



6

Responsible Procurement A Promoter of Shared Values

- 6.1 Supply Chain Overview..... 128
- 6.2 Sustainable Supply Chain Management..... 130
- 6.3 Enhancing Supply Chain Sustainability.....137
- 6.4 Responsible Mineral Sourcing Management..... 140

NT\$110.78 million

From 2019 to 2024, the refund for blue-collar migrant workers regarding items such as brokerage fees, transportation fees, service fees, medical examination fees, and document fees totaled NT\$110.78 million, benefiting 4,432 individuals.

29 smelters

Among suppliers of strategic metals subject to international import/export restrictions (aluminum, copper, nickel, and zinc), the number of smelters recognized by the RMI in supplier reports: 29

255 smelters

Among suppliers of 3TG metals (tin, tantalum, tungsten, gold), cobalt, and mica, the number of smelters recognized by the RMI in supplier reports: 255

Suppliers have always been Nanya Technology's most crucial partners in our operations. We aim to strengthen our collaboration to create greater value and share the benefits of our partnership, as we work hand-in-hand toward a more sustainable future.



Strategy and Performance of Material Topics

◆ Exceed ◆ Achieved ◆ Partially Achieved

Material Topics & Strategy	2024 Goals	2024 Performance and Goal Achievement	2025 Goals
<p>Sustainable Supply Chain Management</p> <p>Conflict-free Minerals and Responsible Minerals Sourcing Management: Nanya Technology ensures that all products are free from conflict minerals.</p> <p>Supply Chain Risk Management: Suppliers undergo regular evaluations covering quality, delivery, service, cost, technology, and sustainable management.</p>	100% adoption in conflict-free minerals and responsibly sourced minerals	◆ 100%	Adoption in conflict-free minerals and responsibly sourced minerals: 100%
	100% completion rate of the self-evaluation questionnaire by significant suppliers	◆ 100%	Completion rate of the self-evaluation questionnaire by significant suppliers: 100%
	100% improvement rate in the audit findings of high-risk sustainable suppliers	◆ 100%	Improvement rate in the audit findings of high-risk sustainable suppliers: 100%
	100% signing rate for the Supplier Code of Conduct	◆ 100%	100% signing rate for the Supplier Code of Conduct
	100% completion rate of audits and guidance for significant suppliers	◆ 100%	100% completion rate of audits and guidance for significant suppliers
	At least 2 cases of supplier sustainability counseling	◆ 2	At least 2 cases of supplier sustainability counseling

6.1 Supply Chain Overview

1. Nanya Technology Industry Chain

The IC industry, including DRAM, can be divided into upstream, midstream, and downstream segments. These encompass IC circuit design, mask making/wafer materials, IC manufacturing, and IC packaging and testing, among other specialized units. Nanya Technology focuses on the research, design, manufacturing, and sales of ICs, positioning itself in the upstream (IC design) and midstream (IC manufacturing) of the industry supply chain.

During the upstream product design and test verification phase, Nanya Technology's headquarters strives to fulfill the technical demands of customers across regions like Taiwan, China, Southeast Asia, Europe, the United States, Japan, and Korea, so as to enhance customer service efficiency and foster closer customer relationships. The headquarters also engages in occasional technical exchanges based on customer demands, and provides technical support and assistance to resolve design and testing challenges.

In the midstream production and sales phase, Nanya Technology communicates regularly with customers. Weekly forecasts of future customer demands are relayed to the headquarters, which then converts these global demand estimates into a production plan. This plan is adjusted every week to meet customer demands and maximize benefits. Meanwhile, Nanya Technology collaborates with downstream companies to build a comprehensive industry chain.

Nanya Technology Industry Chain



2. Supply Chain Model

Based on the manufacturing process, Nanya Technology's suppliers are categorized into two types: *suppliers* and *contractors*. Suppliers are further divided into two categories based on the products procured: *production materials* and *non-production materials*. Among them, *production materials* suppliers are our primary suppliers, including *suppliers of raw material* and *suppliers of professional spare parts* (providing spare parts for clean room production equipment and related packaging materials). Compared to 2023, our supplier structure shows no significant change.

