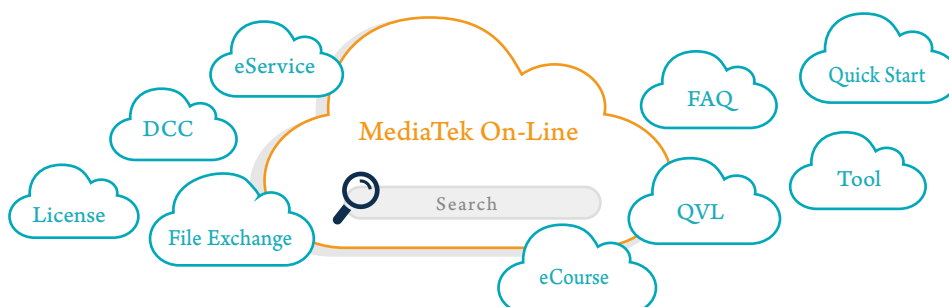
To best serve our customers, we initiate a project management procedure starting from the first time a customer comes into contact with us. MediaTek has established various platform mechanisms that provide customer service, and all suggestions, strategic considerations, and questions raised by customers are coordinated by the platform. Additionally, we communicate with relevant departments and routinely update promotional events and maintain the information on the platform. Each staff in charge of a relevant project will compile customer status according to the implementing status on the platform, as well as record and compile data on the customer's actual implementations and challenges so that timely strategic advice can be provided when needed. This will help customers to perceive our rigorous and thoughtful attitude toward products and services.



▶ MediaTek On-Line comprehensive customer service platform

"Making it easier for customers to do business with us" is the objective behind building the MediaTek Online. Various systemized functions are available on the platform, including software authorization, document management system, file transferral system, online courses, FAQ, a list of recommended vendors, software download, and online Q&A. These functions will help MediaTek to accurately understand customer needs, thus providing product functions that meet customer expectations and accelerate the customer's product development process, shortening the product commercialization process.

When a customer has problems or suggestions regarding a product or service, they can consult with MediaTek through eService online Q&A function. Designated personnel are responsible for handling questions submitted by customers on the platform at MediaTek, and the questions will be dispatched to responsible divisions based on the nature of the question so that customers could receive assistance from professional personnel in dealing with all sorts of problems they may encounter during product development.



Quality Management System

The Company's abilities in quality management and supplying high-quality products have always been factors valued by our customers. Thus, MediaTek has established a comprehensive quality management system and undertakes continuous improvement measure to enhance customer confidence and quality satisfaction. We devised a Quality Handbook according to the ISO 9001:2015 standard to ensure that the quality management system meets international standards. We have also defined quality assurance policies based on market, customer, and internal management needs. We conduct annual internal and external audit plans, implement management supervision, and report to the Company's highest management level to ensure the suitability and effectiveness of the existing quality management system. Version transfer/update has been completed in July 2016. Furthermore, for strategic planning of product allocation, a functional safety policy was added to quality management to best avoid the risk of feature safety component failures due to systematic/random/common reasons. A "Functional Safety Manager" was appointed to be responsible for feature safety related management procedures.

MediaTek's Autus presents comprehensive automotive solutions including telematics system, automotive infotainment systems, millimeter wave radar solutions, and vision-advanced driver assistance systems. Our highly-integrated platform will provide vehicles with automated driving and environment-sensory functions. The Autus system has passed rigorous certification and is in compliance with international standards. Our professional telematics team has also ensured that our system meets quality requirements and the trust of our customers and partners. Jointly-developed Automotive SPICE (automotive-oriented process evaluation model) with TUV-NORD in 2017 to enhance integrated software and hardware quality, maturity, and traceability. Pre-assessment is expected to be completed by 2018.

Responsible Supply Chain

Comprehensive Supplier Assessment System to Promote Sustainable Supply Chain

As an IC design company and a technical leader in the global semiconductor industry rather than a manufacturer, MediaTek is at the forefront technical design position in the overall value chain. The back-end raw material procurement, OEM, packaging, and testing procedures are all undertaken by our suppliers, forming a partnership with professional divisions of labor and mutual collaborations. Nevertheless, risk evaluations and carbon footprint verifications have indicated that key impacts to the society and the environment have come from the supplier end. How to best collaborate with suppliers to lower potential risks on the society and the environment have also become a priority for MediaTek.

We commenced the social responsibility audit in 2016. In addition to requiring suppliers to sign a CSR guarantee statement, MediaTek also manages the effectiveness of supplier's sustainability actions through the EICC - ON online management system. Moreover, MediaTek has also organized Responsible Business Alliance (RBA, formerly known as EICC) educational courses for all suppliers to help them understand relevant standards and compliance methods. We hope to exert our influence at industry leader and work with our suppliers toward a sustainable business model.

 Vision	Establish a mutually trusting and stable partnership with suppliers to achieve collective growth and sustainable business model.
 Policy	Supplier Code of Conduct, Green Product Environmental Policies
 Management	Undertake supplier screening through environmental, social and governance (ESG) aspects to ensure the management system and organizational structure of suppliers. Undertake onsite/written audit of suppliers on an annual or monthly basis and arrange for relevant education training or corrective meetings. Award high-performing suppliers through Supplier Conference.

Short-term goals

Anticipated to reach over 80% signage ratio of Declaration on Code of Conduct by 2020, and suppliers that do not comply with relevant regulations will be coached.

Mid-term goals

Enhance testing form and memory wafer forms to "low risk" in supplier risk assessment and control.

Long-term goals

To mutually develop with suppliers and continuously improve our supply chain, MediaTek will undertake onsite audits to understand the implementation status of suppliers. Improvement will be required of suppliers that do not comply with relevant standards. Onsite audit for at least 80% of suppliers is expected to be carried out by 2025.

Supplier Sustainability Management

To construe a stable long-term partnership with our suppliers, MediaTek's vision has been set on sustainable development and integrates standards and initiatives from economic, social, and environmental aspects into MediaTek's sustainable management strategies for the supply chain. This will help the Company to anticipate and control likely risks while unearthing potential market opportunities.



2017
Performance

- ▶ In 2017, we had seen remarkable results from packaging firms in the social aspect. 100% of whom have been equipped with management systems that encompass ESG aspects. 80% of wafer producers have reached 'Social Responsibility Management,' while 100% of packaging firms have received EICC/SA 8000 standards.
- ▶ In-House EICC Online Training Course
- ▶ Maintain 100% rate of not using conflict minerals

2017 MediaTek Supplier Conference

MediaTek hosted the annual Outsourced Semiconductor Assembly and Test (OSAT) Award Ceremony to award and encourage outstanding actions from suppliers. Over 100 supplier representatives participated in the ceremony. In 2017, we selected one best packaging firm, one testing firm, and one shipping firm. We also gave a Technical Development Award and Outstanding Operation Award to high-performing suppliers. We mainly inspected supplier quality, product planning, and engineering techniques during the selection process. To encourage suppliers to be focused on sustainable development, we have incorporated environmental and social assessment criteria in the supplier evaluation in 2017, and suppliers with the most emphasis on sustainable development are awarded.









From an economic perspective, besides the basic factors of meeting deadlines, production capacity, service, and quality, we also require that suppliers remain in compliance with IATF16949 Automotive Quality Management for the automobile industry in coordination with MediaTek's strategic planning for the IoT market. This is required in order to ensure that these suppliers can jointly develop chips for the Internet of Vehicle (IoV) market. From an environmental perspective, we require suppliers to introduce the ISO 14001 Environmental Management System. We also strive to ensure that suppliers do not use hazardous substances. We assess suppliers using Sony Green-Partner and QC080000 standards to comply with the product safety requirements from international customers. For the social aspect, we ensure that suppliers fulfill their social responsibility, comply with international labor rights, a healthy and safe work environment according to the Responsible Business Alliance (RBA) Code of Conduct, SA8000, and OHSAS 18001 standards.

Three Aspects and Standards in Supplier Sustainability Management

 Economic	 Environmental	 Social
<p>Strive to enhance product quality and collaborate with suppliers to seek for the highest quality standards in the industry, while continuing to improve and to develop groundbreaking technologies.</p>	<p>Introduce environmentally-friendly green design starting from the commencement of the product lifecycle and require suppliers to collaborate in realizing green innovatio</p>	<p>Fulfill social responsibility of an industry leader, requiring suppliers to protect employees' rights and to provide a suitable work environment.</p>
<ul style="list-style-type: none"> ▶ Delivery, capacity, service, engineering yield ratio, new product introduction ▶ ISO 9001 Quality Management System ▶ TS16949 Automotive Quality Management System 	<ul style="list-style-type: none"> ▶ ISO 14001 Environmental Management System ▶ QC 080000 HSPM Hazardous Substance Process Management ▶ Sony Green-Partner 	<ul style="list-style-type: none"> ▶ Supplier Code of Conduct ▶ EICC Electronic Industry Code of Conduct SA8000 Social Accountability International Standard ▶ No conflict mineral ▶ OHSAS 18001 Occupational Health and Safety Assurance Systems

MediaTek performs supplier risk assessment from economic, environmental and societal perspectives in order to investigate each supplier's standards under these perspectives and identify potential risks. Step 1: Suppliers undertake self-assessments to ensure their levels of compliance for each indicator and provide supporting materials. Step 2: Mediatek performs assessments and on-site audits to confirm the data against the self-assessment and supplemental information from suppliers and ensure the completeness and accuracy of the data.

Supply Chain Management Procedures

	Evaluation of New Suppliers	<p>Evaluation items include suppliers' financial, pricing, quality, environmental protection, delivery schedule, labor, and human rights, and helps to ensure that new suppliers can comply with MediaTek's sustainable management standards on economic, environmental, and social criteria.</p>
	Supplier Sustainability Management	<p>Designated units and personnel have been established based on supplier's management procedures, and management procedures and methods are set up in terms of economic, environmental and social aspects based on updates in legal regulations and MediaTek's new requirements.</p>
	Monthly Evaluation/ Annual Audit	<p>We monitor suppliers' levels of implementations through monthly assessment and audit to decrease chances of risks from occurring.</p>
	Educational Training Courses	<p>We facilitate suppliers to efficiently understand and absorb policies or proposals that MediaTek has established by sharing internal educational resources. Suppliers can effectively learn professional knowledge and skill-sets without any geographical constraints through our e-learning online courses.</p>
	Benchmark Studies	<p>We also regularly propose research topics to suppliers in each month. Suitable learning objectives are set up for different types of suppliers, and suppliers' quality and professional competencies are enhanced through rigorous benchmark learning. In addition, we also collectively learn and grow with our suppliers.</p>
	Supplier's Conference	<p>Suppliers Conference is organized on an annual basis to express our appreciation for the hard work and devotion from our suppliers and to inspire all partners throughout our supply chain to achieve mutual growth through the awards ceremony.</p>

Supplier Sustainability Risk Assessment

MediaTek undertakes a comprehensive assessment of supplier-related risks through economic, environmental, and social aspects. In terms of the economic aspect, our emphasis is on quality management. 100% of all suppliers have achieved the ISO 9001 certification, and 90% have achieved IATF16949. As this ratio has also increased to 43% for the memory wafer producers, we can infer that suppliers have also come to require more comprehensive quality management and regulations. In terms of the environment, all suppliers have received ISO14001 certification, and we continue to improve our performance in hazardous substance management. Wafer producers have increased by 20% compared to the previous year, and in the future, we will also continue to require suppliers to implement hazardous substance management in each facility.

In terms of the social aspect, our current performance falls between moderate to high-risk levels, and suppliers have shown significant room for improvement in terms of management for social risk in 2017. In particular, packaging firms have shown significant improvement in the effectiveness of social risk management, as they have shown a 25% improvement in the "OHSAS18001" category. 80% of wafer producers have achieved the "Social Responsibility Management" category, while 100% of packaging firms have achieved EICC/SA 8000 standards. Meanwhile, testing and memory wafer manufacturers are classified as a high-risk group in the "Social Responsibility Management" category, and we will actively encourage suppliers to enhance the effectiveness of their social responsibility management through disclosing their self-assessment questionnaire on the EICC-ON platform. In the future, we will also continue to monitor the level of compliance of suppliers and aspire to assist all suppliers in maintaining their environmental risk level in the "low levels" classification within 2 to 3 years.

Dimensions	Economic Impact		Environmental Impact		Social Impact	
	ISO 9001 Quality Management System	IATF16949 Automotive Quality Management	ISO 14001 Environmental Management System	Sony Green-Partner / QC 080000HSPM	OHSAS 18001 Occupational Safety and Health Management	EICC / SA 8000 Social Responsibility Management
Wafer producers	100%	80%	100%	80% ^{+20%}	100%	80% ^{+20%}
Packaging firms	100%	100%	100%	100%	100% ^{+25%}	100% ^{+10%}
Testing firms	100%	80%	100%	80%	60%	60% ^{+40%}
Memory wafer producers	100%	57% ^{+43%}	100%	43%	29% ^{-10%}	14%
Total ratio	100%	79%	100%	76%	72%	64%

Levels of Risk : ▼ Low($X \geq 60\%$) ▼ Moderate($60 > X \geq 30\%$) ▼ High($X < 30\%$) ※The aforementioned numbers represent increases/decreases from the previous year.

Supplier Sustainability Assessment



Quality Assessment

MediaTek's objective for quality management is to achieve the highest level of standards in the industry. Besides requiring relevant quality certifications and management systems, 12 categories have been set up in MediaTek's evaluation table, which includes management responsibility, input, production processing, warehousing, unqualified item control, correction and prevention, statistical technology, quantified surveillance, education and training, document management, contract control, and design control, with 242 quality indicators included in the table.

Four evaluation standards in the assessment: Excellent (score ≥ 85); Good ($70 \leq \text{score} < 85$); Reassessment Required ($60 \leq \text{score} < 70$); and Disqualified (score < 60). Suppliers need to achieve 'Good' or above to pass the assessment, while 'Reassessment Required' will call for improvement within a certain timeframe, and then the supplier will be reassessed for improvement measures. 'Disqualified' will mean cancelation of orders and transaction with the supplier will cease.



Green Assessment

To ensure that our suppliers are in compliance with the regulations from "Green Product Environmental Policy," we undertake a green assessment to suppliers on an annual basis. This assessment can be categorized into management responsibility, contractor management, production process management, and customer support. There are a total of 51 assessment indicators. Moreover, conflict mineral consumption assessment is also included, in which suppliers are required to sign MediaTek's non-conflict mineral consumption guarantee, and to provide relevant data as supporting evidence.



CSR Assessment

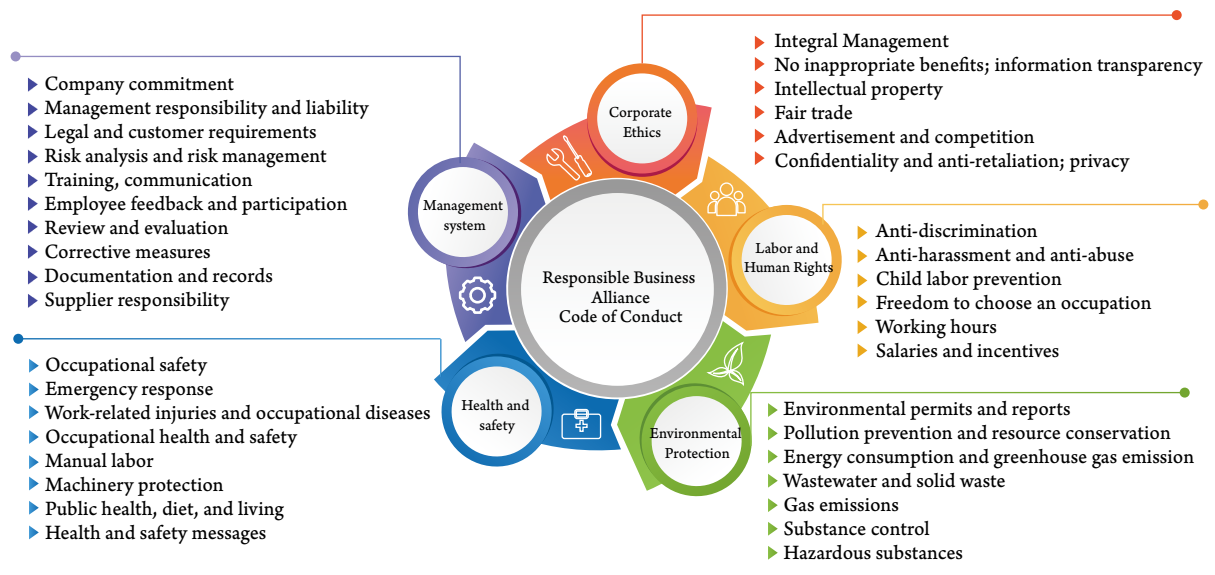
MediaTek's Supplier Code of Conduct that was formulated in reference to EICC evaluates CSR actions in suppliers through assessing the five perspectives of labor and human rights, health and safety, environmental protection, corporate ethics, and management systems. Concurrently, through confirming Self-Assessment Questionnaires (SAQ) from suppliers on the EICC-ON platform and the Validated Audit Process (VAP), we can perform an in-depth analysis of suppliers' CSR practices.

Confirm whether suppliers can become members of the EICC or join EICC-ON to complete the SAQ or whether the VAP should be performed.

Supply Chain Social Responsibility Code of Conduct

MediaTek has officially incorporated principles and initiatives including the EICC Electronics Industry Code of Conduct (presently named "Code of Conduct of Responsible Business Alliance" or "CoC of RBA"), International Labor Office Tripartite Declaration of Principles, and UN Universal Declaration of Human Rights into MediaTek's Supply Chain Code of Conduct in 2015.

In striving to become outstanding businesses in the global electronics industry supply chain, we require all suppliers to abide by the CoC of RBA, while MediaTek continues to protect the rights and benefits of all personnel and the public. To continue our alignment with the social responsibility standards valued by the global community, the Supplier Code of Conduct from MediaTek encompasses five major aspects: labor and human rights, health and safety, environmental protection, business ethics, and management system, and contains 39 corresponding indicators.



The following international standards and declarations were used as a reference in 2015 and relevant standards have been incorporated into the Code of Conduct.

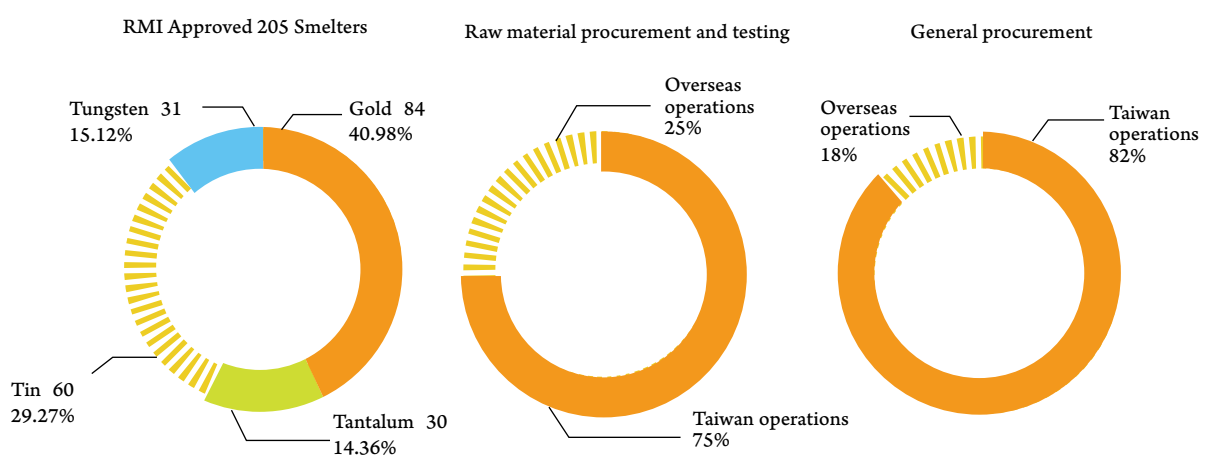
Electronic Industry Citizenship Coalition Code of Conduct	Universal Declaration of Human Rights	International Labor Office Tripartite Declaration of Principles
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RBA Online Education Training Courses

We have proposed MediaTek's "Supply Chain Social Responsibility Code of Conduct" to enhance supplier awareness and to fulfill the code in their internal management practices, we have produced a set of online educational training videos and course materials. The courses include Introduction to RBA, Summary of Current Status, Benefits of Participation, Audit Procedures, and Indicators in the Five Aspects. The purpose of which is to help suppliers to clearly understand the influence and importance of RBA on their own business, and to become aware of the actions and practices required by each indicator. This is also helpful for suppliers to correspond to MediaTek's social responsibility audit procedures. Currently, we have already provided the RBA online courses to our suppliers and will continue to follow-up in understanding their learning status, and to regularly provide assistance to implement the Code of Conduct in practice.



No Conflict Minerals

Human rights protection is another core philosophy of MediaTek's social responsibility development. Starting in 2011, we have commenced the conflict mineral investigation and requires suppliers to propose evidence of not using substances from conflicting areas through 'Declaration for non-conflict mineral consumption' in accordance with standards including Conflict-Free Smelter Program (CFSP), Responsible Business Alliance (RBA), and Global e-Sustainability Initiative (GeSI). MediaTek has adopted CMRT version 5.10 in 2017. MediaTek's material use is from 205 smelters in 35 countries, and only smelters approved by the Responsible Minerals Initiative (RMI) are used.



Upholding Local Procurement Principles

In terms of procurement principles, MediaTek holds true to the principle of local procurement and wishes to open up business opportunities to local residents in addition to reducing carbon emissions from transportation of materials. Nevertheless, faced with intense global market competition, MediaTek will undertake the risk assessment on the overall material input status to suitably purchase from suppliers in different regions to diversify our risks for materials. In addition, we also continue to build strategic partnerships with suppliers and regularly review product and service conditions to ensure the input quality and stability of raw materials. In the future, besides continuing to strengthen existing partnership with wafer OEM firms, we will also actively contact other domestic and overseas wafer OEM companies to provide more protection and choices for the sources, quality, and prices of raw materials.

Procurement category	Procurement items	Ratio of local procurement	Procurement regions
 Raw material procurement and testing	Wafer, IC chip packaging, IC testing	There was a total of 24 suppliers in 2017, where Taiwanese suppliers accounted for 18, taking up 75% of the total number of suppliers.	Taiwan/China/Singapore/Korea
 General procurement	Suppliers provide machinery, hardware facility and maintenance, parts and supplies, application software, and testing services	There was a total of 588 suppliers in 2017, where Taiwanese suppliers accounted for 485, or 82% of total suppliers.	Taiwan/China/USA/Europe

Green Operation Implement Energy Conservation, Carbon Reduction and Green Product Design are Basis of Sustainable Operations

Alignment with Global Trends

Global climate change not only leads to different types of extreme weather, which seriously impacts the habitats and living conditions of animals and plants, it also severely impacts the economic and social activities of humans. In dealing with global warming problems, the Paris Agreement passed at the end of 2015 have become a new agreement that poses legal enforcement powers over global greenhouse gas reduction after the Kyoto Protocol. Confronted with such trend of unanimous efforts to respond to climate change from international governments and businesses, as the world leader in IC design, MediaTek promises to continue our innovations in energy-saving products and undertake green, environmental protection, and carbon reductions actions. We will exert our influence on suppliers to collectively face the various risks brought forth by climate change and actively respond to the global society's interest in the phenomenon. MediaTek actively identifies risks from climate change (e.g. water shortage, power shortage, typhoons and earthquakes and more), and continues to control impacts to operations and losses from extreme weather conditions. Based on mechanisms for continuous operations management, we have established contingency measures for problems including natural disasters, hurricanes/typhoons, earthquakes, fire, power outage, or water resource shortage that could occur at different operations, to ensure that we can quickly resume operations after disaster strikes. MediaTek continues to implement energy conservation and carbon reduction measures at each facility, and power conservation ratios between 2015-2017 have reached 7.4%-10.6%. The 2018 power conservation objective has been set at 11.3%.

