

# MediaTek ESG Highlight

## August 2023

MSCI ESG rating: A (Aug 4, 2023)

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# Environmental

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

MediaTek is a fabless company with aspiration to be a **green innovator**. We select suppliers **based on ESG criteria** with constant audits and constantly adopt measures to **reduce energy consumption** of our products. We target to use **100% renewable energy by 2030** and reach **net zero GHG emissions by 2050**.

### External Verifications

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

### Green Products

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

### Net-Zero Targets

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

# Environmental

	(A) GHG Emission		(B) Power Saving	(C) Water Saving	(D) Waste
	Scope 1 and 2	Scope 3 (transportation)			
<b>2022 target</b>	Reduction by 10% (Scope 2 reached 11%)	Increase use of various energy-saving transportation vehicles	17.8%	5%	Increase recycling rate
<b>2022 result</b>	Scope 2 at <b>16.3%</b>	Total passenger volume increased by 26,118	<b>16.3%</b>	<b>3.7%</b>	From 35% to <b>38%</b>
<b>Reason for result</b>	We improve the energy efficiency of the data center, to replace the lighting of existing office locations with LEDs etc.	We added new routes and stops. Additionally, we increased 13 more electric vehicle charging stations.	The lower power saving rate was mainly due to MediaTek's five new office sites (will be improved continuously).	The lower water saving rate was mainly due to MediaTek's five new office sites (will be improved continuously).	
<b>2023 target</b>	<b>Reduction by 10%</b> (Scope 2 must reach 12%)	Increase of usage rate	<b>16.5%</b>	<b>3.7%</b>	Increase recycling rate

# Environmental

## (A) GHG Emission

### 2022 summary

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

2022 Greenhouse Gas Emissions						
Item	Scope 1 GHG emissions (direct emissions from sources owned or controlled by the organization)			Scope 2 GHG emissions (indirect emissions from electricity input, heat, or steam)		
	2020	2021	2022	2020	2021	2022
	Emission quantity (metric tons)	4,518	5,326	<b>6,078</b>	52,072	61,992

Note1: The scope of emission data collected covers 100% of our revenue and employees in Taiwan offices.

Note2: The increase of GHG emissions in 2022 can mainly be attributed to the higher number of employees, 5 newly built office sites and ongoing expansion of the IT data centers.

**Scope 3 GHG Emissions:** With a view to reducing carbon emissions from employee commuting, we proactively adopt environmental protection measures.

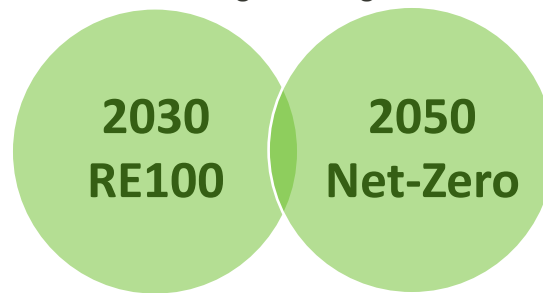
- Reduced carbon emissions generated from transportation by **219** metric tons CO<sub>2</sub>e.
- Installed 13 EV charging stations in 2022 and plan to add 1 e-scooter battery swapping station in 2023.

