

# 4 Talent

## An Attractive Employer for Professional Talent

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Talent is the keystone of Nanya's innovation. The Company attaches great importance to human rights, diversity and inclusion, and talent development, and maintains competitive advantages through talent retention and cultivation. We continue to collect employees' opinions, value workplace safety and create a friendly workplace where employees can feel at ease, in order to achieve sustainable operation.

**878** people

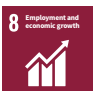
Youth empowerment has expanded semiconductor talents and has cultivated a total of 878 semiconductor talents since 2021, an increase of 64% from the previous year.

**178,000**

Employees who have completed training (No. of participants), an increase of 8.5% compared with 2022.

**4.58%**

The voluntary turnover rate of 4.58% was 4.22% lower than in 2022.



# Strategy and Performance of Material Topics

Strategy of Material Topics	2023 Goals	Performance and Goal Achievement	2024 Goals
<b>Human Rights</b> <b>Regulatory compliance</b> Comply with international human rights standards and apply relevant policies and standards in practice. <b>Protect equality</b> Build workplace equality by establishing risk management and precautionary measures as well as designing diversified communication and complaint channels.	No major deficiencies are found in external audits or labor inspections	◆ No major deficiencies	No major deficiencies are found in external audits or labor inspections
	Workplace violence: 0 cases	Note 5 ◆ 2 cases	Workplace violence: 0 cases
	Employees' educational training on labor ethics completion rate: 100%	◆ 100%	Employees' educational training on labor ethics completion rate: 100%
<b>Talent Cultivation and Development</b> <b>Improvement of professional skills</b> Establish yearly training development plans based on the Company's strategy; plan diversified learning courses and channels. <b>Training of key talents</b> Strengthen the training of key talents and increase the proportion of key talents. <b>Individual development</b> Establish independent learning and employee personal development mechanisms to increase the internal employee substitution rate for job openings.	Annual planned course completion rate $\geq 100\%$	◆ 122.7%	Annual planned course completion rate $\geq 100\%$
	Key talent as a percentage of all employees $\geq 5.7\%$	◆ 6.3%	Key talent as a percentage of all employees $\geq 6.0\%$
	Internal employee substitution rate for job openings $\geq 65\%$	◆ 65.8%	Internal employee substitution rate $\geq 65\%$
	TCSA Talent Development Leader Award	◆ Received the TCSA Talent Development Leader Award	TTQS Talent Development Quality Gold Award
	Retention rate of key talent $\geq 98\%$	◆ 98%	Retention rate of key talent $\geq 98\%$
<b>Talent Retention and Employee Care</b> <b>Manpower stabilization</b> Implement talent retention plans to stabilize outstanding employees and increase the retention rate of key talents.	Voluntary turnover rate <sup>Note 1</sup> $\leq 6\%$	◆ 4.58%	Voluntary turnover rate $\leq 6\%$
	Employee Engagement Survey reached the average approval rate $\geq 75\%$	◆ 75.3%	Average approval rate inf Employee Engagement Survey $\geq 76\%$
	Frequency of disabling injuries <sup>Note 2</sup> $< 0.19$	Note 6 ◆ 0.41	Disabling frequency rate $< 0.18$
<b>Occupational Health and Safety</b> <b>Early diagnosis and early improvement</b> Continuous PDCA improvements for the occupational health and safety system <b>Safety culture</b> Build employees' safety awareness and establish a high-quality safety culture <b>Cross-inspection</b> Cross-inspection by internal and external institutions to strengthen independent inspections	Severity of disabling injuries <sup>Note 3</sup> $< 6.5$	Note 6 ◆ 18	Disabling severity rate $< 6.2$
	In-plant self-inspection rate <sup>Note 4</sup> $> 93.9\%$	◆ 95.2%	In-plant self-inspection rate $> 93.9\%$
	Number of proposals engaging all employees for safety and health $> 1,150$	◆ 1,215 cases	Number of proposals engaging all employees for safety and health $> 1,440$
	Occupational diseases caused by chemical exposures maintained at 0 cases	◆ Maintained at 0 cases	Occupational diseases caused by chemical exposures maintained at 0 cases

◆ Exceed ◆ Achieved ◆ Partially Achieved

Note 1 : Voluntary turnover rate includes employees in Taiwan and overseas

Note 2 : Disabling injuries frequency rate (FR) = (total employees with disabling injuries  $\times 10^6$ ) / total work hours

Note 3 : Disabling injury severity rate (SR) = (total days lost to disabling injuries  $\times 10^6$ ) / total work hours

Note 4 : Independent inspection rate: (Number of deficiencies independently improved by departments / Number of deficiencies proposed by the Safety and Health Division)  $\times 100\%$

Note 5 : The measures to deal with the two cases of workplace violence are described in p.62

Note 6 : A total of 3 occupational accidents occurred in 2023 were physical injuries (falls, collisions), and the improvement measures are shown in p.99

# 4.1 Human Rights

## Employee Human Rights Protection

Nanya places great emphasis on employees' rights and has formulated the [Human Rights Policy](#) and [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.

The Company is committed to not employ children under the age of 16, and has never employed child labor for work. In addition, the Company will never force labor or coerce any unwilling person to perform labor. The terms of employment of all employees were agreed to and signed by both parties under their free will. "Policy and Code of Conduct Training," "Unsafe Workplace Behavior and Prevention Training," and "Personal Data Protection Training" are some of the training courses related to human rights policies and procedures in 2023. 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 10,947 hours.

### Statistics on human rights policies and procedures training<sup>Note</sup> hours from 2020 to 2023

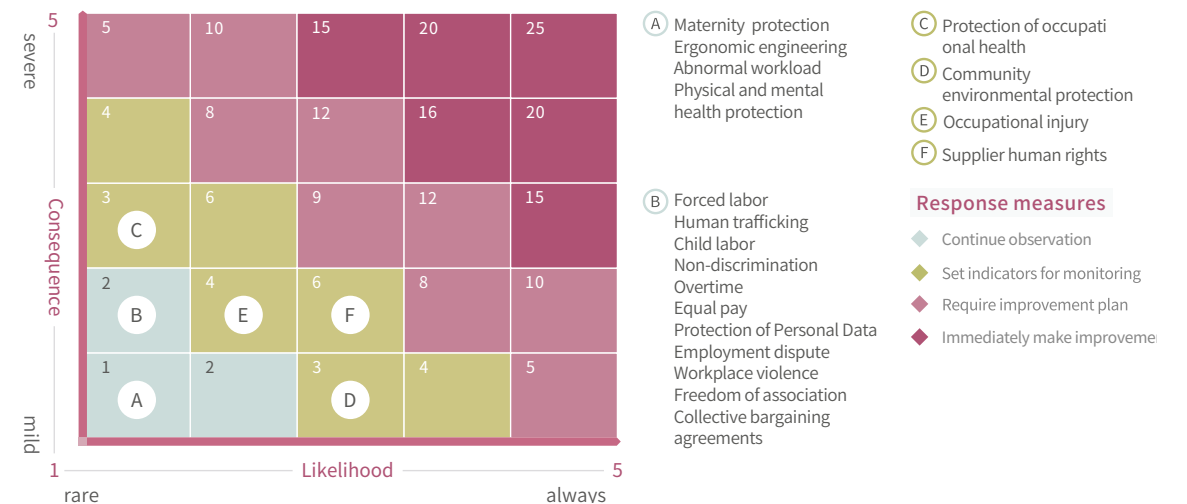
Year	2020	2021	2022	2023
Total person-hours of training	7,333	7,228	10,872	10,947

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. Starting from 2022, personal data protection promotion was included as a required course for all employees every year, which increased the total number of training hours.

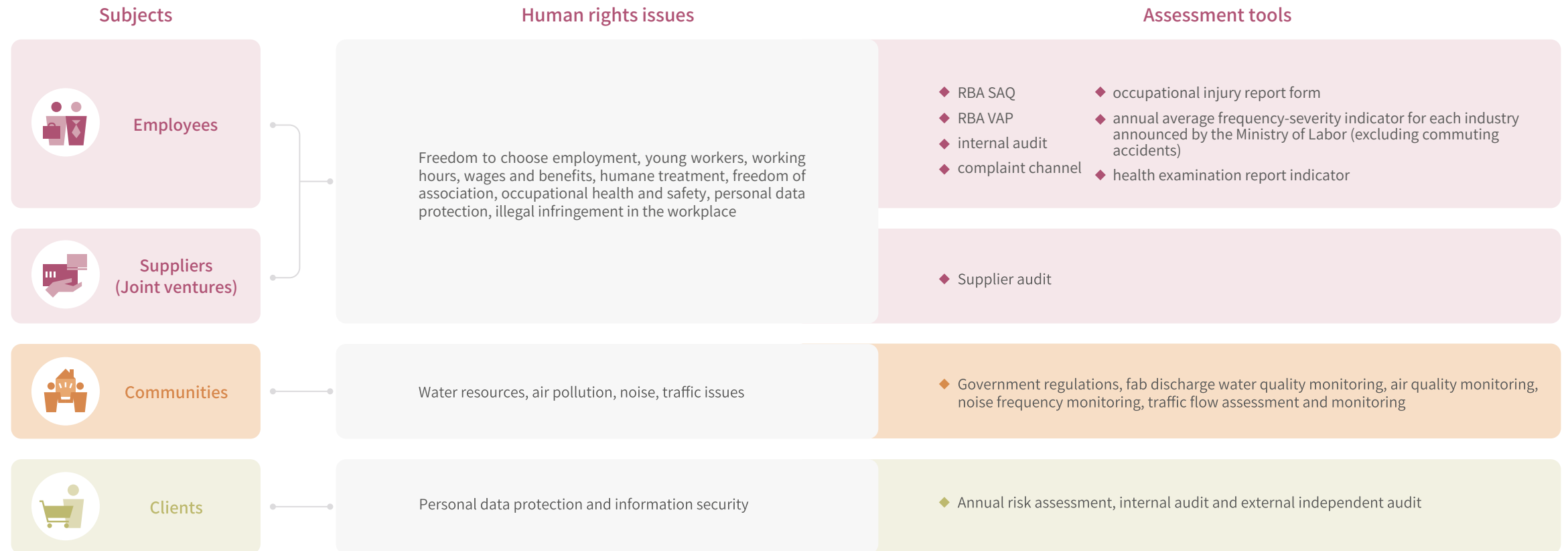
## Human Rights Risk Management

Nanya adopts the RBA to labor, health and safety, environment, and uses government occupational safety and health regulations as the standard to identify human rights issues and subjects and business units prone to be affected every year. Nanya conducts human rights risk assessments, and formulates risk mitigation and compensation measures at each business location, ensuring compliance with the laws and regulations of the country of each business location. Probability of occurrence is calculated as the number of employees exposed to risk as a percentage of the Company's total employees. Improvement measures are formulated based on the results, and goals for mitigating human rights risks are set.

### Identification process



## Human Rights Risk Assessment



## Mitigation and remediation measures for highly significant human rights impacts







Subjects	Material human rights issues	Mitigation measures	Remedial measures
Employees	Occupational health and safety	Occupational injury Implement the following measures to reduce the risk of occupational hazards: (1) We strengthened hazard control, implemented safety and health training for a total of 19,119 hours for 1,818 participants, 56 emergency response drills, safety walk and talk on a total of 36 topics, and 40 safety behavior improvement suggestions for operations. (2) We implemented 27 active safety and health improvement action plans in the working environment to continue lowering potential risks	The general rules for compensation are as follows: (1) When an occupational accident occurs, the Company immediately provide emergency medical and first aid treatment, and subsequently provides complete medical assistance; approves leave of absence and provides compensation in accordance with the law. (2) In 2023, there were a total of 23 false alarm incidents, and corresponding improvement and prevention measures have been proposed. (3) The unit of the incident proposes corrective measures, reviews them with the safety and health department, and continues to track improvements.
		Protection of occupational health We implemented the following health promotion activities to strengthen the concept of health management: (1) Organize at least one health promotion seminar per quarter, and organized a total of 37 seminars with 4,973 participants as of 2023. (2) CPR+AED training activities are held for all employees once a year, and the participation rate in 2023 was 98.74%. (3) The annual weight loss activity and smoking cessation declaration activity had a total of 531 participants. Periodically provide relevant health information to employees (posters & mail)	The general rules for compensation are as follows: (1) Employees with abnormal health examination results are tracked and subjected to health management, scheduling regular interviews with a physician and receiving health guidance. (2) We set up a medical room with a physician stationed on site to provide employees with professional medical and consultation services.
	Workplace violence (sexual harassment)	We established the following preventive measures to prevent workplace violence: (1) Completion of training to prevent workplace violence (workplace bullying, sexual harassment) was 100% in 2023. (2) We have a well-rounded complaint handling mechanism in place, in which reports are investigated confidentially by the Complaint Investigation Group, and resolutions of the cases are made by the Complaint Review Committee.	2 cases in 2023 The general rules for compensation are as follows: (1) Measures to prevent complainants of workplace violence Measures for recurrence, such as appropriate adjustments to work content or workplace. (2) Provide or refer the complainant to counseling, medical or psychological consultation, social welfare resources and other necessary services. (3) Fully investigate complaints, and impose appropriate punishment or treatment on violators. If the case involves criminal liability, the Company may also transfer it to the judicial authority. (4) The Company will track, assess, and oversee cases to prevent the recurrence of workplace violence. (5) The Company prohibits anyone from taking revenge on complainants, informants, or those helping with investigations. Violators will be punished in accordance with corporate management regulations.
Suppliers	Working hours, wages and benefits, humane treatment	We implemented the following measures to ensure the implementation of supplier sustainability actions: (1) Sustainability risk assessments were completed for all first-tier suppliers (including first-tier significant suppliers), Questionnaires were distributed to 352 suppliers and 100% of questionnaires were recovered. (2) We audited high-risk suppliers and found 57 non-compliant items. Nanya provided guidance and assistance in improving the deficiencies found in the audit, and 100% of the improvements were completed. (3) We will continue to encourage suppliers to implement risk management and identification with consideration to the potential impacts on supplier governance/social/environmental aspects.	0 human rights violations in 2023 General rules for compensation: Suppliers are required to make improvements until they comply with local laws and regulations
Communities	Water resources	We implemented the following measures to ensure environmental sustainability: (1) Discharge and continue to reduce discharge in accordance with regulatory standards: A.Air pollution reduction: Regarding the reduction of VOCs emissions, a third party verified that equipment processing efficiency reached 98% and above in 2023, and VOCs emission was reduced by 70% compared to 2022. B.Water resources: The total water withdrawal in 2023 was reduced by 0.1% compared with 2022, and the total wastewater discharge of 2,446 million liters in 2023 was a decrease of 9.2% compared with 2022. (2) Environmental monitoring is carried out on a monthly basis. (3) Feedback from local stakeholders is collected through quarterly meetings of the Nanlin Technology Park Management Committee.	0 community complaints in 2023 General rules for compensation: 1. Pay attention to the progress of regulatory revisions and take corresponding measures 2. Actively work with local schools, institutions and groups to carry out educational activities such as environmental conservation
	Air pollution		
	Noise		
	Transportation		
Clients	Personal data protection and information security	We implemented the following measures to for information security: (1) Information security promotions are conducted monthly, and employees are required to complete an information security training course and pass a test once a year to raise their personal data protection awareness. The training completion rate was 100% in 2023. (2) After internal procedures and confidentiality classification, it is filed in the document control center.	There were 0 cases in 2023 General rules for compensation: Immediately notify customers and take appropriate action

The probability of risk occurrence in 2023 was 3.78%, an increase of 2.67% compared to 2022. The reason for the increase was that the Company introduced counseling services of the Teacher Chang Foundation to care for the mental health and stress relief of employees, and included physical and mental health protection into the scope of human rights risk assessment. The Company expanded the subjects of employee health care, actively arranged diverse health promotion activities and lectures, and regularly shared and promoted health information. The Company helps employees improve their physical health and better handle psychological stress through a variety of methods, which can improve overall work efficiency and satisfaction.

# Employee Protection and Communication

## · Zero Tolerance of Harassment and Discrimination

### Measures implemented by Nanya for preventing harassment and discrimination

<div>  <div>Policy statement</div> </div>	<p>Nanya prepared a "<a href="#">Written Statement on Prohibition of Workplace Violence</a>" to protect all employees from physical and mental illness due to physical or mental harassment in the process of performing their duties.</p>
<div>  <div>Zero tolerance</div> </div>	<p>Nanya is committed to ensuring a workplace environment with zero violence. The Company will not tolerate workplace bullying by managers of any level, nor will it tolerate any unlawful workplace harassment against the Company's employees by coworkers, visitors, clients, or strangers.</p>
<div>  <div>Grievance channels</div> </div>	<p>The Company's employees have the responsibility to maintain and ensure that our working environment is free from unlawful workplace harassment. If a staff member witnesses or hears the occurrence of unlawful workplace harassment, he or she shall immediately call the employee complaint hotline or use the internal complaint email address to report such event.</p> <p>Complaint hotline: 02-29045858 #1132, #1133</p> <p>Complaint designated email: <a href="mailto:protection@ntc.com.tw">protection@ntc.com.tw</a></p>
<div>  <div>Education and training</div> </div>	<p>The Company arranges education and training on unlawful workplace harassment for employees at least once every two years, and organizes seminars and courses for managers as needed, in order to improve communication with employees and reduce their stress and frustration.</p>
<div>  <div>Penal provisions</div> </div>	<p>Reported cases are investigated confidentially by the Complaint Investigation Group, and resolutions of the cases will be made by the Complaint Review Committee. If the reported cases are found to be true after investigation, punishments shall be administered in accordance with the corporate management regulations. Moreover, if such facts involve criminal liability, the Company may report the event to judicial institutions for processing at the same time.</p>
<div>  <div>Remedial measures</div> </div>	<p>The Company will keep a complainant's identity confidential. The Company will also assist and provide the complainant with compensation measures, including health guidance, work adjustment or change, and physical and psychological follow-ups.</p>

Note 1: Definition of Unlawful Violation in the Workplace  
 Abuses, threats, harassment, discrimination, or attacks in work-related environments (including commuting) by staff members, which obviously or implicitly pose challenges to the staff members' safety, well-being, or health. Types of unlawful workplace harassment :

(1)Non-sex- and non-gender-related behaviors  
 1.Physical (physical assault, namely brutality and injuries, such as: battery, scratches, punches, and kicks).  
 2.Psychological (mental injuries, namely coercion and insults, such as: threats, bullying, and serious abuse).  
 3.Verbal (verbal abuse, namely inappropriate wording and intonation, such as: bullying, intimidation, and interference).  
 4.Discrimination (characteristics irrelevant to the execution of specific jobs are used to determine whether someone is hired or not or such conduct results in damage to working conditions).  
 5.Harassment (repeated or persistent interference or disruptive behavior that is disturbing or threatening towards a specific person against his or her will).