Short, Mid, and Long-term Objective for Green Operations

Short-term Objectives

Complete the greenhouse gas verification at all Taiwan operations, and optimize the operations at the first high-efficiency energy-saving IT Data Center. Achieve PUE 1.35 energy-saving mode, adjust the equipment at the new facility to reach optimized, energy-saving operations, and enhance the existing facilities to achieve better energy conservation.

Mid-term Objectives

Continue to expand greenhouse gas verification to operations in China, and continue to optimize the operating efficiency of MediaTek's second high-efficiency energy-saving IT Data Center. Continue to focus on both business development and energy conservation and carbon reduction, and to build a cross-site best management practice sharing platform so every MediaTek office across the globe can share and exchange their best energy and resource-saving practices.

Long-term Objectives

Undertake global greenhouse gas verification and risk evaluation. Conserved 4% of power consumption from overall data centers in three years, while best energy-saving practices are shared with all global MediaTek offices in carrying out energy-saving improvement measures.

Resource Management

MediaTek has received the ISO 14001 Environmental Management System and adopted the PDCA management cycle. We use systematic management procedures to align our environmental protection objectives with strategies, and we have also built pollution prevention and corrective mechanism so that MediaTek is able to exert even greater influence in terms of environmental protection. MediaTek is primarily focused on R&D and IC design technology. Production procedures including wafer production, packaging, and testing are all outsourced to external vendors. MediaTek's internal energy and resources are mostly power and water consumption. In 2017, we have dedicated even more effort to expand the scope of the disclosure to each facility throughout Taiwan to actively manage our energy and resources.

Based on 2015 IC chip specification and 2017 IC production, we can conserve 239 million kWh of power and reduce 126,431 tons of CO₂ emissions. This is roughly equivalent to 126 tons of carbon absorption volume from Taiwanese mangrove forest (or approximately building a mass of 4 times of Da'an Park).

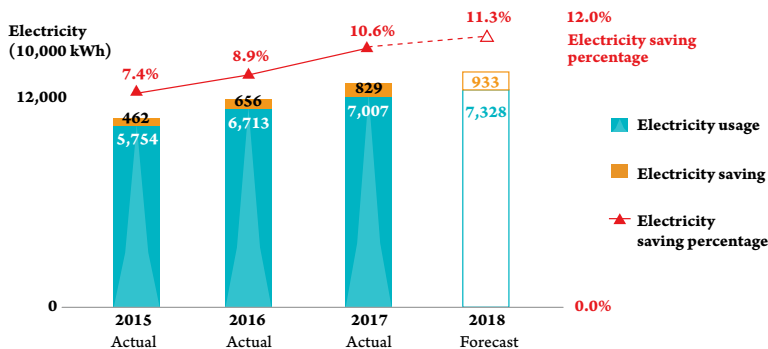
Energy Management

In 2017, a total of 70,075 thousand kWh was used, showing a 4% increase in power consumption from the previous year. This is mostly due to increase in the number of employees, increase in space utilization in new Building E, and the new IT room in Building E, as well as the increase in the loading in IT room in Building C. Alternatively, power consumption per capita has been reduced by 0.6% from 2016.

To effectively manage energy utilization efficiency, MediaTek has striven to implement energy-saving and carbon-reducing measures at each facility in recent years. After compiling the power conservation ratios from 2015–2017, we can see that 7.4%, 8.9%, and 10.6% of power has been conserved respectively. At the same time, an ambitious 11.3% power conservation target has been set for 2018. Below is an explanation for management measures that were implemented for machine rooms, office air conditioning, lighting, equipment improvement, and cost of electricity in 2017, as well as improvement target for 2018.



2017 "Energy Saving Benchmark Award" by Ministry of Economic Affairs, production category



*Scope of information: HQ-ABCE, CP, TPE

Energy improvement Measures	Improvement methods/Benefits	2018 Improvement Target
<p>Machine room management Total conservation NT\$4.36 million in electricity 1.45 million kWh of power 770 tons of CO₂e</p>	<ul style="list-style-type: none"> ▶ Increased pre-set temperature in environmental cold aisle ▶ Optimized setting for balanced air flow, decreased number of AC boxes that needed to be in operation and the volume of cold water needed to be produced ▶ UPS machine room closed hold aisle - improved air circulation path to achieve a decrease in environmental temperature and reduced loading on air conditioning system ▶ Replaced traditional lights with LED and reallocated the lights ▶ Improved mixed air flow between the hot and cold aisle, and strengthened sealing of aisles ▶ Separated the hot and cold aisles to improve airflow and strengthened sealing 	<p>(1) PUE of energy-saving machine room in Building C in HQ has achieved PUE of 1.33.</p> <p>(2) Continued to improve hot and cold aisle in traditional machine rooms to increase the effectiveness of air conditioners.</p>
<p>Air conditioning management in offices Total conservation NT\$10.2 million in electricity 3.09 million kWh of power 1,635 tons of CO₂e</p>	<ul style="list-style-type: none"> ▶ Established variable air volume air conditioning system (VAV) and implemented system control to reduce air conditioning loss, which is more efficient than traditional air conditioning systems ▶ Increased the temperature of the ice water outlet when the load is low at night (7 -> 8 degrees) ▶ Adjusted the ice water system from constant flow to variable flow; the system can adjust the ice water and the number of ice machine operation according to demand and exercise control over the AC operation time. ▶ Changed the water-chilled units from stand-alone to group supply, reducing the number of running units ▶ Energy saving from air an conditioning system in certain areas, including increasing the environmental temperature or running time and reducing the number of air conditioning equipment in operation and the volume of chilled-water needed ▶ Adjusted intake and exhaust equipment in the car park from full-time to peak/half peak operation. 	<p>Conserved 2% energy consumption from water chiller unit.</p>
<p>Lighting Management Total conservation NT\$2.92 million in electricity 980 thousand kWh of power 518 tons of CO₂e</p>	<ul style="list-style-type: none"> ▶ Reduced number of lights in car parks by half, control the number of lights in non-peak commuting hours, and closing sections of lights on holidays. ▶ Energy conservation measures in partial areas, including changing to LED lamps. 	<p>(1) Introduce LED lamps to car parks in Buildings A and B at headquarters, an expected net annual saving of NT\$100 thousand.</p> <p>(2) Introduce LED lamps into conference rooms in Buildings A and B at headquarters, expected net saving within three years of warranty period: NT\$150 thousand.</p>
<p>Equipment Improvement Management and Electricity Price Management Total conservation NT\$7.24 million in electricity 1.13 million kWh of power 599 tons of CO₂e</p>	<ul style="list-style-type: none"> ▶ Employ high-performing UPS facility, with higher transfer efficiency compared to traditional UPS facility. ▶ Change air conditioning system of emulator from air-chilled to water-chilled to reduce the environmental chilling needs. ▶ Optimized temperature and humidity setting in testing area & warehousing area 	<p>(1) Conserved NT\$840 thousand in power in the UPS facility loading in traditional machine rooms.</p> <p>(2) Reviewed the most beneficial capacity in the annual contract to achieve the optimized power consumption volume and reduce wasted expenditure from basic electricity fees.</p>

*Please see Attachment - 2017 Energy Improvement Measures and Benefits Table for details on each energy conservation and carbon reduction measure

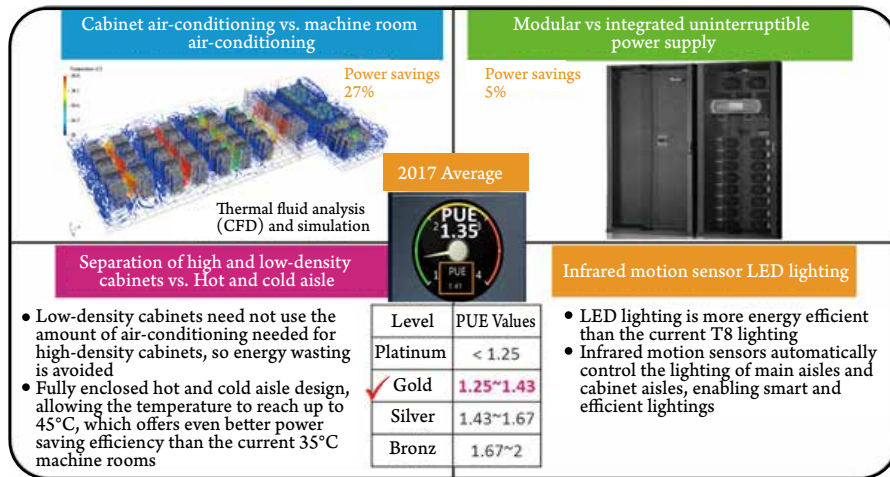
High-Density Energy-Conserving Data Center

MediaTek is passionate about innovating new technologies. As a result, our need for qualitative and quantitative information computation continues to increase. However, data centers consume massive energy during high-speed computations. To decrease the data center's impact on the overall environment, MediaTek has improved our power supply system, AC, machines, passageways, and lighting. We have successfully overcome the constraints for cooling capacity in traditional machine rooms and transformed our data center into a high-density energy-conserving data center of the new era. Our facility now supports the demands of new models of high-capacity and high-heat servers and serves as a strong support to our R&D technologies.

After calculations, the power usage effectiveness (PUE) of traditional machine room is 1.6. The PUE of MediaTek's Generation One IT data center is 1.37, showing an improvement over the original machine room. In 2017, we have further increased the environmental temperature in the machine room to conserve power consumption from air conditioning, further lowering PUE to 1.35. The energy efficiency of which has now achieved LEED Gold. Compared to the energy efficiency of the traditional machine room, the new Generation One IT data center can conserve 1.14 million kWh of power and NT\$3.42 million in electricity fees in 2017. The reduction in CO₂e is approximately equivalent to the carbon absorption volume of 6 hectares of Taiwanese mangrove forest, showing significant results in carbon reduction.

Our second high-density energy-saving data center has been completed in Q1 of 2017 and has been gradually in operation starting in Q2. To date, its PUE has been 1.41, surpassing that of traditional machine rooms, and has conserved the carbon absorption volume of 1 hectare of Taiwanese mangrove forest and NT\$580 thousand of electricity fees.

In comparison to traditional machine rooms, the above-mentioned two high-density energy-saving data centers are expected to separately save 1.76 million kWh and 4.43 million kWh of power in each year, for a total conservation of 6.10 million kWh of power when their loading reach full capacity. The reduction in CO₂e is equivalent to 32 hectares of Taiwanese mangrove forest in carbon absorption volume (or the gross floor area of Da'an Park), and can also save NT\$18.3 million in electricity fees in each year.



Greenhouse Gas Emissions Management

GHG Emissions Scope 1 & 2

In 2017, a comprehensive greenhouse gas verification was undertaken throughout our Taiwan operations for the first time. Greenhouse gases from MediaTek's energy consumption were calculated, and emission sources included purchased power, public facility, boilers, cooling towers, and water chiller units. In particular, the highest emissions came from purchased power (37,070 metric tons of CO₂e), in which emission from power consumption per employee was approximately 5.97 metric tons of CO₂e. In the future, we will continue to verify the GHG emissions from MediaTek to understand our impacts and influences on the environment.

Note: electricity coefficients were derived from the Bureau of Energy's 2016 electricity emission coefficients

Greenhouse Gas Scope 3 - Transportation vehicles

To effectively decrease the carbon emissions from our employees during commuting and in addition to devising relevant regulations to achieve green and eco-friendly targets from Company products and buildings, MediaTek also wishes to take one step further and undertake environmental protection in the transportation of our employees. We launched shuttle buses to/from work in June 2015. Buses are commissioned to transport employees' commute along our four designated routes. We also provide shuttle buses between MediaTek's facilities. Besides providing easy access for employees, the shuttles also help to lower emissions from transportation. In 2017, 17,386 metric tons of CO₂e were produced by shuttle buses. At the same time, six bicycles have been placed at our Hsinchu HQ to encourage employees to ride bikes between our facilities instead of motorbikes or cars in order to contribute to our planet.

Note: shuttle bus coefficients were derived from the 2012 tour bus (diesel) emission coefficients from the Environmental Resources Database, Environmental Protection Agency.

Water Management

The water supply of the MediaTek facilities comes from the water supply of the waterworks in each district. In 2017, a total of 238,940 metric tons of water was used. Water consumption was increased slightly compared with the previous year, mainly due to the increase in the number of employees, the increase in the use of office areas and the increase in the use of office buildings. We will continue to undertake water resource improvement projects and expect a water-saving ratio of 1.8%. In 2017, 108,190 metric tons of wastewater was discharged, showing a 13% increase compared with 2016, mainly due to the increase in the amount of sewage discharged during the construction of Building E.

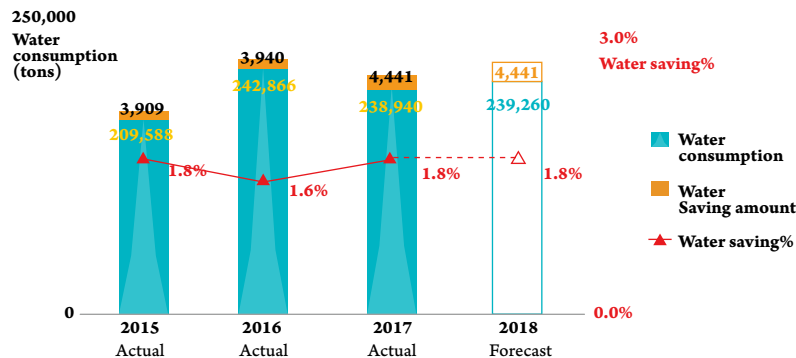
Year	Volume of wastewater (metric tons)
2015	75,068
2016	95,405
2017	108,190

Water resources projects/improvement methods/improvement benefits

- ▶ **Replacement equipment** : Improvement in water used for washing in recycling area; replacing outlet type of tap water, anticipated 30.78% conservation of water consumption/ water saving fee NT\$3,000, water saving 240 tons, recycling ratio 0.16%
- ▶ **Recycling water source** : setting a 2-ton rainwater recovery tank, rainwater can be recycled to cooling tower for reuse/ saving water cost NT\$6,000, saving 481 tons of water, recycling ratio 0.33%
- ▶ **recycling water source** : recycling condensation from Company air conditioners for use in gardening watering to reduce water waste/save water costs N\$48,000, save water 3,720 tons, recovery ratio 2.56%.

2018 improvement goals

- ▶ increase conductivity in cooling water in chiller units and reduce regular water discharge.
- ▶ Recycling from the kitchen: use RO to condense pure water; water can be used again in gardening to save water.
- ▶ Increase storage of rainwater recovery; recovered water is used in gardening.



* Scope of information: HQ-ABCE, CP, TPE

Waste Management

In order to achieve the maximum benefit of effective waste management and sustainable use of resources, we focus on the reduction of waste, effective classification, recycling, reuse and proper disposal, as well as continuous improvement of waste storage, transportation, and disposal, and lessen our impacts on the environment. To effectively understand the flow of the waste, MediaTek carefully selects and works with qualified waste disposal and reuse company, and to be liable for supervision of the process, MediaTek also audits the legal compliance of the waste disposal process from time to time. In 2017, the recycling rate of waste treatment was 24%. In 2018, the estimated recycling amount of resources will be approximately 17 tons, and its recovery effectiveness is estimated to increase by 27% from 24%.

2017 Waste Treatment

Type	Types of waste	Processing Method	Volume processed (metric tons)	Ratio
General Waste	Living waste	Incineration	46.71	49.7%
	Recyclable (paper, metal container, aluminum container, lighting source)	Recycling	14.79	15.7%
Hazardous waste	Waste electronic components or parts, inferior products	Physical treatment	4.53	4.8%
		Outsourced	28.00	29.8%
Total			94.03	100%

*Scope of information: HQ-ABCE, CP, TPE

Green Transport

▶ Commuting to and from work

In June 2015, we started to introduce commuter transportation measures. There are four routes for renting large buses to carry employees to and from work along the designated points. On the one hand, the buses help to alleviate traffic congestion during rush hour at Hsinchu Science Park. On the other hand, the purpose of promoting green environmental protection is also conveyed to our colleagues through this vehicle-sharing benefit. In 2017, there were 27,292 passengers (separated into 6 shifts to work/8 shifts from work).

▶ Cross-facility shuttle bus

MediaTek also provides a cross-facility shuttle bus every 15 minutes, which can reduce the energy consumption and carbon emissions from driving. In 2017, there were 89,640 passengers (72 vehicles/day).

▶ Cross-facility M-Bike (6 vehicles)

To implement environmental protection and encourage colleagues to exercise more often, 6 bicycles have been specially set up for when our colleagues need to travel between MediaTek buildings. In 2017, a total of 2,490 people have utilized the bikes (249 days*10 individuals). AVG)).

▶ Security electric business vehicles (2 sets)


To promote the integration of environmental protection and transportation, the Company has deployed two electric motorbikes for use during the inspection of the facility. In 2017, a total of 876 kilometers were used. (365*2400m (800m*3 trips).



Environmental Safety and Health Management

Environmental Safety and Health Policies

MediaTek is mainly engaged in the research and development, sales and after-sales service of high-end integrated IC chips. The main impact on the environment is the storage of business waste (mixed waste metals) and the management of outsourced vendors. Therefore, implementing green product design, green procurement and management of outsourced manufacturers, and reducing resources, energy waste and safeguarding employees' safety and health are not only the corporate social responsibility of MediaTek but also one of the important assets for the Company in keeping up with global competition in the future. The environmental safety and health policy is the highest guiding principle for the Company's environmental safety management. To meet the requirements



of ISO 14001 and OHSAS 18001, we regularly perform audits on environmental safety and health management system. We have also published our environmental safety and health policy on the internal website. We educate employees at all levels of the Company in accordance with the "Education and Training Management Procedures," and require vendors to comply with the requirements of the "Contractor's Environmental Safety and Health Management Procedures." This ensures that both internal and external parties can fully understand the environmental safety and security policy and ensure the appropriateness and effectiveness of the environmental safety and health management system. We expect to complete ISO-14001 and ISO-45001 update revisions in 2018 and 2019 respectively.

Environmental Safety and Health Objectives

► Compliance with laws and regulations :

Comply environmental protection and safety regulations and other requirements set by the government, and in response to the international green environmental protection and zero-disaster campaign, the Company has had zero violations of the environmental protection regulations in 2017 (0 penalties).

► Green design :

Implemented energy-saving and non-toxic green design of products and processes, and strengthened green procurement and green management, so that products, services, and outsourced manufacturers can all meet the trend for going green in the global community, and fulfill our commitment for environmental protection. Our products are all in line with ROHS and WEEE and do not use prohibited substances.

► Education and Training :

Strengthening the participation and consultation, as well as the education and training for environmental protection and safety and health of all employees within the organization and representative of the organization. Helping staff to understand environmental protection and to cherish natural resources through the reduction and reuse of resources and energy, and we also ensure the safety and health of workers, prevent diseases and workplace hazards. Environmental and safety training for 677 new recruits were completed in 2017, reaching a completion rate of 100%.

Environmental Safety Implementation Results

MediaTek actively implements the environmental safety policy. In 2017, no violation of environmental safety and health regulations by the competent authorities has occurred. People are our most important assets, and we continue to improve our environmental, safety and health planning from a people-oriented perspective. In 2017, we continued to plan and invest in projects include strengthening evacuation drills, providing better fire warning systems, and actively carrying out contractor management to achieve the goal of zero occupational disasters. In 2017, expenses for environmental protection total amount is NT\$35,195,213.

Emergency Evacuation Drills

To ensure the safety of our colleagues, MediaTek has regularly organized employees' evacuation drills that surpass our industry competitors since 2015 to help familiarize colleagues with the Company's evacuation routes, meeting point, and personnel count. The evaluation drill in 2017 had even included a fire-fighting simulation and victim rescue. The drills were carried out in MediaTek office buildings in Hsinchu, Zhubei, and Taipei. The total number of participants in the annual exercise was 5,192.

Implement environmental safety inspections, and require standards that are more rigorous than legal regulations to provide a safe working environment

To ensure the Company's environment is safe and has zero blind spots, besides promoting the importance of safety to our employees and visitors from time to time, we also regularly check the safety of the environment/operations:

- (1)Office and public areas : The security of the inspection environment/seating area is implemented every 2 weeks.
- (2)Meeting room : Daily environmental safety and energy saving inspection.
- (3)Laboratory : Daily pre-work inspection, monthly inspection by the project management personnel.
- (4)Customer office area : Weekly inspections are carried out by security personnel, and joint inspections are carried out by environmental safety department/factory general affairs in every quarter.
- (5)Factory equipment area : Daily inspection of various equipment.

Very Early Smoke Detection Apparatus

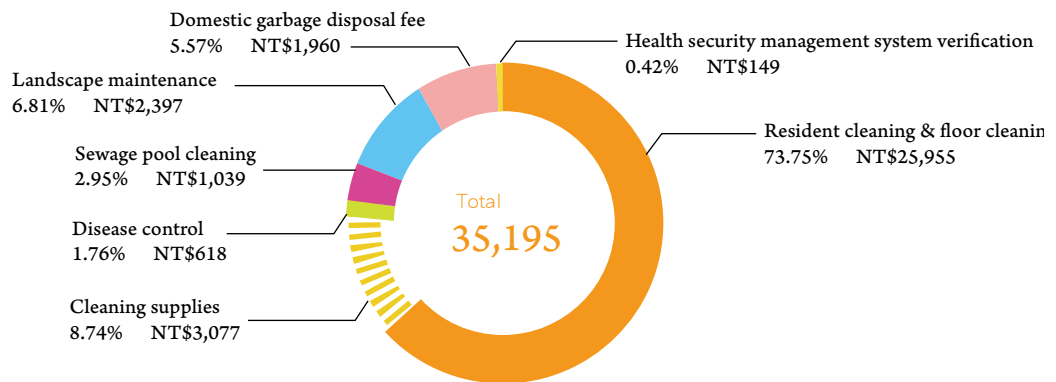
To continuously strengthen the environmental safety and damage prevention of the Company's personnel, MediaTek has added pioneering practices including Very Early Smoke Detection Apparatus (VESDA) and emergency broadcast, emergency rescue, smoke detectors, and temperature control to the shielding rooms at various laboratories in Taiwan and overseas since 2015. These will help to effectively detect smoke and fire from early stage in high-risk experimental areas, ensure personnel safety, and reduce financial losses. In December 2017, the installations at high-risk experimental areas was 100%.

Contractor Management

To ensure the safety management of the contractor's construction, the Company conducts occupational safety and health lectures for the personnel involved in the construction, hazard notification and publicizes safety construction standard to prevent occupational injury. In 2017, there are total of 179 contractors involved in safety seminars and reached the goal of zero disasters, zero accident, and zero loss.