To effectively manage suppliers and allocate relevant resources, Nanya Technology considers factors such as geopolitical risks and local regulations, raw material properties and components, environmental safety and health, labor ethics and human rights management, business ethics, and business continuity and management systems. These risk factors are categorized into four types: *supplier location*, *supplier product category*, *supplier operations*, and *sustainable governance*. Significant suppliers are identified according to the assessment results for these risk factors, including Tier 1 raw materials and professional spare parts suppliers, non-Tier 1 raw material suppliers, and high-risk suppliers.

Factors considered include:



Supplier Geographical Distribution (Raw Materials and Professional Spare Parts Suppliers)

	2021	2022	2023	2024
Asia	266	273	270	292
Americas	102	96	81	103
Europe	32	28	27	34
Oceania	31	18	13	12
Total	431	415	391	441

Supplier geographical distribution is based on the actual shipping locations. Therefore, calculation is based on the number of facilities per location.

Supplier Categories

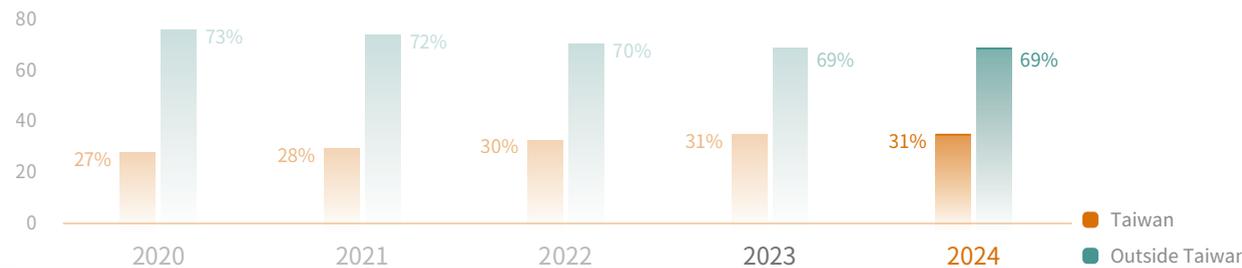
	Year	2021	2022	2023	2024
Raw Materials	Number of Tier 1 suppliers	80	80	79	85
	Significant suppliers in Tier-1	80	80	79	85
	Percentage of Significant suppliers in Tier-1 (%)	100%	100%	100%	100%
	Percentage of procurement amount from Significant suppliers in Tier-1 (%)	100%	100%	100%	100%
Professional Spare Parts	Number of Tier 1 suppliers	215	202	194	210
	Significant suppliers in Tier-1: High risk	11	12	10	11
	Percentage of Significant suppliers in Tier-1 (%)	5%	6%	5%	5.2%
	Percentage of procurement amount from Significant suppliers in Tier-1 (%)	9%	4%	6%	14.6%
Total	Number of Tier 1 suppliers	295	282	273	295
	Significant suppliers in Tier-1	91	92	89	96
	Percentage of procurement amount from significant suppliers in Tier-1	72	71	77	76.1%
	*Number of significant suppliers non Tier-1	80	80	79	75

* Non-Tier 1 suppliers are Tier 1 raw materials suppliers

3. Local Procurement

To improve service efficiency, shorten delivery times, and reduce environmental impact, Nanya Technology prioritizes local procurement. We have steadily increased this proportion over the past four years. However, as most semiconductor equipment and technologies are manufactured abroad or through international collaborations, the majority of raw materials for the semiconductor industry are currently still produced overseas. As a result, our foreign procurement expenditures exceed domestic procurement. Nanya Technology will continue to collaborate with local suppliers to increase procurement within Taiwan, thereby boosting employment opportunities and driving economic development. We work hand-in-hand with suppliers to create even greater value.