(2)Sex- and gender-related behaviors  
 1.Sexual harassment (sexual behaviors towards a person against the person's will, such as: inappropriate sexual innuendo remarks and behaviors).  
 2.Gender harassment (use gender discrimination or bias speech to insult, demean, or be hostile towards specific genders).

Before the release of the guidelines on workplace violence, Nanya already had the "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy" and "Nanya Employee Protection and Complaint Regulations" in place; regarding the improper treatment of workers in the workplace, relevant preventive measures and follow-up investigations had been formulated. In addition, the Company not only has counseling rooms, but also cooperate with the Teacher Chang Foundation to offer on-site counseling services. This provides space for employees to talk and receive counseling. Workplace mental health improvement seminars are also held regularly to provide workers with relief channels.



### Establishment of Regulations

- ◆ The "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy" and "Nanya Employee Complaint Guidelines" were integrated into the "Nanya Employee Protection and Complaint Regulations" in 2019, and adjustments were made in 2020 and 2023 to make the regulations more complete.



### Taking Action

- ◆ All employees receive online "Occupational Hazards and Preventive Training" each year
- ◆ Further manage potential risk groups via employee protection, hazard identification, and risk assessment by each department
- ◆ Strengthen the complaint investigation mechanism and establish a Complaint Review Committee
- ◆ The Company not only has counseling rooms but also cooperates with the Teacher Chang Foundation to offer on-site counseling services.

## Unlawful workplace harassment training statistics



### "Occupational Hazards and Preventive Training" completion rate



## • Grievance and Complaint Channels

The Company established the "Nanya Regulations for Employee Protection and Complaints", "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy", and " [Nanya Reporting Procedure](#)" to provide internal and external stakeholders with channels for reporting any unlawful or unethical conduct. When stakeholders discover a breach of laws or inappropriate conduct that affects the interests of individuals or the Company or other related material issues or where an individual attempts to gain unlawful interest by abusing the power of their office, they may file reports at any time for responsible dedicated units to take charge of processing. Furthermore, the Company's official website has a whistleblowing hotline (02-29061001) and dedicated mailbox ([audit@ntc.com.tw](mailto:audit@ntc.com.tw)) for stakeholders to file complaints when their rights are damaged. A case officer is assigned or a team is assembled to investigate cases based on the contents, types, nature, and sensitivity of the case, as well as the level of the person being reported. For cases that involve a manager or director, the director that manages the audit department assembles a team to investigate the case. To protect the whistleblower, personnel responsible for processing cases shall conduct investigations based on the confidentiality principles and they shall be prohibited from disclosing cases to unrelated personnel. When investigating related individuals, the processing personnel shall only discuss parts that are relevant to the individuals to protect the identity of the whistleblower. Related data is handled and stored as confidential documents.



· Number of reports through employee grievance and complaint channels over the years

			2020			2021			2022			2023			
Reporting channels	File written complaints (including anonymous reports)		2			5			4			0			
	Employee grievance report table		1			0			0			2			
	Complaint hotlines and mailboxes		0			1			1			1			
	Total cases		3			6			5			3			
			Rejected	Accepted		Rejected	Accepted		Rejected	Accepted		Rejected	Accepted		
				O	X		O	X		O	X		O	X	
Category of cases	Cases related to the Code of Business and Ethical Conduct	Corruption and bribery	0	0	0	0	0	0	0	0	0	1	0	1	0
		Improper income	0	0	0	0	0	2	0	0	0	0	0	0	0
		Fair competition	0	0	0	0	0	0	0	0	0	0	0	0	0
		Improper donations	0	0	0	0	0	0	0	0	0	0	0	0	0
		Conflict of interest	0	0	0	0	0	0	0	0	0	0	0	0	0
		Money laundering or insider trading	0	0	0	0	0	0	0	0	0	0	0	0	0
		Protection of intellectual property rights	0	0	0	0	0	0	0	0	0	0	0	0	0
		Protection of personal privacy/data	0	0	0	0	0	0	0	0	0	0	0	0	0
		Sexual harassment	0	1	0	0	0	0	0	0	0	0	0	2	0
		Harassment	0	0	0	0	0	0	0	0	0	0	0	0	0
		Discrimination	0	0	0	0	0	0	0	0	0	0	0	0	0
		Environmental protection	0	0	0	0	0	0	0	0	0	0	0	0	0
		Occupational safety and health	0	0	0	0	0	0	0	0	0	0	0	0	0
		Other	0	0	3	0	0	4	0	1	3	0	0	0	0
	Total cases	0	0	3	0	0	6	0	1	4	0	3	0	3	
3			6			5			3						
Case closed			3			6			5			3			
Closure rate			100%			100%			100%			100%			

O: Case opened X: Case not opened

There were 3 complaints and reports in 2023

including 1 case in the "Corruption" category and 2 sexual harassment cases. Please refer to the following description of the complaints:

In the one case of corruption, when the equipment engineer went to the material warehouse to pick up materials, he took advantage of the time personnel went to another warehouse to collect materials, and moved the materials out of the warehouse for a vendor to move out of the fab with the intention of selling the materials for profit. With the joint efforts of the equipment and materials departments, the stolen materials were immediately recovered without causing any loss of Company property. The employee involved in the case was terminated in accordance with the Company's personnel regulations, and a criminal suit was filed with the prosecutors office.

In the first sexual harassment case, physical touching caused the person concerned to feel offended and uncomfortable. In the second sexual harassment case, the person concerned felt stalked and harassed due to the offender not being good at making friends. The two cases above were investigated and verified by the Company's Complaint Review Committee to constitute workplace sexual harassment and violated work rules.

The Company's implementation measures :

**Penalties** After receiving the complaint, the employee is immediately isolated from the work area, counseling and handling will be carried out if the case is opened, and the reward and punishment committee will decide on punishment in accordance with the Human Resources Management Regulations, and the unit will be asked to strengthen training on sexual harassment behavior.

**Guidance** Provide or refer the complainant to counseling, medical or psychological consultation, social welfare resources and other necessary services. Counseling and treatment will be implemented for the respondent to ensure that the behavior is not repeated.

**Compensation** To prevent the recurrence of grievances, the work contents or workplace has been adjusted. The Company handles punishments according to the approved punishment content, and continues to track, assess, and oversee the punishments to prevent the recurrence of unlawful workplace harassment. Moreover, the Company prohibits anyone from retaliating against complainants, informants, or those helping with investigations. Those who do so will be punished in accordance with the corporate management regulations.



## Labor-management relations and communication

The Company has diverse, open and transparent communication channels in place to maintain harmonic employment relation, facilitate labor-management collaboration and improve workers' benefits. These communication channels not only enable employees to express opinions on various issues concerning health, safety, benefits and basic work conditions, but also allow the Company to take initiative in learning employees' thoughts and address problems in a timely manner. The Company also has complaint mailbox, whistleblower hotline and sexual harassment prevention hotline available for reporting illegal matters, and any opinions concerning corporate policies may be raised using the management system improvement opinion feedback channel. Employees are entitled to communicate openly and thoroughly with the management about work-related or personal affairs, terms of employment, salary, benefits and personal opinions through the following channels:

Meetings

Regular convention of employee meetings

Administration contact window forum

Production line workers' quarterly meetings

Unscheduled department meetings

Two-way communication platforms

Life Space

Feedbacks and opinions

Epidemic prevention mailbox

Electronic survey

Satisfaction with catering service

Satisfaction with activities

Employee Engagement Survey

95 cases

Number of feedbacks and opinions raised in 2023

Within 5 days

Average time of reply per case

The top 3 issues

47 transportation/parking/shuttle bus cases (49.47%)

15 information/information security issues (15.79%)

Office environment issues - 14 cases (14.74.%)

19 Others:catering /factory environment cases (20%)

The employees of Nanya have established a labor union since April 2012.The company actively maintain communication and harmony with union for a long time, and exchange information through multiple communication channels. Therefore, the labor union can fully perform its functions and express opinions. This strengthens the harmonious employment relationship and benefits.

In view of this, although the labor union has been established, the they have negotiated with the company through multiple and smooth communication channels, and the company has also actively communicated and handled the matter, the labor union has not requested the company to sign a group agreement, and no group agreement has been signed yet.

Number of union members in the last 3 years - Taiwan

Year	2021	2022	2023
Number of union members	83 people	86 people	88 people
Percentage of employees with union membership	2.41%	2.38%	2.36%

# 4.2 Diversity, Equity and Inclusion

## Promote Diversity, Equity and Inclusion to Create Good Times

### · Diversity, Equity and Inclusion Action Strategy

The concept of "people-centered" is the foundation of Nanya's diversity, equity, inclusion (DEI) action strategy. We believe that providing a good workplace environment helps realize our core values, so we established the vision and mission of diversity and inclusion. We formulated action strategies from recruitment to internal talent development, listening to the voices of stakeholders to exert social influence, so that we can work towards better things and continue to make improvements.



#### Vision

Embrace diversity, innovate inclusion and move towards sustainability.



#### Mission

Provide a workplace environment full of curiosity and collaboration, value diverse perspectives, continue to innovate, and embrace new thinking.

### Action strategies

- Attraction:** Establish diversity and inclusion as our brand as an employer to attract diverse talents.
- Recruitment:** Incorporate DEI values into recruitment and hiring processes.
- Onboarding:** Assist new employees with adapting to the workplace environment and get started smoothly.
- Training:** Improve employees' awareness and understanding of DEI through training.
- Development:** Cultivate more key talents to assume management positions and develop diverse internal successors.
- Communication:** Use two-way communication to collect employee feedback and continuously optimize the Company's DEI measures.
- Impacts:** Build partnerships and promote and influence social diversity.
- Improvement:** Regularly review and adjust diversity strategies to ensure organizational development and employee needs are consistent.

### 2023 Results



#### Inclusive culture

- ◆ 13 Lectures on inclusion and multicultural literacy
- ◆ 716 People voluntarily participated in the "woMen Era" questionnaire survey
- ◆ 2 Female representatives on the board of directors



#### Employee diversity

- ◆ 27.78% of employees are female
- ◆ 35.00% of managers are female
- ◆ 1.13% of employees with disabilities are hired



#### Investment in future talent

- ◆ 138 technology, design, and finance interns employed
- ◆ NT\$5,880,000 Total amount of Future Stars Scholarship
- ◆ NT\$12,830,000 Total amount of industry-academia collaboration



#### Community influence

- ◆ 97 collaborative partners
- ◆ 8,500 people (approximately) participated in the activities and interacted with residents

### 2024 Key Performance Indicators

#### Diversity in leadership

- ◆ At least 2 female representatives on the board of directors
- ◆ Continue to improve board diversity: Industries that directors are familiar include raw materials, finance, information technology, and semiconductors.

#### Cultivate a culture of diversity and inclusion

- ◆ Organize diversity and inclusion literacy lectures : 6 sessions

#### DEI training courses

- ◆ Completion rate of basic courses for all employees : 98%
- ◆ Completion rate of advanced courses for managers : 98%

#### Employee feedback

- ◆ In the 2024 Employee Engagement Survey, 75% of engagement scores reached 7 points or above, and the response rate was 93%

#### Listening to the voices of employees

- ◆ The president hosted 2 all-hands meetings
- ◆ 97 cases of employee opinions and responses were resolved

## DEI Milestone

Since 2014, we have paid attention to diversity, equity and inclusion in the workplace.

### 2014-2019

- Implemented the plan for dedicated personnel to coach new employees
- Established Nanya's "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy"
- Implementation of the Employee Engagement Survey and employee communication platform: Feedback and opinions section
- Renamed the employee care project into the Employee Assistance Program (EAP)
- Added the "Employee Protection and Complaint Regulations", launched the "Prohibition of Illegal Infringement in the Workplace".

### 2021

- Expanded DEI influence: Launched the diversity and inclusion "woMen Era" Project
- Launched the "Youth Empowerment Project"

### 2023

- Planned diversity and inclusion paths and action plans

### 2020

- The Women's Empowerment Project strengthened Nanya's diversity and inclusion
- Continued to implement the EAP : Employee W.A.K.E Project

### 2022

- Plan to Strengthen Diversity and Inclusion: Self-leadership (workplace, family, self-growth)

### 2024

- Continued to implement diversity, equity and inclusion plans: Concern for topics of generational inclusion

## Talent sustainability, diversified recruitment

Nanya upholds the philosophy of being people-oriented and respects diversity. During talent recruitment, we do not discriminate against nationality, race, gender, age, sexual orientation, religion, party, place of birth, marital status, appearance, and physical and mental disabilities. What we value is whether the personality traits are suitable for the job position.

### • Diversified recruitment policy

Nanya provides equal employment opportunities. Our business operations are distributed in Taiwan and overseas, so the nationalities of employees are quite diverse. In addition to Taiwanese staff, employees of the following 15 nationalities were employed in 2023: Chinese, French, German, Japanese, American, Thai, Vietnamese, Burmese, Italian, Kenyan, Korean, Turkish, British, Indonesian, and Malaysian. Our employees form an internationally diversified workplace. We had 109 foreign employees in 2023, accounting for 2.99% of all employees. In descending order, the top five nationalities<sup>Note1</sup> were American, Chinese, Japanese, German, Indonesian, Malaysian, French, Burmese, and Korean. The top five nationalities among managers are Taiwanese, American, Japanese, German, and French. The majority of managers are Taiwanese at 93.26%.

We also support the government's policies of hiring people with disabilities as part of its workplace friendly diversity initiative. As of December 2023, Nanya Technology Corporation hired a total of 40 employees with disabilities into Taiwan operations, which represented 1.13% of total employees. We continue to work towards hiring more people with disabilities and provide appropriate job positions. Through increasing job opportunities for people with disabilities, we intend to build a friendly workplace with diversity.

### • Employee Diversity

Employees are the most important partners of Nanya, and also the key to maintaining corporate sustainability and innovative R&D. Deeply embedding the culture of being people-oriented, we created a friendly and comfortable office environment and training courses based on employee learning, allowing employees to receive systematic training courses and enjoy diverse learning resources. This will help employees quickly accumulate professional knowledge and skills related to semiconductors, consolidate the Company's human capital, and enhance the Company's competitiveness. In addition to providing generous salaries and bonuses to provide motivation and encouragement, the Employee Welfare Committee also organizes a variety of recreational activities every year, striving to create a happy workplace that balances work and life, and provides employees with comprehensive care and concern.

We believe a competitive and stable workforce to be essential for improving the productivity and competitive advantage of the Company. We continue to design and provide an environment where talents may thrive. Through talent cultivation, we strive to become the best employer that looks after talents.

Note 1: Indonesian, Malaysian, French, Burmese, and Korean have the same number of employees, so they are tied for fifth place.

Year	2020	2021	2022	2023
Number of nationalities	15	15	16	16
Nationalities	Taiwanese, Chinese, Turkish, Japanese, Indonesian, French, Kenyan, USA, British, Malaysian, Indonesian, Italian, German, Burmese, Korean	Taiwanese, Chinese, French, German, Japanese, American, Thai, Vietnamese, Burmese, Italian, Kenyan, Korean, Turkish, British, and Indonesian	Taiwanese, Chinese, French, German, Japanese, American, Thai, Vietnamese, Burmese, Italian, Kenyan, Korean, Turkish, British, Indonesian, and Malaysian	Taiwanese, American, Chinese, Japanese, German, Indonesian, Malaysian, French, Burmese, Korean, British, Thai, Vietnamese, Italian, Kenyan, Turkish
Percentage of foreign employees (%)	3.56%	3.26%	3.01%	2.99%
Number of employees with disabilities	36 people	36 people	36 people	40 people
Percentage of employees with disabilities (%)	1.05%	1.05%	1.01%	1.13%

Note: The percentage of employees with disabilities is calculated based on the 3,540 formal employees in Taiwan.

In addition, due to the characteristics of the semiconductor industry and the supply factors of the job market, the percentage of employees that are female in Nanya was 27.78% in 2023. However, we provide fair promotion opportunities without gender restrictions. The percentage of managers that are female was 35.00% in 2023. In 2022, a female supervisor won the first "New Taipei City Enterprise Classic and Women Power Award" sponsored by the Economic Development Department, New Taipei City Government. The award assesses candidates based on four aspects: "Innovative," "International," "Sustainable," and "Dedicated to New Taipei," encouraging more women to pursue self-realization. The award recognizes the Company's long-term commitment to mutual benefit and co-prosperity with New Taipei City and local communities, and its efforts to create a friendly workplace with diversity and equality.



Nanya won individual and corporate awards in the New Taipei City Enterprise Classic and Women Power Award. From left are Nanya Division Director Christine Wang, New Taipei City Mayor Hou, Yu-lh, and Nanya Vice President Joseph Wu.

## • Fair and diverse recruitment channels

In 2020, we changed all items on the interview information form that are not directly related to work to optional, such as gender, age, family status, etc., actively reducing the chance of bias. This makes the recruitment process friendlier and also complies with the DEI strategy. In addition, we also use diverse recruitment channels. In addition to uploading resumes on the Company's official website, applicants can also actively apply through job banks. We also actively go into campuses and participate in job fairs of various colleges and universities, in order to find more suitable candidates. In 2023, we co-organized the Semiconductor Women's Empowerment Camp with the Youth Career Development Center and schools. The event invited the Company's female managers to share with students, so that students can further understand the semiconductor industry, and also encourage more female talents to enter the semiconductor industry in the future. We also supported the government's New Southbound Talent Recruitment Project, accurately matched industry needs with academic resources, and went to universities in Indonesia and Vietnam to conduct recruitment activities with the Intelligent Electronics Institute of the Industrial Development Administration and other companies and schools.