Environmental expenditure

Unit: NT\$1,000



*Scope of information: HQ-ABCE, CP, TPE

Talent

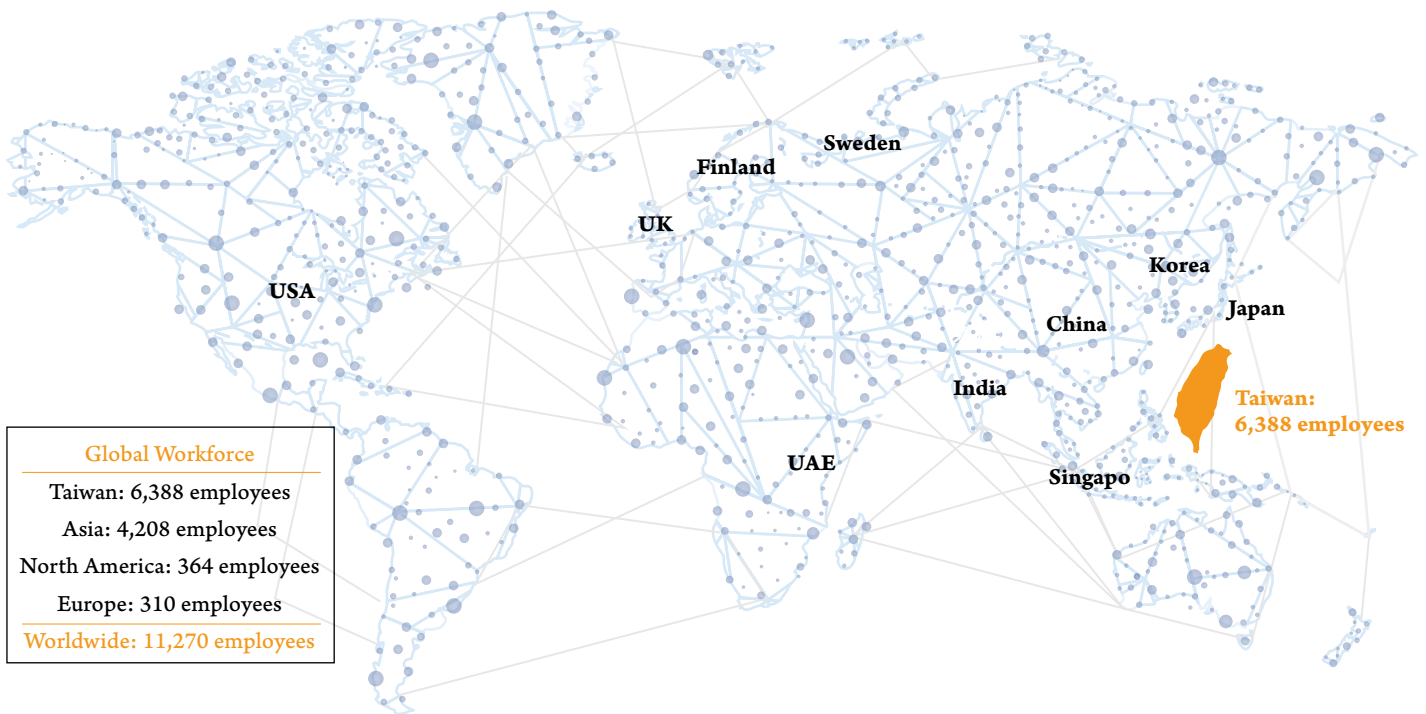
Motivate employees to learn and challenge themselves, propelling the company with their potential.



▼ Strategic Global Talent Layout

Seeing research and development talent as our core, MediaTek is also driven by technical research and development in our strategic global talent layout. Starting from 2016, we have increased the number of our worldwide employees to over 10,000, and as of the end of 2017, the total number of MediaTek and global subsidiaries (including contractual personnel) have amounted to 11,270 individuals. We aspire to accelerate the schedule for product development and to offer more instantaneous technical support, through continuous interactions and collaborations between outstanding global talent in an international work environment. And most importantly, we provide an open, diverse, and innovative work environment so employees can realize the innovative value and create Everyday Genius at work.

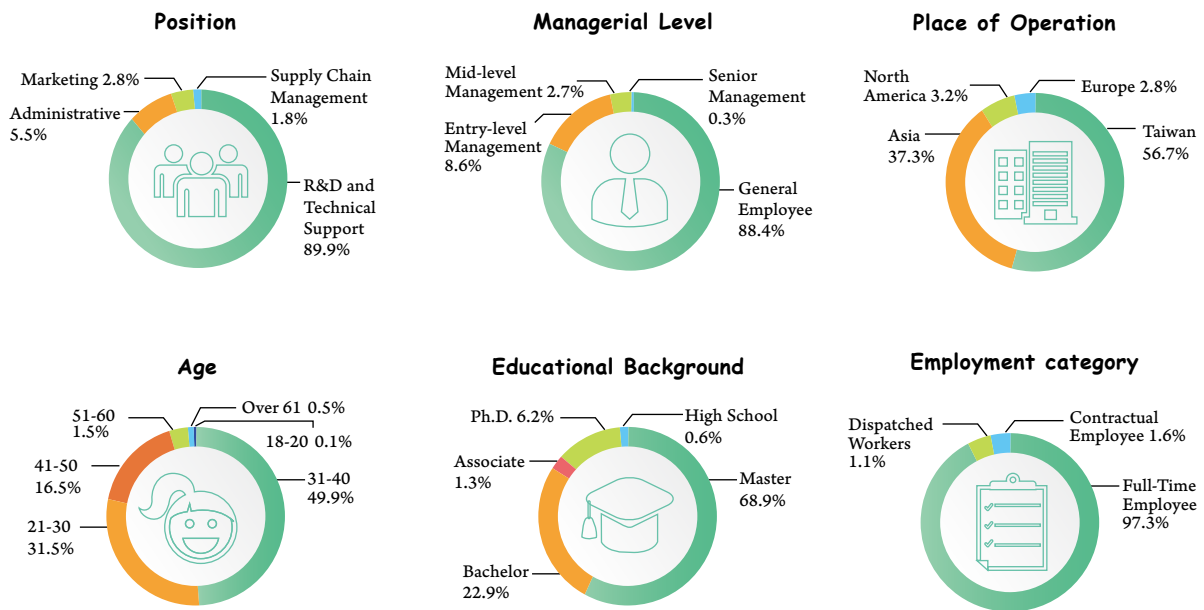
Global Operations



MediaTek's manpower structure is robust and we continue to attract high-performing talent to join us. In coordination with MediaTek's development goals of innovation, growth, and interdisciplinary integration, over 90% of the personnel are in R&D and technical support, while the ratio of employees holding Masters and Ph.D. degrees have reached over 75%. The semiconductor industry is one that requires intensive knowledge and technical know-how, and MediaTek's leadership position within the industry relies on the innovation and contributions from all types of our personnel.

We are focused on the diversity and localized management of employees. Besides recruiting talent in Taiwan, MediaTek also actively attracts the global workforce. A total of 1,312 staff members are in management, accounting for approximately 12% of the total employees. Moreover, in consideration of our global strategic layout, over 80% of the managerial staff are native to the country of our operations. We employ a high percentage of local professional managers as our managerial staff to execute localized management in practice. This also helps us to continue our organizational strategic layout in the global talent market in the future. Furthermore, MediaTek has also recruited sufficient numbers of physically challenged individuals and protected their employment rights according to legal regulations. We offered positions as engineers or massage therapists according to individuals' professional capabilities and backgrounds, ensuring fair employment opportunities to those with physical disabilities.

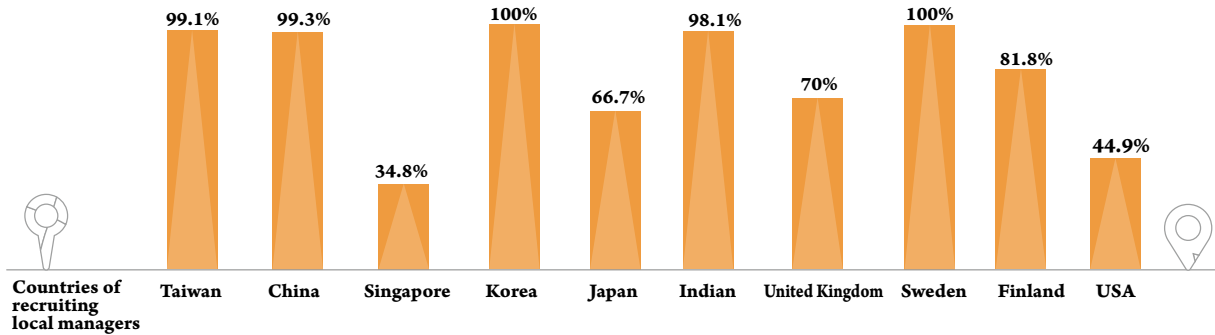
2017 Manpower Structure



* Scope of data includes MediaTek and subsidiaries and does not include branch companies or affiliated companies.

* Data above is recorded on December 31, 2017

Ratio of recruiting local supervisors in global subsidiaries



Note 1: Expat personnel will be determined whether they are local residents of the country of MediaTek operations based on their nationalities (or dual-citizenship in which one is the country of their current operations).

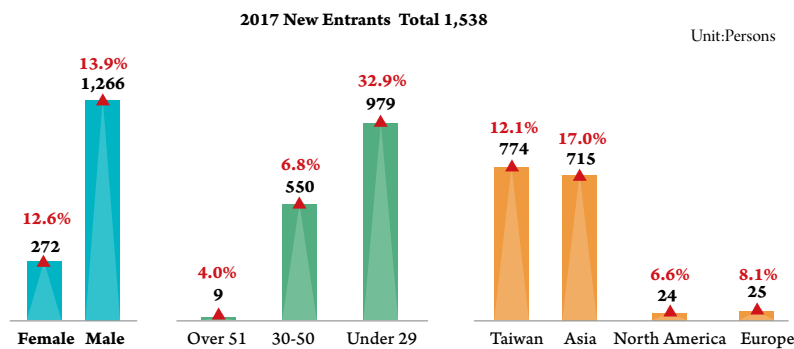
Note 2: Singapore adopts an open policy to the global workforce, and currently local Singaporean nationals only account for 19.3% of all employees, while Singaporean managers account for 34.8% of all managers.

Status of New Recruits and Turnover

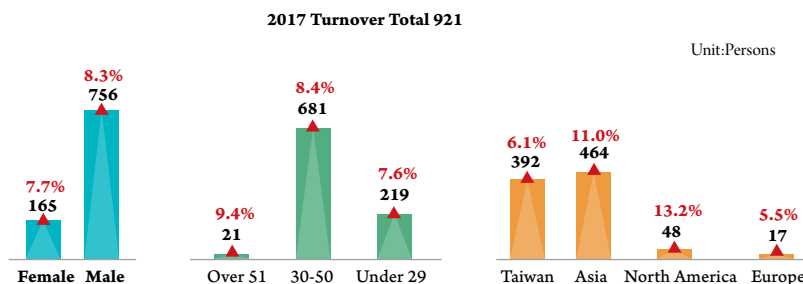
MediaTek actively recruits outstanding talent to join our management team. Though the competition has been very intense in the job market for the semiconductor industry in recent years; nevertheless, the Company has successfully recruited 1,538 new employees in 2017 through our diversified talent recruitment channels and comprehensive employee benefit system. Furthermore, the ratios of new employees have shown moderate growth over the previous year in Taiwan, Asia, North America, and Europe. Over 30% of the new recruits are high-performing talents under the age of 30, and the total turnover ratio has been 8.2%. We will continue to strive toward the retention of high-performing employees and to understand the reasons for employees' departure as evidence for improvement. We undertake multiple measures for departing employees, including sharing Company information and phone interviews to maintain positive interactions between the Company and ex-employees, as well as to create opportunities for future collaborations.

- ▶ MediaTek employee turnover ratio was reduced by approximately 0.91% in 2017 compared to that of 2016
- ▶ MediaTek new employee recruitment ratio was increased by approximately 6.53% in 2017 compared to that of 2016

Workforce Structure: New Entrants & Turnover in 2017



The ratio of 2017 new entrants in their particular employment type: 2017 new entrants for particular employment type / The total number of employees for that particular type on December 31, 2017



The ratio of 2017 turnover in their particular employment type: Employee turnover from a particular type of position in 2017 / The total number of employees for that particular type on December 31, 2017

▼ Talent Development

Talent is the core of a business and the foundation for a country's continuous advancement. In response to our global business layout and strategic developmental needs, MediaTek will continue to invest resources and capital into talent cultivation. The Company organizes various projects to scout future talent, such as international industry and university cooperation, internship programs, and regularly hosting various types of campus recruitment activities and projects, to continue providing outstanding talent for MediaTek's talent and technology think tank in the future.

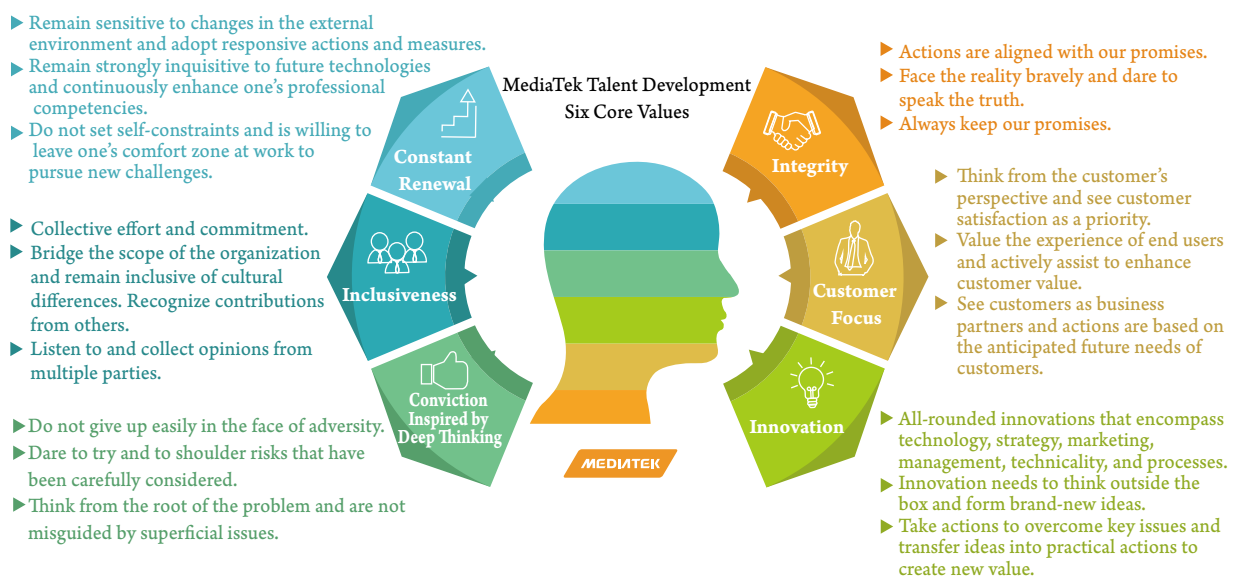
MediaTek Incubation Plan

The Company plans to cultivate key global leadership talent to prepare our future management team, bringing more potential for sustainable development for MediaTek. The scope of implementation spans global subsidiaries, in which the ratio of foreign subsidiaries in the development and training for Tier 1 or Tier 2 managers will account for up to 30%.

Six Core Values

MediaTek firmly believes that "talents created by integrating our core values" are the keys to our success. Therefore, we are constantly committed to the product, technical, process, and service innovations and breakthroughs, on top of maintaining a customer-focus approach. We hope to inspire courage and creative potential in everyone and to build a team atmosphere founded on honest partnership. We can only build a strong, winning, and competitive corporate culture by fully integrating and internalizing our core values in the daily lives of our team members. We believe that core values are key cornerstones in helping MediaTek to become a global enterprise.

MediaTek's six core values are "Integrity, Customer Focus, Innovation, Conviction Inspired by Deep Thinking, Inclusiveness, and Constant Renewal." Each core value has significant and deep meanings and requires dedicated support and fulfillment from all of our employees. We constantly encourage employees to lead by example and to realize these six core values. At the same time, we also welcome employees to submit their thoughts and feedback on realizing the core values to core.values@mediate.com, and we award MediaTek employees who fulfill the core values through vAwards. This helps everyone at MediaTek to perceive the trend for fulfilling the core values, which further helps to shape MediaTek's corporate culture.



Diverse Recruitment Channels

Nearly 300 student internship opportunities were provided in 2017, and we have gathered over 3,000 on-campus recruitment scouts. Furthermore, we have already invested over NT\$1 billion in industry-university cooperation projects to date.

We continue to invite potential talents to join our global operational sites, and propose talent plans based on management strategies in each year. Moreover, we contact and attract outstanding talents from various fields through diverse recruitment channels. For instance, to provide a user-friendly interface to job-seekers, the Talent Management system on MediaTek's website also supports QR code to enhance the efficiency and convenience in job-seeking. Moreover, we also leverage human resource agencies, partake in large-scale recruitment activities, and welcome employee referrals to attract global talents to join us.

Comprehensive Internship Program



MediaTek offered nearly 300 internship opportunities in 2017, topping the record for the most positions offered and the number operating sites in recent years. Students from both Taiwan and overseas were able to be intern at Taiwan, USA, Europe, India, China, and Singapore during summer breaks or during academic years. A highlight of the internship program was that the interns' creations could all be used toward MediaTek's actual product developments.

Three major themes of the internship program

Expert sharing, senior management seminars, and technical demonstrations



Team-based interactions, adaptability survey, focus groups, Intern paper, club competitions course

One-to-one teaching from supervisors and partners, project training, online training course



On-campus Recruitment Scouts: Referral for Potential Elites



MediaTek's pioneering "on-campus scout" system allows university students or above to refer potential talents to join Mediatek that they can enjoy benefits including the highest amount of campus referral bonus in Taiwan, secure summer internship positions, and have the priority to participate in corporate visits. As of 2017, MediaTek has already gathered over 3,000 scouts. We organize activities from time to time, and scouts can participate in corporate visits and interactive seminars with senior managers by being the first ones to understand the summer internship program, and learn more about Mediatek. Through the on-campus scouts, we also could understand the aspirations of the younger generation for businesses and technological trends and leverage them to promote MediaTek's positive image as well as enhance students' willingness to join the Company.

International Industry-University Cooperation Project



Besides carrying out long-term industry-university cooperation projects with multiple universities in Taiwan, MediaTek also continues to either commit to industry-university R&D projects or to full joint research centers with academic institutions in the USA, UK, and China. To date, MediaTek has already invested more than NT\$1 billion toward these projects.



2017 Talent Recruitment Results

Recruiting channels	Results
Internship Program	<ul style="list-style-type: none"> ▶ Elite Summit: Invite high academic-performing students from NTU, NTHU, NCTU, and NCKU to attend; the number of participants in 2017 is 60. ▶ Overseas internship: Three students obtained internship opportunities at MediaTek USA's San Jose office. ▶ MediaTek Dream Seminar (300 participants): Invited managers stationed at China, India, and Sweden to share their experiences and the global perspective required of the new generation with students. ▶ Facebook Group: Allows 281 interns throughout the world to share their learning experiences and daily lives through the social media platform, and to participate in Cross-Site Learning through online courses. ▶ Intern Paper: Periodically issues an intern paper to report on internship activities, experience, and feedback from interns, as well as the interview contents with MediaTek employees. Five e-papers were published in two months. ▶ Approximately 50% of all MediaTek interns around the globe in 2017 have received official job offers and can directly join MediaTek upon graduation in the following year.
On-campus recruitment scouts	<ul style="list-style-type: none"> ▶ Gathered 3,000 scouts since launching the program to date. ▶ Highest amount of on-campus referral bonus: NT\$8,000.
International Industry-University Cooperation Project	<ul style="list-style-type: none"> ▶ MediaTek continues to either commit to industry-university R&D projects or to full joint research centers with academic institutions in Taiwan, USA, UK, and China. To date, MediaTek has already invested more than NT\$1 billion toward these projects. ▶ MediaTek Foundation continues to provide scholarships in each year to encourage talented Masters and Ph.D. students who perform well both academically and have high R&D potential. Over 500 students have received scholarships from MediaTek.
Campus Recruitment Activities	<ul style="list-style-type: none"> ▶ Organized 19 on-campus recruitment activities in 2017, successfully recruited over 340 talents.

Learning and Career Development

MediaTek promotes solid learning management and performance development system. The Company integrates internal with external resources to foster and enhance employee competencies. To cater to the diversified development and global business layout strategies in the semiconductor industry, the Company also provides a diverse learning and work environment that fosters continuous growth.

Well-Rounded Professional Training System



MediaTek pays attention to talent training and development. Besides building a professional training system and facilitative online learning website, we also offer learning resources including training courses from training divisions, experience, and knowledge-sharing from internal experts, as well as learning channels from external training institutions such as language and professional competencies. We hope to provide employees with a wealth of learning opportunities, continue to enhance their professional know-how, and drive for sustainable development throughout their careers.

Leadership Cultivation

Books are selected in each year that meet the "key learning criteria for managers," and managers can exchange learning and thoughts through the "Manager Reading Club." Moreover, to instill consistent managerial language and knowledge and skill-sets required by the Company in managers around the globe, we provide handbooks that offer suggested working procedures based on managerial issues commonly seen in managers to assist them during daily managerial operations. The handbook serves as an instant reference and helps managers to pass on their managerial methods, assisting the Company to build a culture of management.

Complete Training Plan

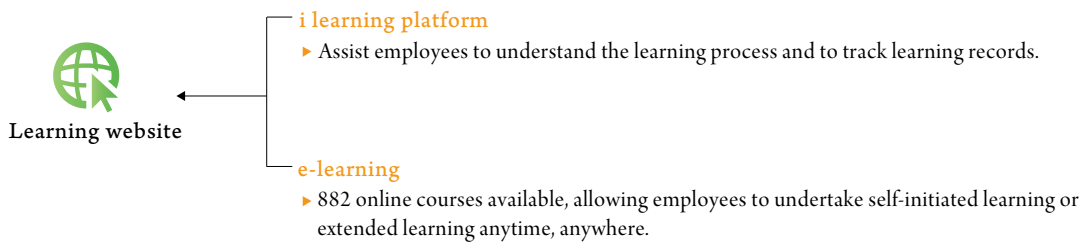


MediaTek has established a complete education and training management system and employee training procedures. In addition, an employee's participation status in training programs will also serve as a reference in work delegations, promotions, and functionality enhancement by his/her supervisors. All types of training standards include detailed procedures established in accordance with the needs of each subsidiary. From new employee training to senior manager training, MediaTek takes into account professional competencies needed by each rank and provides appropriate training courses accordingly, so that employees can continuously learn new knowledge and skill-sets. Under our diversified and complete education and training system, employees can select suitable training courses based on their interests and career development objectives. MediaTek provides diverse training opportunities and methods to all formal employees to foster employees' core competitiveness through constant learning.

Diverse Learning Resources and Channels



To facilitate all employees to understand and to systematically manage all learning history and records, a 'learning website' was established in 2015, and the website is managed through the "i learning platform." All formal employees and managers can use the structure to participate in in-class courses and on-the-job training as well as 882 e-learning online courses. Moreover, the learning website also offers employees to engage in self-initiated learning or extended learning after class through the website anytime, anywhere. All information required for new employees can be found on a designated section on the website, accelerating the time it takes for new employees to be familiarized with MediaTek. To achieve the goals in Company business development and employee sustainable growth, managers can help each employee to set up an annual Individual Development Plan (IDP).



CSR Courses



The management philosophy of "fulfilling CSR" should be thoroughly carried out in employee's daily activities. We integrate environmental, social, and governance (ESG) relevant courses into the education and training for new employees, in which key contents encompass compulsory courses in safety and health management, workplace sexual harassment prevention, and insider trading prevention. Training completion rate has been 100%.