### Net Zero

#### Mid-term targets

Category	GHG emission reduction by 2030 vs 2020
Scope 1 & 2	40%
Scope 3	25%

#### Long-term targets

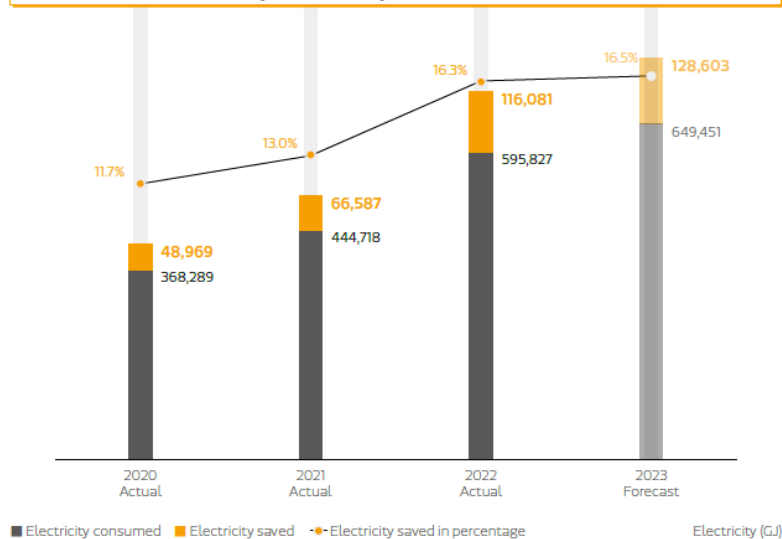


## (B) Energy

**2022 power saving rate was 16.3%**

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

Power consumption, Power savings, and Power-saving rate in the most recent three years and Projections for 2023



Three priorities of energy management and conservation in 2022

Efficiency enhancement

High-density, energy-efficient data centers

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

Innovative applications

Autonomously developed energy-efficient chips

- Autonomous development of smart devices, automatic lighting and AC shutdown to reduce energy waste, and automatic detection of meeting room usage status to ensure optimized use.

Self-generated electricity

Solar power system

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

# Environmental

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

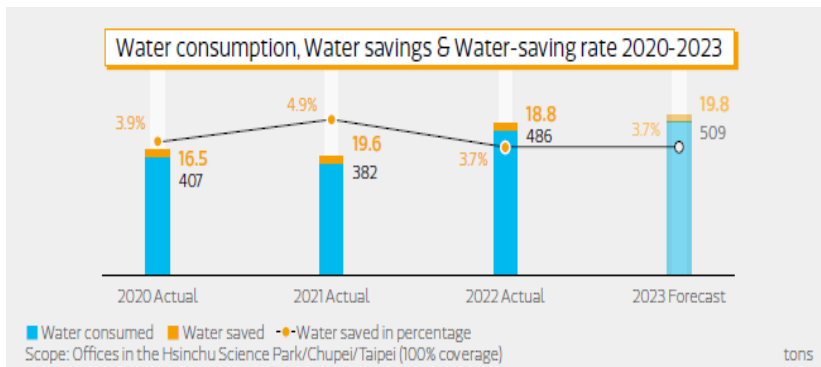
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## (C) Water management

**2022 Water saving rate was 3.7%**

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

**Total water savings: 18.8 million liters**, down from 19.6 million liters in 2021 through water-saving devices and water recycle.



## (D) Waste management

**Increasing recycle rate**  
2020: 29% → 2021: 35% → 2022: 38%

Category	Waste Category	Treatment method	Volume (metric tons)	%
Municipal solid waste	Domestic waste	Incineration	99.07	45.3%
	Paper waste	Recycling	60.12	27.5%
	Iron/aluminum container and lighting waste	Recycling	0.41	0.2%
Recycle rate (Recycle amount / Total municipal solid waste)			<b>38%</b>	
Hazardous waste	Waste electronic parts and components, scraps and rejects	Outsourced treatment	58.95	27%
<b>Total</b>			<b>218.55</b>	<b>100%</b>

MediaTek is a fabless company which doesn't create hazardous waste. The hazardous wastes are defective parts returned by suppliers and are used for testing.



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

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

## Minimizing Power Consumption

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

= **127,250** tons of carbon dioxide emissions

= **151,748** acres of carbon sequestration of US forest in one year

= **24,760** American households' electricity consumption in one year

## Minimizing Physical Size

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

= **12,000** kg of waste reduction

= **25** tons carbon emissions reduction

# Environmental

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

We have **31** suppliers in 2022 and out of which, **7** suppliers are identified as key suppliers who are either top 3 of our capacity providers or potential OSAT suppliers.

### Overview of MediaTek Sustainable Supply Chain Management Tools

● Responsible Supply Chain Management Mechanism ● MediaTek Influence

100% signed (up from 93% in 2021)

#### MediaTek Suppliers Code of Conduct

Incorporation of principles and initiatives such as the RBA Code of Conduct, International Labor Office Tripartite Declaration of Principles, and the UN Universal Declaration of Human Rights

#### Formulation of management standards

Supplier assessment criteria and sustainability review standards

100% of suppliers met ESG criteria.