## • Fair rewards and benefits

Nanya's salary, reward and benefit system is planned based on personal academic experience, professional knowledge and skills, industry standards, local economy and labor market supply and demand, while taking into account industrial competitiveness, the Company's overall operating conditions and sustainable operations. We adhere to the principle of fair salary and do not discriminate based on gender. We use performance as an important basis for salary adjustments. We also provide fair promotion opportunities, which does not differ due to gender as long as the employee has good performance. Nanya is strives to become a diverse, fair and inclusive family. Talent is an important asset of the Company. We respect the uniqueness of each individual, and look forward to employees leveraging their unique value to grow together with the Company and create a win-win situation.

## Cultivate diversity and inclusion

### · Cultivate multiculturalism: woMen Era

To accelerate the development of diverse representative talents and create a workplace culture full of curiosity, collaboration and belonging, Nanya launched the "Women's Empowerment" project in 2019, and organized a series of lectures, workshops and sharing sessions. In the following year, to increase the breadth and depth of diversity and inclusion in the workplace, the project was changed to the "woMen Era" project, which emphasizes mutual benefit regardless of gender. The project does not stop at classroom training, and also focuses on experience sharing, so that employees can continue to learn and demonstrate diversity and inclusive behavior at work.

In 2023, we used the United Nations' "Good Life Goals" as the theme and starting point of the project, so that everyone can use their own strength to contribute to the SDGs, implement sustainability in daily life, and create good times for the world! The project mainly includes:

**Questionnaire survey** : We design a questionnaire survey each year based on the main training goals for the year. The questionnaire is used to understand the current situation and needs of employees, and the results of the analysis report are released. The data is used to show the different appearances of employees, achieving the purpose of communication and mutual understanding, which will make the work team more inclusive. In 2023, we used "Ideal Life" as the direction of the questionnaire survey to understand the status of employees in reaching their life goals. The release of analysis reports allows employees to understand each other's problems and feelings, and build empathy and tolerance.

**Event design** : After obtaining the results of the needs analysis, we planned a series of "Good Life" activities, including soft lectures, workshops and sharing sessions, covering topics ranging from personal growth, family matters to career development. Experts in various fields were invited to share and provide solutions, so that employees learn and grow from role models, helping each employee realize their potential while promoting employee inclusion and multicultural literacy.

**Experience sharing** : The most popular sharing session among employees every year. We invite employees to serve as our program ambassadors and share their experiences. Employees have a common language to resonate with each other through the real-life experiences shared by ambassadors, and they also accept different viewpoints. This allows diversity and inclusion to spread and make an impact.

### · Training courses: Diversity, Equity and Inclusion

In the process of promoting the value of DEI, we know that it is crucial to eliminate unconscious biases and cultivate inclusive, innovative and influential managers. Therefore, Nanya will incorporate "unconscious bias" and "inclusive leadership" training into its learning program in 2024, helping employees understand the concept of DEI, become aware of unconscious biases they might have, and then change their conscious behaviors to achieve the mission of creating a diverse and inclusive workplace.

### Planning Diversity and Inclusion Training Courses

Course topics	Goal
 Diversity, Equity and Inclusion	Understand the benefits and impacts of diversity and inclusion
 Recognize unconscious biases	Understand and address key unconscious biases
 Diverse and inclusive interview skills	Understand the full scope of the diverse and inclusive recruitment process
 Diverse and inclusive leadership	Practice bias-free management and supervision and create inclusive teams
 Lectures on inclusion and cultural literacy	Unlock employees' potential and promote inclusion and multiculturalism

### Planning Diversity and Inclusion Training Courses



#### Women's Empowerment



2020

How do working women balance family and life?

#### woMen Era



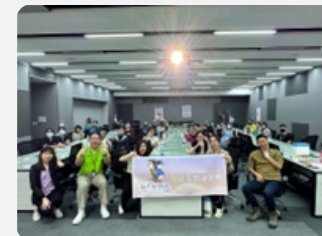
2021

Self-awareness



2022

Diverse Leadership Skills



2023

My Ideal Life



## Create a friendly workplace that takes into account differences

### · Provide differentiated benefits

We are committed to creating a friendly workplace and proposed the friendly workplace project Employee W.A.K.E. through the strategy of seeking common ground in differences, but without losing uniqueness. In addition to providing services such as catering, transportation, Employee Welfare Committee activities, group insurance, health examinations, psychological consultations, and financial planning lectures to all employees, we also provide differentiated assistance and support for employees of different nature, such as:



#### New employees

Buddy assistance, new employee guidance services, and health examination subsidies for new employees.



#### Pregnant female employees

The Company provides health education, mother's room, pink cleanroom suit, convenient parking spaces, and child birth subsidies of NT\$ 20,000.



#### Employees with children under 6 years old

The Company provides a monthly childcare subsidy of NT\$2,000.



#### Employees who ride scooters to work

Exclusive safety helmet lockers and raincoat drying area.

### · Maintaining communication channels for diversity and inclusion

At the same time, we provide diversity and inclusion management, provide multiple communication channels, strengthen communication and connection between employees, and provide solutions and responses to various opinions and ideas.

#### A Letter from the President

#### Meeting with cadre members

#### All-hands meetings



### 5 major communication platforms



#### Electronic feedback form

#### Employee Engagement Survey

### · Create a healthy and vibrant workplace environment

In addition to providing employee benefits that take into account differences, we are also committed to creating an energetic workplace, allowing employees to enjoy the high-quality sports equipment, courts, and aerobics classrooms provided by the Company for fitness and stress relief after work. We also won the following awards:

Work-Life Balance Award, Taiwan iSports certificate form the Sports

## Encourage employees to take the initiative to expand and exert their influence in the community

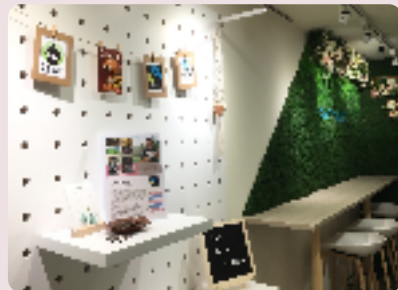
• Our efforts are not limited to within the Company. We also plan community involvement activities and serve as a connector of resources, working with local public institutions, government agencies, schools, non-profit organizations, and arts and cultural associations to jointly promote activities and connect with the community to expand our influence.

### • Narrowing the international economic and social gap

We have set up a fair trade pantry in the head office to expand our social influence. Employees can enjoy coffee purchased without middlemen for only NT\$10, and the cost will be converted into actual support to help third world farmers, community development, children's education and women's employment. This not only supports the concept of fair trade, but also Narrowing the economic, schooling and employment gap of disadvantaged groups. From 2018 to 2023, Nanya consumed NT\$34,634 of fair trade coffee, which was used to assist the development plans of fair trade small farmer cooperatives, including women's empowerment work in Peru, organic transformation projects of cooperatives in Guatemala, emergency medical and long-term care projects in Nicaragua, and safety equipment for small farmers of cooperatives in Colombia.



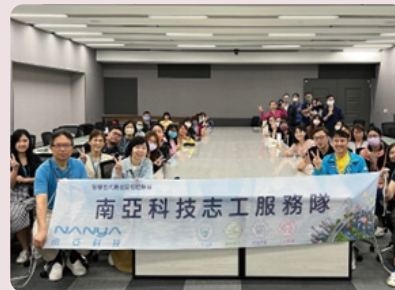
A fair trade pantry unveiling ceremony



Employees enjoy a fair trade pantry

### • Employees voluntarily give back to the community and help diverse and disadvantaged groups

Nanya established a volunteer team in 2021, and encourages employees to participate in actions, in hopes that they will pour their strengths into creating a virtuous cycle in society. We also hope that employees who participate in the activities will provide new feedback and influence each other. We also encourage employees to independently organize charity activities and promote SDGs from the inside out to expand our social influence. Therefore, we implemented the Love Connection Project and combined it with the incentives system provided by the Company to attract more employees to join and gradually expand the influence of our community involvement.



Annual training of the Nanya Volunteer Team



Taiwan Rabbit Saving Association supplies collection



Father's Day Charity Road Running



# 4.3 Talent Cultivation and Development

## Attracting talents

### · Stable workforce

The semiconductor industry is both capital and technology intensive. It not only involves multi-billion dollar plants and manufacturing equipment, but also requires a substantial number of outstanding engineering talents to join the production team of Nanya. Nanya has a very stable workforce structure. As of 2023, the Company has a total of 3,647 permanent employees in Taiwan and in overseas subsidiaries (including 86 interns), in which 86.73% are specialists<sup>Note 1</sup>. The Company has also hired 84 informal employees<sup>Note 2</sup>. Overall, the Company has a competitive, healthy and growing talent base to support development of innovative production procedures, technologies and products. Nanya has 3,540 formal employees in Taiwan, accounting for 97.07% of all employees; overseas subsidiaries have 107 formal employees, accounting for 2.93% of all employees. Formal male employees totaled 2,634 (accounting for 72.2%), whereas formal female employees totaled 1,013 (accounting for 27.8%), representing a gender ratio of 2.6 (male) : 1 (female). In addition, most of the Taiwan non-employee workers are contractors, about 400 people, and outsourcers, about 100 people (including catering, cleaning and security companies). There are about 40 security guards assigned by the Company. The average age of the Company's employees was 38.33 years old. The majority of employees was in the 30-50 year old age group, representing 68.63% of all formal employees. Most employees have a bachelor or master's degree. All formal and informal employees are directly hired by the Company. The Company did not hire any part-time staff in 2023 and 100% of its employees worked on a full-time basis.

Note 1: "Specialist" refers to offline production personnel.

Note 2: Non-permanent employees include consultants, contract staff, and interns.

Statistics of employees in Taiwan and overseas subsidiaries in 2023 by age

		Taiwan				Overseas subsidiaries				Total shares					
		Female	As a percentage of total females in Taiwan operations	Male	As a percentage of total males in Taiwan operations	Female	As a percentage of total females in overseas operations	Male	As a percentage of total males in overseas operations	Female	As a percentage of total female employees	Male	As a percentage of total male employees	Male and Female	As a percentage of total male and female employees
Total shares	Formal employees	149	15.04%	510	20.01%	3	13.64%	26	30.59%	152	15.00%	536	20.35%	688	18.86%
	Informal employees	11	100.00%	61	83.56%	0	0.00%	0	0.00%	11	1.09%	61	2.32%	72	85.71%
30-50	Formal employees	721	72.75%	1739	68.22%	12	54.55%	31	36.47%	733	72.36%	1770	67.20%	2503	68.63%
	Informal employees	0	0.00%	6	8.22%	0	0.00%	0	0.00%	0	0.00%	6	0.23%	6	7.14%
Over 50	Formal employees	121	12.21%	300	11.77%	7	31.82%	28	32.94%	128	12.64%	328	12.45%	456	12.50%
	Informal employees	0	0.00%	6	8.22%	0	0.00%	0	0.00%	0	0.00%	6	0.23%	6	7.14%

In 2023, Nanya had 31 female mid-level and senior managers, accounting for 12.02%. The number is increasing year by year and is expected to reach 13% by 2025. Due to the special nature of the semiconductor industry and realities concerning talent supply, males still dominated the management roles. Managers who work on production lines include team leaders and shift leaders, in which 93.14% are female and play an important role in Nanya's productivity. As for managers of production and revenue related departments, 117 are female, accounting for 38.49%.

### Number and Percentage of Female Staff in the Last 4 Years

Year	2020		2021		2022		2023	
Count/ Percentage	Number of females	Percentage of females <sup>Note1</sup>	Number of females	Percentage of females <sup>Note2</sup>	Number of females	Percentage of females <sup>Note3</sup>	Number of females	Percentage of females <sup>Note4</sup>
Total employees	973	27.47%	982	27.63%	1015	27.54%	1013	27.78%
Managers	116	33.72%	122	33.61%	125	34.44%	126	35.00%
Mid-level and senior managers	26	10.48%	27	10.34%	30	11.49%	31	12.02%
Entry-level manager	90	93.75%	95	93.14%	95	93.14%	95	93.14%
Head of revenue- generating department (management level)*	108	37.11%	114	36.89%	116	32.04%	117	38.49%
Females working in STEM-related positions	411	15.54%	428	15.92%	459	16.34%	458	16.43%

\*Managerial positions refer to mid-level and senior managers (plant manager, director and above, department manager and section manager) and entry-level managers (team leader and shift leader).  
 \*Revenue-generating department refers to any department other than planning, administration, operational support, quality assurance, legal affairs, and safety & health departments. Heads of revenue-generating departments are included in the number of entry-level managers.  
 \*STEM: Job positions related to science, technology, engineering, and mathematics.  
 \*The number of people and percentage in 2020-2022 was revised, but the statistical method was not changed.  
 Note 1, Note 2, Note 3, and Note 4: The denominator is the total number of employees in the group.

### · Attracting top talents

The Company adopts recruitment policies that comply with labor regulations in Taiwan as well as its own ethical employment principles. The Company strives to provide equal employment opportunities and environment, and recruit talents solely based on individual professional capabilities and experience without discrimination whether in terms of age, ethnicity, gender, sexual preference, religion, political association, place of birth, marital status, appearance or disability. Employees' promotion, performance evaluation, training, reward and discipline after hiring have been explicitly stated in policies. This gives everyone job and training opportunities in a fair manner.

In 2023, the semiconductor industry faced economic headwinds. After analyzing demographic data, the population in school, birth rate, and government employment policies, we targeted colleges and universities in northern Taiwan to recruit professional R&D talents. A total of 286 people were hired in Taiwan in 2023, and approximately NT\$490,000 was invested in recruitment; the recruitment cost per employee is NT\$1,725. We currently have diverse recruitment channels and continue to post online recruitment advertisements, make internal recommendations, and place talent recruitment information on the Company's (official) social media platform to increase the company's exposure. We strengthened cooperation with the industry and schools, targeting current students, strengthening professional skills and practical capabilities, and recruiting outstanding students in advance to overcome the recruitment dilemma. Talent recruitment activities in colleges and universities are based on the them "You be the Leader of the Future." We went into campuses to interact, communicate, and hold discussions with young students, encouraging young students who are interested in the technology industry to dare to dream and pursue their dreams, and work together to contribute to the development of Taiwan's semiconductor industry. Recruitment of entry-level production line operators is carried out with the help of local employment service stations near the Company's plants. On-site interviews are held from time to time, and local residents are hired as a priority to promote local employment. Managers of Taiwan operations consist entirely of Taiwanese nationals for 100% localized hiring.

### Statistics on recruitment costs from 2020 to 2023

	2020	2021	2022	2023
Total recruitment costs (NT\$)	820,261	1,286,210	1,304,183	493,388
Total number of recruits <sup>Note 1</sup>	483	360	558	286
Average recruitment cost per person (NT\$)	1,698	3,573	2,337	1,725

Note 1. The total number of recruits refers to those who reported for duty in the current year (including those who resigned in the current year)



Nanya's Talent  
Recruitment Video

• Campus recruitment snapshots



In order to promote the development of the semiconductor industry and company operations, Nanya proactively recruits new employees into the Nanya big family. Company employees work cooperatively to move forward together. New recruits accounted for approximately 4.8% of the Company's total employees in 2023. Gender distribution of new recruits was approximately 4.3 (male):1 (female).

Statistics on new recruits in Taiwan and overseas from 2020 to 2023

	2020	2021	2022	2023
Number of new recruits <sup>Note 1</sup>	374	270	412	175

Note 1: New recruits refer to personnel hired and remained employed in the current year (excluding those who resigned during the year)

Statistics on new recruits in Taiwan and overseas in 2023

Division			Female		Male		Total	
			Number of people	Percentage <sup>Note2</sup>	Number of people	Percentage <sup>Note3</sup>	Number of people	Percentage <sup>Note4</sup>
New recruits <sup>Note1</sup>	By region	Taiwan	31	3.13%	131	5.14%	162	4.58%
		Overseas subsidiaries	2	9.09%	11	12.94%	13	12.15%
	Age group	Under 30	29	19.08%	121	22.57%	150	6.04%
		30-50	4	0.55%	18	1.02%	22	2.72%
		Over 50	0	0.00%	3	0.91%	3	0.77%
	Job level	Mid-level and senior manager	2	0.05%	1	0.03%	3	0.08%
		Entry-level manager	0	0.00%	0	0.00%	0	0.00%
	Total new recruits		33		142		175	
	As a percentage of formal employees		0.90%		3.89%		4.80%	

Note 1: New recruits refer to personnel hired and remained employed in 2023 (excluding those who resigned during the year)

Note 2, Note 3, and Note 4: The denominator is the total number of employees in the group

## Talent retention

Nanya not only offers salary packages that are competitive for the semiconductor industry, but also introduces a full range of welfare measures and training systems that address employees' needs on all aspects from work, life to health. It is the goal of the Company to create a work environment where employees may realize their full potentials with a peace of mind, and for which we have implemented an employee assistance program as part of our corporate social responsibilities.

### • Enhanced work security – Turnover rate

In response to changes in the industry and challenges in the business environment, the Company continues to not only push for fairness and reasonableness in various operations, but also prioritize the work rights and interests of employees. Under the human resource coordination system of the Formosa Plastics Group, employees are transferred first before they are made redundant. Transfer and redundancy of employees are announced and notified in advance in accordance with the Labor Standards Act and relevant laws, whereas department managers would also communicate fully with the employees in question and execution decisions in accordance with law. In order to motivate employees to achieve organizational goals and retain outstanding talents, the Company uses a quarterly incentive system to not only encourage employees to actively reach for business goals, but also share company profit.

The voluntary turnover rate in 2023 was 4.58% (the male to female ratio of those who resigned is approximately 3.66: 1). Compared to the voluntary turnover rate of 4.74% in 2020, there was a 4.22% decrease in 2023 due to the overall industry environment and market situation lowering the intention of employees to resign. The Company adjusted the starting salary of unexperienced new recruits, made an annual salary adjustment for all managers and employees, and made structural adjustments to the salaries of special departments and specialists in July 2023 to stabilize its manpower. This allows employees to work in a happy and safe environment. Nanya upholds the spirit of being people-oriented, and has won the trust and recognition of employees by providing a good work environment and security in life. We have implemented a variety of talent retention and incentive measures to manage turnover risk, in hopes of effectively retaining talent. For employees who have the intention to leave, the Company conducts interviews with them one by one to understand the reasons for their resignations and future plans; the Company also provides relevant suggestions based on employee needs.