Compulsory for new recruits, need to be completed and to pass an exam within 30 days of joining MediaTek



New Employee Caring System

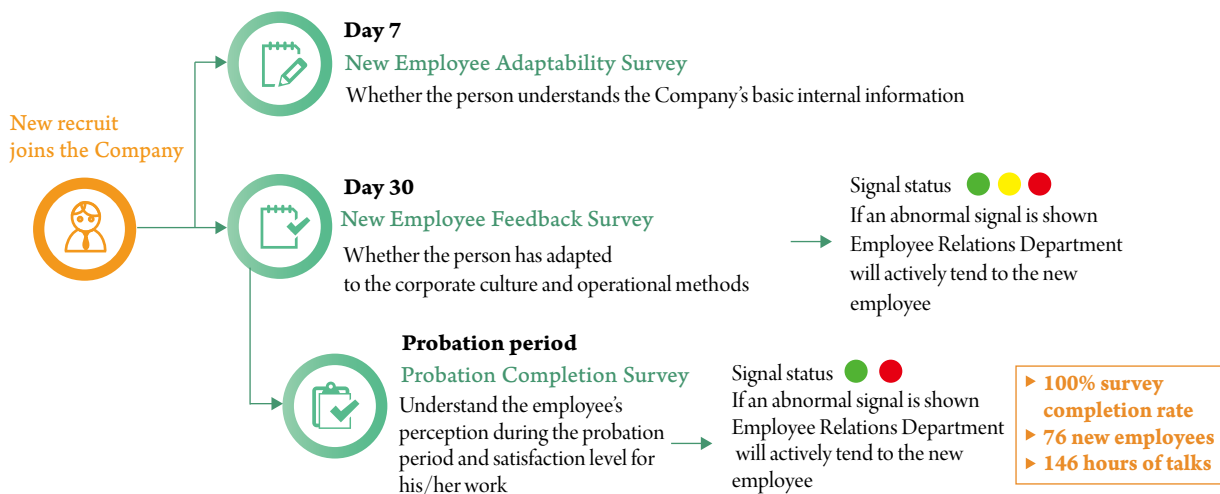
For the "New Employee Feedback Questionnaire" and "Probation Period Completion Questionnaire" in 2017, interviews have been conducted on all new employees whose results have identified as yellow or red light. A total of 76 new employees have been assisted, reaching a total of 146 hours of interview time.



To truly assist our new employees in adapting on all fronts, the 'new employee caring system' was set up in 2009., in which, upon joining the Company, the system will automatically send out a "New Employee Adaptability Questionnaire" and "New Employee Feedback Questionnaire" to new recruits on their 7th and 30th days, respectively. The questionnaires are rated out of 5 possible points. The first questionnaire focuses on understanding the information and contains situations that new employees may have to face on a daily basis such as attendance, meals, and parking. The second questionnaire focuses on the adaptability and thoughts during the new employee's first month at MediaTek and contains questions such as corporate culture, work procedures, and gaps between reality and his/her perceptions. At the same time, we also implements our 'buddy system', in which suitable colleagues will be assigned as buddies to the new employees to help them adapt to work and life at MediaTek. Results of the New Employee Adaptability Questionnaire will be provided to the buddy of the new employee, and he/she will offer more assistance to the new employee on parts that he/she is yet unfamiliar with. Responses to the New Employee Feedback Questionnaire will be classified as either green, yellow, or red light based on the new employee's response. Abnormal signal refers to either yellow or red lights, and a therapist from the Employee Relations department will actively visit with the new employee to understand his/her needs. The therapist will offer assistance and communicate with either the new employee's manager or buddy as the situation sees fit.

To extend the new employee caring mechanism, new employees are required to fill out a "Probation Period Completion Questionnaire" upon completion of their probation period. The purpose of the questionnaire is to understand an employee's thoughts and level of satisfaction for his/her work during the probation period. Responses will be classified as either green or red light, where red light indicates an abnormality. A therapist from the Employee Relations department will actively visit with the new employee to understand his/her needs and to provide appropriate assistance.

New Recruit Caring System



Employee Assistance Program



To construe a healthy professional workplace and to protect the mental health of our employees, the Company offers comprehensive employee assistance programs, both externally and internally. In terms of externally commissioned employee assistance programs, MediaTek collaborates with Hsinchu City Lifeline Association, and our employees can undertake professional consultation or inquire about mental or legal issues in a stress-free environment that protects their identity at the Employee Assistance Center. Consultations and inquiries can be about any topic of their choice. Each person can enjoy up to three 60-minute consultation sessions on an annual basis, with all relevant service fees being covered by the Company.

As part of our internal employee assistance program, we have planned out a "Mental Health Prevention Program" that is separated into 3 levels:

1 Level One Prevention

Prevention and Education

Partners with Hsinchu City Lifeline Association and designs mental health topics based on Health promotional posters are posted at the Company fitness center and gym. Employee assistance program is also advocated to increase employees' understanding of Company resources.

2 Level Two Prevention

Employee Guidance and Employee Grievance Channel

To achieve timely, comprehensive, and well-rounded facilitation for the employee, his/her division and the organization, besides collaborating with the Hsinchu City Lifeline Association, the Company has also internal therapists to offer timely assistance to employees and supervisors. Hence, employee assistance becomes a comprehensive network of caring for both "individuals" and the "organization."

3 Level Three Prevention

Handling of Employee-Related Emergencies

The Company has comprehensive procedures to handle situations ranging from absent without valid excuse to any other emergencies. These procedures are integrated with resources from our HR Department and could offer immediate and comprehensive assistance.



Moreover, the "Caring for Employees with Longer Working Hours" program initiated in 2016 has continued in 2017. Interviews are held with employees with longer working hours to analyze their physical and mental well-being. Immediate assistance may be offered if abnormal conditions are found during the interviews. Furthermore, every department is responsible for caring for employees with longer working hours to achieve individual- and organization-based comprehensive assistance.

Supervisor Sensitivity Training



As our workforce has largely expanded in recent years and we have several new supervisors in terms of organizational structuring, "supervisor sensitivity training" has been mandatory of all supervisors since 2013 to enhance the supervisors' capability to manage and care for their employees. Two sessions of supervisor sensitivity training were held in 2017 to enhance supervisors' sensitivity towards recognizing abnormal signs in employees and detect problems early to offer timely assistance and refer the problem to other appropriate offices. This helps to solidify EAP prevention and the basis of risk detection in caring for employees' mental and physical well-being. 130 supervisors participated in this course in 2017, with overall satisfaction rate of 96%.



Supervisor Sensitivity training

96% overall satisfaction rate
130 managers participated in training

- 1. Enhance supervisors' sensitivity
- 2. Enhance supervisors' fundamental awareness in techniques to assist employees
- 3. Facilitate supervisors to understand crisis handling procedures
- 4. Basic understanding of symptoms of mental illnesses
- 5. Understand Company's internal resources and external EAPC resources

Diverse Training Courses

Category of Training	Explanations
Training for New Employees	HR Head Office will arrange for training to assist new employees to understand Company policies, corporate culture, and work environment and more, to help new employees to accelerate their familiarity with their teams.
General Educational Training	Employees need to accomplish basic educational training based on government regulations and Company policies. There will be no variations across departments, employee functions, and responsibilities.
Professional Skills Training	Professional development courses are designed according to functionalities, such as individual productivity, occupational health and safety, financial accounting, human resource, information technology, legal affairs and intellectual property, marketing and sales, and quality management etc.

Category of Training	Explanations
Managerial Training	Training development activities are designed according to requirements for managerial competencies and responsibilities for supervisors of each rank.
Technical Engineering Training	Training courses and development activities are provided based on various professional competencies required for engineers in carrying out their responsibilities and in accordance to their years of experience working with the Company.
Individual Productivity Training	Facilitate employees to enhance individual knowledge skill-sets for daily operations to nurture employees' diverse capabilities and increase their work effectiveness
Language Skills Training	Provide English learning courses, talks, workshops, group learning courses, training courses and clubs, helping employees to use English at work and enhance their global competitiveness
External training	To enhance employee competencies and work-related capabilities, promote business development, and make up for any insufficiency found in the internal training

Results of 2017 Training

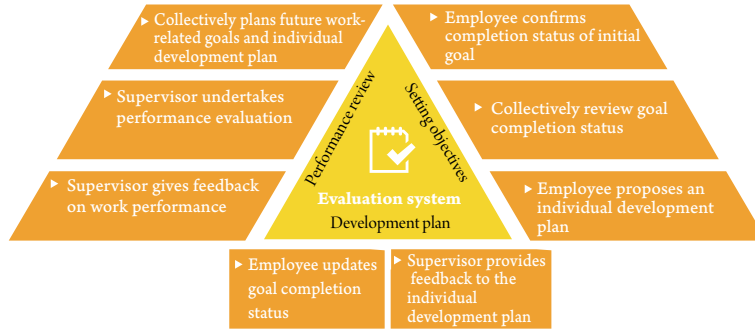
Type of Training	Total number of courses	Type	Total Participants			Total training hours			Average hours of training (per person)			Total Expenses
			Male	Female	Total	Male	Female	Total	Male	Female	Total	
Management competencies	104	Managers	2,011	309	2,320	12,462	1,688	14,150	6.2	5.5	6.1	NT\$ 43,061 thousand
New employee general knowledge	59	All Employees	1,672	395	2,067	7,322	1,699	9,021	4.4	4.3	4.4	
Technical/professional	149	All Employees	2,794	467	3,261	9,228	1,272	10,500	3.3	2.7	3.2	
Individual productivity	133	All Employees	3,413	802	4,215	18,140	4,200	22,340	5.3	5.2	5.3	
Language training	53	All Employees	1,137	362	1,499	24,764	7,118	31,882	21.8	19.7	21.3	
External training	434	All Employees	410	173	583	7,762	2,881	10,643	18.9	16.7	18.3	
Total	932	All Employees	11,437	2,508	13,945	78,977	18,858	98,536	59.9	54.1	58.5	

Remarks: number of employees trained and hours of training include all global subsidiaries

Performance Management and Development

To align Company's goals with individual goals, MediaTek's performance management and development system reviews and evaluates employees' competency development on a timely basis through performance feedback and communications, helping to create the greatest organizational and individual performance. Performance management and development system are used on all formal employees across the world (excludes contractual or outsourced personnel, and employees on paid without leave will be evaluated upon returning to work), and evaluation involves two phases: Final-term phase and Mid-term phase.

- (1) Mid-term phase takes place from June to July, and employees are required to confirm the progress of attaining their initial goals and ensure that their predetermined goals are in line with their individual development and actual work conditions. Subsequently, they must examine, confirm, and reorient their annual goals accordingly.
- (2) From mid-November to the end of January in the following year, supervisors provide one-on-one feedback to their employees regarding their annual job performance, conducts performance evaluations of their colleagues, and jointly sets the work goals and development plans for the subsequent year. Furthermore, two-way communication and feedback between supervisors and their colleagues ensure the provision of necessary resources for performance enhancement and facilitate completing work tasks.

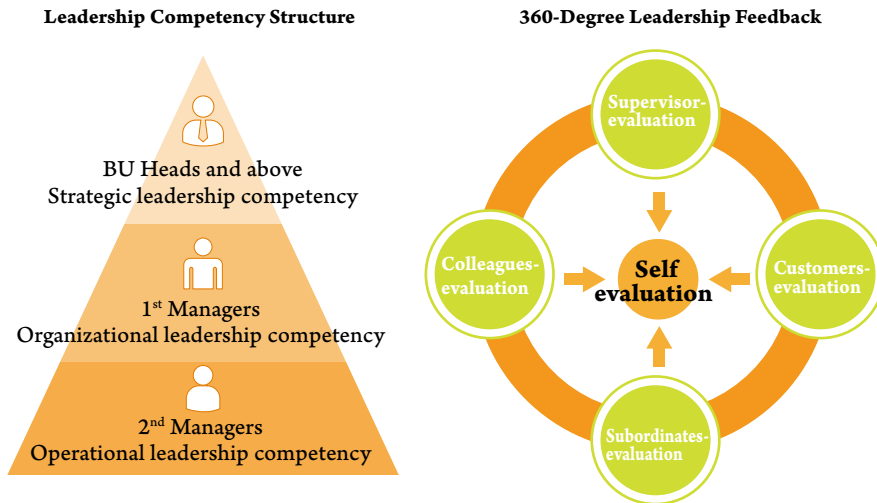


360-Degree Leadership Feedback



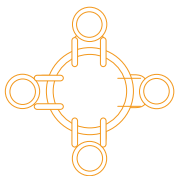
To enhance the leadership capacity of management personnel, the 360-degree feedback questionnaire is conducted on all managers to comprehensively examine their job performance and management skills. Opinions and feedback primarily originate from supervisors, subordinates, colleagues, and those under evaluation. Feedback from diverse channels ensures objective evaluation results, enhances the willingness of management personnel to adopt improvement suggestions and provides a reference guideline for devising career development plans. As our workforce continues to grow, 1,209 supervisors and their colleagues throughout our global offices have partaken in the feedback evaluation in 2017, maintaining a participation rate of 80% or above.

Regarding cultivation of leadership, an internal apprentice system is used to transfer management experiences and arrange external training courses according to the leadership requirements of various management levels. Thus, management personnel is granted the opportunity for continuous learning and development, which contribute to strengthening the leadership capacity of MediaTek's employees at all levels.



Employee Communications and Participation

5C Model



To foster quality communications during team collaborations between our global talent, thus helping to realize the greatest team effectiveness and competency, MediaTek has introduced "Global Communication Guideline," which helps to foster mutual understanding and avoid misunderstanding during the communication process, and finally leading to clear mutual consensus.

The "5C Model" has been initiated in practice, which includes using "common language," "consider others," "clarify & rephrase," "confirm understanding," and to provide "concise content." These principles are utilized during every cross-regional, multi-lingual team meeting, correspondence or talks to enhance the effectiveness of team communications, leading to synergistic growth and maximizing the benefits of teamwork.



We collected 426 employee suggestions regarding HR policies and service via the "MKT_FAQ communications platform" in 2017.

To maintain an open and fair communications environment with unobstructed information flow, we regularly organize communication meetings that encompass all levels. To foster mutual understanding between employees and the Company, we also use electronic communication channels to deliver important messages to employees such as Company objectives and technological progress. MediaTek systematically and efficiently assists employees to understand the Company, disseminate Company policies, and responds to employees' questions regarding the Company and work environment.

- ▶ We regularly organize communication meetings across all levels. In addition to monthly and quarterly departmental meetings, to cater to the growing number of foreign employees, we have become even more focused on the timeliness and transparency of communication. Global manager communication meetings have been held on a quarterly basis since Q4 2015, as part of the program, video conferences were conducted for managers in global sites to communicate important operational strategies, technical layout, and organizational HR issues on a quarterly basis.
- ▶ Labor-management meetings are organized on a quarterly basis. During such meetings, representatives from the Company and from employees discuss key concerns from employees through a fair and effective communication mechanism, in order to achieve harmonious labor-management relationship and create synergistic objectives for both the Company and our employees.
- ▶ The Company issues an internal monthly electronic periodical, "Hot Paper," which advocates for Company policies and activities through lighthearted, humorous tone. The periodical also delivers the Company's core values and work procedures through feature stories.



To meet expectations from a new generation of employees for two-way communications, the Company also plans to launch Version 2.0 of the MKT_FAQ Communication Platform in 2018. The objective is to design a platform that better meets employees' needs and fosters effective communications. MediaTek focuses on effective two-way communications and strives to provide open, transparent, and unobstructed communication channels between both managers and employees, and among employees themselves.



MKT_FAQ Communication Platform

Global Employee Survey

To truly understand employees' thoughts and perceptions, MediaTek has invited independent professional consulting company to regularly undertake employee opinion surveys every 1 to 2 years since 2004. Response and improvements will be made based on the results of the survey, allowing employees to truly express their thoughts on the Company. The scope of survey collection was expanded to all MediaTek operational sites in 11 countries across the world in 2016. A total of 10,196 surveys were distributed, and more than 9,000 employees across the world have responded to the surveys, showing an overall response rate of 88%.

Insights from employee survey



Global participation

We hope to hear from every employee around the world.



Respect ideas

Every employee's voice deserves to be heard, making MediaTek the best place to work for.



Absolute confidentiality

This employee survey is carried out by a third-party professional consulting company.

Results of the 2016 employee opinion survey indicated that employees were very concerned about two major topics, which are "mid- to long-term objectives" and "communications." MediaTek has also responded to the survey results in an effort to continue to understand topics of employees' concern. Improvement plans were established for the two major topics, and a special taskforce team was set up to ensure the implementation of the plans. Below are the improvement measures that were taken in 2017. To strengthen the interactions in internal communications, besides Company-wide actions, each organization has also planned relevant improvement measures based on different needs from employees from across different departments.

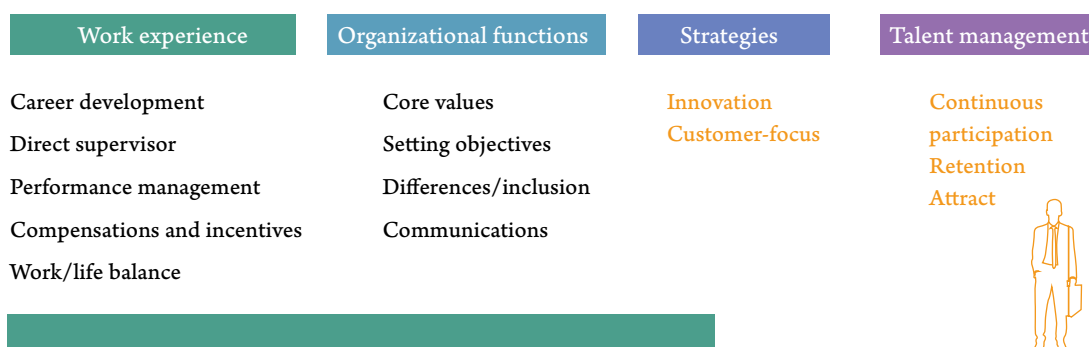
Improvement Plan	Details
Set up taskforce team to oversee improvements	The taskforce team meets regularly in each quarter to update the status of implementation of all improvement plans after the 2017 satisfaction survey
Reorganization	Held global management seminar and communication meetings for relevant departments before implementing internal major organizational changes. The purpose of which was to facilitate managers and employees to understand the key points in organizational changes and to understand the estimated synergies, so that all employees can work toward common objectives.
Regularly host managerial and departmental communication meetings	Each department regularly communicate with entry-level employees through meetings in each quarter to ensure that all employees can receive Company information on a quarterly basis, as well as the short, mid, and long-term objectives and business development from each department. Senior managers will also travel to global offices to meet and communicate with local employees. Furthermore, manager communication meetings are also held in each quarter to share important Company messages on a timely basis.
Labor-management meeting	Though HR department had represented the employers in the past, managers in each level including senior managers will serve as employer representatives starting in 2017 in the hopes of increasing their emphasis on employees' opinions.
PMD Pulse Survey	After conducting the annual Performance Management and Development (PMD) evaluation, an online survey was issued to further understand the quality of implementing performance-based feedback to truly care and manage employees' performance and career development in practice. The response rate has reached over 65.6%.
Timely announcement on major information	We announce messages from MediaTek through the internal system and email in a timely manner. At the same time, to integrate diverse information exchange methods, we have also introduced social media to the message relay of certain activities and topics. For instance, Facebook's Live Video function was used during our 20 th -anniversary celebration so that offices across the globe can celebrate with us.

Compliance with Labor Laws

MediaTek strictly abides by regulations stipulated by the Labor Standards Act. The Company complies with International Declaration of Human Rights, protects employees' rights for freedom of association, prohibits any form of discrimination in recruitment, and does not discriminate based on an employee's race, age, gender, sexual orientation, disability, pregnancy, politics, or religion. All employees have signed written labor contracts that clearly state that the employment relationship is built under mutual consensus, and strictly prohibits child labor in accordance with legal regulations. Moreover, our work procedures have clearly stated regulations against forced labor, and employees' working hours are stated according to labor laws. In case of extenuating circumstances that require employment relationship to cease in Taiwan, the Company will announce the termination and subsequently pay for relevant severance pay according to the Labor Standards Act.

Structure of survey/questionnaire

15 categories 43 items




Sexual Harassment Prevention

To create an environment of gender equality for every MediaTek employee so that they will not be treated differently or subject to sexual harassment, we pay particular attention to potential gender discrimination and sexual harassment issues in the workplace. We have established the Regulations for Establishing Measures of Prevention, Complaint, and Punishment of Sexual Harassment in accordance with 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.


Furthermore, we have set up a Sexual Harassment Handling Committee and Sexual Harassment Prevention hotline (#21999) and E-mail (call21999@mediatek.com) to handle gender equality issues in the workplace, thereby ensuring that all MediaTek employees receive the most comprehensive care. The "Workplace Sexual Harassment Prevention Program" has been listed as mandatory for all employees since June 2015, and a sexual harassment prevention website has also been set up to advocate for important information and to enhance gender equality. In addition, as advocacy for workplace sexual harassment prevention from supervisors and the ways they deal with the aftermath of such incidents are also crucial, the Company introduced the "Manager Section" on the website and launched online compulsory courses for managers.

Internal Communications Structure

Communication channel	Usage frequency	Problem type	Characteristics	Management level	
Communication Platform (FAQ)	All year round	Work/workplace-related questions	<ul style="list-style-type: none"> Response within limited time Online operations 	<ul style="list-style-type: none"> Anonymous 24/7 	Contact person of accountable department
Global Communication Platform	All year round	Matters promoted globally by MediaTek	<ul style="list-style-type: none"> News articles Global important messages Corporate core values 		Contact persons at each operating site
Communications Meeting of Each Levelink	Monthly/Quarterly	Work/workplace-related questions	<ul style="list-style-type: none"> Topic sharing Company topic promotions Departmental internal promotions 		Department Manager (Tier 2) and above
Labor-management Meeting	Quarterly	Discussions on labor conditions and employment relation issues	<ul style="list-style-type: none"> Collect questions in advance Elect labor representatives through public voting Announce the meeting outcome 		Five representatives from each side at 1:1 ratio Labor representatives will account for 0.1% of total employees
Others	Employee Grievance Mailbox Company Opinion Mailbox	Any major issue	<ul style="list-style-type: none"> Highest management level Online service 		Highest level of executives in employee communicationse Highest management level in HR


All employees
Highest management level

 ▶ All year round
 ▶ Anytime, anywhere



Compensation and Benefits

Wage Protection

MediaTek's strategic positioning is to offer higher overall compensation packages than the market average to attract talent and to retain current talent with competitive compensations. We have designed wage structures that comply with local needs and standards based on each operational location's government and legal regulations, industry practices, and HR and market conditions, and we do not differentiate based on gender, nationality, race, age, or religious beliefs. MediaTek's overall compensations are based on individual employees' knowledge, skill sets, capabilities, roles, and responsibilities as well as individual performance and level of commitment. In terms of base salary, we make appropriate adjustments to our employees' base salaries based on the market's overall wage standards, overall economic indicators and other relevant principles. MediaTek hopes to inspire employees to continue making contributions and to realize teamwork spirit through competitive overall compensation packages. This is our way of realizing the sustainable vision of profit-sharing.

The fixed basic salary for engineers holding Masters Degree and no prior work experience is 3.62 times the legally-stipulated minimum salary in Taiwan. °

3.62

Retirement Plan

All MediaTek operations around the globe have established employee retirement plans according to legal regulations from local governments. Since the Labor Pension Act has been implemented on July 1, 2005, in Taiwan, the new system can be adopted for 99.1% of our current employees, while 0.9% of employees can still adopt the old system (i.e. pension regulations relevant to the Labor Standards Act).