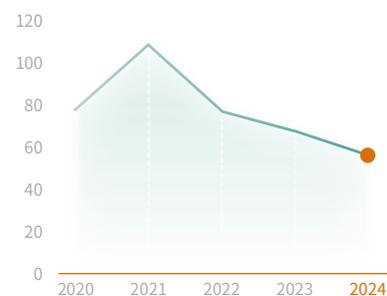
2020-2024 Local Raw Materials Procurement Ratio



Green Procurement

In response to global environmental protection campaigns, we continue to procure energy-saving, low-pollution, renewable, recyclable, and green construction materials, along with other eco-friendly products and equipment. We hope this initiative will encourage an overall transformation throughout our supply chain, thereby increasing the effectiveness of our green procurement. In 2024, our total green procurement amounted to NT\$61,591,840, which is NT\$13,242,000 lower than in 2023. This reduction is primarily due to the filters, pumps, and LED bulbs replaced in 2023 not yet nearing the end of their life cycles. Nanya Technology will continue to explore opportunities to replace our procurement items with green products.

Total amount of green procurement (NT\$ Million)



6.2 Sustainable Supply Chain Management

Nanya Technology deeply believes that the sustainable growth of our supply chain is essential to the sustainable development of our business. Therefore, we invest resources in managing and collaborating with our suppliers, hoping to drive sustainable growth throughout our supply chain and embody the value of shared success.

1. Sustainable Supply Chain Management Strategies

Nanya Technology's Sustainable Supplier Development Strategies



Sustainable Supplier Risk Control

- We conduct risk evaluation through supplier self-evaluation questionnaires, and enhance supplier risk management through audits and tracking improvements.



Supplier Collaboration and Exchange

- Based on partnership and mutual assistance, we guide suppliers to improve their social, economic, and environmental performance through regular supplier seminars and assessments. Our aim is to promote sustainable development among all our suppliers



Enhancing Supplier Sustainability Capabilities

- While pursuing economic benefits, Nanya Technology also pays attention to environmental and social sustainability issues. We work with suppliers to advance sustainability projects



Responsible Mineral Sourcing

- Nanya Technology is committed to managing conflict-free minerals and implementing a responsible mineral sourcing strategy to meet current and future market expectations as well as legal and regulatory requirements

Nanya Technology Sustainable Suppliers Management Strategies

Nanya Technology's screening criteria for direct production material suppliers mandate not only ISO 9001 and ISO 14001 third-party verification but also rigorous internal evaluations. Utilizing an electronic supplier evaluation management system, we assess suppliers across six key aspects: quality, delivery, service, cost, technology, and sustainability. The sustainable management indicator (sustainability) accounts for 19% of the overall score, ensuring suppliers meet our requirements for sustainable supplier management. Furthermore, once a supplier is selected, we conduct audits to confirm the effective implementation of their sustainable management practices.

Six Strategies for Supplier Management^{Note 1}



Note 1: The top 5 strategies for supplier management are quality, delivery, service, technology, and sustainability.

Note 2: Sustainability

- Green environment evaluation criteria include ISO 14001 certification, energy and resource conservation, greenhouse gas reduction, and waste recycling rates

- Social responsibility evaluation criteria include commitments to complying with local labor laws

Supplier Chain Management Group

Advancing sustainable supply chain management is one of Nanya Technology's key sustainability initiatives. Hence, Nanya Technology established the Sustainable Development Committee under the Board of Directors, which is composed of the Chairman, four Independent Directors, and two Executive Directors. This committee then oversees the Sustainable Development Steering Center and the Sustainable Management Division, which are in charge of executing our initiatives. Our sustainability initiatives are divided into four major management categories: corporate governance, economic, social, and environmental aspects. These four areas are further supported by various departments, forming taskforces such as the Public Affairs Participation Group, Corporate Governance Group, Customer Relations Group, Supplier Chain Management Group, and Environmental Sustainability Group, which drive relevant sustainability projects. Nanya Technology annually reports the progress and effectiveness of our sustainability initiatives to the

Sustainable Development Committee. After the Sustainable Development Steering Center examines their efficacy, the committee then further reports these findings to the Board of Directors.