### Analysis of turnover rate in Taiwan and overseas in 2020-2023

Employee turnover rate	2020	2021	2022	2023
Voluntary turnover rate	4.74%	7.09%	8.8%	4.58%
Total turnover rate	5.01%	7.26%	9.05%	4.81%

Note:

1. Calculating formula for turnover rate = (number of resignations in January/total number of employees at the end of January) x 100% + (number of resignations in February/total number of employees at the end of February) x 100% + ...+(number of resignations in December/total number of employees at the end of December) x 100%
2. Voluntary turnover refers to resignation initiated by the employee. The Company calculates turnover rate mainly based on voluntary turnover. Total turnover rate includes voluntary (including retirement) and involuntary turnover (including dismissal, redundancy, death etc.)
3. In 2019, the calculation of turnover rate began excluding direct interns (personnel turnover due to expiration of internship contracts).
4. In 2020, the calculation of voluntary turnover rate began excluding those who went on unpaid leaves.



Statistics on total number of employees separated in Taiwan and overseas in 2023

Division			Female		Male		Total shares	
			Number of people	Percentage <small>Note2</small>	Number of people	Percentage <small>Note3</small>	Number of people	Percentage <small>Note4</small>
Total number of employees separated <small>Note1</small>	By region	Taiwan	33	94.29%	127	93.38%	160	93.57%
		Overseas subsidiaries	2	5.71%	9	6.62%	11	6.43%
	Age group	Under 30	13	61.22%	49	50.75%	62	52.80%
		30-50	19	38.78%	68	43.78%	87	42.80%
		Over 50	3	0.00%	19	5.47%	22	4.40%
	Job Level	Mid-level and senior manager	2	5.71%	7	5.15%	9	5.26%
		Entry-level manager	1	2.86%	0	0.00%	1	0.58%
	Total number of employees separated		35		136		171	
	As a percentage of formal employees <small>Note 5</small>		3.48%		5.32%		4.81%	

Note 1: Total turnover rate includes voluntary (including retirement) and involuntary turnover (including dismissal, redundancy, death etc.)  
Note 2: Percentage of employees separated that were female  
Note 3: Percentage of employees separated that were male  
Note 4: As a percentage of all employees separated  
Note 5: As a percentage of total employees: Refers to the number of separated female employees, separated male employees, and separated employees as a percentage of total employees as of December 2023 (excluding interns)

To ensure employees' retirement-related rights and interests, for employees who choose the retirement scheme under the "Labor Standards Act", 2% of the total monthly salary is deposited into the designated Bank of Taiwan account. The accumulative labor retirement reserve in 2023 totaled NT\$566,432,337, and had been fully contributed. For the others choosing the "Labor Retirement Pension" system, the Company contributes 6% of individual monthly salary to each employee's personal retirement account. Employees are eligible to contribute more amounts voluntarily, and the amount is deposited into the employee's retirement account along with the 6%, providing substantial retirement security. Currently 98.8% of employees use the new system.

Employee Engagement Survey

Nanya conducts an organization-wide Employee Engagement Survey annually to gain insight into employees' level of approval towards the Company on several aspects, including work, management, and organizational vision. This survey used 28 questions to collect employees' opinions on 6 aspects. The response rate in 2023 was 93.4%, and the average approval rate of employees was 75.3%, a slight decrease of 0.9% from 76.4% in 2022. We observed that the decrease was mainly due to the lower score of "Employee satisfaction with promotion/compensation" as the Company's poor overall business performance in 2023 affected salaries and bonuses.

Average Approval Rate

	2020		2021		2022		2023	
Aspects	Female employees	Male employees	Female employees	Male employees	Female employees	Male employees	Female employees	Male employees
Individual work performance	65.2%	70.3%	71.3%	72.7%	72.3%	74.1%	70.6%	73.1%
Engagement with line manager	68.1%	75.9%	70.5%	74.3%	73.8%	79.0%	74.2%	78.5%
Understanding of corporate vision/culture	70.9%	77.2%	79.5%	78.2%	82.0%	82.9%	81.8%	81.7%
Performance of the managed team	68.3%	73.1%	74.7%	74.1%	73.0%	76.6%	74.3%	76.8%
Relationship with peers	77.2%	80.4%	78.0%	79.9%	80.6%	81.7%	78.4%	80.6%
Satisfaction with promotion/compensation	57.9%	65.2%	57.2%	57.5%	68.6%	69.5%	64.9%	68.4%
Rate of reaching average approval	70.8%		72.3%		76.2%		75.3%	
Response rate	93.0%		93.4%		93.4%		93.4%	

Note: This survey uses a ten-point system. "Average approval" refers to 7 points or more. The percentages in the columns represent the percentages of survey responses that indicated 7 points or more.

Based on the cross-analysis of the survey results, we found that entry level personnel on the production line and employees with 3-5 years of experience have relatively low approval of work, promotion compensation, learning, and growth. The following improvement measures were formulated based on needs, in order to improve the approval of employees and respond to the purpose of the opinion survey:

Employee Engagement Survey improvement measures

Subjects	Aspect of items	Improvement measures
Entry-level production line personnel	Work	· Strengthen the employee protection mechanism to prevent workplace bullying, which will be carried out in two ways: strengthening on a case-by-case basis and strengthening from the source (work)
	Promotion and remuneration	· Promotions are held twice a year for direct personnel and we will continue to optimize the promotion system (shorten the number of years) to ensure the promotion of outstanding employees (promotion)
	Learning and growth	· Starting salaries for direct personnel have been adjusted for two consecutive years. In 2024, an on-boarding bonus and a bonus for years of service were established. We will continue to optimize employees' salaries for competitiveness (remuneration)
Employees with 3-5 years of experience	Work	· Plan experiential teamwork, problem-solving learning and growth courses (learning and growth)
	Promotion and remuneration	· Strengthen the employee protection mechanism to prevent workplace bullying, which will be carried out in two ways: strengthening on a case-by-case basis and strengthening from the source (work)
	Learning and growth	· Starting salaries for indirect personnel have been adjusted for three consecutive years, and we optimized salary adjustments based on experience and training. We will continue to optimize employee salaries based on market standards to be more competitive (remuneration)
	Learning and growth	· Plan a series of courses for the new generation of outstanding talents to effectively apply their thinking in the workplace (learning and growth)

We began to conduct questionnaire analysis on the employee wellbeing measurement indicators developed by the University of Oxford's Wellbeing Research Center in 2021 to create a workplace with work-life balance. The questionnaire items correspond to work fulfillment, sense of goal achievement, and happiness and stress balance. These indicators are closely related to employee salaries and benefits. This analysis also helps us formulate relevant improvement measures.

Work-life Balance Indicator

	2021		2022		2023	
	Female	Male	Female	Male	Female	Male
Job satisfaction	71.4%	73.8%	71.6%	75.2%	71.2%	74.9%
Achievement	68.6%	72.6%	69.9%	74.3%	68.8%	73.6%
Happiness	79.0%	78.1%	79.0%	79.2%	77.2%	77.4%
Pressure Balance	72.3%	74.1%	75.8%	75.6%	72.8%	74.6%
Belonging	76.6%	75.4%	79.0%	78.7%	75.9%	76.8%

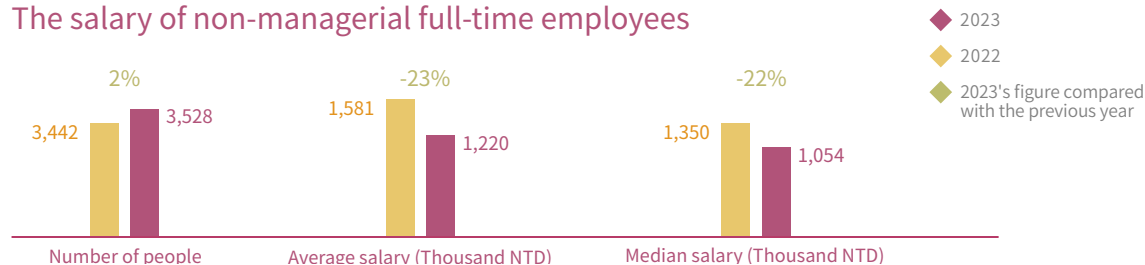


## · Attractive compensations

Nanya's salary packages for new recruits are determined based on individual educational background, salary standards in the industry, local economics, and supply/demand of the local labor market, and they are outlined in employment contracts. Employees of similar job role, education and career experience are remunerated with equivalent salaries and benefits without gender difference of any kind. Adjustments to employees' salaries and benefits are evaluated primarily based on work performance.

The Company's compensation and welfare systems have been developed through local salary surveys and discussions with regional salary associations, after taking into account factors such as industry competitiveness, macroeconomics, corporate culture and business sustainability. This process ensures the competitiveness of our overall salary package. Monthly salary include base salary, food/transportation/region-based allowance, operational allowance, and efficiency bonus. We also offer additional bonuses and variable compensations based on employees' individual performance and accomplishment of organizational goals (or profitability), and in doing so, we reward employees for their excellent performance and share with them the profits we make as a group, regardless of their gender. In 2023, the average salary of non-managerial full-time employees was NT\$1,220,000, a 23 % decrease compared to 2022. The median salary of non-managerial full-time employees was NT\$1,054,000 .

### The salary of non-managerial full-time employees



## · Terms of compensation that enhance talent retention

Nanya is a composition of Taiwan High Compensation 100 Index, indicating the strong competitiveness of the Company's compensations.

Year-end bonus, festive bonus, Dragon Boat Festival/Mid-autumn diligence bonus, grade bonus.

Long-term incentives: employee stock option certificates which applicable to all employees of Nanya, according to the employee's performance, position and other conditions, incentive bonus and annual salary adjustments.

The starting salary for entry-level production line operators is above **NT\$28,020**  
Higher than the minimum wage in 2023<sup>Note 1</sup>  
by a margin of **6.06%**

The starting salary for employees with a bachelors degree in engineering is above **NT\$41,620**  
Higher than the minimum wage in 2023<sup>Note 1</sup> by a margin of **57.65%**

Note 1: The minimum wage was adjusted to NT\$26,400 on January 1, 2023.

The starting salary for male and female employees in Taiwan is the same. Female managers received slightly lower compensation on average than males in 2023. In terms of total salary package, females received 95.02% that of males on average; in terms of total salary plus remuneration, females received 95.30% that of males on average. This difference was mainly attributed to the higher average years of service among males, which made them entitled to higher compensation and remuneration compared to females. In 2023, female employees of non-managerial role received total salary package at 106.99% that of male counterparts on average, and remuneration at 109.28% that of male counterparts on average. Females received higher compensation and remuneration than males in this respect mainly because of their higher average years of service. Overall, the Company offers competitive compensation along with full benefits and facilities that enable employees to maintain job security and quality lifestyle.

Compensation Between Male and Female	2020	2021	2022	2023
Female-to-male total salary ratio of managing supervisors	-	-	-	-
Female-to-male total salary + remuneration ratio of managing supervisors	-	-	-	-
Female-to-male total salary ratio of managerial roles	93.72%	94.55%	95.68%	95.02%
Female-to-male total salary + remuneration ratio of managerial roles	94.91%	94.55%	95.28%	95.30%
Female-to-male total salary ratio of non-managerial roles	110.34%	108.71%	108.42%	106.99%
Female-to-male total salary + remuneration ratio of non-managerial roles	113.49%	111.47%	111.43%	109.28%

Note:

【Total salary】 refers to the regular salary (including basic salary, efficiency bonus, meal/location/transportation allowance, operational/professional bonus, and other payable items) + grade bonus.

【Remuneration】 refers to incentive bonus + employee remuneration + festive bonus + Mid-autumn and Dragon Boat Festival Diligence bonus + year-end bonus.

【Managing supervisor】 refers to assistant vice president grade and above, and the Company had 0 female senior manager in the last 3 years.

【Managerial role】 refers to section chief + department head + plant/division head.



## Talent Cultivation

### · Talent Development Guidelines



#### Philosophy

The Company values people and sustainability, and advocates lifelong learning while assisting employees with their career development. It is the Company's goal to create a competitive talent cultivation and development system that is suitable for the semiconductor industry.



#### Policies

We continue to step up talent cultivation and development, optimize the training system, deepen diversity, equity, and inclusion education, and systematically train employees to develop proper skills, knowledge and attitude, in order to achieve the Company's sustainable development goals.



#### Goals

**2024 Goals :** Percentage of key talents among all employees  $\geq 5.8\%$ ; Internal employee substitution rate for job openings  $\geq 65\%$ .

**2025 Goals :** Percentage of key talents among all employees  $\geq 6.0\%$ ; Internal employee substitution rate for job openings  $\geq 65\%$ .



#### System

Training quality management manual, human resources management procedures, training procedures, education/training implementation rules, structured on-the-job training policy, Continue-in-Education Management Procedure, internal instructors training policy, mid-level management and executive talent cultivation policy, and training materials management policy.



#### Implementation

Formulate and implement annual talent development plans according to the Company's strategies, and review implementation indicators on a monthly basis. On a quarterly/semi-annual basis, senior managers and members of the Training and Talent Development Committee come together to review the plan implementation progress and the effectiveness of talent development efforts.

## Co-learning Gathering—We<sup>+</sup> ~We Together · We Learn · We Grow

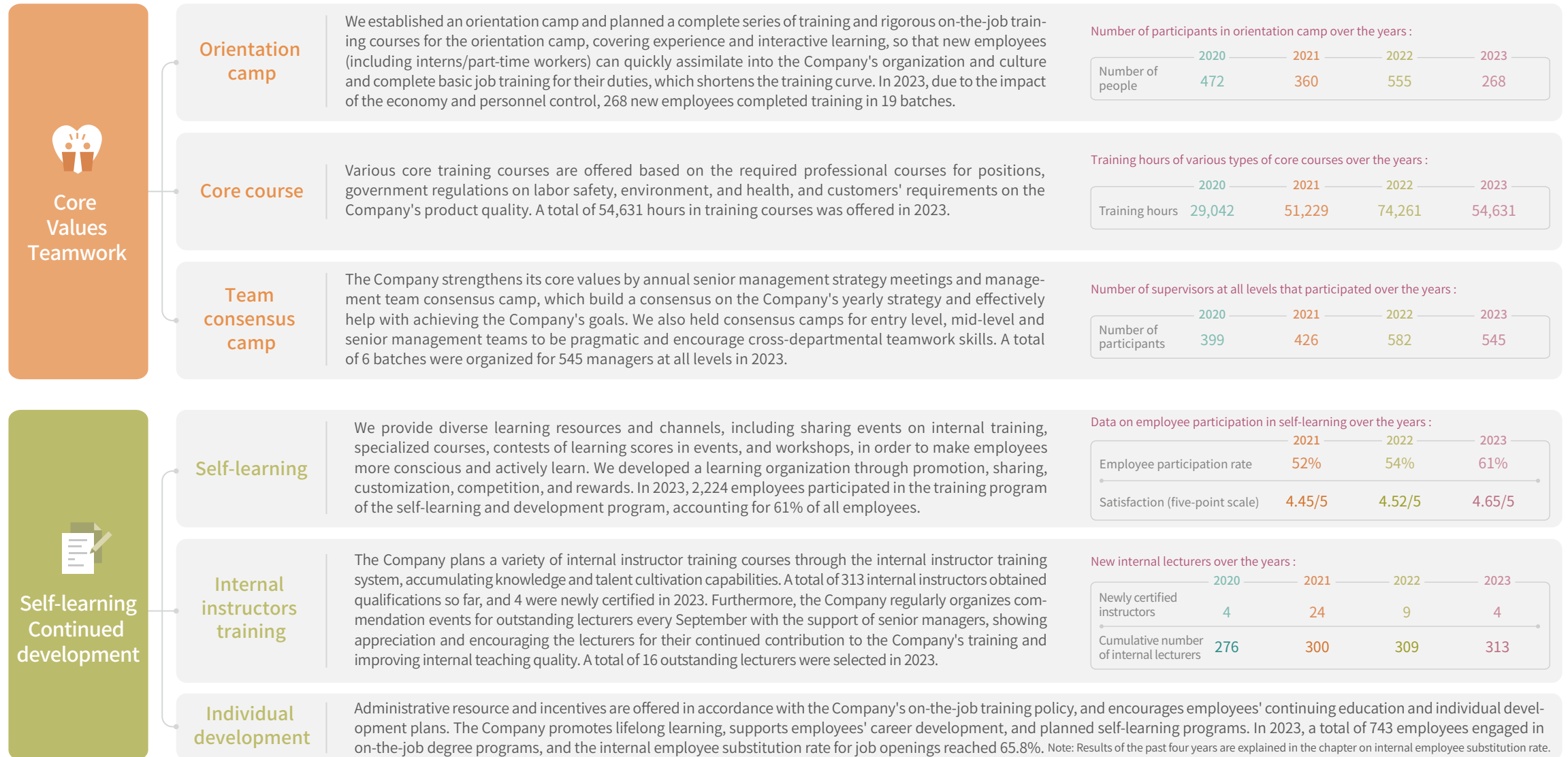
"People" are the most important asset of Nanya. "Talent" is the foundation of the Company's innovation, operation and sustainable development, and is the key capability for maintaining the Company's sustainable operation and innovative R&D. Even if there are drastic changes in the external environment, Nanya continues to create growth momentum amidst changes, formulates a clear talent development and management approach, puts people first and keeps sustainable management in mind, advocates lifelong learning, assists employees in their career development, and establishes an advantageous training system suitable for the semiconductor industry. The talent development mechanism, competency applications, and diverse training programs continue to be improved with strong support and participation from senior managers.

After the talent cultivation project's theme of [Co-learning Gathering – We Together · We Learn · We Grow in 2021, the theme of our 2022 talent cultivation action plan was [Work Together, Learn Together, Grow Together] In 2023, the theme of Co-learning Gathering integrated [Work Together, Learn Together, Grow Together] into We+, strengthening the connection between core values of teamwork, independent learning and continued development, and knowledge, skills and professional capabilities, returning to the concept of "people-oriented." This meets the needs of employees for self-learning and self-development, stimulate employees' learning willingness and potential, and improves employee development channels, giving employees more room for growth, while building long-term and effective incentives for talents.