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

#### Online audits

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

#### Supplier forum

Regular organization of supplier sharing events

- Gather all suppliers to reaffirm the Net Zero Declaration and **request supplier partners to submit a Net Zero roadmap** for MediaTek's product production and manufacturing

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

#### Conflict Minerals

Guarantee that suppliers refrain from using minerals from conflict zones

#### RBA online courses

Creation of online training videos and materials on code of conduct

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

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

#### Local Procurement

Commitment to the principle of local procurement, reservation of job opportunities for local citizens, and shortening of material transportation routes

#### Supplier conference

Recognition and encouragement of exceptional supplier performance

### MediaTek Responsible Supply Chain



# Environmental




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

## Supplier ESG Risk Assessment and Procurement Control Procedures



All suppliers conform to the ESG evaluation standards



	 Economic dimension	 Environmental dimension	 Social dimension
<b>Weighting</b>	<b>34%</b>	<b>33%</b>	<b>33%</b>
<b>Management standards</b>	Delivery times, production capacities, yield rates, and adoption of new products; ISO 9001 Quality Management System and IATF 16949 Automotive Quality Management System.	ISO 14001 Environmental Management System, QC 080000 HSPM Hazardous Substance Process Management System, Sony Green-Partner.	MediaTek Supplier Code of Conduct, RBA Code of Conduct, SA 8000 Social Accountability Standard and Prohibition of Conflict Minerals, ISO 45001 Occupational Health and Safety Management System.

- Suppliers who pass risk assessment ( $\geq 60$  points) are considered procurement priority and those who fail are considered high-risk suppliers.
- High-risk suppliers must pass on-site or paper auditing for ESG conformance before transaction is possible. Transaction will be scaled down or even terminated, should those which fail to pass risk assessment still cannot meet standards after guidance or assistance.

# Social

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

MediaTek provides an environment of **diversity and inclusiveness** to attract global talent. We aspire to **promote technology education and innovation** to empower innovative implementation.

### Global Presence

- The total number of our staff (incl. contractors) was **18,993** at end of 2022.
- We've established **32** offices around the world with **35.4%** of overseas employees.

### Lower-than-average Turnover

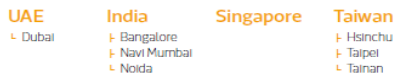
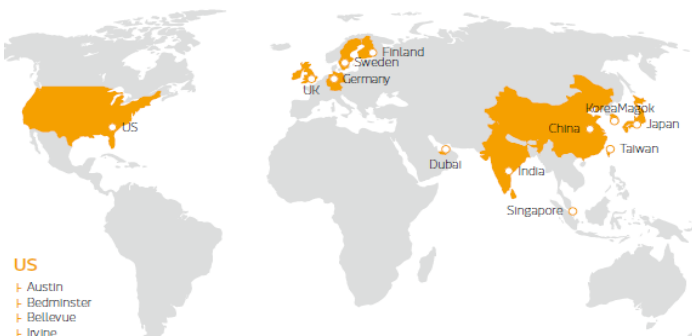
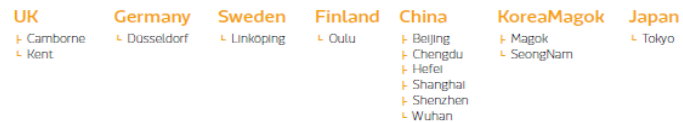
- In 2022, our global and Taiwan turnover rate was **6.3%** and **5%**, **lower** than the high-tech industry average of 12.9% and 13.7%.
- In the **leading group** among semi-listed companies in 2022 employee remuneration ranking published by TWSE.