The Supplier Chain Management Group reports its sustainable supply chain initiatives and progress to the Sustainable Development Steering Center. The Chief Sustainability Officer reports the results to the Sustainable Development Committee twice a year. The Sustainable Development Committee then presents these findings to the Board of Directors. Finally, the Board of Directors makes decisions on areas requiring optimization or improvement, ensuring that the goals of these initiatives align with the company's sustainability vision and policy.



Internal Training

To foster awareness regarding sustainable supply chains among our procurement staff, we conduct annual training on "Sustainable Supply Chain Management Processes." These courses cover topics such as supplier sustainability risk assessment standards and procedures and green procurement, enabling our procurement staff to integrate sustainability concepts into their daily operations. To ensure that all internal employees align with the company's sustainable supply chain management initiatives in their daily work and decision-making, we offered eight sustainability courses in 2024, with 27,173 participations, totaling 38,820.8 hours of training.



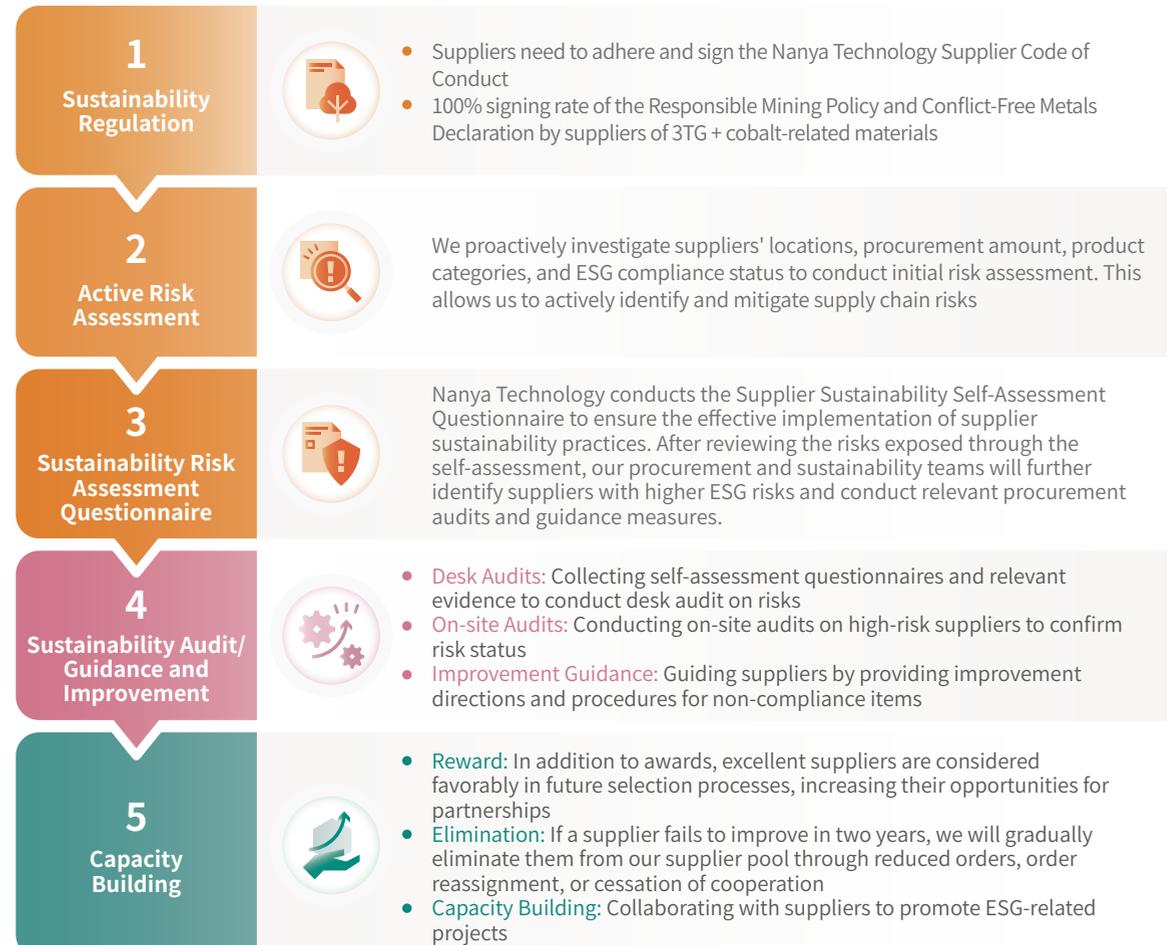
Additionally, as part of our sustainable supply chain projects' low-carbon and carbon footprint verification and reduction initiatives within our sustainable supply chain projects, all participants attended a carbon inventory management training course on November 3, 2023. This course covered carbon management practices, carbon platform navigation and usage, and key aspects of greenhouse gas (GHG) inspection. This training, totaling six hours per person, ensured that relevant personnel are familiar with the knowledge and execution of carbon inventory, and enable them to integrate these approaches into their daily operations to facilitate project advancement.