### Core Values, Team, and Collaboration



Co-learning Gathering - We+ integrates We Together, We Learn, We Grow, and the core values of "teamwork," "self-learning and continued development," and "knowledge, skills, and professional capabilities" are described below:





## Knowledge and skills Professional skills

### Professional competency training

According to the Regulations for the Implementation of Structured On-the-Job Training (SOJT), we established a learning blueprint for each position, build up the professional capabilities of employees, and strengthened the system of each department for passing on professional skills through the clear S-OJT planning process and system management. This allows each department to plan on-the-job training and more effectively integrate the department's core capabilities, shortens the learning curve, and improves the effectiveness of organizational training. The on-the-job training completion rate in 2023 was 100%. (SOJT completion rate was 100% in the last four years).

To ensure effective control of materials used internally by various departments for Structured on-the-Job Training (S-OJT), the Company has established a set of training material management guidelines and integrated it with the approval process of the knowledge management system so that the training materials are accessed more efficiently through a unified portal. The system currently holds 5,947 internal training materials and operational documents contributed by various departments, up 11.6% compared with the previous year.

### Artificial intelligence practices

We continued to offer the AI talent cultivation practical course in our fab, which provides internal training for professional talent in AI, enhances the AI technical abilities of fab personnel, and was effectively expanded to departments in the Company, suppliers, and students. The application of AI in practical work scenarios comprehensively improves work efficiency, reduces production cost, and enhances the Company's competitiveness. As of 2023, we cultivated 460 specialists in AI in factories.

#### Cultivation of AI specialists over the years :

	2020	2021	2022	2023
Number of people	245	381	402	460

### Direct employee training

Direct employees are offered pre-job training on professional knowledge and machine operation skills. Seventy-eight employees have successfully obtained the machine operation certification in 2023. By adopting the trainer system and offering rewards, direct employees are given the incentive to adapt quickly to the clean room environment and join the production line at an earlier time. A total of 63 direct employees had completed their training during the year. In addition, 79 trainers completed the three-year trainer refresher training course in 2023.

#### Production line personnel training data over the years :

	2020	2021	2022	2023
Certified participants	74	68	71	78
New recruits	115	68	122	63



Award ceremony for outstanding instructor



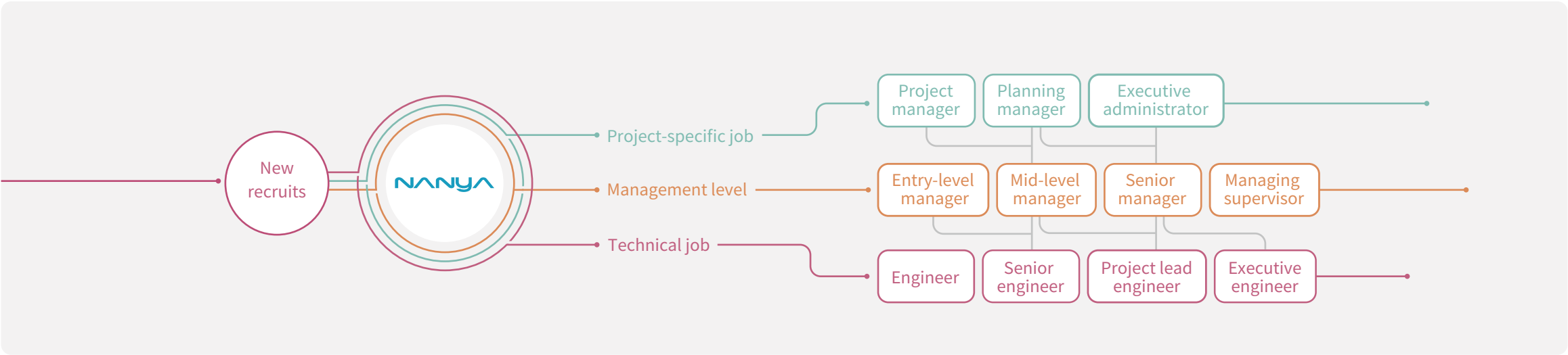
Artificial intelligence practical training

Statistics on the number of internal employee substitution for job openings in 2023

		Female	Male	Total shares
Age group	Under 30	5	7	12
	30-50	12	36	48
	Over 50	1	14	15
Job Level	Managers (A+B+C)	0	11	11
	Senior manager (A)	0	1	1
	Mid-level manager (B)	0	10	10
	Entry-level manager (C)	0	0	0
	Non-management level	18	46	64

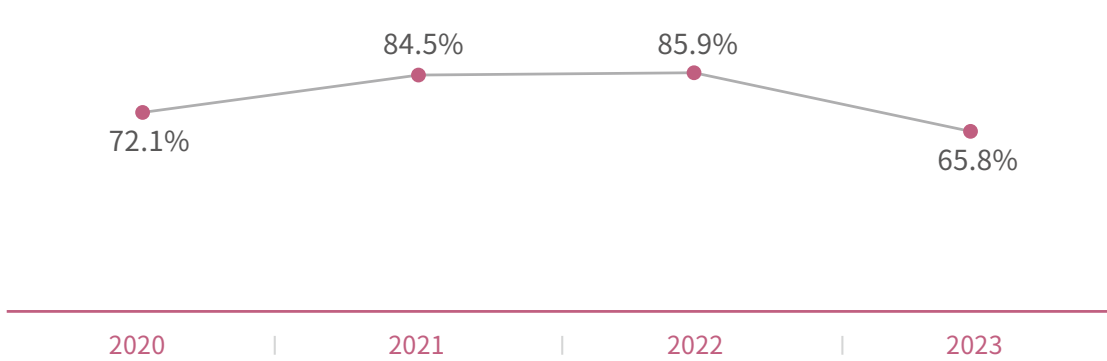
Note: Manager position openings filled by internal employees was 63.9%

Employee development path



Internal Employee Substitution Rate for Job Openings

We assist employees with diverse training and development, provide employees with promotions and career planning for different positions, and set the internal employee substitution rate for job openings. The internal employee substitution rate for job openings in 2023 was 65.8%. The data over the years is as follows:



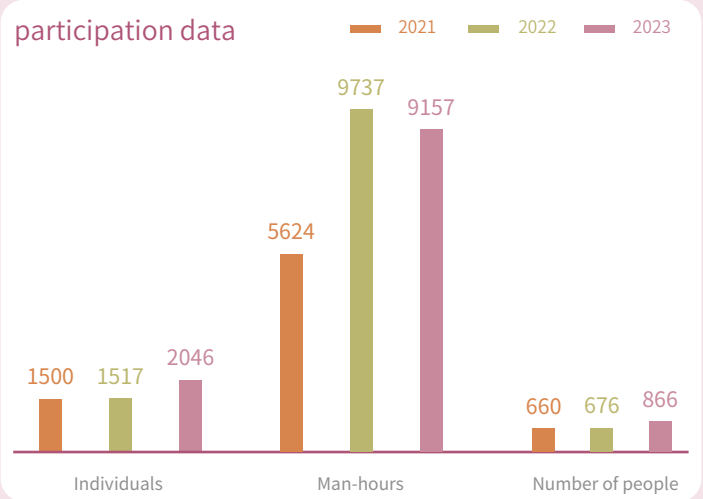
Note 1: Employee substitution rate (%) = Number of job openings filled internally/Total number of job openings that year \* 100%  
Note 2: The Company did not expand its employee quota due to the market in 2023, so the number of people who can be transferred was limited, and the internal employee substitution rate of job openings in 2023 was lower than the previous year.

• Experience sharing Self-learning

The self-learning program uses employees as the starting point from "Make me learn" to "I want to learn", explores employees' growth needs, and raises employees' self-awareness and independent and active learning attitudes. The purpose is to create a good learning culture in the Company and develop a learning organization. Self-learning courses that were planned include "Self-learning master," "Learning master academy," and "iCan · iMaker".

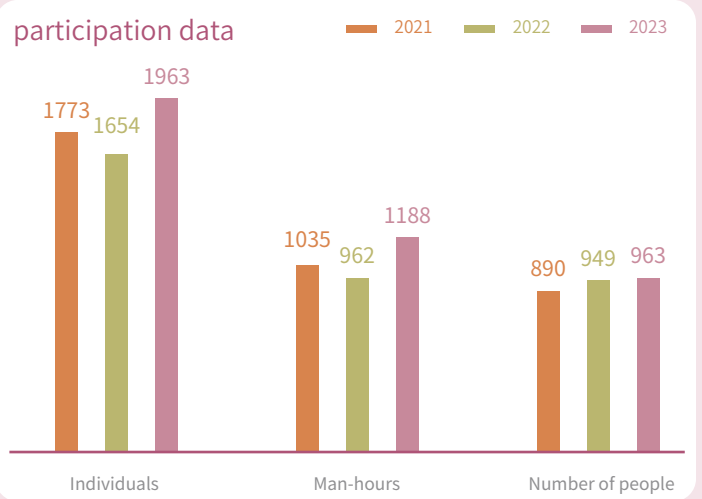
Self-learning master

The self-learning program for individuals allows employees to show their self-awareness and active learning attitude by participating self-learning courses. Rewards are provided for different functional groups based on individual participation in self-learning courses during senior executive meetings in the first half of the year, second half of the year, and annual meetings. Results of the past three years are as follows:



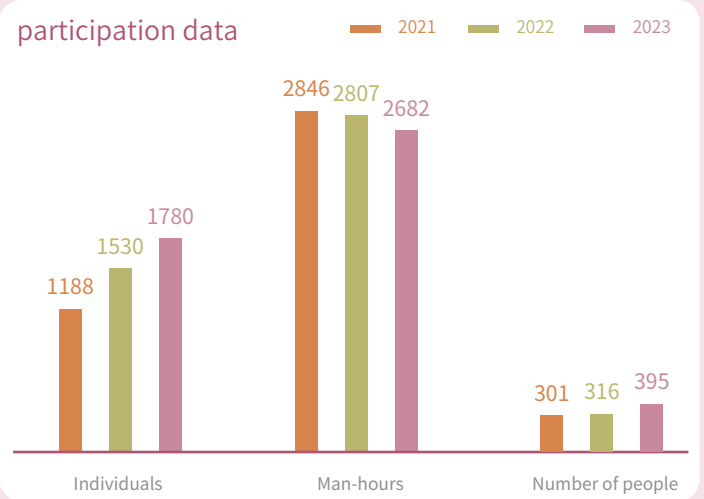
Learning master academy

For self-learning courses planned according to the annual training and development plan, a test is prepared for self-learning courses designated by the training and development system, so that employees can challenge themselves by taking the test. The test challenge is divided into department and individual self-learning challenges. Employees with perfect scores are rewarded each quarter based on their individual performance. Employees with perfect scores for their annual performance are also rewarded. In addition, the department with the most employees who participated will receive the self-learning challenge reward for departments. This creates an atmosphere of learning in department teams and develops a self-learning organization. The results of the past three years are as follows:



iCan. iMaker

This self-learning project is mainly for departments, and encourages units to plan their own courses, so as to develo op a self-learning organization. Departments design their own learning plans and complete the courses planned for the entire year. Departments that complete the learning plan submit a results report, and receive a reward if the report is approved. The results of the past three years are as follows:



Note: The the self-learning program creates an environment with diversity, flexibility, and cross-disciplinary learning, and cultivates employees' self-learning, cross-disciplinary exploration, and lifelong learning abilities, developing a diverse learning organization through promotion, sharing, customization, competition, and rewards. This encourages employees to learn and participate in courses, and show their attitude to learn on their own. We hope that employees will show their creativity after learning knowledge, become more willing and capable of learning, expand learning to professional skills at work, further enhance the Company's overall competitiveness and their personal development.

· Talent Cultivation and Development Results

Despite the sluggish external market environment in 2023, the Company's training indicators related to talent development and training remained stable. The annual training implementation rate was 122.7%, and the total number of annual employee trainings completed was 178,000, an increase of 8.5% compared to 2022. Talent development and training results and indicators are described below:

2023 Employee Training Data by Age

Item	Female			Male			Total
Age	Under 30	30-50	Over 50	Under 30	30-50	Over 50	
Number of Employees	152	733	128	536	1,770	328	3,647
Man-hours of training (hours)	7,407	20,459	3,183	27,819	65,497	9,914	134,279
Average training hours per person (hours)	48.7	27.9	24.9	51.9	37.0	30.2	36.8
Training expense (NT\$)	218,545	1,761,296	345,562	6,424,647	10,928,613	1,937,419	21,616,083
Average training expense per person (NT\$)	1,438	2,403	2,700	11,986	6,174	5,907	5,927

Average Employee Training Time by Category

Unit: hours

Properties	Female				Male				Total hours			
	2020	2021	2022	2023	2020	2021	2022	2023	2020	2021	2022	2023
Managerial role	33.5	20.0	21.8	26.9	29.3	22.5	27.6	33.0	9,067	7,855	9,288	11,100
Professional technology	26.7	40.8	22.6	20.2	26.9	41.0	40.2	33.1	54,400	84,061	80,507	66,188
Core administration	52.2	72.5	73.2	63.0	50.8	70.6	91.8	76.7	33,529	46,966	57,216	47,714
Direct employees	27.7	19.3	20.6	18.3	27.2	18.0	23.4	20.5	14,239	9,004	10,708	9,277

Management competencies, which are organizational management abilities that managers need to improve, include the Successor Pioneer Program, key talent cultivation project, elite talent management competency training project, management trainee rising star program, managerial competencies of entry-level managers, women's empowerment, and team consensus camp. Management training data are divided by management competencies as follows:

2023 Management Training Data by Level<sup>Note1</sup>

Item	Female			Male			Total
Managerial role category	Entry-level manager	Mid-level manager	Senior manager	Entry-level manager	Mid-level manager	Senior manager	
Number of managers (persons) <sup>Note2</sup>	95	28	3	7	161	66	360
Man-hours of training (hours)	716	1,278	101	53	7,350	2,220	11,718
Average training hours per person (hours)	8	46	34	8	46	34	33
Training expense (NT\$)	159,358	562,724	79,751	11,742	3,235,663	1,754,520	5,803,758
Average training expense per person (NT\$)	1,677	20,097	26,584	1,677	20,097	26,584	16,122

Note:  
1: Employee training hours do not include training under one-to-one mentorship  
2: Managerial role refers to a position in the management level, including entry-level managers (team leader, shift leader), mid-level managers (department manager and section manager), senior managers (plant manager, directors, and above)

To effectively align the Company's strategic goals with training plans, evaluation of training and development results uses KPI defined (L1-L4) by the Kirkpatrick model of Donald Kirkpatrick, and L5 return on investment is set based on the Company's strategic goals. Learning effectiveness is measured after courses and achieves completeness and predictability of training results evaluation.



Executive Team Consensus Camp - Speed Track, Peak Team



	L1 (Reaction Evaluation)	L2 (Learning Evaluation)	L3 (Behavioral Evaluation)	L4 (Results Evaluation)	L5 (Return on Investment)
Item	Post-course satisfaction Closing report	Test/rehearsal Written report Operational certification	Results of Customer Satisfaction Survey  Project achieving rate	Employee promotion rate Employee substitution rate Retention rate of key talents Results presentation, awards, etc. Productivity, sales value (volume) Improvement proposal	Human capital rate of return
KPI-2023 Goals	Post-course satisfaction score ≥ 4.5	Course pass rate ≥ 94% Total annual plan accomplishment rate ≥ 100%	Customer satisfaction score ≥ 91  Project achieving rate ≥ 91%	Employee promotion rate ≥ 16% Employee substitution rate ≥ 65% Retention rate of key talent ≥ 98% TCSA Talent Development Leader Award No. of improvement proposals ≥ 120	Human capital rate of return ≥ 12.5 (According to company goal of the year)
2023 Achievements	Post-course satisfaction score: 4.65	Course pass rate 94.3% Total annual plan accomplishment rate: 122.7%	Customer satisfaction score: 94.6  Project achieving rate 71.5%	Employee promotion rate 15.58% Employee substitution rate 65.8% Key talent retention rate 98% Received the TCSA Talent Development Leader Award No. of improvement proposals: 202	Human capital rate of return: 4.8
KPI-2024 Goals	Post-course satisfaction score ≥ 4.5	Course pass rate ≥ 94% Total annual plan accomplishment rate ≥ 100%	Customer satisfaction score ≥ 91  Project achieving rate ≥ 91%	Employee promotion rate ≥ 16% Employee substitution rate ≥ 65% Retention rate of key talent ≥ 98% TTQS (Talent Quality-management System) Talent Development Quality Award No. of improvement proposals ≥ 120	Human capital rate of return ≥ 10 (According to company goal of the year)

Note 1 : Human capital rate of return = (Operating revenue - (Operating expenses - Labor costs))/Labor costs  
Note 2 : Training expenses as a percentage of revenue = (annual training expenses/annual operating income)\*100%

Note 3 : Key talent – Talent in key positions that are necessary for executing the Company’s business strategies and hard to replace.  
Note 4 : Turnover rate of new employees – Turnover rate of new employees within three months after hiring

Level	Item	2020	2021	2022	2023	2023 Goals	points (10-point scale)
Level 5 Return on investment (ROI)	Human capital rate of return <sup>1</sup>	12.8	16.7	10	4.8	≥10	3.8
	Training expenses as a percentage of revenue <sup>2</sup> (%)	0.017%	0.012%	0.017%	0.073%	-	-
Level 4 Results assessment (Result)	Employee promotion rate (%)	16.81	16.64	15.58	14.73	≥16	9.2
	Promotion rate of employees with <3 years of service (%)	4.11	5.59	5.16	2.51	-	-
	Promotion rate of employees with ≥ 3 years service (%)	12.7	11.05	10.43	12.22	-	-
	Voluntary turnover rate (%)	5.01	7.26	8.80	4.58	≤6	10
	Turnover rate of key talents <sup>3</sup> (%)	0	0	0.5	2	≤2	10
	Turnover rate of new employees <sup>4</sup> (%)	7.47	9.4	14.99	7.77	≤12	10
	Employee substitution rate (%)	72.1	84.5	85.9	65.8	≥65	10
	Patent count (cases)	438	465	812	953	-	-
Level 3 Conduct evaluation (Behavior)	Improvement proposals (cases)	228	214	224	202	≥120	10
	Customer satisfaction (score)	93.7	93.8	94.7	94.6	≥91	10
Level 2 Learning assessment (Learning)	Competency training completion rate (%)	100	100	100	100	100	10
	Course pass rate (%)	93.4	94.7	94.5	94.3	≥94	10
Level 1 Response assessment (Reaction)	Course satisfaction (5-point scale)	4.64	4.59	4.61	4.65	≥4.5	10



## · Important Talent Development Programs

We continued to implement the comprehensive talent cultivation and development plan [Co-learning Gathering] to cultivate comprehensive professional technical talent. In 2023, we integrated the talent cultivation action plan [We Together, We Learn, We Grow] into We+, and linked the Company's business strategy planning with technology projects and training and development projects. Key training and development projects and their results in the past four years are as follows:

### 2023 Co-learning Gathering Talent Cultivation Project

Employee participation rate **82%**  
(As a percentage of all employees)

#### Project

1. Core competency required by employees
2. The ability to influence organizational management that supervisors need to improve
3. Professional skills that employees need to perform their duties
4. Provide employees with diverse individual development programs



#### Training topic

Strengthen the Company's all-round talent cultivation, link the Company's strategic goals for talent development to proprietary technology, formulate an overall training plan for effective cultivation, technological development, and promotion of self-learning, improve employees' professional competencies, further develop proprietary technologies, improve the quality of talent, and enhance the Company's competitiveness.