### Higher-than-average Gender Diversity

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

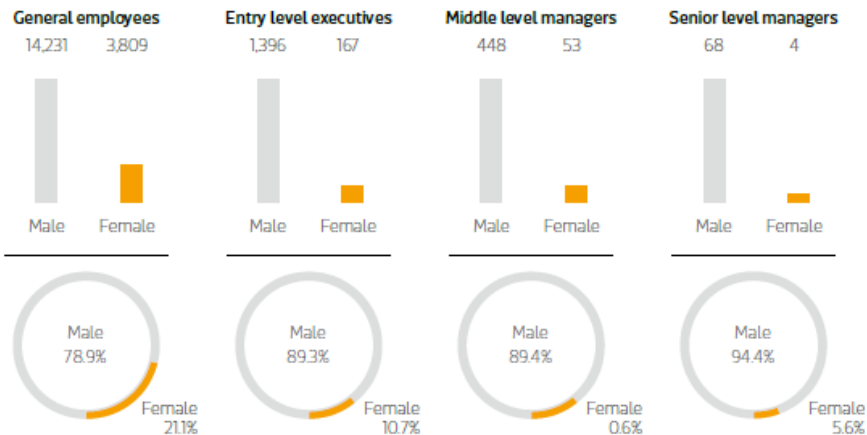
# Social

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



- MediaTek is driven by a need to seek out leading technical talent globally. The total number of our staff (incl. contractors) was **18,993** at end of 2022.
- To effectively leverage our global R&D capacity, we've established **32 sites** around the world.

Distribution of Gender by Levels



- We're committed to create a friendly and fair workplace. The **base salary** for all employees is **higher** than the government minimum wage and free of gender, race, ethnicity, age, religion, sexual orientation and marital status discriminations.
- Women took up **20%/18%** of total/R&D employees in MediaTek in 2022, **higher** than the 13-15% among electrical engineering, computer science, and information engineering graduates in Taiwan.

MediaTek was honorerecognized by Hsinchu Science Park for “Promoting Equal Rights in the Workplace.”



## Workplace Diversity and Inclusion

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

MediaTek is dedicated to realizing the spirit of diversity and inclusion and has a complete **MediaTek Declaration of Diversity, Inclusion and Workplace Equality.** ([Link to Declaration](#))

## Implementation of Equality in Workplace and Prevention of Wrongful Acts

### Employee Communication

- ▶ CEO Vlog
- ▶ Manager communication meetings group-wide
- ▶ Communication meetings of different levels
- ▶ Company feedback mailbox
- ▶ Employee complaint mailbox
- ▶ Communication platform (FAQ)
- ▶ Labor-management meetings

### Maintain work-life balance

- ▶ Club Activities
- ▶ Exclusive discount at specific stores
- ▶ Volunteer activities
- ▶ Benefits Subsidies
- ▶ Retirement Planning

### Family Care

- ▶ Family care interactive platform and activities
- ▶ Pronatalist system/parental leave
- ▶ Kindergarten
- ▶ Single mixer activities

### Benefit Policies Superior than Regulatory Requirements

- ▶ Leave
- ▶ Volunteer leave
- ▶ Paternity leave

### Establish healthy workplace

- ▶ Target for physical and mental healthcare
- ▶ Workplace for You
- ▶ Health Checkup and Management
- ▶ Employee Assistance Programs
- ▶ Maternity Health Protection
- ▶ Healthy, Hygienic and Diverse Food Catering
- ▶ Health Promotion Activities
- ▶ Healthy working environment and stress relief

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



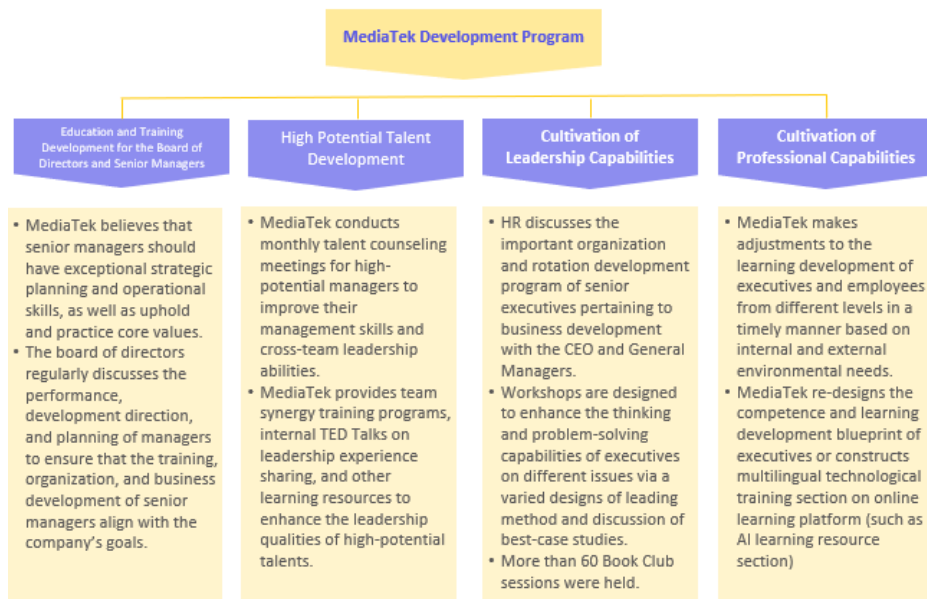
Link compensation scheme with corporate sustainable development