Supplier Training

To enhance suppliers' awareness of Nanya Technology's Sustainable Supply Chain Management Process and sustainability vision, we organized the 2024 Nanya Technology Sustainable Supply Chain Training and Sharing Seminar on June 24, 2024. A total of 50 participants from 33 Taiwan-based raw material suppliers attended the sessions. The seminar covered our water resource management practices, supplier training on environmental standards, supply chain cybersecurity, and the goals and content of our human rights and sustainability initiatives. We hope to work with suppliers to create sustainable value and build a sustainable environment.

2. Sustainable Supply Chain Management Process

Nanya Technology has established a comprehensive supply chain management procedure. We ensure our suppliers meet our standards and requirements through a cycle involving five key processes: sustainability regulation, active risk assessment, sustainability risk assessment questionnaire, sustainability audit/improvement guidance, and supplier capability building. Through risk assessment and audits, we monitor the risk level of our supply chain and guide suppliers to improve and build capacity, gradually strengthening the sustainability performance of the supply chain.



Sustainability Regulation

To ensure suppliers understand and gradually implement corporate sustainability, Nanya Technology has established a Supplier Code of Conduct and provides training to suppliers, requiring their signatures annually.

In 2024, 370 suppliers (including Tier 1 and non-Tier 1 significant suppliers) completed the signing process, resulting in a 100% signing rate and 100% training completion rate. Meanwhile, we also required all 3TG and cobalt-related suppliers involved in responsible minerals sourcing to sign our Responsible Mining Policy and Conflict-Free Metals Declaration, and achieved a 100% signing rate.

370
suppliers

100%
signing rate

100%
training completion rate

Scope of Supplier Code of Conduct

<p>Labor</p>	<p>Health and safety</p>	<p>Environment</p>	<p>Ethics regulation</p>	<p>Management system</p>	<p>Commitment to protecting ecological resources</p>
<ul style="list-style-type: none"> • Freedom of occupation • Young labor • Work time • Wage and benefits • Humane treatment • Non-discrimination • Freedom of association 	<ul style="list-style-type: none"> • Occupational safety • Emergency response • Work injuries and occupational diseases • Industrial hygiene • Physical labor work • Machine maintenance • Public health and accommodation • Health and safety information 	<ul style="list-style-type: none"> • Environmental permits and reports • Pollution prevention and resource conservation • Hazardous substances • Solid waste • Exhaust gas emission • Substance control • Water resource management • Energy consumption and greenhouse gas emission 	<ul style="list-style-type: none"> • Ethical management • No illicit gains • Anti-corruption • Information disclosure • Intellectual property • Fair trade, advertisement, and competition • Identity protection and anti-retaliation • Responsibly sourced minerals • Privacy 	<ul style="list-style-type: none"> • Corporate commitment • Management responsibilities and duties • Legal and customer requirements • Risk assessment and risk management • Improvement Goals • Training • Communication • Employee feedback, participation, and grievance • Audit and evaluation • Corrective measures • Documentation and records • Supplier responsibility 	<ul style="list-style-type: none"> • Biodiversity • Zero deforestation • Land conservation

Risk Assessment

01 First Step of Risk Assessment: Active Risk Assessment

Nanya Technology examines and investigates the fundamental conditions of all suppliers, including potential impacts across environmental, social, and governance aspects, partnership closeness, geographical location, industry sector, and product features. We aim to identify and manage suppliers with potential risks, thereby actively controlling and mitigating overall supply chain risks.

