

Employee Human Rights Protection

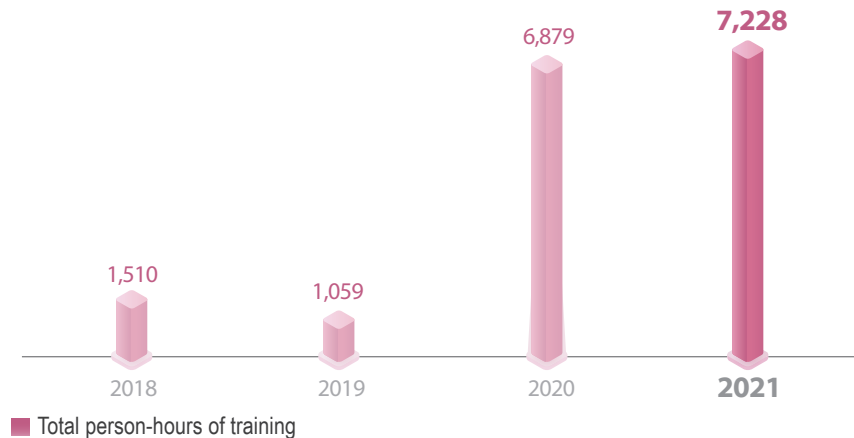
Nanya places great emphasis on employees rights and has established "[Labor and Ethics Policy](#)". The Company complies with relevant international human rights standards, including the behavioral guidelines of Responsible Business Alliance (RBA), Social Accountability 8000 Standard (SA8000), International Labour Organization (ILO), The Universal Declaration of Human Rights, The UN Guiding Principles on Business and Human Rights, General Data Protection Regulation (GDPR) and local government regulations. By implementing human rights risk assessment and management, the Company hopes to create an inclusive and diversity-friendly workplace.



Nanya Human Rights Policy

The Company commits not to hire child labor younger than 16 years of age and has never hired child labor. For the protection of employer's and employees' rights, all employees are given an employment notice prior to the work commencement date. The Company signs employment commitment in writing with all new recruits on the work commencement date, and 100% of employees have signed the commitment, meaning that all employees of the Company are fully protected by the terms of the employment contract. All employees have been hired with employment terms established under the free will, consent and consensus of both parties; no employee was forced or coerced to perform work activities unwillingly. In addition, there were no anti-discrimination incidents in 2021. "2021 Policy and Code of Conduct Training" and "2021 Unsafe Workplace Behavior and Prevention Training" are some of the training courses related to human rights policies and procedures in 2021, and the trainings mentioned are compulsory for all employees. The percentage of employees who have received the trainings is 100%, and the total person-hours of training is 7,228 hours.

Statistics on human rights policies and procedures training hours from 2018 to 2021



Note: Human rights policies and procedures training include the Company's labor and ethical regulations, the RBA Code of Conduct, unsafe workplace behavior and prevention, and the training mentioned is arranged for all employees. The scope of training and teaching methods was redefined in 2020, and the total number of training hours increased due to the increase in employees.

Human Rights Risk Management

Nanya assesses human rights risks using RBA and workplace health principles. The Company has an internal audit system in place to regularly assess employees' risk exposure and devise mitigation measures accordingly. We constantly identify human rights issues, susceptible parties and departments, and perform human rights risk assessments on a regular basis. Risk values are calculated to reflect the percentage of people at risk relative to total employees; based on the assessment results, the Company is able to devise annual improvements and set mitigation targets for human rights risks in the future.

The risk probability was 2.1% in 2021, 1.5% lower compared to 2020. However, overtime work is still a medium-risk issue with a risk probability of 1.8% and has exposure risk. Last year we also launched mitigation and remedial measures in response to human rights risk factors, and risk probability was lowered by 1.6% compared to 2020.

Human rights risks of Nanya

Human rights issues	Parties susceptible to influence	Assessment tools	2020 risk	2020 Probability of risk	2021 risk	2021 Probability of risk
Occupational injury	Production/new recruit/ Third-party contracted labor	Occupational injury report	Low	3.6%	Low	2.1%
Overtime	Production engineer/technician/R&D personnel	Attendance system	Medium		Medium	
Employment dispute	All employees	Government correspondence on employment disputes	Low		Low	
Workplace violence	All employees	Grievance investigation	Low		Low	
Child labor	Employees aged 18 and below	Identity proof	Low		Low	
Forced labor	All employees	RBA internal audit	Low		Low	
Protection of Personal Data	All employees	Cases of violation on personal data protection	Low		Low	
Maternity protection	Females in pregnancy or within 1 year of labor	Pregnant women or women who have given birth within less than a year are included in the tracking list if the work environment has caused harm to the mother or fetus.	Low		Low	
Protection of occupational health	People with blood pressure >140/90mmHg or metabolic syndrome	Health figures that did not become under control after assistance, health education, and medical treatments.	Low		Low	
Abnormal workload	Overtime working exceeding 37 hours a month for 6 consecutive months	Physical and mental health test scale	Low		Low	
Ergonomic engineering	The musculoskeletal soreness indicator was greater than 4 in the musculoskeletal symptom survey, and reflects on all employees often taking leave due to poor ergonomic design or soreness and discomfort	Tests for musculoskeletal injury and disease	Low	Low		
Human trafficking	All employees/ Migrant workers	Grievance investigation	Low	The risk probability of newly added assessment items in 2020 was all low.	Low	The risk probability of the five human rights risk assessment items was all low.
Equal pay	All employees	Grievance investigation	Low		Low	
Non-discrimination	All employees/ Migrant workers / Indigenous people	Grievance investigation	Low		Low	
Freedom of association	All employees	Grievance investigation	Low		Low	
Collective bargaining agreements	All employees	Grievance investigation	Low		Low	