#### Assessment of training outcome and operational yields (NT\$)

##### L1 Post-course satisfaction

Employee response Average post-course satisfaction score: 4.65

##### L2 Course pass rate

Employee learning Training course pass rate: 94.3%

##### L3 Skill improvement

Employee behavior SOJT completion rate 100%

##### L4 Performance

Specific benefits

1. Number of patents proposed: 953
2. 50 productivity improvement proposals (6 approved, 1 productivity improvement proposal)
3. 202 improvement proposals, with annual benefits of NT\$756.7 million
4. Additional value increases annual product output value by approximately NT\$2,580 million

Case study : Productivity improvement

(1) For wafer film grinding in the semiconductor wafer manufacturing produces, after system improvement problem analysis, the system automatically calculates and controls thickness to improve production constraints, and thereby improve production efficiency and yield. Improvement proposals were also made for process and equipment risks, production capacity, and quality risks and EHS risks. The actual annual benefit reached NT\$756.7 million.

(2) Increase the profit margin of products, manage and execute each agile project with planned goals, set quarterly goals and incentive plans, reach a consensus at strategy meetings, and use product development efficiency and higher number of customer verifications to increase sales of products with added value and thus increase revenue.

##### L5 Return on investment

Financial value NT\$3,336.7 million(ROI:153%)

### 2023 Smart equipment independent development project

Employee participation rate **26%**  
(As a percentage of all employees)

#### Project

1. Smart manufacturing application example
2. Key technologies and application of smart manufacturing
3. Artificial intelligence practices on-the-job course
4. Hybrid project management



#### Training topic

Complete self-made production equipment to reduce the Company's procurement expenses and costs, fully utilize the capabilities of AI, improve employees' application abilities in their position, and improve the Company's operating performance.

#### Assessment of training outcome and operational yields (NT\$)

##### L1 Post-course satisfaction

Employee response Post-course satisfaction score: 4.82

##### L2 Course pass rate

Employee learning Training course pass rate: 97%

##### L3 Skill improvement

Employee behavior

1. Submit trade secrets and patent applications for the project
2. Submit a paper on innovative machine design and proprietary technology

Case study : Advantages of using self-made machines for communication:

(1) Reduces labor safety risks, reduce project costs, and is not restricted by the installation location. Makes problem analysis easy and has strong resistance to light interference, reducing the ineffective waste of personnel. This will save 13,200 man-hours on overall maintenance and reduce labor cost by NT\$3.7 million.

(2) Innovative use: Use computer imaging to replace the hardware detection mechanism, and reduce the number of parts in machine design to significantly reduce costs and comply with specifications. Analyze operating procedures of the fab to eliminate ineffective waste, establish standards, and achieve smart processes. The agile project management approach is used to accelerate machine, system, and AI model development.

##### L5 Return on investment

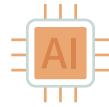
Financial value NT\$155.4 million(ROI:151%)

## 2022 DRAM Smart Manufacturing Leadership Project

Employee participation rate **90%**  
(As a percentage of all employees)

### Project

1. Align smart technology with smart manufacturing development trends
2. Key technologies and application issues of smart manufacturing
3. Artificial intelligence practices on-the-job course
4. Industry-academia collaboration in AI modeling



### Training topic

Optimize product production behavior on site, improve the production efficiency of machinery, and further increase daily output of machinery to achieve smart production. Further achieve fully automated monitoring, analysis, and decision-making in production to increase the productivity of machinery and improve the Company's business performance.

### Assessment of training outcome and operational yields (NT\$)

#### L1 Post-course satisfaction

Employee response Post-course satisfaction score: 4.48

#### L2 Course pass rate

Employee learning Training course pass rate: 85.6%

#### L3 Skill improvement

Employee behavior Productivity proposals : 56

#### L4 Performance

Improved efficiency

1. Accumulated amount from improving the efficiency of machinery transfer reached NT\$1.16 million
  2. Manpower saved from automatic dispatching reached NT\$2.9 million/year
  3. Cost reduced by independently developing software reached NT\$103.2 million
- Output volume Contributed to the sales of 121.8M special products

Case study : Increasing production efficiency through automation:

- (1)To improve operating procedures for delivery, the AI system simplified the many reports and forms that personnel needed to reference when deciding the combination of machinery and chambers required for delivery, and uses OPI for delivery. The automatic dispatching reduced the manpower needed by approximately 4.9 people/day. The increase in productivity saves 4.9 people per day, which is equal to saving NT\$242,000 per month with annual benefits reaching NT\$2.9 million.
- (2)The optimization theory is applied to monitoring and analysis data to simulate analysis and decision-making by personnel, including important indicators and factors for evaluation, in order to continue optimizing the production strategy. Precision dispatching decisions made by the system increase the productivity of machinery.

#### L5 Return on investment

Financial value NT\$94.08 million(ROI:1032%)

## 2022 Advanced Process Proprietary Technology Development Project

Employee participation rate **54%**  
(As a percentage of all employees)

### Project

1. Emerging transistors and memories
2. New transistor process and advanced development technologies
3. Advanced Process Key Yield Improvement Plan
4. New structures and new processes of contact resistance



### Training topic

In response to the R&D project on smaller components for new processes in response to the development of DRAM generations, the project goal is to improve outstanding characteristics of components, meet design-end requirements, and lower the cost of product mass production. A key technology in the Company's development of new generation processes, and an important milestone in the Company's proprietary technologies and sustainable operation.

### Assessment of training outcome and operational yields (NT\$)

#### L1 Post-course satisfaction

Employee response Post-course satisfaction score: 4.72

#### L2 Course pass rate

Employee learning Training course pass rate: 87.3%

#### L3 Project achieving rate

Employee behavior Project achieving rate 100%

#### L4 Productivity

Improved efficiency A total of 12 product R&D/validation tasks were completed; 109 productivity proposals and 228 improvement proposals were raised.  
Development yield Successfully independently developed technology with record 65% YA  
Result publication Process product development items completed 28 items (182 items in total)

Case study : Next generation process component development

- (1)Independently develop changes in parameters, such as the thickness and material of the dielectric layer, smaller channel length, distance between gate and contact, contact area and lower the resistance of contact, R&D of smaller components to maintain the excellent performance of components.
- (2)Incorporate new processes and new overlay technologies, transition to optical measurement methods from image measurement methods in the past to reduce electrical and physical failure and increase measurement precision.

#### L4 Performance

Financial value is expected to increase by NT\$405 million when production begins

## 2021 Complete organizational management talent training plans

Employee participation rate **86%**  
(As a percentage of all employees)

### Project

1. Strengthens the Company's core value and creates momentum for innovation
2. Eliminates selfish departmentalism and effectively manages conflicts
3. Encourages active participation by the team to continue making breakthroughs and pursuing excellence
4. Strengthen team work and enhance the competitiveness of team members



### Training topic

The comprehensive improvement of management competencies includes management competency, teamwork, strategic expertise, and diverse new knowledge. It strengthens the vision and goals of managers when leading the organization, so that they will influence others through their actions and inspire the team to achieve better business performance for the Company.

### Assessment of training outcome and operational yields (NT\$)

#### L1 Post-course satisfaction

Employee response Training course satisfaction score: 4.7

#### L2 Course pass rate

Employee learning Manager training course pass rate: 97.4%

#### L3 Project achieving rate Management ability evaluation

Employee behavior

1. Project achieving rate 96.5%
2. 360 evaluation approval rating: 4.5 points (5-point scale)

#### Case study:

(1)Completed the assessment of 30 competencies and behavior of 151 key talents, and established six key competencies, including accountability, excellent innovation, bold implementation, collaboration, communication and coordination, and talent development. We analyzed the gap in competencies and planned training courses to improve personal management abilities.  
(2)Leaders and managers led all employees of the Company in setting management goals, which are examined on a quarterly basis. Improvement proposals were made for operations of various units in the Company. A total of 207 improvement proposals were made in 2021 and provided NTD8.83 million in actual annual benefits.

#### L4 Performance Retention rate Productivity proposal Improvement proposal

Result publication:

1. Employee retention rate: 95.5%
2. Key talent retention rate 100%
3. 38 productivity improvement proposals raised
4. No. of improvement proposals: 214

#### L5 Return on investment

Financial value NT\$8.83 million(ROI:180%)

## 2021 MCP technology development and sales

Employee participation rate **37%**  
(As a percentage of all employees)

### Project

1. Market demand analysis and development
2. Customer technology exchanges and services
3. Engineering technical support ability
4. Product production management



### Training topic

Goal: Nanya becomes 1st in the world in terms of MCP market share

Engage in cross-industry collaboration to complete the first MCP of Nanya, and incorporate it in the multi-chip analysis process, as well as testing tool and program development to directly increase the Company's revenue.

### Assessment of training outcome and operational yields (NT\$)

#### L1 Post-course satisfaction

Employee response Training course satisfaction score: 4.4

#### L2 Course pass rate

Employee learning Training course pass rate: 100%

#### L3 Project items achieved

Employee behavior

1. Completed 13 experiments on the characteristics of multi-chip memory
2. Stress test time for multi-chip memory decreased 82.2%
3. Resolved 37 abnormalities on the client end
4. Added 9 products to the portfolio

#### Case study :

(1)After market survey and customer requirements analysis, multi-chip memory was determined to have development potential and is mainly applied to IoT related network communications modules. The project developed the Company's first multi-chip memory, and will need to develop 9 multi-chip memory products. As of 2021, the product was verified by 105 customers around the world, and was adopted by 31 customers, contributing NT\$2.8 billion to revenue  
(2)Established the Company's multi-chip memory analysis process, and developed testing tools and procedures, saving NT\$38.8 million in machinery testing expenses  
(3)Established multi-chip memory debug analysis equipment, optimized RMA analysis methods and engineering technical abilities, and implemented product production management models

#### L4 Performance

Performance and results:

1. Multi-chip products contributed NT\$2.8 billion to revenue
2. Multi-chip product shipment of 30.7M was the second highest in the world
3. The EVA of multi-chip products increased 10% (NT\$280 million)
4. Saved NT\$38.8 million in machinery testing expenses

#### L5 Return on investment

Financial value NT\$31.19 million(ROI:790%)

## 2020 Development and Sales of Application-specific DRAM Products

Employee participation rate 37%  
(As a percentage of all employees)

### Project

1. Open-class specialized technical training program
2. Organization and plan management project execution training
3. Systematization of AI in production technologies
4. Marketing and sales of non-standard advanced product servers, low-power automotive-grade and industrial-grade products



### Training topic

Sending all kinds of application-specific products to customers ahead of time for engineering verification enabled timely securing of a place in relevant non-standard DRAM markets. This not only increased the Company's profit but also stabilized revenue.

### Assessment of training outcome and operational yields (NT\$)

#### L1 Post-course satisfaction

Employee response Post-course satisfaction score: 4.66

#### L2 Course pass rate

Employee learning Training course pass rate: 95.8%

#### L2 Pass rate

Employee learning Training course pass rate: 99.25%

#### L3 Skill improvement

Employee behavior Project achieving rate 90.5%

#### L3 Structured on-the-job training (SOJT)

Employee behavior SOJT completion rate 100%

#### L4 Performance

Result publication Patent count: 438

#### L4 Technical projects

Employees' results Technical projects: Basic theoretical studies, including 22 machine learning algorithms, 11 deep learning algorithms, and 7 project research topics were completed.

#### L4 Productivity

Improved efficiency A total of 12 product R&D/validation tasks were completed; 109 productivity proposals and 228 improvement proposals were raised.

Improved efficiency 1 : 38 AI projects were completed as enhancements for smart manufacturing production technologies: 21 applied deep learning models, 10 applied machine learning models, and 7 applied mathematical rules 2 : Benefits: (1) Labor costs: NT\$14 million (2) Contribution to revenue: NT\$176 million (3) Potential benefit of productivity: NT\$50 million

Improved efficiency A total of 239 product R&D/validation enhancement/advanced procedure adoption/productivity improvement tasks were completed, and 51 improvement proposals were raised. Output volume >950M

Case study : Improve product yields and analytical efficiency

1. We efficiently lowered the manpower of yield engineering personnel and improved productivity. A total of 24 pieces of production products were implemented, and could reduce the manpower by 2.7 persons per day, equivalent to saving NT\$116,000 per month. The annual benefit totaled NT\$1.393 million.

2. The yields increased around an average of 2% during the period of implementation, accounting for 20% of the annual benefit. Based on the calculation formula of wafer sales benefit, the benefit reached NT\$134.34 million.

#### L5 Return on investment

Financial value NT\$20.45 million(ROI:783%)

Financial value NT\$2.4 million(ROI:56%)

## Diverse development and learning paths

Nanya provides employees with diverse learning paths, promotes lifelong learning, and assists employees with career development, planning complete and diverse learning channels to expand their scope of learning.

### E-learning audio visual center



Establish a digital audiovisual center to provide employees with a digital learning environment. Provide employees with more flexible independent learning channels and environment, and expand the learning paths and channels for employees to preview/review

### Language learning subsidy



Provide the "Language Learning Subsidy Program," provide internal English training courses, and cooperate with external language training institutions. Establish the "TOEIC Exam Simulation System" for practice, organize internal TOEIC exam simulations, and set target TOEIC scores.

### On-the-job degree programs



Continue to encourage employee individual development, established the on-job training policy to provide subsidies and incentives to encourage employee participation in on-the-job training courses, in order to help individuals obtain new degrees.

### Participation in external training courses



Encourage employees to participate in external training courses, seminars, and workshops aligned with their personal development. Obtain various work-related certificates to enhance employees' product development and innovation capabilities, and continue to increase the value of products.

Year	2020	2021	2022	2023
Total hours of online courses (hours)	28,806	67,951	73,713	65,421
Language learning subsidy (NT\$)	462,372	213,606	264,068	192,660
Accumulated number of people enrolled in on-the-job degree programs (persons)	714	726	735	743
No. of participants in external training	186	109	137	120

## • Maximizing employee performance

The purpose of Nanya's performance management system is to maximize employees' potentials. In addition to providing good learning environment and implementing sound performance management systems, the Company also emphasizes productive interaction between line managers and their subordinates. Apart from annual performance evaluation, line managers are also required to engage subordinates in quarterly performance reviews. Through interaction and communication, employees are given the care and assistance they need to improve and accomplish individual as well as organizational goals.

The review process begins with the line manager breaking down organizational goals and setting individual work objectives for subordinates face-to-face, and is followed by feedbacks on the execution of work objectives and performance review at the end of the period. Between 2015 and 2022, 100% of employees that were subjected to management by objective were evaluated and included in the performance ranking. Performance management tools used by the Company included: Annual performance evaluation for all employees, quarterly general staff performance evaluation, 180- and 360-degree performance evaluations, and sustainable development evaluation for senior managers.

The 180-degree performance evaluation has included even more subjects, and used different talent development tools to provide employees at all job levels with the most suitable opinions for improving work performance. The coverage remained at 28% in 2023. The 180-degree performance evaluation takes into consideration the frequency of communication and coordination between section managers and each unit, and direct supervisors choose peers that directly make contact with each other in operations; the number of people in indirect units is 4-6 and direct units is 2-4. The 360-degree evaluation is intended for plant and division managers and above, and involves feedbacks from subordinates on the subject's managerial skills. The items assessed by each assessment tool are shown in the table below. Employees who exhibit good performance are rewarded; for those who exhibit poor performance, the system actively reminds their line managers to direct attention and provide assistance until there is significant improvement in performance. This treatment is not differentiated by gender in any way.

Note: Team leaders, shift leaders, chief engineers, project managers, and executive engineers were included in the 180-degree evaluation in 2021.

Assessment Criteria				
Properties	Multi-dimensional performance appraisal	Management by objectives	Agile conversations	Team-based performance appraisal
Subjects	Plant and division managers and above Department managers/project managers/executive engineer Section manager/project manager/project lead engineer Team leader/Shift leader	Assistant vice presidents (inclusive) and above	Department managers/project managers Section manager/Project manager/Team leader/ Shift supervisor/ForemanEngineer/Administrator Administrative/Technical/Business Assistant	Direct employees
Assessment frequency	Annually	Annually	Quarterly	Monthly
Evaluation method	180 degrees To provide a relatively objective basis for performance evaluation, the frequency of communication and coordination with each unit is taken into consideration for section managers and above (inclusive), and 180-degree performance evaluation is conducted. The direct supervisor of related personnel selects 4-6 peers or managers that come in contact with each other in operations for the evaluation. 360 degrees Feedback from subordinates on the subject's managerial skills is referenced.	Supervisors first conduct a self-assessment, explain the indicators and their own views on major sustainability issues. The president will then conduct an initial performance evaluation on subordinates, and then submit it to the chairman for a second evaluation. In addition, quarterly cadre meetings and semi-annual offsite meetings are held to jointly set strategic goals and achieve two-way communication.	Using an employee-centered approach, employees first conduct a self-evaluation and explain their work and their own opinions. Afterwards, direct supervisors will evaluate the work performance of subordinates, and then provide employees with encouragement, suggestions for improvement, and help. A platform for two-way communication between supervisors and employees is provided, so that supervisors and subordinates can understand each other's thoughts and the direction for work adjustments in a timely manner.	The supervisor will evaluate each individual based on teamwork, cooperation, and learning ability.