- **Supplier Location:** Assessing risk factors related to conflict minerals, natural disaster exposure, and human rights in supplier locations
- **Product Categories:** Assessing whether materials used in production contain hazardous substances (e.g., RoHS/PFOS/PFAS) and if alternative materials are available
- **Supplier Operations:** Assessing the operational risks faced by the supplier and determining if they have established contingency plans

Partnership Closeness		Based on procurement amount, we assess different supplier categories (such as raw materials, facilities management, and subcontractors) and the supply capacity of key raw materials (e.g., whether production capacity or human resources are sufficient)
Environment		Failed to identify environmental protection regulations and managing hazardous substance
Society		Failed to identify safety and health regulations and assess child labor-related risks
Governance		Failed to identify corruption and material shortage-related risks
Region/Country		We examine and investigate supplier locations to assess whether they are affected by conflict minerals, situated in high-risk or natural disaster-prone areas, or face human rights risk issues
Industry Sector		For suppliers of different industries, we identify industry-specific risks based on their relevant risks of concerns (e.g., supply chain disruption risks for raw material suppliers, and hazardous substance management and human rights risks (such as child labor and migrant workers) for contractors)
Product Features		Based on material properties, we screen key materials that contain heavy metals and hazardous substances

02 Second Step of Risk Assessment: Sustainability Risk Assessment Questionnaire

To ensure the effective implementation of supplier sustainability practices, we distribute the Sustainability Risk Assessment Questionnaire to both Tier 1 suppliers and non-Tier 1 significant suppliers. We require suppliers to conduct self-assessments and provide supporting evidence, such as management system certifications. The results of these self-assessments serve as the basis for our sustainability risk management. The questionnaire considers potential impacts across the governance, social, and environmental aspects. For the governance aspect, we consider factors such as anti-corruption, ethical and legal misconduct, and disciplinary measures. For the social aspect, we consider potential risks regarding labor practices, human rights standards, business ethics, and health and safety. For the environmental aspect, we consider environmental management, greenhouse gas emissions, and other potential impacts.

We completed sustainability risk assessments for all 370 Tier 1 suppliers (including Tier 1 significant suppliers) in 2024, and achieved a 100% completion rate. We found no suppliers engaged in material risks of forced or compulsory labor. After screening, we identified the 20 lowest-scoring suppliers (the bottom 5%) and completed their document and on-site audits in December.

Supplier Sustainability Practices Investigation

Year		2021	>	2022	>	2023	>	2024
Tier 1 Suppliers	Investigated	295		282		273		295
	Response Rate	100%		100%		100%		100%
Tier 1 Significant Suppliers	Investigated	91		92		89		96
	Response Rate	100%		100%		100%		100%
Non-Tier 1 Significant Suppliers	Investigated	90		80		79		75
	Response Rate	100%		100%		100%		100%

Note: Tier 1 suppliers include Tier 1 significant suppliers

Supplier Sustainability Risks Investigation Results

Tier 1 Significant Suppliers	High risk	16
	Percentage of high risk suppliers (%)	17%
Non-Tier 1 Significant Suppliers	High risk	4
	Percentage of high risk suppliers (%)	5%

Note: Tier 1 suppliers include Tier 1 significant suppliers

Sustainability Audit

Nanya Technology implements various audits, including desk audits and different types of on-site audits (second-party, third-party, and industry standard audits), to verify suppliers' sustainability efforts and guide their improvements. During these audits, we review their current compliance with regulations and human rights standards, as well as relevant management practices. We then provide suppliers with directions for improvement and engage in discussions, requiring them to establish relevant processes for significant deficiencies. Three months after an audit, we review the improvement on deficiencies and request supporting evidence.