Overtime

2021 risk: Medium

Mitigation measures: Attendance system prompt and control

Remedial measures: Provide overtime pay and rest time in accordance with the law, conduct abnormal workload assessments and provide counseling, assign tasks in a reasonable and fair manner, implement educational trainings to improve work efficiency, increase manpower in accordance with organizational needs.



Occupational injury

2021 risk: Low

Mitigation measures: Regularly conduct risk identification, perform preventive educational trainings for drivers, eliminate workplace hazardous factors and increase protective equipment.

Remedial measures: Provide emergency medical and first aid treatment, complete medical assistance; allow leave of absence and provide compensation in accordance with the law.



Employment dispute

2021 risk: Low

Mitigation measures: Have reasonable and clear company policies, multiple employee complaint and communication channels; proactively collect information on labor laws and modify relevant management policies in a timely manner.

Remedial measures: Establishing and fulfilling the rights and obligations of workers and management.















Workplace violence

2021 risk: Low

Mitigation measures: Have a complete internal mechanism for handling sexual harassment complaints, conduct sexual harassment prevention trainings, have a complete internal mechanism for handling workplace bullying, conduct workplace bullying prevention trainings.

Remedial measures: Immediately make effective corrections and implement remedial measures; assist in arranging counseling when necessary; make referrals to professional counseling services or medical institutions; adopt appropriate corrective, disciplinary, and issue-solving measures.

 Child labor	<p>2021 risk: Low Mitigation measures: Explicit prohibition on the use of child labor in the manufacturing process; implementation of identity checking measures. Remedial measures: Terminate child labor immediately, and the personnel is subject to the redundancy process; the parents and legal guardians of the child worker shall be notified; the Company covers the transportation/accommodation/other expenses involved in sending the child home.</p>	 Ergonomic engineering	<p>2021 risk: Low Mitigation measures: Implement prevention programs against disease caused by abnormal workload; identify and evaluate high-risk groups; conduct health inspections, management, and promotion. Remedial measures: Arrange doctor interviews and health assistance.</p>
 Forced labor	<p>2021 risk: Low Mitigation measures: Explicit prohibition on the use forced labor in the manufacturing process. Remedial measures: Terminate the personnel's work immediately, and the personnel is subject to the redundancy process.</p>	 Human trafficking	<p>2021 risk: Low Mitigation measures: Explicit prohibition on the use forced labor in the manufacturing process. Remedial measures: Terminate the personnel's work immediately, and the personnel is subject to the redundancy process; notify police agencies and relevant authorities.</p>
 Protection of Personal Data	<p>2021 risk: Low Mitigation measures: Personal data risk register and assessment; formulate and execute improvement measures for items with high-risk ratings. Remedial measures: Immediately notify affected persons and execute appropriate actions.</p>	 Equal pay	<p>2021 risk: Low Mitigation measures: Explicit prohibition on discriminatory practices in recruiting or hiring processes. Remedial measures: Immediately make effective corrections and implement remedial measures. Re-examine the Company's methods and promote correct concepts in the management level.</p>
 Maternity protection	<p>2021 risk: Low Mitigation measures: Implement the health management plan of "Maternal Health Protection for Female Workers", conduct workplace hazard assessments, provide prenatal- and postpartum-related health education. Remedial measures: Perform evaluations by on-site professional doctors and related teams; arrange doctor interviews and health assistance.</p>	 Non-discrimination	<p>2021 risk: Low Mitigation measures: Explicit prohibition on discriminatory practices in recruiting or hiring processes. Remedial measures: Immediately make effective corrections and implement remedial measures; re-examine company policies and promote correct concepts in the management level.</p>
 Protection of occupational health	<p>2021 risk: Low Mitigation measures: Dietary education, health promotion events (quitting smoking, weight loss). Remedial measures: Arrange doctor interviews and health assistance.</p>	 Freedom of association	<p>2021 risk: Low Mitigation measures: Conduct educational trainings for new recruits; promote correct concepts in the management level. Remedial measures: Immediately make effective corrections and implement remedial measures; adopt appropriate corrective, disciplinary, and issue-solving measures.</p>
 Abnormal workload	<p>2021 risk: Low Mitigation measures: Conduct hazard assessments and make improvements; provide health-related counsel and recommendation. Remedial measures: Arrange doctor interviews and health assistance.</p>	 Collective bargaining agreements	<p>2021 risk: Low Mitigation measures: Have clear and fair company policies, multiple employee complaint and communication channels; negotiate with the labor union before modifying labor conditions and work rules.level. Remedial measures: Immediately respond to appeals and conduct good faith bargaining.</p>