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

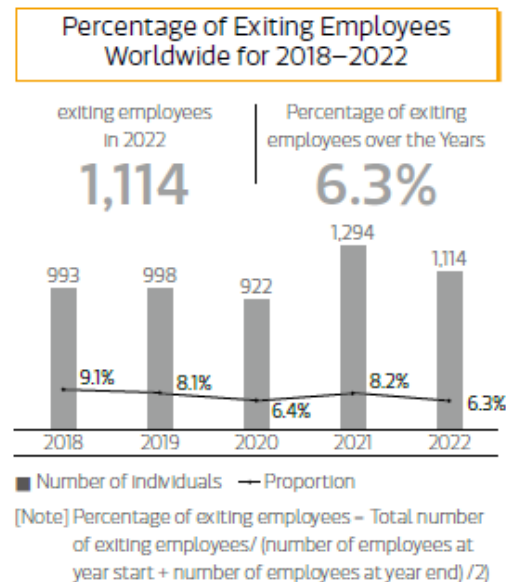
### Employee Stock Ownership Trust Program

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

We plan and develop corresponding training and learning resources to employees and executives of different levels and roles.



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



We hold comprehensive evacuation drills regularly, which includes fire extinguishing and aid for the injured. And to assure the safety of construction, contracted construction workers must take instruction on occupational safety and health. MediaTek achieved **zero disaster, zero accident, and zero loss** in 2022

Disabling Occupational Accidents in the past three years				
Item/Year	Gender	2020	2021	2022
Disabling injury frequency rate (FR)	Male	0.59	0.28	0.25
Disabling Injuries (counted when resting hour exceeds 8 hours) x 1,000,000 / Total hours worked	Female	1.61	0.54	0.47
<b>Total</b>		<b>0.76</b>	<b>0.32</b>	<b>0.29</b>
Occupational disease rate (ODR)	Male	0	0	0
Occupational disease cases x 1,000,000 / Total hours worked	Female	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>

Disabling Occupational Accidents in the past three years				
Item/Year	Gender	2020	2021	2022
Disabling injury severity rate (SR)	Male	11	7	4
Number of work days lost x 1,000,000 / Total hours worked	Female	15	2	14
<b>Total</b>		<b>12</b>	<b>6</b>	<b>5</b>
Absenteeism rate (AR)	Male	0.00300	0.00006	0.00400
Number of absent days / Number of available working days in a given period	Female	0.00900	0.00003	0.00900
<b>Total</b>		<b>0.00400</b>	<b>0.00005</b>	<b>0.00500</b>

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

# Governance

## Overview | The Board | Committees | Risk management

MediaTek has adopted **sound corporate governance practices** to reflect our strong commitment to **protecting stakeholder interests**, thus create a sustainable foundation for development.

### Committed and Diversified Board

- The board has **diverse** backgrounds in accordance with MediaTek's development needs and elected of one additional **Female** Independent Director in 2023 AGM.
- The Board conducted **external performance evaluation** mechanism for "Board of Directors Self-Assessment of Performance".