Pension Appropriations



All overseas subsidiaries of the Company will appropriate pension reserve as stipulated by local laws. MediaTek and subsidiaries in Taiwan have established 'Employee Retirement Procedure and Defined Pension Plan' pursuant to the Labor Pension Act, in which 6% of the employee's compensations will be appropriated to the Individual Retirement Account (IRA) of the Bureau of Labor Insurance, Ministry of Labor, in each month. Subsidiaries in China will also appropriate a certain ratio of the employee's compensations as pension insurance to designated, individual savings account at relevant government agencies based on regulations of the local governments. Defined pension appropriation expense recognized in 2017 amounted to NT\$1,611,309 thousand.

Benefit Planning



MediaTek and subsidiaries in Taiwan have established defined benefits plan for employee retirement procedures pursuant to the Labor Standards Act. The payout of employees' pension is calculated based on the employee's years of service, and the approved monthly average wage upon retirement. Two coefficients will be assigned to each year for employees whose years of service are 15 years or less; for those whose service years are over 15 years, one coefficient will be assigned for every one year. Maximum coefficient will be 45. In accordance with the Labor Standards Act, the Company and its subsidiaries in Taiwan will appropriate 2% of an employee's total monthly compensation as pension reserve on a monthly basis. The fund is deposited in a designated account of Bank of Taiwan, in the name of the Supervisory Committee of Labor Pension Reserve. As of December 31, 2017, the Company is expected to appropriate NT\$8,187 thousand toward the defined benefit plan in 2018.

Encouraging Childbirth

In response to the low birthrate and aging society problems in Taiwan, in an effort to help MediaTek employees to build happy families, the Company has planned distinct incentive and financial aid packages for employees during each stage of their lives. In compliance with the Labor Standards Act, our "Employee Service Regulations" clearly state that the Company cannot terminate employment contracts during a worker's maternity leave. We offer 56 days of maternity leave both before and after childbirth for female employees, and an employee can choose to take 7 days of leave during the 15 days before and after the pregnancy, childbirth or miscarriage of spouse. The 7 days will be paid leave. We also provide 2 extra days of childbirth leave for workers on top of the requirements from the Labor Standards Act, so MediaTek employees can enjoy more time with their family on such important occasion in a flexible manner. Moreover, MediaTek also provides a childbirth bonus to congratulate our new families. For employees with childcare needs, they can also apply for unpaid childcare leave. The rate of employees returning to work from such leave has been close to 48.1% in 2017.

Taiwan's Rate of Applying for Unpaid Child Care Leave, Rate of Reinstatement, and Rate of Position Retention

Item	Male	Female	Total
A. Number of employees qualified for unpaid childcare leave in 2017	1,073	177	1,250
B. Number of employees that actually applied for unpaid childcare leave in 2017	20	45	65
C. Number of employees expected to be reinstated from unpaid childcare leave in 2017	14	38	52
D. Number of employees actually reinstated from unpaid childcare leave in 2017	6	19	25
E. Number of employees that worked for one year after reinstatement in 2016	9	17	26
F. Number of employees that took unpaid childcare leave and were reinstated from childcare leave in 2016	9	20	29
Application rate (B/A)	1.9%	25.4%	5.2%
Reinstatement rate (D/C)	42.9%	50.0%	48.1%
Position retention rate (E/F)	100.0%	85.0%	89.7%

A. Number of employees qualified for unpaid childcare leave in 2017: Number of employees who applied for paternity leave and maternity leave between January 01, 2015 to December 31, 2017

B. Number of employees that actually applied for unpaid childcare leave in 2017: Number of employees that applied for unpaid childcare leave between January 01, 2017, and December 31, 2017

C. Number of employees expected to be reinstated from unpaid childcare leave in 2017: Number of employees that had unpaid childcare leave with the expiration date falling between January 1, 2017, and December 31, 2017

D. Number of employees actually reinstated from unpaid childcare leave in 2017: Number of employees that had unpaid childcare leave with an expiration date between January 1, 2017, and December 31, 2017, and were reinstated in this time frame

E. Number of employees that worked for one year after being reinstated in 2016: Number of employees that took unpaid childcare leave between January 1, 2016, and December 31, 2016, and are still working with MediaTek one year after they were reinstated

F. Number of employees that returned from childcare leave in 2016: Number of employees that took unpaid childcare leave between January 01, 2016, and December 31, 2016, and were reinstated for more than one year



Single ▶ Get-together event

Married ▶ Cash gift for wedding
NT\$10,000

Childbirth ▶ Cash gift of NT\$2,000 per child
▶ 5 days of pre-maternity leave
▶ Maternity leave 56 days
▶ Paternity leave 7 days

Family ▶ Spousal caring network – spousal activities
▶ Childcare resource inquiry/recommendation platform
▶ Child education scholarships
▶ Family care leave & unpaid parental leave

Diverse Employee Benefit Plan to Care for Employees' Mental and Physical Well-being

Benefits from 4,000 partner stores

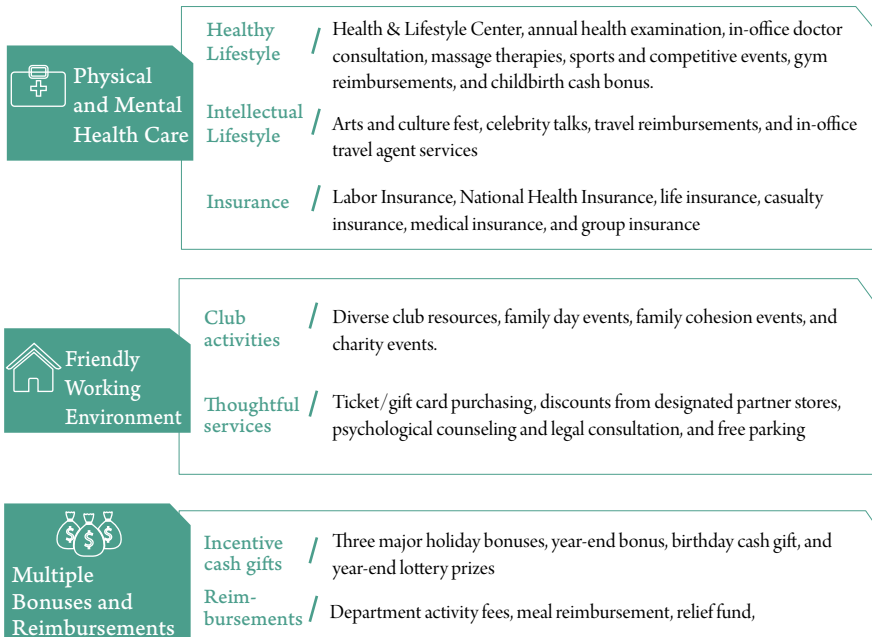
- ▶ Signed partner store promotions with nearly 4,000 stores throughout Taiwan
- ▶ Smart living: besides enjoying discount promotions with employee ID badges or smartphone apps, they can also look up partner stores that are close to them anytime, anywhere, making this benefit even more convenient.
- ▶ Holiday activities: invite children's book publishers or Eslite Bookstore to organize book and product fairs at MediaTek on Children's Day or Christmas. Besides satisfying everyone's needs for different types of books, we also promote the importance of reading through organizing these fairs.

Besides providing a variety of benefits, we also focus on the mental well-being of our employees. Hence, when employees (including some of their family members) undergo an annual health checkup, they can also choose to fill out the "Self Perception Measurement Chart." Besides allowing employees to be more in line with how they feel, the Employee Relations department will also subsequently care and monitor employees with higher risks to ensure the balanced physical and mental well-being of every employee.

2017 Sports Day

As 2017 marked our 20th anniversary, the Company has organized a Sports Day at the Hsinchu County Gymnasium. A fair and concert were also organized at the venue, and the event was well-received by our employees. Approximately 15,000 employees and their families attended the event, reaching a satisfactory level of 82%.

MediaTek Employee Benefits



2017 Results:

- ▶ **Reimbursed departmental activities:** Encouraged departments to organize luncheons, birthday celebrations, and family days to travel with employees and their families.
- ▶ **Usage rate:** 98% reimbursement for employee's personal travel activity: Each person can receive up to NT\$8000, reimbursement rate over 95%.

Friendly Working Environment

45 Diversified Clubs

▶ MediaTek had 45 clubs as of the end of 2017, including the newly formed Triathlon Club, Women's Basketball Club, Taipei Fitness Club, and Ethical Yoga Club. In addition to hosting club recruitment activities in every January and July, we also offer funds for clubs to facilitate their operations. As many as 2,000 employees are involved in at least one club.



Benefits from 4,000 designated partner stores

- ▶ Signed partner store promotions with nearly 4,000 stores throughout Taiwan
- ▶ Smart living: besides enjoying discount promotions with employee ID badges or smartphone apps, they can also look up partner stores that are close to them anytime, anywhere, making this benefit even more convenient.
- ▶ Holiday activities: invite children's book publishers or Eslite Bookstore to organize book and product fairs at MediaTek on Children's Day or Christmas. Besides satisfying everyone's needs for different types of books, we also promote the importance of reading through organizing these fairs.



19 Holidays - higher than legal regulations

▶ More preferable holiday arrangement than the law: This is in response to the "Details of Implementing the Labor Standards Act" by the Ministry of Labor in 2015, in which the national holidays in 2016 would be shortened to 12 days from 19 days. To balance the work and personal lives of our employees, MediaTek provides 19 days of leave, including national holidays and memorial days, more preferable than the requirements of the "Details of Implementing the Labor Standards Act." The purpose of this is to enhance the convenience of our employees in arranging for their holidays and vacations.



2017 Health Promotional Activities

Taiwan HQ

14 sessions organized in 2017; 2,454 participants
 Badminton competition, volleyball competition, basketball competition, table tennis competition, Group softball competition
 Basketball competition, 20-person tug-of-war, Climbing Taipei 101
 Cool games, dodgeball competition, swimming across Sun Moon Lake, Taipei Marathon

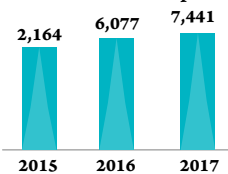


China

34 sessions organized in 2017; 4,987 participants
 Health exercise, weight loss competition
 Power walking, hiking
 Sports competitions, running
 Fun games



Health Promotional Activities and Number of Participants



Swimming Across Sun Moon Lake



Tug-of-war



Taipei Marathon

Objective of mental and physical health support

Vision/objective

- ▶ Employees can work and live with optimized mental and physical health conditions along with their families and their colleagues

Strategic

- ▶ From balanced physical and mental well-being to building a support system
- ▶ From solving problems to preventing problems
- ▶ From assisting individual problems to improving organizational atmosphere
- ▶ From caring for individual employees to caring for their families

Projects implemented

Caring for physical and mental well-being at work

All-in-One Employee and Family Caring

- ▶ Physical health prevention and support mechanism

- ▶ Mental health prevention and support mechanism

- ▶ All-in-One Employee and Family Caring

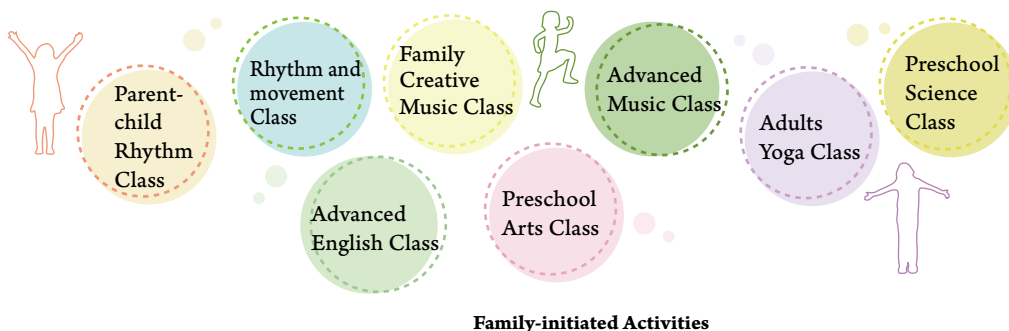
A Happy Network of MediaTek Employees and Their Families

Family Assistance and Interactions Platform

MediaTek not only cares for our employees but also for their families, allowing employees to realize their full potential at work without the need to worry about their families. We also consider children of employees as an important part of our caring plans. MediaTek provides a free web-based platform to facilitate a free exchange of information ranging from living, childcare experiences, and local medical and school resources to employees' families. The platform also helps build cohesion between employees' family members. As of the end of 2017, the platform has been used over 12,500 times, and MediaTek has also announced various family relations activities via the platform. In response to the fact that social media has become a mainstream channel of communication, the families of our employees have also proactively formed a Family Network on Facebook. Currently, over 348 family members have joined the group and are committed to sharing parent-child interactions and the latest updates on activities and information. Moreover, to enhance our all-in-one caring and facilitation, MediaTek is planning to build a preschool to alleviate the mental and financial burdens related to childcare from our employees.

Diverse Family Activities

MediaTek also makes the Company fitness center and gym available to family members, and Family Activity Classrooms have been established. Family members have proactively initiated family activity classes, and the small class size of these courses help to enhance the effectiveness of learning. Courses include children's music, family music, advanced music, children's science, and adult yoga, etc. A total of 208 individuals have participated in family activities in 2017.





Employee Healthcare Management

100% health check-up rate in compliance with legal regulations in 2017; spent NT\$37,609,132 on health checkup fees.



Medical Team Onsite Service

A medical team from National Taiwan University Hospital-Hsinchu Branch conduct onsite visits of 15 times per month and offers one-on-one professional consultation with our employees.



Protection of Mother's Health

Health Center team has meticulously designed pacifier chains and chew toys exclusively for babies of MediaTek employees to express our blessings for the babies.



Healthy Diet Promotions

We reinforced food safety and health management in 2017, and undertake bi-monthly SGS regular audit and inspection as well as introduced fresh vegetables and fruits.



Conducive Workplace Environment and

28 visually impaired massage therapists were recruited in 2017, serving 14,181 employees (headcount)



All In: Your Passion

Over 7,440 individuals (headcount) have participated in health promotional activities in 2017, achieving an average of 4.1 points for each activity (out of 5 possible points).

Building Our Own Preschool for Employees

MediaTek is committed to work diligently to provide a worry-free work environment for our employees, and has listening attentively to employees' needs. To build a worry-free work environment that allows employees to balance their personal lives and to care for their families, MediaTek has officially announced our plan to "build our own preschool" during the 2017 Sports Day. This is most-anticipated benefit according to results from employee surveys, and also marks the Company's effort toward caring for employees and their families.

MediaTek Preschool is estimated to be completed by September 2019 and will be located on the first and second floors of Building D (currently under construction) behind our Hsinchu Headquarters. The center will include 416 pings of the area. Employees' children aged 2 to 6 will be eligible to attend the daycare center. Approximately 106 children can be accommodated per year in the first two years, and we can accommodate 166 children starting from the third year. We hope that every child learning at the MediaTek Preschool can continue to grow with the Company.

MediaTek's Preschool

- ▶ Average age of employees: **34** years old
- ▶ **900** children are within kindergarten-age
- ▶ Ranks **No. 1** among employees' most anticipated benefit



Location:

Behind Hsinchu Headquarters
First and Second Floor of Building D
(currently under construction)
426 ping of space (15161 sq ft)



Schedule:

Anticipate to recruit the
inaugural class in September
2019



Persons:

Approximately 106 persons in the
first 2 years
166 persons starting from third year



Eligible subject:

Employees' children
aged 2-6

Innovation

Innovate to provide competitive products and services to customers.



▼ Innovation

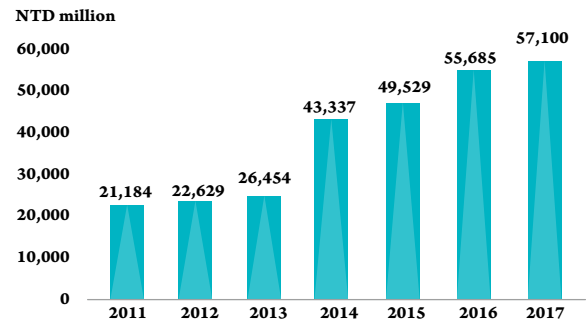
Innovation doesn't necessarily have to be profound and need not be a groundbreaking invention. In fact, innovation refers to something with "newness," which could be a product, or a production process, a service, or a way of business. To create value, this newness needs to be transformed into something that satisfies certain needs. When an IC design company strives to develop new products to satisfy customer needs, that is innovation. We aspire for all MediaTek employees to think outside the box and engage in new ways of thinking. This applies to all types of innovation, ranging from technology, strategies, marketing, management, to processing. We wish for everyone to overcome critical challenges through actions, to transform thinking into actions, and to create new values. We believe that innovation is an important motivation for a company's sustainable growth. MediaTek's emphasis on innovative development can be seen from our R&D budgets over the years.

Invested up to NT\$57.2 billion toward R&D expenses in 2017, accounting for 24% of revenue

In 2017, MediaTek published 10 papers in the International Solid-State Circuits Conference (ISSCC), also known as the "Chip Olympics" for the IC Design Industry. This broke MediaTek's previous publication record and set a new historical record in the global semiconductor industry. Moreover, MediaTek is also the only company in Taiwan to be selected for publication for 14 consecutive years.

Furthermore, MediaTek started issuing the Innovation Award and Special Contribution Award in 2002 and 2003 respectively as a means to encourage MediaTek employees to continue innovative inventions. Anyone who makes a major contribution to the Company's operations, be it technical R&D, strategic planning, or procedure management, can become award candidates. These two awards symbolize MediaTek's highest honor in technological innovation and have successfully encouraged employees to engage in innovation, creating a culture and atmosphere of innovation within the Company.

R&D Investment Expenses



Future R&D and Innovation Objectives



15th Special Contribution Award & 16th Innovation Award



- ◀ Next Generation PMIC – M15H-G2 platform
- ◀ First MediaTek Smartphone Launched by Verizon Wireless
- ◀ Success of the 1st Samsung SP Project based on MTK platform: Galaxy J2 Prime (G532)

▼ Innovative Development

Mobile IC chip - Helio / equipped with powerful, outstanding calculation capability and uncompromising multimedia features.



- ◀ Helio is the flagship brand of MediaTek's smartphone processor series. It offers top-notch processing capability, lasting battery life, and outstanding multimedia experience.
- ◀ Helio includes two major series: Helio X Series for top performance and Helio P Series for trendy technology. The Helio X Series is equipped with powerful, outstanding calculation capability and uncompromising multimedia features while the Helio P Series offers optimized energy consumption management and a streamlined PCB size while maintaining outstanding specifications to realize lightweight and fashionable cell phone designs. Since its launch, the Helio series has been adopted by more than 100 end-products, including some of the best cell phone brands from domestic and overseas markets.
- ◀ The high-end X30 and mid-tier P23, P25, and P30 System on Chip (SoC) were launched in the Helio series in 2017, bringing even more advanced cell phone calculation capability. Concurrently, the X30 product was honored with the Outstanding Supplier and Innovative Product Award in Hsinchu Science Park.

Mobile Photography Technology / IMAGIQ technology will completely revolutionize your photography experience



- ◀ The Helio system IC is installed with multiple software and hardware combinations, showing even more realistic colors, lush details, more vibrant brightness, and faster auto-focus and clearer images.
 1. **More convenient** - Carried in lightweight smartphones, allowing you to shoot exciting, high-quality photos anytime, anywhere
 2. **More user-friendly** - No professional lingo or complex phone settings necessary. Simply focus on your target, click, and capture every brilliant moment
 3. **More outstanding** - Dual-lens smartphones equipped with IMAGIQ technology and image enhancer, pairing with other unique photo and video technologies

Communications Technology / Enables mobile devices to maximize their effectiveness in speed, sensitivity, and power efficiency



- ◀ Released the 3rd-generation LTE modem in 2017, with the following feature highlights: supports all worldwide cellular modes, supports carrier aggregation across FDD and TDD frequency bands, supports the newest LTE cellular networks, supports the newest LTE+WiFi link aggregation (LWA), provides wider signal coverage, support advance IMS, and supports super-wideband (SWB) voice services.
- ◀ Bringing the following advantages to customers:
 1. Single radio frequency integration circuit design
 2. Boosts integration and efficiency of transistors
 3. Reduced the overall chip size and power use, as well as having reduced the cost by simplifying the manufacturing process for product designers

Smart networking technology / Highly integrated networking solution / is the basis of the IoT era



- ◀ We will continue to develop and provide highly integrated technologies and products such as wireless networking (Wi-Fi), wireless digital subscriber lines (xDSL), Bluetooth, near field communications (NFC), global positioning system (GPS), with the goal of providing high-performance, highly stable, multi-functional, and lower power-consuming products and core offerings.
 1. 802.11x Wi-Fi - World-leading technology, all of our wireless products have all been certified by the Wi-Fi Alliance
 2. Wireless digital subscriber line (xDSL) end user devices - The technology of these devices has been adopted by over 50 Internet service providers worldwide

In-vehicle infotainment system / Driving your automobile experience with innovation



- ◀ Autus is MediaTek's in-vehicle infotainment system brand. It uses new technologies such as artificial intelligence, millimeter wave, machine learning, and advanced vision processing to provide customers with high-performing and highly efficient computing capabilities.
- ◀ We provide world-leading modem and RF technologies, advanced and highly integrated system-on-chip technology, outstanding multimedia technologies, open platforms, and a friendly ecosystem.
- ◀ The 4 major research directions of Autus in-vehicle infotainment system include:
 1. Vision-based advanced driver assistance system (Vision-based ADAS)
 2. High precision millimeter wave radar (mmWave Radar)
 3. In-vehicle infotainment system offering excellent user experience (In-Vehicle Infotainment)
 4. Power vehicle telematics

IC Process Technology / Improve the IC manufacturing process and increase the computing performance and efficiency of products.



- ◀ MediaTek is one of the only manufacturers throughout the industry that currently provides 10nm process products.
- ◀ As the manufacturing process of processors continues to improve, the performance and power efficiency will also improve since the threshold voltage needed will be reduced, resulting in IC chips that consume less power.
- ◀ By adopting pioneering processes, MediaTek is able to build a lighter and faster IC with higher power efficiency. We can also provide manufacturers with ample flexibility in design.

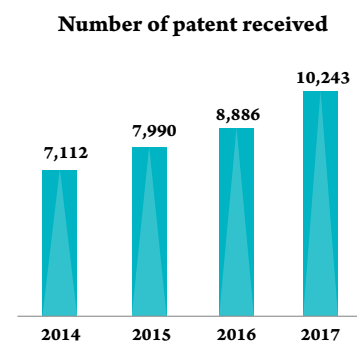
Capacity for Innovation

Patent Strategic Planning

As of 2017, MediaTek has received more than 10,000 patents worldwide. We rank in the Fourth Place in the number of applications for invention patents in Taiwan's Intellectual Property Office (TIPO) in 2017, and have topped all businesses throughout Taiwan in terms of applications for European Patent Office (EPO) for three consecutive years from 2015 to 2017.

A patent is a material indicator of MediaTek's strength in innovative R&D. To encourage employees to brainstorm and to innovate, our employees can attain patents from various countries for their inventions through patent application procedures to protect their IP rights and therefore enhance the Company's R&D competitiveness. At the same time, in terms of establishing initial, niche technology, we have proactively participated in advanced standard organizations, and undertake strategic patent planning. We continue to solidify our patents for technologies in emerging fields, forming a comprehensive, strong intellectual property fortress.