## Youth Empowerment

### · Expanding Memory Talent

#### Social issues we would like to resolve

With the power of academic research, we assist college students on campus to reduce the gap between the campus and workplace so that they may more quickly adapt to the workplace.  
At the same time, we integrate the resources of industry and academia to jointly enhance the capabilities of Taiwan's technology industry.



#### Future

To recruit outstanding talent and strengthen advanced R&D capabilities, we established several scholarships to encourage students to engage in academic research, make constant improvements, and put their education to use. We hope that outstanding students will continue to study in their field of interest, and enhance the semiconductor industry's competitiveness.



#### Outstanding

To promote exchanges between the industry and academia and make good use of academic resources, we cooperate with well-known colleges on industry-academia research plans and sponsor campus activities, forming a strategic partnership. We also help colleges strengthen teacher-student interactions to improve the quality of education and enhance the competitiveness of domestic industries.



#### Cultivate

We have focused on campuses and two-way cultivation to develop internships that better meet industry needs, creating a well-rounded internship that effectively improves students' employability, and providing them with an internship platform. Interns learn cross-departmental communication and collaboration in the process and also show their professional talents. The internship aligns students with the industry's professional requirements, instills them with the right values and strengthens their abilities in the workplace, gives them the concept and ability of practical use, allows them to experience the workplace sooner, and encourages them to develop abilities in diverse aspects, preparing professional talent from an earlier stage.



#### Understanding

These projects aim to cultivate students well-versed in both theory and practice, improve students' understanding of industry developments, increase their engagement and sense of belonging, and give them the opportunity to come in close contact with companies. Students understand the semiconductor industry through on-site visits and company exchanges, and the work experience shared by their seniors help students determine their further career path. We focus on cultivating students in the field of semiconductors, and encourage students to join the family of Nanya through exposure from promotional materials on campus and the connection between events.



#### Speech

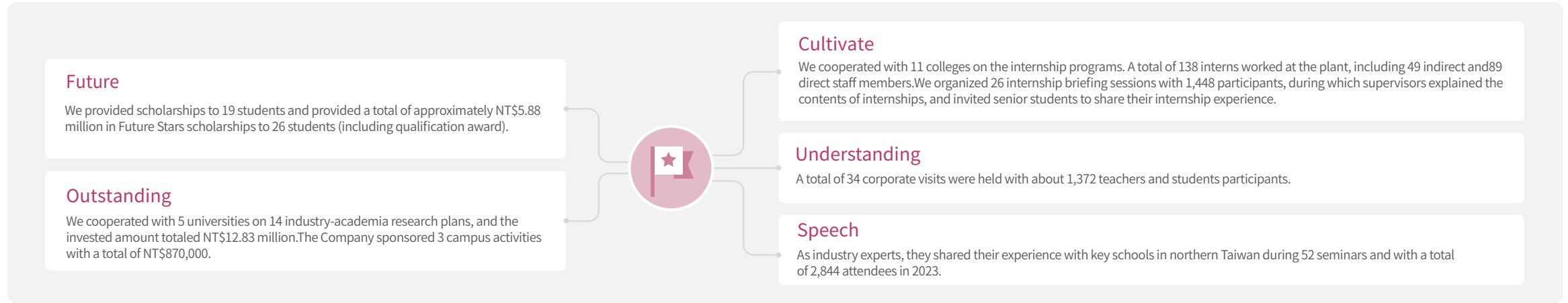
We organize a variety of seminars or programs on campus to strengthen the connection between what students learn in school and the workplace, interacting and sharing with students face-to-face. Lecturers from industry, government, and academia who are experts on semiconductors close the gap between education and employment, and jointly create an industry course that meets workplace requirements. Basic courses are taught by school teachers in related fields, and lay the theoretical foundation of technologies for students. Core practical courses are taught by semiconductor supervisors of Nanya, and systematically pass on their practical experience to students, which closely combines theory with practice, and they use an easy-to-understand teaching method to give students new perspectives of semiconductors.



Our role and methods



## Major results in 2023



## Our footprints

### Future

- We organize Future Stars Scholarship activities to cultivate elite talent in the semiconductor field, encourage outstanding students to concentrate on related academic research and innovative technologies, and help young college students pursue their ideals and goals for the future. Online registration is open every October, and a total of NT\$600,000 in scholarships is provided to three divisions – Ph.D, master's, and bachelors. A total of 26 students qualified and 9 received scholarships in 2023.
- We implemented an internship scholarship system to help students successfully find a job after graduation. After students complete their internship, outstanding students will be awarded a scholarship and become employees of Nanya after graduation. The internship is for a full academic year, and we provided a total of NT\$5.28 million in scholarships to 19 students in 2023.



Photos of Future Stars

### Outstanding Projects

- We cooperated with universities in 14 industry-academia research projects on semiconductor applications and technologies, as well as product design and development, and periodically discuss research directions and results to jointly set research goals. These universities included National Tsing Hua University, National Taipei University of Technology, Chang Gung University, and Ming Chi University.
- We sponsor domestic institutions that actively carry out academic research on semiconductors and make concrete contributions, including NTU System-on-Chip Center, NTUEE Camp, ITRI International VLSI Symposium, and talent recruitment events.



## Cultivate

- We cooperated with 11 colleges on the internship programs in 2023, and established a complete internship system to effectively enhance the employability of students; a total of 138 interns were recruited.
- We successfully retained 10 interns to continue working at their internship units as a full-time employees in 2023. Moreover, we matched 4 interns to other suitable departments based on their professional competence. Therefore, students could extend their internship experience, link it up with employment opportunities, show their professional competence, meet the professional needs of industry academia, and give them the correct values and improve their abilities in the workplace.

## Understanding

- We invited teachers and students of colleges in northern Taiwan to visit our company and better understand Nanya, which will help them determine their future career path. Several of the visits were coordinated with the internship program and some students even found intern openings to utilize what they learned in school. The quality of visits to our company have improved and greatly benefited students who participated.
- We sponsored the Electronics Camp organized by the NTU System-on-Chip (SOC) Center and NTUEE Camp activities, which cultivates students for semiconductor research and development. Through group activities and an on-site plant visit, students gained an in-depth understanding of development trends in the semiconductor industry. Recruited students with superior engineering backgrounds across Taiwan.
- To inspire female students' interest in the field of semiconductors; A guided tour is planned for female high school students to guide students to understand the development context of the semiconductor industry. Outstanding female senior managers from Nanya also share their experiences at school and career journeys to encourage more young women to enter the semiconductor industry.



NTUEE Camp

## Speech

- Seminars with industry experts are held in 9 colleges and offer practical skills in the workplace, jointly developing an industry course that meets workplace requirements. The seminars place equal emphasis on theory and practice, and the easy-to-understand lectures gave students new perspectives on semiconductors.
- Continue to work with Ming Chi University of Technology/Chang Gung University in organizing seminars on practices in the semiconductor industry, arrange for experienced semiconductor supervisors to serve as instructors and offer courses, link students' workplace abilities to discussions on practices, strengthen students' competitiveness in the workplace, and eliminate the gap between education and employment.
- The Industry Vanguard Project uses the education resources of schools and training of professional courses to help students obtain professional skills required by the industry, jointly leading students to enter the semiconductor industry and contribute what they have learned.



National Central University Memory Design Course

# 4.4 Safe Workplace

## Employee Care



Nanya's Happy Corporate Video

### W.A.K.E - A Friendly Workplace with an Energized Workforce

In addition to providing salaries that are competitive for the industry, Nanya also promotes the Employee Assistance Program. It is combined with WAKE Up actions—a full range of employee benefit measures based on the themes of "wellness", "assistance", "kindness", "exercise". We hope to achieve the goal of creating a group of joyful technology talents through building a happy workplace.



Wellness

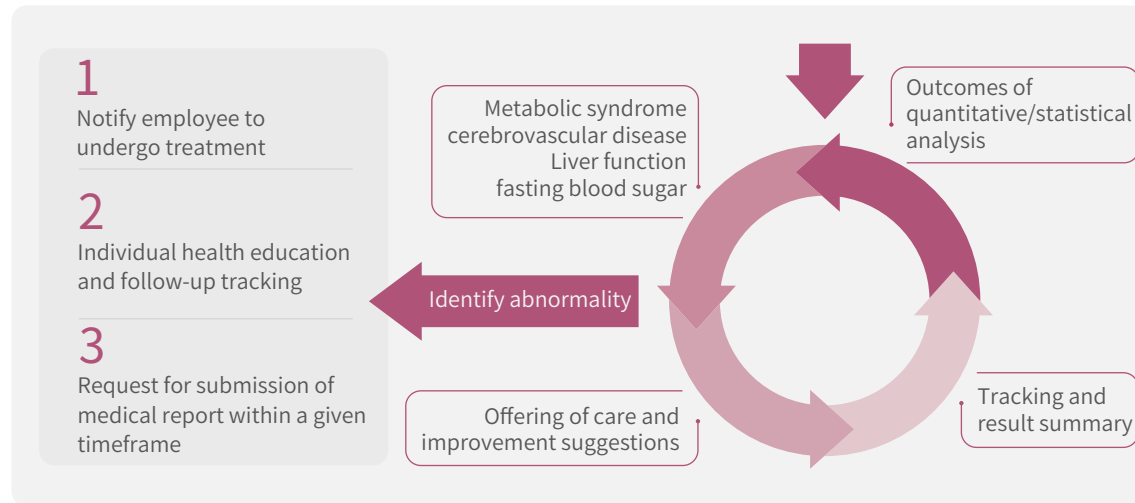
The Company works with a medical team at Chang Gung Hospital to provide more frequent employee health examinations than required by law, such as: employees under the age of 30 receive a health check-up every five years, those over 30 and under 45 years old receive a health check-up every three years, those over 45 and under 65 years old receive a health check-up every two years, and those over 65 years old receive a health check-up every year. The health checkup also includes cancer screenings for α-Fetoprotein, carcinoembryonic antigen and oral cancer and waistline measurement. A health center is set up in fabs with nurses compliant with regulations, and doctors are also stationed in fabs. Employees who exhibit abnormal health conditions (such as liver function, blood sugar, metabolic syndrome, cerebrovascular disease etc) are identified based on the health check-up results, and the nurses and doctors provide them with healthcare information, suggestions and follow-up.

	Abnormal blood pressure	Abnormal liver function	Abnormal blood sugar level	Metabolic syndrome	Low risk	Moderate risk	High risk	Total employees checked for the year
2020	8.13%	6.42%	1.57%	17.10%	89.45%	8.06%	2.49%	1,526
2021	8.16%	8.09%	1.68%	15.33%	83.45%	13.50%	3.05%	1,311
2022	7.69%	5.07%	1.61%	16.23%	84.78%	14.29%	0.93%	1,184
2023	10.52%	5.48%	0.90%	16.90%	83.10%	15.85%	1.05%	1,334
Total								5,355

### Happy workplace creating a group of joyful technology talents



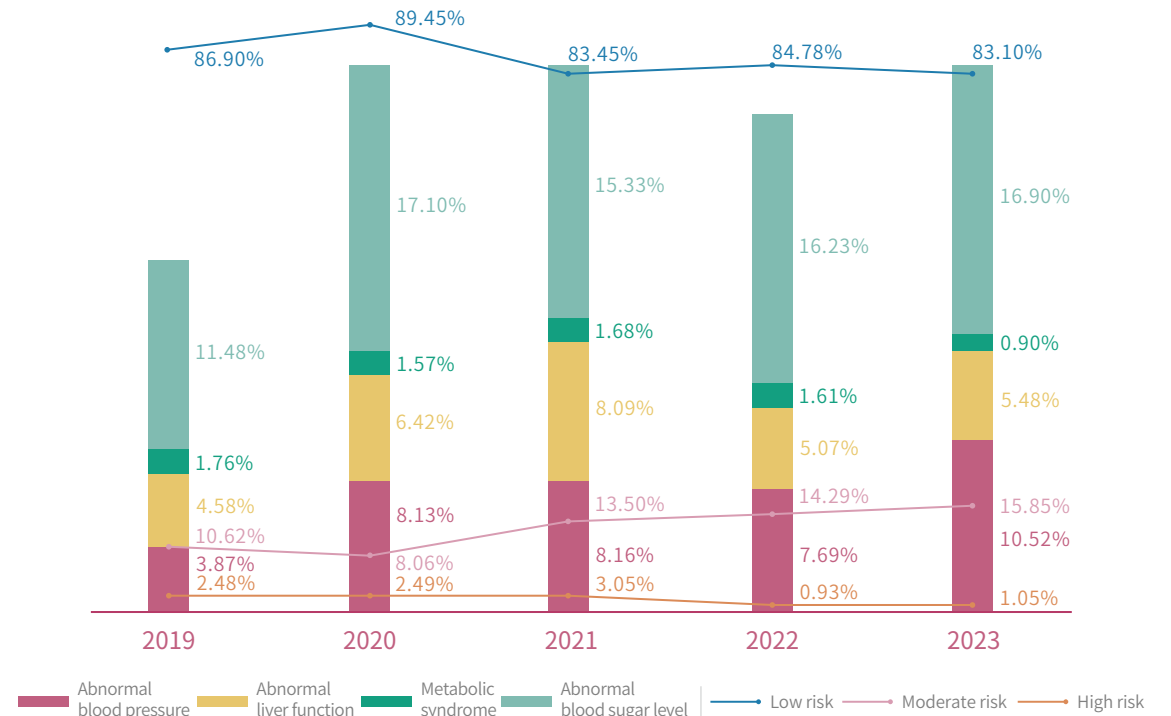
## Electronic tracking and management process



The health center provides employees with maternal health protection, injury and illness treatment, preventive healthcare, weight management, and smoking cessation consultation. As a member of the Formosa Plastics Group, the Company is supported by the medical resources of Chang Gung Memorial Hospitals, including medical center-grade treatment and healthcare services. Employees of the Company and dependents are subsidized when seeking treatment at Chang Gung Memorial Hospitals, and are entitled to discounts on health checkups and various deductibles not covered by National Health Insurance Scheme. Medical subsidies amounted to NT\$9,672,101 in 2023.

The Company started holding charitable weight loss competitions in 2019. Employees are encouraged to sign up individually or as a team of 5 people. For every 1,000 grams of weight lost by employees, the Company donates NT\$1,000 to charitable organizations. The competitions not only help employees with weight control, but also serve as a measure to donate funds to those in need. In 2023, a total of 508 employees participated, and their weight loss totaled 1,214.5 kg; there was a total of 2,179 participants over the past five years and weight loss totaled 5,420.7 kg.

## Employee medical check-up data over the years



Note:

- Risk levels are determined by using health check data (age, cholesterol, high-density cholesterol, blood pressure, diabetes, smoking history) to estimate the risk of developing ischemic heart disease within ten years.
- A total of 1,334 people will undergo health check-ups in 2023, with a total cost of NT\$2,303,148.



## Assistance

To provide employees with a friendly and convenient work environment, the Company planned meals, accommodations, shuttle buses, and parking lots. The Company also has an Employee Welfare Committee available to arrange diverse benefits and activities for employees. The Employee Welfare Committee comprises 9 members, 1 of the members is appointed by the Company, 6 members are appointed by the labor union, and the remaining 2 members are elected by employees from different departments. The 10th Employee Welfare Committee was elected in 2023. Expenses on employee welfare was approximately NT\$27 million in 2023, and was mainly spent on festive gift certificates, birthday vouchers, children's scholarship, group insurance, entertainment, club activities, and childbirth and hospitalization subsidies. In 2023, a total of 5,176 people participated in various activities organized by the Employee Welfare Committee.

Furthermore, to meeting the commuting needs of employees during the fab expansion period, the Company built three parking lots for cars and one parking lot for scooters nearby, and planned shuttle buses to and from the parking lots in order to meet the needs of employees that work different shifts. The shuttle buses are frequent with average waiting time of less than 10 minutes, reducing the wait time and allowing employees to commute to work without any worries. The shuttle buses on average transport 1,500 people and above a day.

### Main Employee Benefit Measures



Staff canteens are set up to serve meals to employees.



Expenses for special dishes available for festive holidays and during Chinese New Year



Facilities such as convenience stores and coffee/fruit bars are set up to satisfy employee needs.



Offer single dormitories to single employees at favorable prices.



Shuttle bus services connected to car/motorcycle parking lots are made available to make commuting more convenient for employees.



After the pandemic subsided in 2023, Family Day was held in Leofoo Village and employees and their families participated enthusiastically.



Charging stations began use on 2023/11/14, with a total of 8 sets of slow charging stations, and 3 charging interface payment methods for employees to choose from according to their own needs.



The parking tower of Nanlin Technology Park was opened on 2023/04/10 with a total of 901 parking spaces for cars and 644 parking spaces for motorcycles.



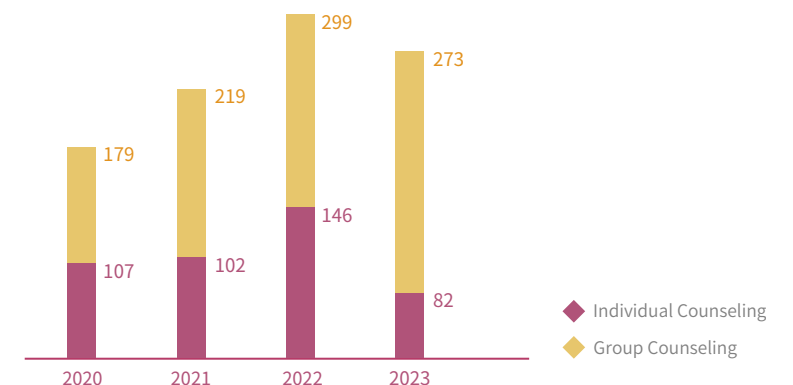
Plan shuttle buses to and from the parking lot to reduce inconvenience to employees during the expansion period



## Kindness

In order to help new recruits adapt to the new workplace as quickly as possible, a counselor is made available to offer regular assistance, counseling, and guidance services to new employees who have joined the Company for less than two years, those who have taken the initiative to ask for help, referrals from supervisors, and employees who have taken long sick leaves. The goal is to reduce employees' feeling of insecurity caused by being in a new environment, and help them integrate into the Company as quickly as possible. Furthermore, we brought in the professional counseling institution "Teacher Chang Foundation" in 2019 to accompany employees in using scientific methods to determine the underlying cause when they find themselves in a dilemma, so that they will face the difficulty and further search for a solution. Employees may use the services 6 times a month for an hour each time free of charge. The professional counseling institution "Teacher Chang Foundation" combined with dedicated counselors in the Company use systematic methods to prevent and help resolve employees' problems, stabilizing employees' work quality as well as physical and mental well-being. We learned from the opinions and feedback of employees that services of the Teacher Chang Foundation have been very helpful to employees in solving various problems faced by their families, childcare, and education.