### Aligned with Shareholder Interests

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

### Top in Corporate Governance and IP Protection

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



# Governance

[Overview](#) | [The Board](#) | [Committees](#) | [Risk management](#)

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

## Diversified background and experience of the Board

Title	Name	Employed by the Company	Gender	Aged between	Experience in industry/academia					Professional Competency					
					Semiconductor	End Consumer Products	Biomedicine	Others (Finance/Solar)	Academia	Global Business Management Experience	Technology	Accounting/Finance	Human Resource	Risk Management	Business Development
Chairman	Ming-Kai Tsai	V	Male	71-75	V					V	V	V	V	V	
Vice Chairman & CEO	Lih-Shyng Tsai	V	Male	66-70	V			V		V	V	V	V	V	V
Director & President	Joe Chen	V	Male	51-55	V					V	V	V	V	V	V
Director	Cheng-Yaw Sun		Male	61-65	V	V				V				V	V
Director	Kenneth Kin		Male	71-75	V	V		V	V	V			V	V	V
Independent Director	Chung-Yu Wu		Male	71-75	V		V		V		V			V	
Independent Director	Peng-Heng Chang		Male	66-70	V			V		V		V	V	V	
Independent Director	Ming-Tze Tang		Male	66-70	V		V	V	V			V		V	
Independent Director	Syaru Shirley Lin		Female	51-55	V			V	V	V		V		V	

[Link to diversification policy for the composition of our Board members](#)

# Governance

Overview | The Board | **Committees** | Risk management

## Functional Committees

### Audit Committee

**Members:** 3 independent directors

<b>Convener</b>	<b>Chung-Yu Wu</b>
Member	Peng-Heng Chang
Member	Ming-Tze Tang

**Frequency of Meeting:** At least once per quarter. 7 meetings in 2022 with **100%** attendance.

**Responsibilities:** To supervise financial statements, the independence/performance/ effective implementation of internal control, and compliance with relevant regulations.

**Summary of meeting agenda:** [Link](#)

### Compensation Committee

**Members:** 2 independent directors and 1 independent external expert

<b>Convener</b>	<b>Peng-Heng Chang</b>
Member	Chung-Yu Wu
Member	Ji-Ren Lee

**Frequency of Meeting:** At least once per year. 3 meetings in 2022 with **100%** attendance.

**Responsibilities:** To review and assess the management performance and relevant compensation policies.

**Summary of meeting agenda:** [Link](#)

### M&A Strategy Committee

**Members:** 3 directors

<b>Convener</b>	<b>Ming-Kai Tsai</b>
Member	Peng-Heng Chang
Member	Ming-Tze Tang

**Frequency of Meeting:** At least once per year. 2 meetings in 2022 with **100%** attendance.

**Responsibilities:** To review and evaluate major M&A cases. It plays a supplemental role to the Audit Committee, who together with the Board remain the authority to approve deals.

# Governance

Overview | The Board | **Committees** | Risk management

## Additional Committees

### ESG Committee



- **Members:** The Vice Chairman chairs the Sustainability Committee that consists of top managers from various business departments and MediaTek Foundation.
- **Frequency of Meeting:** Once half a year.
- **Responsibilities:** Take sustainable development as its highest guiding principle and propose relevant projects to respond to economic, social, and environmental issues

### Risk Management Committee



- **Members:** The executive secretary is responsible for enforcing the risk management agenda.
- **Frequency of Meeting:** Once a year.
- **Responsibilities:** Oversee the Company's risk management matters, incl. making related policies and reporting the status and achievements to the Board annually.