MediaTek has over 20 R&D locations worldwide, and in terms of patent layout, we have applied for more than 10 thousand patents in North America, China, Europe, Taiwan, India, Japan, Korea, Brazil, and South Africa. As of 2017, we have already received 10,243 patents. Our ranking in the number of patent certificates received from the United States Patent and Trademark Office is within the Top 100 worldwide; moreover, we rank in the Third Place throughout all Taiwanese companies. We will continue to monitor the developments in the latest technologies, and timely propose relevant patent applications to protect the technologies we have developed. In addition, we will also remain dedicated to enhancing the quality of patents. Looking to MediaTek's future, we will continue to accumulate intangible assets in the form of quality intellectual property rights and to reinforce the competencies of Taiwan's high-tech industry.



Participation in Setting International Standards

Name of Technical Standard-Setting Organization	MediaTek's Role
Third Generation Partnership Project (3GPP)	<p>Realizing commercialization of 5G</p> <ol style="list-style-type: none"> 1. Participated in negotiations for setting 5G telecom standards and served as team leader/deputy chairman for multiple technical groups 2. Participated in negotiations for setting LTE-A R15 telecom standards and served as meeting chairperson for Narrow Band-Internet of Things (NB-IoT) 3. Submitted 5G/LTE technology proposal and compiled standardization documents
TAICS/TC1 (Advanced Mobile Communication)	<ol style="list-style-type: none"> 1. Served as chairperson for TC1, helping to integrate technical position for Taiwanese companies for 3GPP field and enhancing Taiwan's influence in decision-making for key technologies. MediaTek also promoted foreign companies to regularly send technical experts to Taiwan to undertake technical exchange for 5G, enhancing Taiwan's visibility and influence 2. Represented Taiwan to propose the vision for 5G technology. Announced 5G Technology White Paper and leading the R&D direction for 5G within Taiwan, while further influencing the direction of international standards. 3. Represented Taiwan to participate in global technical conferences; published R&D status of 5G technology, and enhancing Taiwan's visibility in the global 5G industry
GTI (Globe TD-LTE Initiative)	<ol style="list-style-type: none"> 1. Served as Project Lead for 5G Sub-6GHz, promoting the requirement for integration of 5G terminal technology for the global telecom industry and helping to maximize the scale of the terminal market. 2. Received 2017 GTI Honorary Award, recognizing MediaTek's contributions for promoting the 5G industry at GTI
Joint Video Experts Team (JVET)	MediaTek serves in key roles in terms of establishing global technology specifications. For instance, we were a major contributor for the Joint Video Experts Team (JVET), which sets the specifications for video compression.

Participation in Technical Associations

 Communication products	European Telecommunications Standards Institute
	Mobile Industry Processor Interface (MIPI) Alliance
	25 Gigabit Ethernet Consortium
	Open Networking Foundation
	Peripheral Component Interconnect Special Interest Group, PCI-SIG
	Global Certification Forum
 Multimedia	Video Electronics Standards Association
	Audio Engineer Society, AES
	Blu-ray Disc Association
	The DVD Copy Control Association
	Society of Motion Picture & Television Engineers
 Semiconductor	Global Semiconductor Alliance (GSA)
	Taiwan IC Industry & Academia Research Alliance (TIARA)
	JEDEC Solid State Technology Association
	SD Card Association
	Taiwan Semiconductor Industry Association
	USB Implementers Forum, USB-IF
 Laboratory	The Serial ATA International Organization
	Microsystems Technology Laboratories
	University of New Hampshire InterOperability Laboratory

Note: MediaTek is a member of all associations/organizations listed above.

Local Presence

Involve and care for the communities with our beliefs in global perspectives, talent, and innovation.

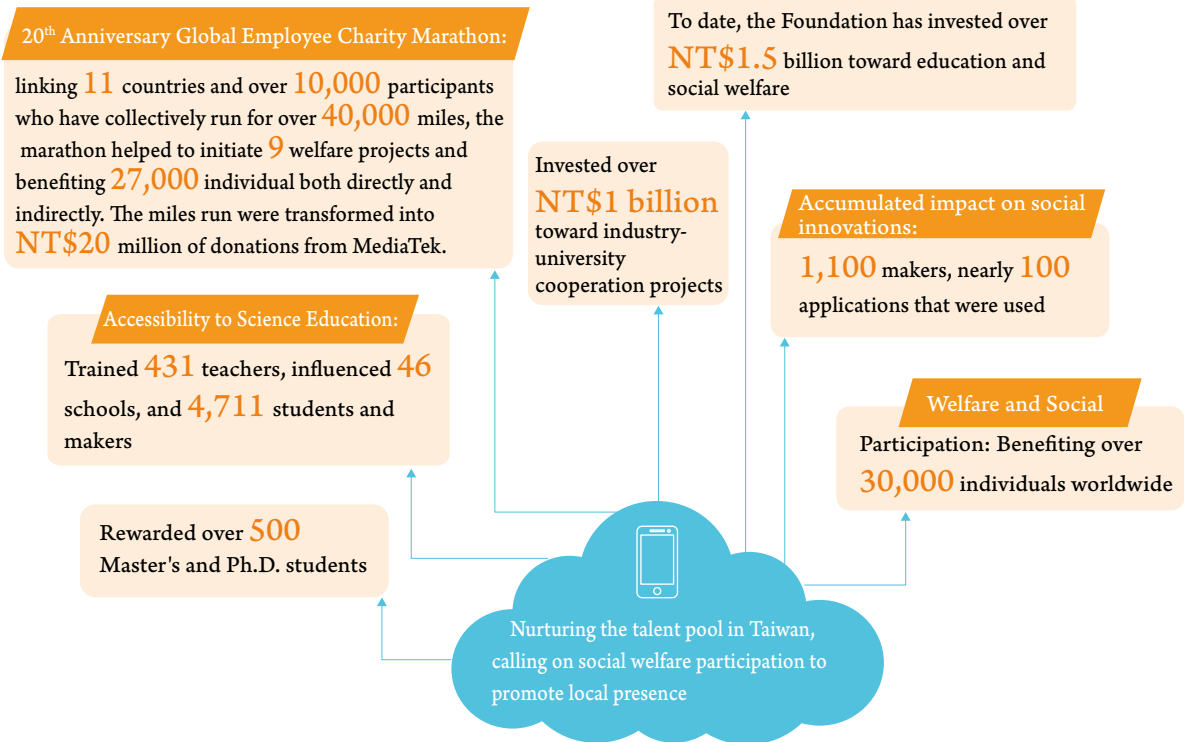
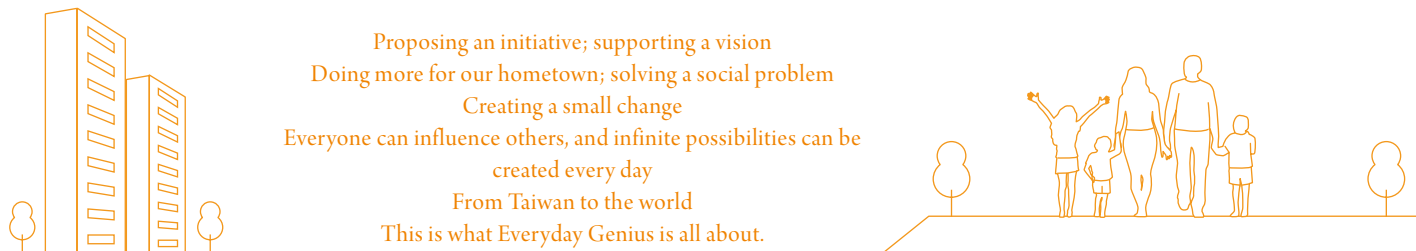


Local Presence

Besides leading the world with pioneering technical research and development, MediaTek also actively fulfills our social responsibility and cares about our local environment in Taiwan.

MediaTek's mission is to "enhance and enrich lives," and one of the ways we strive to do so is to innovate and develop products beneficial to the society and the environment.

Since founding the MediaTek Foundation in December 2001, we have held true to our value proposition of "knowledge drives a better future" and been committed to promoting the accessibility of knowledge and technology as the basis for the next generation's competitiveness. This will help to reduce the costs and barriers to receiving knowledge and to promote knowledge in practice. It is also the best gift we can present to the future generation.



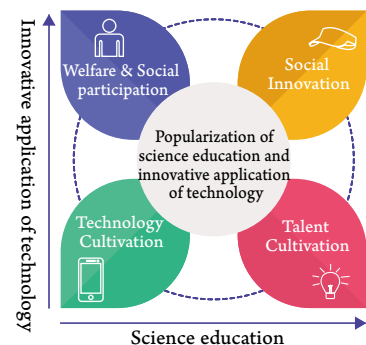
Core of MediaTek's Social Welfare: Cultivating Taiwan's Future through Knowledge

Cumulatively invested over NT\$1.5 billion as of 2017

MediaTek Foundation strives to achieve the accessibility of education and innovative applications of technology through four action plans:

- ▶ Social Innovation
- ▶ Technology Cultivation
- ▶ Talent Cultivation
- ▶ Welfare and Social Participation

As our vision is to grow and to prosper with the society, we continue to invest resources in Taiwan in terms of promoting education, industry development, and culture and the arts.



Universal Education / Bridging the knowledge gap and promoting accessibility to scientific education

Knowledge is a major driver in social development and advancement; nevertheless, differences exist in the attainment of knowledge, and we aspire to make knowledge acquisition more open and more fluent through our efforts. We wish for scientific and technical knowledge to become basic capabilities of the future generation, providing them access to a future with equal access to knowledge and opportunities.

Innovative Applications of Technology / Knowledge is a treasure, and the key lies in applications of the knowledge.

While promoting accessibility to knowledge, we realize that opportunities to practice the learned knowledge will be needed, so that the knowledge can truly extend its influence. MediaTek loves sharing our core competencies with the society. We actively build platforms to practice knowledge and technological applications, so that knowledge can propel us toward a better future. MediaTek transforms our Company's innovative R&D capability into a synergistic strength that seeks for mutual development with the technology education and industry in Taiwan through the MediaTek Foundation. Moreover, we actively seek for value co-creation with the government, academia, private sector, and the society.



Technology Cultivation Promoting accessibility to education in Taiwan in combination with our core values.

Over the years, MediaTek Foundation has constantly invested resources to facilitate and to promote the accessibility to education in Taiwan. "Finding problems" and "problem-solving ability" will be key skills for future talent, as well as the core competitiveness of the future generation. We continue to cultivate and foster scientific and technological education in Taiwan through three strategic implementation levels: Cities-, schools-, and talent-driven.

2017 Technology Cultivation Actions - Fostering High-Tech Talent in Taiwan



Target: Cities - Empowering Teachers for Maker Education

Empowering Teachers for Maker Education

For the "cities" level, we assist the Department of Education from each local government to enhance the competency for IoT education of teachers from elementary, junior high, and high school teachers.

Maker Education Ecology Plan

*For the "cities" level, we assist the Department of Education from each local government to enhance the competency for IoT education of teachers from elementary, junior high, and high school teachers.

*MediaTek plans general scientific education projects suitable for elementary and junior high schools from an angle of achieving "scientific education infrastructure" to achieve our goal of "creating an educational ecosystem for makers." Starting from training teachers for maker education, we have worked closely with the Department of Education and various local governments by providing teachers training camp and developing course materials, in the hopes of fostering talents willing to take action to solve social problems.

Trained 75 teachers and approximately 1,900 students in Taipei and Nantou

By using MediaTek LinkIt™ as a platform, MediaTek designs open source teaching modules appropriate for different age groups and hosts workshops and teacher training camps to encourage teachers to familiarize themselves with IoT applications. We also provide supporting course materials and technical support for back-end applications to help teachers develop their own teaching applications. Training plan has already commenced at Taipei City, Nantou County, Hualien County, and New Taipei City. We hope to dedicate our corporate strength toward building educational infrastructure, helping local governments to establish IoT teaching database to better meet the needs of the incoming IoT era.

We helped promote scientific education at 21 schools and to 22 teachers; opened 27 courses, trained 307 teachers, and influenced 810 students in 2017.

1. Opening IoT courses - We supported the provision of IoT courses from elementary schools to universities by sponsoring the MediaTek LinkIt™ as course material as well as technical support for back-end applications. We also facilitated nearly 100 university professors in learning to operate the LinkIt platform, thus helping them to utilize the platform toward IoT hands-on learning.
2. Applying IoT applications toward contests - Participants offered diverse innovative IoT applications and developed various new IoT and wearable device applications.





Target: Schools - Nurture Student Interest in Technology

Science Fair Promotion & Science Trip

MediaTek Foundation partners with the National Taiwan Science Education Center to foster the achievement and exchange of technological education in schools. We encourage teachers and students to form teams to research about scientific topics or to form science clubs to increase the level of interest and hands-on competencies for scientific knowledge in elementary and junior high schools. The overall project is carried out in two ways: Sponsorship for science fairs and the "Opening the Doors to Science: A Science Trip."

Encouraged 1,600 teachers and students from 19 elementary schools throughout Taiwan to participate in science fair

1. A total of 19 schools with diverse research topics were chosen in the preliminary round in this project. The contestants received financial resources and were able to proceed to larger, regional and national fairs. MediaTek Foundation aided contestants from 16 schools to enter the regional fairs, 14 of which were awarded. Eight schools had even gone on to national fairs, with six awarded.
2. Opening the Doors to Science: A Science Trip' - 19 schools that were chosen for the preliminary rounds to visit the National Science Education Center and the National Science and Technology Museum. A total of 1,450 students were able to glimpse into the secrets of science through these trips, increasing their curiosity for science.

AaPato Honor Society

By effectively using the LinkIt IoT platform as both a course material and a competition, MediaTek allows students to innovate a variety of IoT solutions.

Trained 363 students and 11 teachers from 6 high schools

AaPato Honor Society have been established and lectures have begun at Taipei Municipal Jianguo High School, National Hsinchu Senior High School, National Hsinchu Girl's Senior High School, Taichung First Senior High School, and National Experimental High School at Hsinchu Science Park.



Target: Talent-Hands-On Solutions for Social and Environmental Problems

2017 Mobile Heroes



A total of 1,031 makers participated in our contest for applying MediaTek technologies and products toward IoT development. As many as 331 innovative teams were encouraged and proposed 284 creative ideas. Moreover, 52 prototypes have been created based on these ideas.



Tamkang University ECE High School Camp



Recruited 38 high school students from disadvantaged families throughout Taiwan

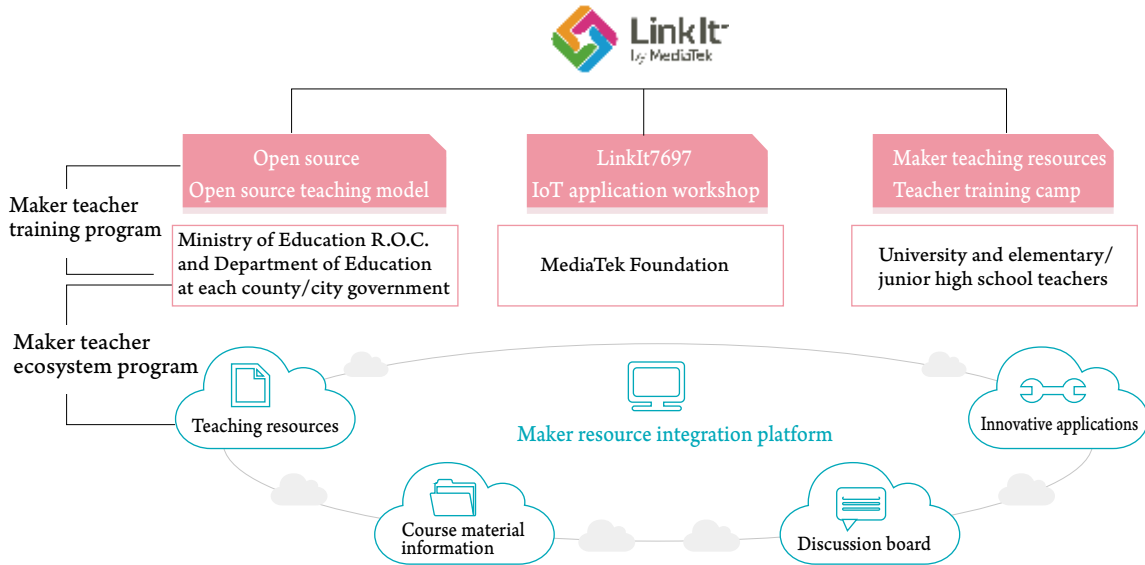
MediaTek Foundation and Tamkang University jointly organized the ECE High School Camp in 2017. To promote technology education and upward social mobility, IoT application lessons were given based on the MediaTek LinkIt platform.

▼ Social Innovation Implementing innovative technological applications to solve social problems





IoT application, Cloud-Based Disease Prevention, and Safeguarding Students

Suitable applications of technology can bring solutions to social problems. Hence, MediaTek Foundation has constantly collaborated with the government, private sector, and the academia over the years to provide technologies and resources to create the greatest benefits to the society. Founded on the basis of our strength in R&D, the MediaTek Foundation has actively initiated 'innovative applications of technology' plan in partnership with the government and the academia. We continue to contribute tech-savvy solutions for Taiwan and overseas in terms of IoT applications, disease prevention, post-disaster pollution detection, and the security of students.

LinkIt Maker Developer's Hub - Fostering Hands-on Talent to Solve Social Problems



Four Major Social Innovation Projects in 2017: Inspired 1,100 makers and nearly 100 applications

Content of project	Benefits
 Smart Disease Prevention in Tainan: disease prevention through integrating IoT devices and cloud-based technology	Completed installation of IoT insect lamps at five major shopping districts in Tainan in August
 Mobile Heroes Competition IoT Innovative Applications	331 innovative teams; 1,031 developers; 52 creative entries
 Academia Sinica's Air Detection Device for Texas Rebuilding Program: donated testing model to support Academia Sinica and Harvard Public Health team to undertake rebuilding plan for Texas	200 air boxes were placed throughout Texas to detect leaks of pollutant gases from the chemical plant after the hurricane
 MakeNTU : Sponsored National Taiwan University Electrical Engineering Makerthon	Enterprise Award had 20 participating teams and over 100 contestants

▼ Talent Cultivation Investing in industry-university cooperation and cultivation of higher education

MediaTek has actively promoted the development of technological knowledge and scientific education to promote scientific and technological research and encourage and assist graduate students who wish to undertake Ph.D. studies in Taiwan. Since beginning industry-university cooperation in 2002, the "MediaTek-NTU Research Center," "MediaTek-NTHU Research Center," and "MediaTek-NCTU Research Center" have been established by the end of 2013. Moreover, we have invested over NT\$1 billion toward university cooperation projects over the past 16 years. MediaTek and National Chiao Tung University (NCTU) have collectively announced the "MediaTek Junior Chair Professor" financial grant program. NT\$ 7.2 million will be appropriated toward the grant over four years since 2016 for the purpose of recruiting talents from the academia to increase the innovative driver for



upgrading the high-tech industry. Besides providing incentives for graduate and Ph.D. students to further their studies in Taiwan, MediaTek also understands the importance of information exchange between global talent. Hence, we have initiated the "MediaTek ASEAN and Southern Asia Scholarship," a one-time US\$10 thousand scholarship given to encourage outstanding students from Southern Asia to pursue higher education in Taiwan. In particular, we wish to incentivize Indian students to study Ph.D. degrees and to partake in research in Taiwan, in order to foster academic and technical exchange and to cultivate bi-lateral relationships between Taiwan and India. 73 applications in 2017; scholarship granted to 8 applicants.

Content of project	Results
<p>Established Research Centers Since beginning industry-university cooperation in 2002, the "MediaTek-NTU Research Center," "MediaTek-NTHU Research Center," and "MediaTek-NCTU Research Center" have been established by the end of 2013. We aspire to create more innovative thinking by collaborating with the innovative strength from NTU, NTHU, and NCTU.</p> <p>Invested over NT\$1 billion toward university cooperation projects over the past 16 years. Our partner schools have gradually expanded to encompass NCKU, NCU, and NTUST and more, while the field of cooperation projects have also shifted with the Company's product strategies. The research topics have focused mostly on IC design technology and wireless telecommunications in the past, and currently, we have significantly increased the ratio of AI, 5G, and biomedical applications.</p> <p>Industry-University Alliance Industry-University Alliance - A joint effort with NTU at the end of 2014</p>	<p>"Research of Terminal Key Technology for Forward-Thinking Next Generation of Mobile Telecom" - more than 30 professors and nearly 100 Masters and Ph.D. researchers are dedicated to developing the core technologies for 'heterogeneous multi-core computing platform' and 'next generation of mobile telecom.' We have witnessed fruitful results after three years of hard work. Besides developing multiple key technologies, filing over 30 patent applications, and publishing over 200 papers in journals and periodicals, NTU has also participated in standard-proposing meetings and submitted 36 proposals in the past 3 years. Moreover, 19 joint-proposals with international and domestic major companies have also been submitted.</p>
<p>Focus on Advanced Talent: Recruit Outstanding Teachers from Overseas MediaTek and National Chiao Tung University (NCTU) has collectively announced the 'MediaTek Junior Chair Professor' financial grant program. NT\$ 7.2 million is anticipated to be allocated as funds for recruiting talent from the academia to increase the innovative driver in promoting enhancement in the high-tech industry over four years.</p>	<p>Five Junior Chair Professors Have Returned to Taiwan The five professors are Assistant Professor Y.C. Kuan and Tian-Li Wu from the International College of Semiconductor Technology, Assistant Professor Hsueh-Cheng "Nick" Wang from Electrical and Computer Engineering (ECE), Assistant Professor Chi-Yu Li from College of Computer Science, and Assistant Professor Yung-Ju Chang from the College of Computer Science. Their field of expertise includes robotics, 4G/5G communications, UX/UI design, and innovative semiconductor technology. The "MediaTek Junior Chair Professor" financial grant sponsors newly-recruited, outstanding professors who specialize in electrical engineering, electronics, and IT engineering in NCTU. We wish to encourage our global elites to return to Taiwan, recruit renowned teachers and outstanding individuals overseas.</p>
<p>Sponsored Over 500 Graduate and Ph.D. students in Taiwan and Oversea MediaTek actively promotes the development of technological knowledge and education. To foster future talent in technological research and education in Taiwan and enhance our nation's competitive advantage in relevant research in the future, the "MediaTek Taiwan Ph.D. Scholarship" was founded in 2002 and the "Innovative Research Center Scholarship" was launched in 2014. These scholarships aim to incentivize outstanding graduate students in electrical engineering and information fields to study toward Ph.D. degrees in Taiwan.</p>	<p>We have supported 63 Ph.D. candidates to study toward their Doctoral Degrees from 2002 to 2017. Currently, 11 of whom are still receiving our 2014-2017 scholarships (ranging from NT\$35,000 to NT\$50,000 in each month for up to 48 months).</p>
<p>Opportunities in ASEAN and Southern Asian Markets Continue to Grow Interactions between talents are increasingly important. Hence, to encourage talent from Southeast Asia to come to Taiwan and drive for more academic exchange and industry growth,</p>	<p>We have initiated the "MediaTek ASEAN and Southern Asia Scholarship" in 2017, in which a one-time US\$10 thousand scholarship is offered to encourage outstanding students from Southern Asia to pursue higher education in Taiwan. In particular, we wish to incentivize Indian students to study Ph.D. degrees and to partake in research in Taiwan, in order to foster academic and technical exchange and to cultivate bi-lateral relationships between Taiwan and India. 73 applications in 2017; 8 Indian students were given scholarships for research and studies in Taiwan.</p>

Support for High-tech Interactions

Turning the spotlight on Taiwan

- ▶ MediaTek has already shared our research findings at the International Solid-State Circuits Conference (ISSCC) for 11 consecutive years, helping to increase the reputation for Taiwanese semiconductor industry.
- ▶ Sponsoring Taiwan AI Academy
- ▶ MediaTek and four other businesses including Formosa Plastics, Chi Mei, Inventec, and ELAN, have given a collective donation of NT\$150 million toward the operations of Taiwan Artificial Intelligence (AI) Academy. We aspire that students from the Academy can drive for industrial automation processes and help the industry to transfer upon graduation.