### Consultation services for new employees to adapt to new workplaces



◆ Individual Counseling  
◆ Group Counseling

## Mental Health and Stress Relief Seminars

3 Mental Health Seminar were held

146 people participated

Satisfaction : 4.56

## Results of Teacher Chang Foundation's Counseling Service

Usage reached 97.2%

Satisfaction with counseling : 4.89 (5-point scale)

Used 70 times. (Used 70 times)  
(A total of 72 events a year)

Solving problems : 8.7 (10-point scale)

### · Friendly environment for childbirth and raising children

For the convenience of female employees, the Company offers priority parking lots for pregnant employees and has nursery rooms in place to support gender equality in the workplace. The Health Center also conducts maternal health hazard evaluations for pregnant and breastfeeding women.

Nanya complies with the Occupational Safety and Health Act, and as an employer, it undertakes hazard evaluation, control and classification measures for work activities that are hazardous to maternal health. For female workers who are pregnant or have given birth less than a year ago, the Company adopts health protection measures and adjusts work details as recommended by physicians, and keeps relevant details on record. The Company disseminates health-related information and organizes women's health seminars on a regular basis. There are professional nurses stationed at plant sites to offer counsel on infant care for pregnant women. Nursery rooms fully equipped with lockers, refrigerators and water heaters have been deployed at all plant sites for the peace and comfort of all breastfeeding employees.

Nanya also has an unpaid parental leave system. Employees may apply for parental leave at their own will. This contributes to the stability of families and society by enabling employees to maintain a balance between work and family without worrying about child care issues. In 2023, a total of 317 employees (87 female and 230 male) were entitled to take unpaid parental leave, and a total of 29 people (16 female and 13 male) had actually applied. Furthermore, Nanya has signed contracts with numerous kindergartens to provide employee discounts on registration fees, monthly fees, transportation expenses, and free extended hours, lifting the burden of childcare on employees.

The Company established the Regulations for Childbirth Incentives to lift the burden on employees and encourage them to have children. Starting in July 2022, the Company provides a subsidy of NT\$20,000 for each newborn, and employees are also eligible to apply for a monthly allowance of NT\$2,000 until their child reaches the age of 6 years old. A total of NT\$14,280,000 was provided in subsidies to 625 employees in 2023.

Item	2021			2022			2023		
	Female	Male	Total shares	Female	Male	Total shares	Female	Male	Total shares
No. of employees entitled to unpaid parental leave	101	244	345	91	236	327	87	230	317
No. of employees applied for unpaid parental leave	19	5	24	23	9	32	16	13	29
No. of people due for reinstatement in the current year (A)	10	5	15	12	5	17	8	6	14
No. of people applied for reinstatement in the current year: (B)	7	3	10	9	5	14	7	3	10
No. of employees still on the job 12 months after reinstatement	5	2	7	5	3	8	9	5	14
Reinstatement rate % (B/A)	70.00%	60.00%	66.67%	75.00%	100.00%	82.35%	87.50%	50.00%	71.43%
Retention rate %	83.33%	100.00%	87.50%	71.43%	100.00%	80.00%	100.00%	100.00%	100.00%

Note:

- "No. of people due for reinstatement in the current year": does not include employees who applied to extend their unpaid leave during the year.
- "No. of people applied for reinstatement in the current year": includes employees who applied for reinstatement in the current year before the end of their leave.
- "Retention rate" refers to the percentage of employees reinstated from unpaid parental leave who continued to work for one year and above.





## Exercise

The Company organizes sport and entertainment activities from time to time to advocate work-life balance. By encouraging the creation of sport clubs and exercise space, we aim to promote sport habit and employees' physical as well as mental health.

### Complete gym/fitness center



**60,559** participants

Number of visits to the sports and recreation center in 2023

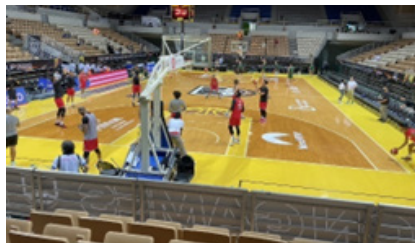
The multi-purpose sports and recreation center includes air track, basketball court, badminton court, pool table, table tennis, aerobics room, massage chair, and fitness equipment.

### · Encouragement of sport activities

Nanya organizes a variety of events to promote sports for the mental-physical balance of employees. Besides encouraging sports clubs, such as jogging club, basketball club, table tennis club, badminton club, and softball club, we organized a series of "Sports Festival" activities in 2019. Departments and clubs submitted creative proposals to utilize sports venues and facilities for sports promotion, creative thinking, and creating a more lively atmosphere in the Company. In 2023, we invited our supplier Applied Materials (AMAT) to jointly organize an energy conservation and carbon reduction swimming competition, promoting fitness concepts together with public welfare; a total of 134 people participated in the event. In addition, we jointly supported the 2023 FIBA Basketball World Cup Preparation Games together with New Taipei City Government, making friends with the world through sports and supporting the development of basketball in Taiwan.



In 2023, we invited our supplier Applied Materials (AMAT) to jointly organize an energy conservation and carbon reduction swimming competition.

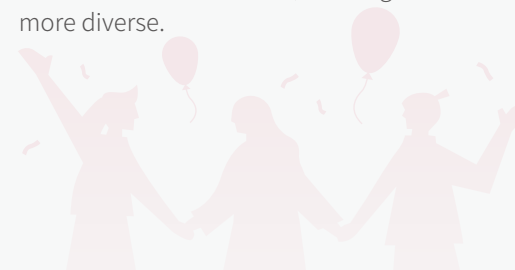


We jointly supported the 2023 FIBA Basketball World Cup Preparation Games together with New Taipei City Government

### · Diverse club activities

The Company has a total of 24 clubs with diverse themes, including parenting, jogging, basketball, table tennis, badminton, slow pitch, hiking, and board games. More than 1,980 employees participated in the above club activities in 2023. The Company added 1 club (popular music club) in 2023 as club activities continue to grow.

In addition to active sports clubs, there are also static board game clubs, and a popular music club was added in 2023, making clubs even more diverse.






# Occupational Health and Safety

All operating locations of Nanya have obtained ISO 45001 Management System certification and are committed to providing employees with a safe, healthy and high-quality workplace, while maintaining the safety of contractors. Nanya established the EHS Management Manual to provide a safe, healthy, and high-quality work environment to all workers at the Company, so that all workers of the Company have the ability to recognize hazards and prevent occupational accidents when engaging business activities, in hopes of achieving zero occupational injuries and zero occupational disease.


## Risk Assessment and Hazard Control



### Step.1

#### Identification of hazards


Verify which hazards exist in the workplace, which adverse effects may accompany these hazards, and whether employees are exposed or may be impacted. The basis for determination includes workplace inspection records, safety data sheet, accident and disaster records, standard operating procedures, equipment manuals, and repair records, and then risk assessment is conducted on this basis.



### Step.2

#### Assessment of hazards

Workers who are exposed or may be exposed to physical, chemical, human factors, biological and other hazards of each operation, as well as operations that are particularly hazardous to health: ionizing radiation, noise, arsenic, indium, mercury, and n-hexane (a total of 298 people received special health examinations this year, and 0 people were under level 4 management) to verify whether their exposure levels comply with regulations, and understand whether the control equipment or management measures meet the requirements.



### Step.3

#### Control of hazards

Hazards are controlled from the paths and workers that are exposed to hazards. Safety procedures were established and a total of 19,119 hours of safety and health training was provided to 1,818 participants in 2023 (in which 988 participants received 16,644 hours of training for certifications required by law and supervisors of special hazard operations). Furthermore, 56 emergency response drills were organized to strengthen the on-site training and response ability of personnel, including medium and high risks such as chemical leakage, rescue of injured personnel, and evacuation during an earthquake or fire accident. In addition to training, the Safety and Health Division conducted monthly on-site SWAT (Safety Walk and Talk) at the workplace of various teams for 36 themes. The 40 suggestions for improving operational behavior safety were put forward for personnel to act accordingly to the contents of regulations. Improvements to the operational environment focus on safety and health improvements for medium and high risks in clean rooms. The medium and high-risk items that are identified are prioritized for improvement after assessing their feasibility. A total of 27 medium and high-risk improvement action plans were proposed in 2023 to continue to reduce potential risks.

Description of Nanya's Medium and High Occupational Safety and Health Risks and Improvement Plan in 2023

Type of risk or hazard		Physical	Chemical	Human factors biological	Other hazards
Operations that are particularly hazardous to health		Ionizing radiation, noise	arsenic, indium, mercury, n-Hexane		
Medium and high risk sand improvement method	Description of general operating environment risks and improvement plan	Stair anti-slip and fall risk prevention improvement, safety cable installation and fall risk prevention, addition of convex mirror to prevent and improve collision risk, new service wagon purchase, and fall risk prevention improvements	Liquid (cooling water and chemicals) leakage risk prevention, chemical sampling pipeline splash risk prevention improvement	-	Improvement of commuting safety for employees
	Clean room risk description and improvement plan	Improvement of insufficient lighting risk in the working environment, improvement to prevent clamping risk of lifting vehicle, and improvement to prevent the risk of electric shock in the charging device of hydraulic lift	Prevention of liquid (cooling water and chemicals) leakage risk	-	Improvement of machine anti-seismic facilities to reduce the risk of financial losses due to natural disasters and accidents

## · Consultation and communication between safety and health organizations and workers

Nanya places great importance on occupational safety and health. Occupational safety and health committee meetings are held every month at a regularity higher than what is required by the law. Each meeting is directed by the executive vice president, while the process is participated by senior managers, department heads, and committee members. Labor representatives make up 41.7% of the committee members. They jointly review the achievement statuses of various safety and health management goals, accident investigations, and the performance of safety and health projects. To strengthen communication on health and safety issues, in addition to existing channels of the Company (e.g. opinion box on the homepage), each department has appointed dedicated personnel to collect inquiries from employees, matters requiring communication, and proposals through department meetings, SWAT, and the Safety & Environment Event Tracking System (SETS). The personnel directly contact, receive information from, respond to, and consult the Safety and Health Division, establishing smooth channels for safety and health management and communication. The safety and health department scheduled 38 internal audits in 2023, and issued a total of 24 CARs, including incomplete forms. The deficiencies were corrected within the prescribed time limit, and internal audits allowed for two-way communication.

## · Incident investigation procedures

When an incident is verified by central control after investigation (occupational accident, false alarm, incident that affects physical and mental health), the Safety and Health Division and the department that the accident occurred in will form an Incident Investigation Team to conduct a preliminary investigation and take corrective action. The Safety and Health Division strictly reviews corrective action taken for incident investigation. The department that the accident occurred in must conduct root cause analysis (RCA), including direct and indirect causes, and propose improvement and prevention measures to prevent the incident from occurring again before it may close the case. There was a total of 23 false alarms in 2023. The main improvement to false alarms this year was liquid leak alarm (11 cases, accounted for 78.3%), such as the prevention of valve leakage, and corresponding improvement and prevention measures were proposed.

### Consultation and communication between the Occupational Safety and Health Committee and workers

Occupational safety and health management affairs and safety and health performance

Safety and health self-inspections and audits

Safety and health education and training plan and implementation

Measures that must be taken for operating environment monitoring results

Occupational hazard and incident investigation reports

Health management and health promotion affairs

Regulatory changes and response measures



### Important Issues that the Occupational Safety and Health Committee Adopted Resolutions on in 2023

Compile an inventory of operations in slope areas and review the completeness of related operations

Comprehensive review of all gas source pipelines, valve status and personnel operating risks

Ensure the validity of the certificates of operation supervisors and first aid personnel

Complete trend analysis and classified management of exposure evaluation data

In response to incidents of employees injured from falling, departments gave safety reminders while walking around

Compile an inventory of high-temperature operations and management requirements in advance

Continue to carry out monthly regulatory identification to verify developments in occupational safety-related regulations

## Incident investigation procedures



### Incident occurs

Immediately report the incident to the central control room and forward it to personnel of the unit of the incident and safety and health personnel.

Assist with the first aid of injured patients and send them to the hospital



### Incident Investigation Team

The unit of the incident and safety and health personnel immediately collected evidence from the site of the incident and launched a preliminary investigation and analysis of the cause of the incident.

The unit of the incident proposes corrective measures and reviews them with the safety and health department



### Corrective action

The Safety and Health Division reviews the corrective action and tracks improvements

Safety and Health Division conducts review to close case

Occupational injury management

In 2023, a total of 3 occupational accidents occurred to employees in the fab, all of which were physical injuries (falls, collisions). The frequency of employee disabling injuries (number of disabling injuries/million working hours) was 0.41, and the disabling injury severity rate (number of work days lost/million working hours) was 18. Zero disabling injuries has not yet been achieved in the fab. In order to achieve the goal of zero disabling injuries in the fab, after investigating, analyzing and reviewing the root cause of the incident, Nanya is committed to continuous improvement in two aspects:

1. For "unsafe behaviors", the Company supervises employees' unsafe behaviors through job safety analysis of high risk operations, strengthened safety and health training, and engaged in SWAT to raise employees' safety awareness and reducing potential operational hazards, such as job safety analysis for preventing collision when pushing heavy objects on slopes.
2. For "unsafe environment", the Company improves unsafe environments through inherently safer (IS) designs of machinery and equipment, ensuring perfect mechanical safety protection design, regular pipeline and machine maintenance and inspection, and preventive exposure monitoring of the hygiene environment. We implement on-site independent management, supervisors manage high-risk operations by walking around and implement the audit scoring mechanism, in order to achieve 5S improvement of on-site environment cleanliness and maintain the safety and hygiene of the working environment, such as setting up fall hazard prevention facilities on stairs, walkways, and in the environment.

Contractor total work hours and occupational injury statistics

Year	2020	2021	2022	2023
Total work hours (hours)	404,054	339,387	562,977	409,371
Number of occupational injuries	0	1	0	1
No. of lost work days	0	7	0	8

Statistical Data on Total Work Hours of Employees, Occupational Injuries, and Occupational Illness

Year	2020	2021	2022	2023	2024Target
Total work hours (hours)	6,778,840	6,872,456	7,073,064	7,174,192	-
Number of recordable occupational injuries (no. of people)	1	0	0	3	-
Rate of recordable occupational injuries (frequency of disabling injuries)	0.14	0	0	0.41	0.18
No. of serious occupational injuries (no. of people)	0	0	0	0	-
Rate of serious occupational injuries	0	0	0	0	-
Disabling injury severity rate	6	0	0	18	6.2
Frequency-severity indicator	0.03	0	0	0.09	-
No. of occupational illnesses certified by physician	0	0	0	0	0
Ratio of occupational illnesses certified by physician	0	0	0	0	-
Absentee rate	0.33%	0.31%	0.22%	0.32%	0.55%
Internal and external independent inspection rate	98.7%	99.3%	94.1%	95.2%	93.9%
Number of proposals engaging all employees for safety and health	644	980	1,050	1,215	1,440

Note 1: In 2023, no deaths caused by occupational injuries occurred in the Company. The rate of serious occupational injuries (excluding number of deaths and those who lost more than six months of work days) was calculated with every million work hours as a unit.

Note 2: Frequency of disabling injuries (FR) and disabling injury severity rate (SR) are based on occupational hazard data reported by the Company, and do not include contractors, traffic accidents to and from work, or minor injuries (that can be treated via first-aid on site).

Note 3: The calculation of absenteeism rate includes sick leave, personal leave, official leave, and a new target was set for 2024.

Note 4: Independent inspection rate = (Number of deficiencies independently improved by departments/Number of deficiencies proposed by the Safety and Health Division)\*100%

## · Contractor Safety Management

Contractor safety has always been an important safety and health management item of Nanya. We have also treated the personnel of contractors as our own employees, and show respect and gratitude to contractors for using their professional abilities, equipment, and technologies to assist Nanya in completing various projects. Besides monitoring quality and progress, we prioritize providing an excellent environment and management for projects to be smoothly and safely carried out. We provide guidance to contractors to conduct job safety analysis and engage in safe behavior, in order to achieve zero disasters and zero accidents.

Nanya has formulated complete contract management specifications in accordance with internal regulations of the Formosa Plastics Group as the basis for requirements on contractors. Every contractor that the Company partners with is required to sign a work contract and a work safety notice that outline the work environment, hazards, and relevant safety and health rules. Employees are encouraged to monitor contractors for unsafe conducts, and may report abnormal findings to team leaders, the Central Control Room, or work safety personnel for immediate tracking and improvement. All personnel of contractors must take the contractor pre-entry safety and health training course before entering our factory. The purpose of the course is to inform them of work environment hazards, regulations that require compliance, and to raise their safety awareness.

### Measures to Strengthen Contractors' Construction Safety

▼ Selection of quality contractors	✓ Select contractors with quality technologies and safety management.
▼ Contractor work safety review	✓ Review contractors' work safety (such as qualification of occupational safety and health personnel).
▼ Pre-entry safety and health education and training	✓ Conduct regular classroom trainings every month.
▼ Pre-construction safety notice:	✓ Fulfill the duty to notify of work environment hazards.
▼ Pre-construction job safety analysis	✓ Conduct step-by-step analysis of hazards and preventive measures to achieve construction safety.
▼ Construction permit application and restrictions for high-risk operations	✓ Application for permission is required for all construction; high-risk operations, including hot work and operations in confined spaces and high places, are regulated.
▼ Daily toolbox meetings	✓ Daily toolbox safety meetings are required to notify of safety issues and keep records.
▼ Contractor inspections before, during, and after constructions	✓ Require daily independent inspections on construction sites and operations (using the 5S method, for example).

### Pre-entry Safety and Health Training for Contractors and Training Completion Rate

2020	Coverage rate	100%	Number of trainees	3,024
			Total man-hours of training	142,128
2021	Coverage rate	100%	Number of trainees	1,753
			Total man-hours of training	50,837
2022	Coverage rate	100%	Number of trainees	2,829
			Total man-hours of training	169,740
2023	Coverage rate	100%	Number of trainees	2,292
			Total man-hours of training	112,308