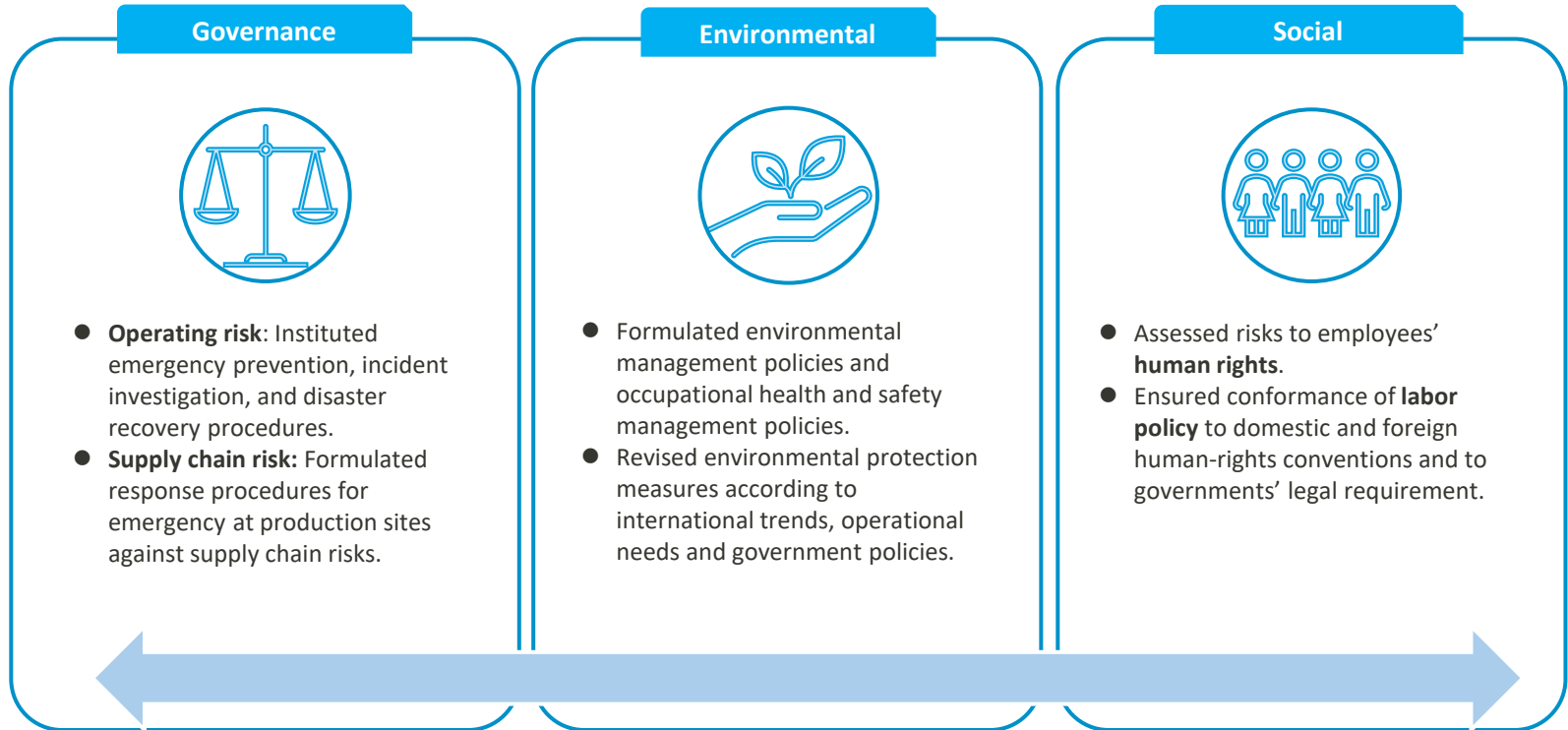
### Corporate Governance Unit



- **Members:** The Board owns the highest authority and assigns the Legal Division to ensure compliance, where the General Counsel serves as the Corporate Governance Officer.
- **Responsibilities:** All matters related to the Board and AGM meetings, incl. conducting continuing education for the Directors, providing necessary information for the Directors to fulfil duties, and assisting the Board to comply with regulations.

# Governance

Overview | The Board | Committees | Risk management



# Governance

## Overview | The Board | Committees | Risk management

- MediaTek adopts a **zero-tolerance policy** for corruption and bribery, unfair competition, intellectual property infringements, and insider trading.
- Any violator will be severely punished, and the internal auditing will also investigate, record, and feedback upon the violation to protect our reputation and ethical values.

### Top 8 Guidelines of the Code of Business Conduct

Zero tolerance for bribery, corruption, extortion, and embezzlement



Strict prohibition against giving or receiving inappropriate gifts and entertainments



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



Respect intellectual property rights and honor confidentiality obligations



Insider trading prohibition



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



Avoid the conflict of interest



Protect privacy and personal information



### How to whistleblow

If our employees discover any irregularities against the Ethical Corporate Management Best Practice Principles or the internal rules, they are allowed to report anonymously either to their direct supervisor or the auditing office. MediaTek treats any whistleblowing complaint and investigation in a confidential and sensitive manner, thus the whistleblower's personal information will be kept confidential, and the senior manager will personally administer the complaint.



886-3-603-0011 (Audit Division Manager)



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(Automatically transfer to the Audit Division Manager)



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**MEDIA**TEK

*everyday genius*

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