Other Hi-Tech Interactions within the Year:

- ▶ 2017 Telecommunications Competition
- ▶ 2017 ISCA (The ACM/IEEE International Symposium on Computer Architecture)
- ▶ 2017 International Symposium on Low-Power Electronics and Design (ISLPED)
- ▶ 2017 CAD Contest
- ▶ 2017 CTHPC Seminar(23rd Workshop on Compiler Techniques and System Software for High-Performance)
- ▶ 2017 IEEE International Conference on Multimedia & Expo (ICME 2017)
- ▶ 2017 First batch [International Test Conference in Asia]



Welfare and Social Participation Long-term commitment to social needs, aiding the society through active social participation and support for welfare activities.

NT\$26 million donations, benefiting over 30,000 individuals worldwide

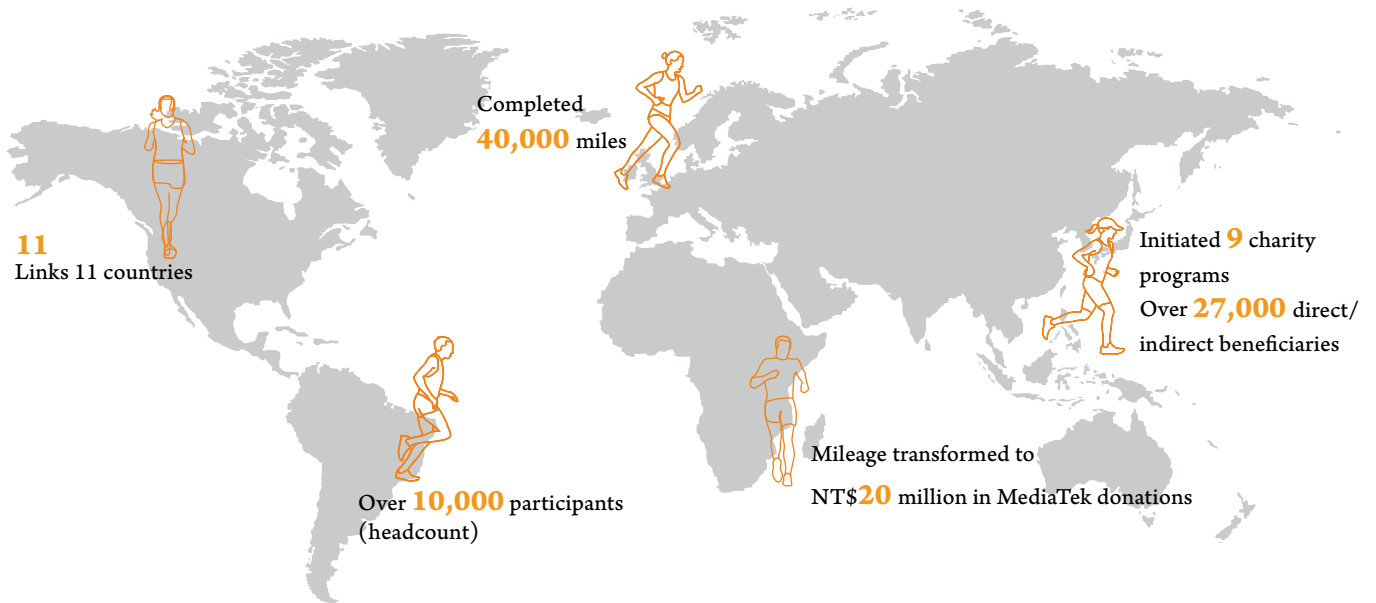
20th Anniversary Global Employee Charity Marathon

Chairman Ming-Kai Tsai stated, "For the past 20 years, many people have contributed toward MediaTek's growth. We are constantly grateful from the beginning to have developed into a strong company. This time, each step that MediaTek employees have willingly run also shows their appreciation for the support from this land."

In celebrating for our 20th anniversary, the Global Charity Marathon was initiated to promote employee health and to build global cohesion. The mileage that employees from 11 countries around the world have run is transformed into MediaTek donations. Over 10,000 employees (headcount) have participated in the marathon, accumulating 40,000 miles, leading to NT\$20 million in donations! Nine welfare programs both in Taiwan and overseas were initiated from the donation of NT\$20 million, directly and indirectly benefitting over 27,000 individuals. These included three overseas charity programs overseas, 5 domestic programs voted by our employees, and a community project to promote reading.



20th Anniversary Global Employee Charity Marathon



20th Anniversary Marathon - Overwhelming support from MediaTek's worldwide operations


Impacts from Commencing 9 Projects with Donation of NT\$20 Million

3 3 overseas charity projects
(NT\$9 million)

 MediaTek Global Welfare Actions benefitted **26,000** direct/indirect beneficiaries



India Health Program

Improve mother/infant health, water resource and sanitation, increased household nutrition 



Yunnan Education Program in China

Increase quality of early childhood education, fostered habit of reading in children



Syria Refugee Emergency Response

Dug well for refugee camp near Aleppo, provided food and resources

1 Localized Reading: Community Reading Promotions Project (NT\$5 million)

- The passing on of knowledge is to build strength
- Promoting cultural and artistic philosophies behind technology
- Support 10 community bookstores to promote the habit of reading



5 5 charity projects within Taiwan (NT\$6 million) Benefitting nearly 1,300 individuals

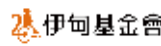


5 projects as voted by MediaTek employees

 World Vision
台灣世界展望會

High-risk families Support program

Providing medical and emergency aid for **150** high-risk families

 伊甸基金會

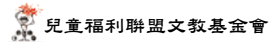
Elephant Pen Project

Providing 45 weeks of stable after-school care for **135** children from remote regions

 財團法人老五老基金會
OLD FIVE OLD FOUNDATION

Sponsorship for disadvantaged senior citizens

Providing an entire year of warmth and food for **50** senior citizens

 兒童福利聯盟文教基金會

'Fighting Hunger' program

Giving after-school counseling, club sponsorship, winter/summer break and New Year's meal assistance to **250** students from remote regions

 勵志社 勵志社福利發展基金會

Dandelion Take Flight Program

Providing financial aid for counseling for **700** female abuse victims from disadvantaged and low income families

Volunteering Participation

Since 2003, MediaTek has organized a variety of volunteering events in coordination with numerous social groups to encourage employees to interact with the society. We aspire to lead every MediaTek employee to realize the importance of empathy through simple charitable actions, helping them to find more ways to love and to give back to the society in practice. Over the years, volunteer activities have always been proactively initiated by our employees; in order to continue to cultivate and help disadvantaged groups that require assistance, we have formally founded the Volunteers Club in 2012, and we hope to expand MediaTek's social influence through systematic management. At the same time, the "volunteer leave policy" was officially passed in 2015 for Taiwan operations. To encourage more MediaTek employees to actively participate in charity activities and realize their social responsibility, every MediaTek employee can enjoy 8 hours of leave each year.

Volunteering Club has completed various activities including "Moral education for Long Shan Elementary School," "Donation of secondhand books," "Beach cleanup at Nan Liao, Hsinchu," "Hair donation," and "Charity balloon sale" in 2017.

Content of project	Benefits
<p>20th Anniversary Marathon: Donated NT\$15 million in 2017 to support 5 domestic charity projects and 3 international projects.</p>	Cumulatively benefiting 27,000 individuals directly/indirectly throughout the world
<p>Greater Chao Nan Cultivation Plan: Preserving Chao Nan's lifestyle and culture - Chao Academy, Agriculture Plan@Chao Nan Elementary School, Blue Sky, and Touring through Greater Chao Nan Region.</p>	Reached out to five elementary schools throughout Pingtung, including Chao Zhou, Si Lin, Nan Zhou, Chao Tung, and Chao Nan
<p>Spreading Love during Christmas: Collection of Christmas wishes from disadvantaged families and nurseries throughout Taoyuan, Hsinchu, and Miaoli areas.</p>	Achieved 2,000 Christmas wishes
<p>Book Donation Project: Employees collected used books to donate to remote areas</p>	Shared 2,089 secondhand books with remote areas



2017 MediaTek Volunteering Activities

01 Moral Training

- ▶ MediaTek's Volunteering Club has begun undertaking moral education service at Long Shan Elementary School, located close to the Hsinchu Science Park since 2016
- ▶ At the end of 2017, a total of 61 MediaTek employees have volunteered as guest lecturers (headcount) and taught 553 third grade students from 18 classes

02 Secondhand Book Donations

- ▶ Collected 2,089 second-hand books, which were donated to elementary, junior high, and senior high schools as well as community libraries

03 Beach Cleaning Activities

- ▶ 80 employees and their families participated in the beach cleanup at Nanliao, cleaning up over 200 kg of debris.

04 Hair Donation

- ▶ 13 employees donated their long hair to help patients regain confidence.

Hsinchu Children's Discovery Center - A Gift to All Taiwanese Children on MediaTek's 20th Anniversary

ounded and having operated in Hsinchu for 20 years, MediaTek wishes to contribute toward the children of Taiwan. By integrating our faith toward promoting the accessibility of education and reading over the years with our philosophy that knowledge can lead to a better future, we have donated NT\$50 million to the Hsinchu City Government to support the transformation of the World Expo Taiwan Pavilion into the Hsinchu Children's Discovery Center. Besides upgrading the current hardware, more focus is on the content of the Children's Discovery Center. We hope the lantern can be transformed to a big tree-house filled with sunlight or a forest of knowledge so that in addition to being exposed to technology, the children can also understand the infinite possibilities of knowledge. The Hsinchu Children's Discovery Center is estimated to be finished by the end of 2020. It will be a museum that incorporates education, general science, books, and hands-on experience, providing a space for children and families to learn knowledge, explore interests, and begin their dreams.



Greater Chao Nan Cultivation Plan - Preserving the Land

Chairman Mr. Ming-Kai Tsai is particularly focused on the education and environment of children in his hometown, Pingtung. Over the years, he has donated nearly NT\$ 130 million to the area for disadvantaged groups and to help in enhancing the quality of local education. To this means, MediaTek Foundation has partnered with Lovely Taiwan Foundation to promote the "Greater Chao Nan Cultivation Plan" to preserve the local culture by introducing resources for arts, culture, and general science education. The Greater Chao Nan Cultivation Plan is a four-year scheme that will launch initiatives including "Chao Nan Academy," "Agriculture Plan@Chao Nan Elementary School," "Blue Sky," and "Touring through Greater Chao Nan Region" over the years. We plan to blend the beautiful nature and humanitarian aesthetics and culture in Chao Zhou and Nan Zhou, Pingtung. The unique school agricultural project in the Greater Chao Nan Cultivation Plan fully demonstrates our Chairman's love for his homeland and his commitment for the sustainable development of Taiwan. He wishes for children to understand and protect the natural and cultural environment and preserve the lasting beauty of our land. Promoted the "Agriculture Plan@Chao Nan" project in 2017 to help children experience the beauty of the Chao Nan area.



Realized 2,000 Wishes



Greater ChaoNan Cultivation Plan

Starting from education, MediaTek will introduce education resources on humanities and general science
 Hope children could be better acquainted with their own land through calling on preservation of local culture



Chao Academy

An academy for both elementary school students and the society. We will call on scholars and experts from various fields to enter the Greater Chaonan Region and to promote education and reasoning.



Agriculture Plan@ Chao Nan Elementary School

Through collaborating with two elementary schools in remote regions, Chao Nan and Nanzhou, and an acre of school farm, we will internalize the love of our homeland into the daily lives and value of the children.



Blue Sky

We collaborated with Cloud Gate at the two elementary schools to lead the school children to find themselves both physically and mentally.



Touring through Greater Chaonan Region

Through integrating the natural resources and unique points of Chaozhou and Nanzhou, we cultivated a localized, in-depth tourism model

MediaTek works with social organizations at the end of every year to organize collections of Christmas wishes, in which children from social groups are invited to write down their Christmas wishes, and MediaTek employees will strive to fulfill them. The purpose of which is to help every person in-need to celebrate a heartwarming Christmas. As 2017 marked our 20th anniversary, the event was expanded in scale, and MediaTek's affiliated companies were also invited to join. As many as 2,037 wishes were collected from five organizations including Hsiang Yuan Memorial Home, Yu An Children's Home, World Vision, Hsinchu Diocese, and Eden Social Welfare Foundation. In two weeks' time, MediaTek employees have promised to fulfill all 2,037 wishes, warming the hearts of 2,037 individuals and helping them to celebrate a Christmas of warmth and love.



Sponsoring The Voice of IC FM97.5

"To change the world, sometimes you only need a vision. But to change the current chaotic society, we need to enhance everyone's characters and perception." In order to fulfill radio station Voice of IC's "I care, I can, I change" founding philosophy, MediaTek has been sponsoring two programs: "I Like Talking and You Like Laughing" by Chung-Laung Liu, former president of NTHU, and "Conversations with History" by scholar Tsann-Liang Liu. With in-depth analysis of historical personages and events, the programs are hoping to convey historical models, value judgment, and reflection on modern society to every audience in the community and the general public. Hopefully, through this process of sharing, the public can achieve more ability to think independently and increase their involvement in social welfare activities.

MediaTek sponsored two Voice of IC programs in 2017: "Conversations with History" and "I Like Talking and You Like Laughing"

Conversations with History:	Ranks No. 1 in AOD select channels; playbacks: 14,666 times; weighted total playbacks: 4,399,800
I Like Talking and You Like Laughing:	Ranks No. 6 in AOD select channels; playbacks: 4,320 times; weighted total playbacks: 1,728,000

Future Outlook

Genius for Home

In the future, holding true to MediaTek's vision of local presence, we aim to initiate the "Genius for Home - MediaTek Digital Social Innovation Contest." Through the central philosophy of MediaTek employees of "Everyday Genius," we wish to gather the innovative strength from the general public to focus on local welfare, creating more possibilities for our hometowns. This contest has already received overwhelming support upon promotions from social media and our stakeholders. Relevant results and performances will be disclosed in upcoming CSR Reports.

Founded on the vision of "doing more for your hometown," we aspire for everyone who is creative and dares to dream to contribute to localized changes through technological innovations.

Mr. Ming-Kai Tsai, Chairman of the MediaTek Foundation stated, "The power of technology should benefit everyone. As long as someone is paying attention, even problems in a remote village could 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 in creating their dreamland. Furthermore, we also hope to serve by example, and that others will join us in nurturing technological innovations that can improve the society and people's lives. Besides leading the world with pioneering technical research and development, MediaTek also actively fulfills our social responsibility and cares about our local environment in Taiwan. The concept of Genius for Home contest began over a year ago when MediaTek collaborated with Tainan City Government and National Cheng Kung University to solve the pressing mosquito problems in Tainan. We proposed the IoT insect lamps at the time, and now, we hope to call on more people to solve more issues throughout all villages and counties of Taiwan through the contest.

Abstract information taken from MediaTek Foundation Fan page: <https://www.facebook.com/mediatekfoundation>



Corporate Governance

The Foundation of Global Strategic Layout





Communications with Investors

Two Result Conferences are held in each quarter, one in Mandarin Chinese and the other in English. The conferences are hosted by MediaTek's CEO and CFO to regularly disclose financial results and business update to global investors. Furthermore, investors can also propose questions and exchange market information and Company strategies with the Company's management team. Hence, the conferences serve as communication platforms for global investors and MediaTek's senior managers. Materials of the Result Conference is simultaneously uploaded to the Company's Chinese and English websites to provide accurate, timely, transparent management strategies, business update, and financial results to global investors.







Emphasis on Financial Transparency

MediaTek is highly committed to financial transparency. In every quarter's result conference, in addition to Taiwan-International Financial Reporting Standards (TIFRS) financial measures, we also voluntarily provide supplementary Non-TIFRS financial measures to global investors as a more comparable valuation basis with global semiconductor peers. Meanwhile, we proactively provide financial guidance for next quarter, so that investors can better understand the Company's operational and financial status.

MediaTek was honored with '2017 All-Asia Management Team' by Institutional Investor while ranking within Top 3 places for Most Respected Business, Best CEO, Best CFO, Best Investor Relations Program, and Best Analyst Day.



Key Milestones in Corporate Governance

 2015	The Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEX) jointly commission the Securities & Futures Institute (SFI) to organize the Corporate Governance Evaluation, and high-performing enterprises will be announced on an annual basis.	 2016	MediaTek uploads the Meeting Handbook 30 days prior to the General Shareholders' Meeting together with announcements of significant information to our website in both English and Chinese. We also added relevant disclosures, including corporate governance, CSR, and risk control to the website.
 2017	Annual Report detailedly disclose opinions from Independent Directors for material resolutions from the Board of Directors meeting, the way such opinions were handled by the Company, the resolution results from Audit Committee pursuant to material resolutions, and the ways opinions of Audit Committee were handled by the Company.	 2018 Plans	Annual Report disclose implementations of resolutions from the Shareholders' Meeting, methods, standards, and results of the Board of Directors' performance evaluation, and explain the operations and implementation status of the Company's governing body.

The key to MediaTek's success lies in the fulfillment of our six core values. "Integrity" is the first and foremost of these values, and means that we should demonstrate our words in action, and to keep our promises. In terms of governance, the primary principle that we adhere to is ensuring shareholders' rights, strengthening the functionalities of the Board of Directors, strengthening risk management and control over finance and operations, respecting stakeholder interest, and enhancing information transparency. The Board of Directors is the highest management level for governance, and the Audit Committee and Remuneration Committees have been established directly under the Board. The Chairman of the Board has designated David Wen-Tang Su, Corporate Vice President & General Counsel to serve as the Secretary of the Board. Corporate Legal Division under David Su's supervision, is the primary department in charge of corporate governance of the Company, the division is responsible for planning corporate governance and ethical management to ensure shareholders' rights and strengthen the functionalities of the Board. Its principal responsibilities include providing data needed by directors in carrying out their duties, organizing Board meetings, Audit Committee meetings, and Shareholders' Meetings, and facilitating directors to comply with laws and regulations.

We insist that a transparent information disclosure mechanism has positive influences on the business operations. Therefore, we hold true to the philosophy of accurate, timely, and fair disclosure, and have established a comprehensive information disclosure system that provides various information pertaining to operations, financing, the Board of Directors, and the Shareholders' Meeting. To ensure that shareholders can access the latest information from the Company, our information is immediately announced on the Company website and the Market Observation Post System (MOPS) of TWSE.

▼ Governance Structure

Board Members and Backgrounds

MediaTek convenes at least one Board of Directors meeting in each quarter. Eight scheduled meetings were held in 2017, and all members were in attendance. At the same time, to ensure the independence of governance, an Audit Committee has been formed by all Independent Directors. Members of the Board of Directors (including Independent Directors) exercise their duties and obligations with high levels of self-discipline and prudence. They have rich industry management experiences and academic background and provide professional, objective opinions according to their diverse expertise and fields, facilitating the Board of Directors to make decisions that will generate the most interest for the Company and shareholders. Please refer to Page 10 on MediaTek's 2017 Annual Report for details on members of the Board of Directors.

Audit Committee

The primary function of setting up an Audit Committee is to supervise the Company's accounting, financial reports, and the Company's fiscal reports, thus enhancing the quality and credibility of the Company's financial reports. For the external investors, companies that have established Audit Committees demonstrate that these companies have external supervision, which can effectively protect the investors' rights and to decrease the problems of information asymmetry. MediaTek's Audit Committee is formed by three Independent Directors, one of which is the Chairperson of the Committee, and would convene at least once per quarter. Meetings are also held when deemed necessary. Meeting agenda determined by the Chairperson, and the other members are also allowed to provide proposals for discussion. Eight scheduled meetings were held in 2017, and all members were in attendance.

The primary function of the Audit Committee is the supervision of the items listed below:

- Appropriate expressions of the Company's financial statements
- Appointment (and termination), independence, and performance of the Company's CPA
- Effective implementations of the Company's internal control
- Company compliance
- Control mechanisms for existing or potential risk

Remuneration Committee

To strengthen corporate governance and to maintain a healthy compensation system, MediaTek's Board of Directors established a Remuneration Committee in August 2011, in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter." The Committee comprises two Independent Directors and one external, independent expert, and convenes at least twice annually to inspect/evaluate the performance of directors and managers, and the policies, systems, standards, and structures of their compensations. Chairman and CEO (Chairman as of February 1, 2018) Mr. Ming-Kai Tsai is also invited to attend all meetings but would abstain during discussions that may pose conflicts with his personal interests. Two scheduled meetings were held in 2017, and all members were in attendance.

The Remuneration Committee objectively provides professional advice as a reference for the decision-making of the Board of Directors. Its principal duties are as follows:

- Formulation of remuneration-related policies, systems, standards, and structures.
- Periodic performance evaluation of directors and managers.
- Regular assessment and determination of compensation for directors and managers.

Internal Audit

The purposes of the establishment of an internal audit system are to facilitate the board of directors and the senior management to check and evaluate the effectiveness of internal controls, to provide timely recommendations for improvement, to ensure the continuity of implementation, and to provide a basis for review and modification of the internal controls system. MediaTek has established an Internal Audit Unit, which is affiliated with the Board of Directors, and designated an adequate number of competent internal auditors. The internal Audit Unit executes tasks according to auditing projects, which are developed according to the results of risk assessments and approved by the Board of Directors. The unit also compiles possible deficiencies and improvement suggestions for the internal control system into an auditing report and regularly reports them to the Board of Directors. Our internal auditors ensure the departments and subsidiaries of the Company independently evaluate the validity of their internal control system. The internal auditors then review the control self-assessment report of the departments and subsidiaries and consolidate the control self-assessment reports as the basis for the Board of Directors and the President to submit a declaration for internal control systems.



Guidelines on Ethical Business Practices

To maintain a culture for integrity management of MediaTek's core values, we require Directors, managers, employees, and any other person with substantial control to perform all business activities based on the core values of integrity. While MediaTek was establishing preventative procedures, we analyze the operational activities that posed higher risks of unethical conduct in our business scope and enhanced relevant preventative measures accordingly.

If any employee should violate the code, he or she will be immediately escalated for rectification and improvement through the reporting mechanism or inspection from the internal auditing department, and the incident will be recorded, investigated, and punished according to the "Management Procedures on Unethical Behavior" and the "Handling Procedures of Incidents of Unethical Behavior." Training courses relevant to ethical management were hosted in 2016, including Management of Unethical Behavior, Management of Intellectual Property, Prevention of Insider Trading, Prevention of Breach of Trade Secrets, and Compliance Policies on Internal Management and Client Communications. Please see the openly disclosed website for Guidelines on Ethical Business Practices: <https://www.mediatek.tw/investor-relations/corporate-governance>.

Guidelines on Ethical Business Practices

- ▶ Ethical Corporate Management Principles
- ▶ Code of Ethical Conduct for Directors and Managers
- ▶ Guidelines on Ethical Business Practices
- ▶ Preventive Measures of Insider Trading



Compliance

To ensure the implementation of business integrity and compliance, we regularly promote our core values of integrity and continuously monitor international and domestic laws and policies that may potentially influence the Company's business and financial operations, thereby ingraining the principle of integrity into our corporate culture. Regarding compliance, MediaTek has established various policies and rules of corporate governance and abides by the Company Act, the Securities and Exchange Act, Business Entity Accounting Act, Fair Trade Act, Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and other laws, regulations, TWSE listing rules related to business operations.

Government Subsidies and Fines

MediaTek's long-term business strategic layout is in line with government policies, and government subsidies that MediaTek has acquired in 2017 were mainly for the investment tax credit and exemption of tax incentives. For more information, please refer to Page 178 of the Annual Report. Regarding significant fines for corporate operations, we followed the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, disclosing a single incident that incurs a significant fine of up to NT\$ 1 million or more. No fines were issued to MediaTek in 2017.

Reporting Procedure

MediaTek absolutely forbids corruption and fraudulent behaviors of any form. Therefore, the Company established the Reporting Procedure and the reporting unethical behavior system. Stakeholders can use this system to report unethical and improper behaviors, and the Company will designate the Vice President to handle the case. Unless otherwise prescribed by law, personal information and reporting content supplied by whistleblowers will be kept confidential and subject to appropriate protective measures.

Reporting items may include but are not limited to the following:

- ▶ Receiving unlawful rebates or other illegal gains from a supplier or customer
- ▶ Using their position to obtain unlawful profits, directly or indirectly.
- ▶ Bribing or attempting to bribe a government official; Using their position to extort property from others. Misappropriating or stealing equipment or other property

You can report ethical misconduct in the following ways:

By calling: (886)-3-6030011,
Audit Division
By emailing: ethics.reporting@mediatek.com
By writing: MediaTek Audit Division,
Mr. Zhao, No. 1, Duxing 1st Rd., Hsinchu
Science Park, Hsinchu City, Taiwan

▼ Risk Management

Business Continuity Plan

To achieve sustainable management, companies must first consider the various potential risks in business operations and the impact that disasters (fire, earthquake, and epidemics) may have on business operations. Thus, when a crisis occurs, the firm would be capable of implementing response measures and restoration mechanisms, thereby minimizing the potential impact of disasters. MediaTek is fully prepared to face various types of risks and crises. The Company has implemented the Business Continuity Plan (BCP), in which risk control and hazard identification are conducted first before engaging in advanced planning, and demonstration exercises focusing on potential risks and disasters are also carried out. We also established origin control mechanisms at crucial business locations worldwide so that when disasters strike, critical business functions can be restored within the shortest time possible in an organized and planned manner.



The Business Continuity Management Committee is chaired by the Senior Vice President of MediaTek, who assigns various departments with risk management tasks and duties, including planning response measures for interrupted business operations. The Committee's obligations include listing potential risks; assessing the influence and impact levels of various risk issues; identifying major concerns regarding the influence of internal and external factors on MediaTek and reporting to the management level based on the level of impact.

When disasters or crises influence customers' rights and interests, we can present relevant response schemes to customers and discuss with them response measures, thereby making sure that our customers can continue to operate their businesses. We will also review and discuss after the impact to avoid losses of customers' rights.

Establishing Response Measures and Procedures

- ▶ Procedure for Managing Emergency Response
- ▶ Regulations for Reporting of Emergency Incidents (Injuries) and Identification of Occupational Hazards
- ▶ Procedure for Reporting and Responding to Emergency Hazards in Plant Areas of Contractors
- ▶ Procedure for Disaster Support Management

Risk Management and Opportunistic Benefits

Risk Topics	Risks	Impact and Influences	Management Method	Response Measure	Opportunistic Benefits
Governance	Operational Risks	Influences the safety of MediaTek employees and facilities, disrupting internal operation	Procedure for Managing Emergency Response	When emergency incidents or disasters occur in the plant area or in neighboring plants and such incidents are likely to influence the safety of the plant environment and employees and cause property loss, department supervisors should proactively adopt response and rescue measures, and guide rescue members in providing mutual support, to minimize the risk of losses from the disaster.	Properly managing operational risks enables protecting employees who are the most important assets to MediaTek. In addition, it boosts stakeholders' confidence in MediaTek's operation, and in particular, it minimizes the damage incurred to customers and suppliers' rights and interest in business cooperation.
			Regulations for Reporting of Emergency Incidents (Injuries) and Identification of Occupational Hazards	These regulation detail appropriate approaches with which employees could follow when they sustain injuries or are involved in accidental incidents in the workplace, when on and off duty, and when they are on a business trip. Through these regulations, investigations are conducted to examine the cause and prevention methods to prevent similar incidents from happening in the future.	
Procedure for Disaster Support Management			Established to ensure that supporting mechanisms can be carried out when a disaster event occurs, thereby allowing the Company to continue its normal operation without being affected by the event.		
	Exchange Rate Volatility	The Company's exposure to the risk of changes in foreign exchange rates related 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 regularly reviews its assets and liabilities denominated in foreign currency and enters into forwarding exchange contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements of each operating unit.	Effectively controls the effect of exchange rate fluctuation on the Company's cash flow and asset value.



Risk Topics	Risks	Impact and Influences	Management Method	Response Measure	Opportunistic Benefits
Governance	Interest Rate Fluctuation	The Company's exposure to the risk of changes in market interest rates related primarily to the Company's loans, receivables at variable interest rates, and fixed-interest debt.	Sensitivity analysis of risks associated with interest rate	The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the financial reporting period, including investments and borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period is assumed to analyze the effect of such risk on MediaTek's profit and losses.	Predicts the impact of interest rate fluctuations on financial performance.
Environment	Climate Change	To mitigate the impact of extreme climate, whether firms adhere to various environmental protection trends or standards has become a global concern	Environmental and occupational safety and health management system Green product policy	We conduct an annual inspection of international environmental protection trend regularly, develop environmental protection measures according to operational requirements, and provide internal training and educational programs so that employees are aware of the impact of climate change, understand the Company's annual primary goals in environmental protection, and comply with environmental protection policies during Company operations.	Enhances MediaTek's green competitiveness and creates a corporate value that differentiates MediaTek from other corporations
Society	Supply Chain Risks	A supplier failing to provide raw materials or services, impeding MediaTek from rendering products or services to customers	Procedure for Reporting and Responding to Emergency Hazards in Plant Areas of Contractors	When emergency incidents or disasters occur in the plant area of contractors, relevant personnel shall report and adopt response measures according to this Procedure to ensure that the situation could be controlled and reported in a timely manner, allowing MediaTek to adjust production and output schedule. Determine the level of disaster, collect information and status of impact, provide information on the impact on production and output, propose response measures, and follow-up until conditions are lifted or production has resumed normalcy.	Strengthening Mediatek's partnership with suppliers will help us to effectively understand suppliers' status.

Investor Relations



In 2017, MediaTek participated in more than 30 domestic and international investor conferences and roadshows, and more than 300 investor meetings. We have served more than 7,000 global investors throughout the year (headcount). Various international institutions including IR Magazine and Institutional Investor Magazine have also repeatedly recognized and awarded our proactive attitude and services.

Spokesperson System



Besides having established a spokesperson system (Spokesperson: David Ku, Acting Spokesperson: Jessie Wang), MediaTek has also designated personnel to take charge of collecting and disclosing Company information (contact person: Jessie Wang, contact method: telephone: 03-5670766/email: ir@mediatek.com) to allow investors and stakeholders access to the latest information. At the same time, the Company highly appreciates feedback from global investors, and in addition to conveying timely and accurate Company messages to investors throughout the world, we also use the above-mentioned interactions with investors to listen to suggestions from our shareholders. The suggestions are brought to relevant internal departments as key references for future development strategies.

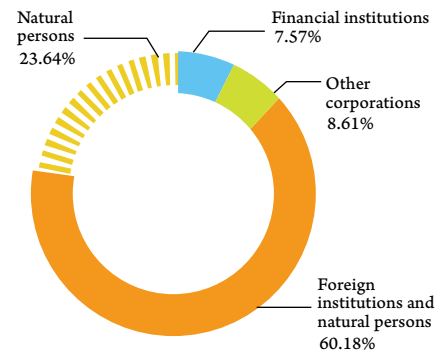
Shareholders' Service

MediaTek is instrumental in protecting shareholders' rights and interests. Annual Shareholders' Meeting is convened, and in accordance with meeting rules, execution of matters are in the resolutions made by the Shareholders' Meeting. To provide more convenient and accessible channels for shareholders to express their opinions, the Company has commenced e-voting in 2012, so that shareholders can fully express their opinions for the motions. Attendance by e-voting has been more than 50% in recent years.

The Company also proactively communicates with both domestic and overseas investors and has taken measures such as attending domestic and foreign investor conferences and roadshows held by brokers to meet domestic and overseas investors. We also fulfill both domestic and overseas investors' company visit requests. The Company is dedicated to maintaining bi-lateral channels of communication with shareholders and investors throughout the world.

Dividend Policy

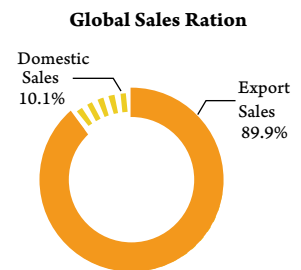
In accordance with the Company Act and the Company's Articles of Incorporation, the Company's dividend policy shall take several factors into consideration such as the Company's current and future investment environment, needs for capital, domestic and overseas competition, capital budgeting plans, etc., to come out with a proposal that strikes a balance among shareholders' benefits and the Company's long-term financial plans. Each year, the Board of Directors shall prepare a profit distribution proposal and report it at the shareholders' meeting. After considering financial, business and operational factors, the Company may distribute all distributable profits for the year; dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders. Since its establishment, the Company has distributed dividends to shareholders every year, sharing profits with our shareholders.



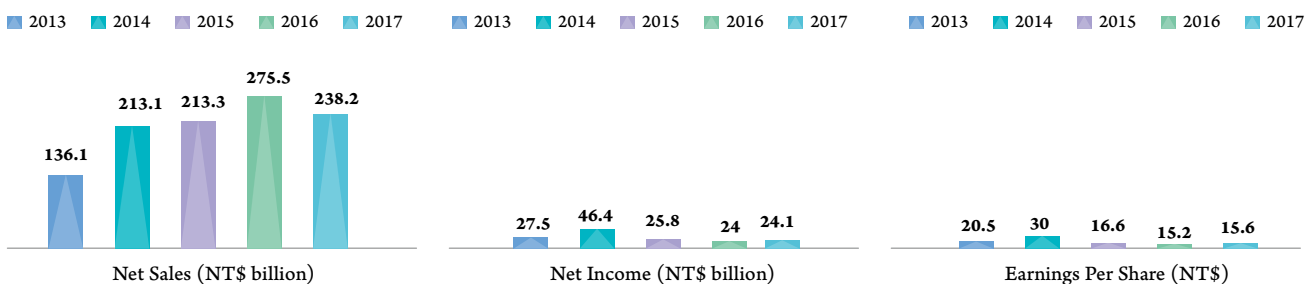
Financial Performance

Despite of global semiconductor market slowdown in 2017, various kinds of innovative end applications emerged to unlock growth potential. MediaTek actively responded to changes in the dynamic industry and fierce market competition by continuously expanding product lines as well as technologies diversity to provide customers with the best solutions. Thanks to our employees' dedication, MediaTek achieved full year consolidated net revenues of NT \$238.2 billion and consolidated earnings per share of NT \$15.56. Looking forward, MediaTek will continue to exploit our group advantages and integrate our comprehensive and leading core technologies such as modem, RF, computing, image processing, connectivity, smart algorithm, etc. Based on which, we actively expand into various smart connected devices as well as potential markets, including 5G, Internet of Vehicles, Internet of Things, VR/AR, Industrial 4.0, etc. to maintain our leading position.

Net Sales	Operating Costs	Operating Expenses	Employee Benefits Expense	Income Tax Expense	Net Income	Earnings Per Share
NT\$238.2 billion	NT\$153.3 billion	NT\$75.1 billion	NT\$44.5 billion	NT\$3.2 billion	NT\$24.1 billion	NT\$15.56



Five-Year Financial Performance during 2013~2017



Affiliates

Business scope of MediaTek and its affiliates include the investment, R&D, promotion, after-sale service for optical storage products, digital consumer products, wireless communication, digital TV, networking and, etc. MediaTek affiliates support the company's core business by acquiring leading technology through investments. For information on the affiliates of MediaTek and organizational chart, please refer to Page 80~95 in the 2017 Annual Report: <https://www.mediatek.tw/investor-relations/financial-information/annual-reports>.

Appendix



Appendix I Energy Improvement Measures and Benefits in 2017

Energy Improvement Measures	Methods of improvement and benefits
Machine Room Management	<ol style="list-style-type: none"> (1) An increased pre-set environmental temperature of the cold aisle from 22 to 24 degrees in IT data center at Building C in HQ increasing power usage effectiveness (PUE) from 1.37 to 1.34, saving approximately NT\$430 thousand in electricity each year. (2) Optimized balanced air flow at the IT data center in Building A in HQ, reducing the number of air conditioners that need to be operated and decreasing the need of chilled water, saving approximately NT\$1.92 million in electricity each year after implementation. (3) Improved energy efficiency of the AC in the UPS machine room. Improved the circulation route of the air conditioner in the cold aisle containment so that the temperature of the environment could lower and the loading of the AC could also decrease. This saved approximately NT\$660 thousand in electricity each year. (4) Replacing traditional lights with LED lamps and reallocating the lights in the IT data center at Building A in HQ, saving approximately NT\$100 thousand in electricity each year. (5) Improved mixed air flow of hot and cold sections of the cabinet server rack and reinforcing the sealant on leaking spots at the IT data center in Building B in HQ, reducing the number of air conditioners that need to be in operation, saving approximately NT\$380 thousand in electricity each year. (6) Isolated mixed air flow between hot and cold aisles and reinforcing the sealant on leaking spots at DT machine room in Building C in HQ, reducing the number of air conditioners that need to be in operation and saving approximately NT\$870 thousand in electricity each year.
Office Air Conditioning Management	<ol style="list-style-type: none"> (1) Established Variable Air Volume (VAV) system and carried out systematic adjustment to reduce air conditioning loss, saving up to approximately NT\$4.41 million in each year compared to traditional AC systems due to increased efficiency. (2) Increase the temperature of ice water (from 7 to 8 degrees) when the load is lowered at night, saving up to NT\$720 thousand without affecting the maintenance of the facility and reducing the energy consumption of the ice water system. (3) Adjusted ice water system from fixed flow to variable flow at Zhubei Office. The system can adjust the volume of ice water needed and the number of ice machine in operation based on actual needs. Operating time of air conditioners is also controlled, saving up to a total of NT\$2.01 million in electricity. (4) Changed the ice water server group from single-machine to group of machines at Taipei Office, reducing the number of ice machines in operation to save energy. After the modification, the electricity fee can be saved by about NT\$2.21 million. (5) Energy saving from air conditioning system at certain areas, including increasing the environmental temperature or running time, reducing the number of air conditioning equipment in operation and the volume of chilled-water needed, saving approximately NT\$750 thousand in electricity after implementations. (6) Adjusted intake and exhaust equipment in the car park from full-time operation to peak/half-peak operation, saving approximately NT\$100,000 in electricity after implementations.
Lighting Management	<ol style="list-style-type: none"> (1) Reduced number of lights in car parks by half, control the number of lights in non-peak commuting hours, and closing sections of lights on holidays, lowering electricity loss; cumulatively saving approximately NT\$2.24 million in electricity. (2) Energy conservation measures in partial areas, including changing to LED lamps and reducing consumption of lighting to reduce energy consumption. These energy-efficient measures can save NT\$680 thousand in expenses.
Equipment Improvement Management and Electricity Price Management	<ol style="list-style-type: none"> (1) Employ high-performing UPS facility, with higher transfer efficiency compared to traditional UPS facility, and the new facility can save up to 980,000 kWh in energy. (2) Change air conditioning system of emulator from air-chilled to water-chilled to reduce the environmental coolant need, saving approximately 530,000 kWh in energy. (3) Optimized temperature and humidity setting in the testing and warehousing areas, reducing the pressure on the outlet of the dry coil system and reducing energy consumption, saving up to approximately 1.89 million kWh in energy. (4) Calculation for electricity fees has been changed from two tiers to three tiers. We will review and continue to track the impacts on the power usage contract, fluctuation in prices of the electricity fees payable, and the continued benefits of power conservation at the three-tiered pricing level. Benefits from this modification can help us conserve approximately NT\$3.84 million in expenses in 2017.

Appendix II GRI G4 Index

Categories/ Aspects	No.	GRI Indicators	Corresponding Chapter	Page Number	Remarks
General Standards Disclosure					
Strategy and Analysis					
Core	G4-1	Statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	A Word from the Chairman	1	
Organizational Profile					
Core	G4-3	Name of Organization	About This Report	4	
Core	G4-4	Primary brands, products, and services.	About This Report	4-5	
Core	G4-5	Location of the organization's headquarters.	About This Report	5	
Core	G4-6	The number of countries where the organization operates and names of countries either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	About This Report	5	
Core	G4-7	Nature of ownership and legal form	About This Report	5	
Core	G4-8	Markets Served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	About This Report	5	
Core	G4-9	Scale of the organization	About This Report	5	
Core	G4-10	Report the total number of employees by various categories	Talent	40-41	
Core	G4-11	The percentage of total employees covered by collective bargaining agreements	No labor union or collective bargaining agreements have been formed.	-	
Core	G4-12	Describe the organization's supply chain	Global Perspective	26	
Core	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	No changes have occurred.	-	
Core	G4-14	Describe whether precautionary approach or principle is addressed by the organization	Corporate Governance	81-82	
Core	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Green Operation, Capacity for Innovation	31、63	
Core	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates	Capacity for Innovation	63	
Identification of Material Aspects and Boundaries					
Core	G4-17	The entities included in the organization's consolidated financial statements or equivalent documents.	About This Report Financial Performance	4、83	
Core	G4-18	Explain the process for defining the report content and the aspect boundaries.	Stakeholder Engagement	16	
Core	G4-19	List all material aspects identified in the process for defining report content.	Stakeholder Engagement	17	

Categories/ Aspects	No.	GRI Indicators	Corresponding Chapter	Page Number	Remarks
Core	G4-20	For each material aspect, report the aspect boundary within the organization.	Stakeholder Engagement	17-19	
Core	G4-21	For each material aspect, report the aspect boundary outside the organization.	Stakeholder Engagement	17-19	
Core	G4-22	The effect of any restatements of information provided in previous reports and the reasons for such restatements.	No restatement has occurred.	-	
Core	G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries.	No significant changes have occurred.	-	
Stakeholder Engagement					
Core	G4-24	A list of stakeholder groups engaged by the organization.	Stakeholder Engagement	15-16	
Core	G4-25	Basis for identification and selection of stakeholders with whom to engage.	Stakeholder Engagement	15	
Core	G4-26	Approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	Stakeholder Engagement	15	
Core	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Stakeholder Engagement	15-19	
Report Profile					
Core	G4-28	Reporting period (such as fiscal or calendar year) for information provided.	About This Report	4	
Core	G4-29	Date of most recent previous report	About This Report	4	
Core	G4-30	Reporting cycle	About This Report	4	
Core	G4-31	Contact point for questions regarding the report and its contents.	About This Report	4	
Core	G4-32	Report the 'in accordance option' and external assurance	About This Report	4	
Core	G4-33	Related policy and current practice with regard to seeking external assurance for the report.	About This Report	4	
Governance					
Core	G4-34	The governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance	79	
Ethics and Integrity					
Core	G4-56	Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Corporate Governance	79-80	
Specific Standard Disclosures					
Economic Performance	G4-DMA	Governance	Stakeholder Engagement Global Perspective	18-19 21	
	G4-EC1	Direct economic value generated and distributed (EVG&D) on an accruals basis	Corporate Governance	79	

Categories/ Aspects	No.	GRI Indicators	Corresponding Chapter	Page Number	Remarks
Indirect Economic Impact	G4-DMA	Governance	Stakeholder Engagement	18-19	
	G4-EC7	Development and impact of infrastructure investments and services supported.	Local Presence	65	
Energy	G4-DMA	Governance	Stakeholder Engagement Green Operation	18-19 63	
		Energy consumption within the organization.	Green Operation	32	
Water	G4-DMA	Governance	Stakeholder Engagement Green Operation	18-19 35	
	G4-EN8	Total water withdrawal by source.	Green Operation	35	
Emissions	G4-DMA	Governance	Stakeholder Engagement Green Operation	18-19 66	
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Green Operation	34	
Supplier Environmental Assessment	G4-DMA	Governance	Stakeholder Engagement Responsible Supply Chain	18-19 29	
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Responsible Supply Chain	29	
Labor Relations	G4-DMA	Governance	Stakeholder Engagement	18-19	
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region.	Talent	42	
	G4-LA2	Benefits provided to full-time employees (excluding temporary and part-time employees) by significant locations of operation.	Talent	53-55	
Supplier Assessment for Labor Practices Evaluation	G4-DMA	Governance	Stakeholder Engagement Responsible Supply Chain	18-19 29	
	G4-LA14	Percentage of new suppliers that were screened using labor practices criteria.	Responsible Supply Chain	29	
Legal Compliance	G4-DMA	Governance	Stakeholder Engagement Corporate Governance	18-19 80	
	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Corporate Governance	80	
Grievance Mechanisms for Impacts on Society	G4-DMA	Governance	Stakeholder Engagement Responsible Supply Chain	18-19 29	
	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society.	Responsible Supply Chain	29	
Product and Service Labeling	G4-DMA	Governance	Stakeholder Engagement Corporate Governance	17 80	
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Corporate Governance	80	No relevant incidents have occurred.

▼ Appendix III SGS Independent Assurance Report for GRI G4



ASSURANCE STATEMENT

SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE MediaTek Inc.'s CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2017

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by MediaTek Inc. (hereinafter referred to as MediaTek) to conduct an independent assurance of the Corporate Social Responsibility Report for 2017 (hereinafter referred to as CSR Report). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in this report.

The information in the MediaTek's CSR Report of 2017 and its presentation are the responsibility of the superintendents, CSR committee and the management of MediaTek. SGS has not been involved in the preparation of any of the material included in MediaTek's CSR Report of 2017.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification with the intention to inform all MediaTek's stakeholders.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines (2013) for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured using our protocols for:

- AA1000 Assurance Standard (2008) Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008) at a moderate level of scrutiny; and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G4 2013).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, CSR committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from MediaTek, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, EICC, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within MediaTek's CSR Report of 2017 verified is accurate, reliable and provides a fair and balanced representation of MediaTek sustainability activities in 01/01/2017 to 12/31/2017.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. In our opinion, the contents of the report meet the requirements of GRI G4 Core Option and AA1000 Assurance Standard (2008) Type 1, Moderate level assurance.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

MediaTek has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns. For future reporting, MediaTek may proactively consider having more direct two-ways involvement of stakeholders during future engagement.

Materiality

MediaTek has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (G4 2013) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

The report, MediaTek's CSR Report of 2017, is adequately in line with the GRI G4 Core Option. The material topics and their boundaries within and outside of the organization are properly defined in accordance with GRI's Reporting Principles for Defining Report Content. Disclosures of identified material aspects and boundaries, and stakeholder engagement, G4-17 to G4-27, are correctly located in content index and report. Methods for identifying direct input from stakeholders aiming to understand the full picture of MediaTek's significant external impacts on the economy, environment, and society are encouraged. More explanation of the mechanisms for evaluating the effectiveness of the management approach in the report is recommended for further improvement.

Signed:

For and on behalf of SGS Taiwan Ltd.



David Huang, Director
 Taipei, Taiwan
 27 June, 2018
 WWW.SGS.COM



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