In 2024, a total of 20 high-risk suppliers received sustainability audits, achieving 100% coverage of high-risk suppliers. These audits identified 61 non-compliant items. All high-risk non-Tier 1 significant suppliers had no non-compliant items. For deficiencies identified during audits, Nanya Technology guides and assists in their improvement, and all have been successfully corrected.

20
high-risk suppliers received sustainability audits

100%
coverage of high-risk suppliers

61
non-compliant items

Forms of Sustainability Audits

	Methods	Target	Number of Targets
Desk Audit	Through Sustainability Risk Assessment Questionnaire and collecting relevant documents	Tier 1 suppliers and significant suppliers (including Tier 1 and non-Tier 1 suppliers)	370
On-site Audit: Second Party Audit	Conducted by Nanya Technology	High-risk suppliers (Tier 1 suppliers and significant suppliers)	16
On-site Audit: Third Party Audit	Conducted by independent third parties	Raw materials suppliers	4
Industry Standards Audit	Based on RBA standard	Tier 1 suppliers and significant suppliers (including Tier 1 and non-Tier 1 suppliers)	20

Sustainability Audit

	2024 Goals	2024 Performance
Number of Suppliers Receiving Desk/On-site Audits	352	370
Percentage of Significant Suppliers	-	46%
Number of High-risk Suppliers	18	20
Deficiencies Improvement Rate	100%	100%
Number of Suppliers Eliminated	0	0

Guidance on Deficiencies Identified during Audits

	2024 Goals	2024 Performance
Number of Suppliers Receiving Guidance	18	20
Percentage of Significant Suppliers Receiving Guidance (%)	100%	100%

Nanya Technology analyzes the results of its Sustainability Risk Assessment Questionnaires to identify high-risk suppliers. Based on supplier characteristics, we provide additional audits and guidance. For deficiencies identified during these audits, we issue the Corrective Action Request (CAR) that require suppliers to submit improvement plans. Recognizing that improving material deficiencies can sometimes be constrained by upstream industries, resource availability, and project timelines, we have aligned the improvement schedule for all suppliers. During annual audits, we review deficiencies found in the previous year and require suppliers to implement corrective measures within two years. If a supplier fails to meet this deadline, the issue is reviewed by the Material Review Board (MRB) of the Supplier Review Committee. For serious cases, we may take actions such as continued communication, order reduction, order reassignment, or termination of cooperation to effectively control and mitigate relevant risks. No supplier was eliminated in 2024.

High-Risk Supplier Sustainability Audit Statistics

Year		2021	2022	2023	2024
Number of Suppliers Audited		20	20	18	20
Average Audit Score		88	89.97	90.45	93
Number of Non-Compliant Items		81	74	57	61
Violation Category and Number of Violations	Labor and Ethics	Work Rules not established or not approved: 8	Work Rules not established or not approved: 8	Work Rules not established or not approved: 3	Work Rules not established or not approved: 3
		Human rights rules not established or violations: 16	Human rights rules not established or violations: 15	Human rights rules not established or violations: 10	Human rights rules not established or violations: 13
		Work hours/wages rules not established or violations: 2	Work hours/wages rules not established or violations: 3	Work hours/wages rules not established or violations: 3	Work hours/wages rules not established or violations: 2
		Grievance channels not established or violations: 4	Grievance channels not established or violations: 12	Grievance channels not established or violations: 4	Grievance channels not established or violations: 6
		Information security not established or violation: 4	Information security not established or violation: 3	Information security not established or violation: 2	Information security not established or violation: 4
		Disciplinary and rewards procedures violations: 7	Ethical rules not established or violations: 3	Ethical rules not established or violations: 7	Ethical rules not established or violations: 2
		Ethical rules not established or violations: 5	Supply chain management deficiencies: 4	Supply chain management deficiencies: 7	Insufficient frequency of labor and ethics training: 5
		-	Insufficient frequency of labor and ethics training: 1	Insufficient frequency of labor and ethics training: 5	Labor and ethics management system to be enhance: 8
	-	Labor and ethics management system to be enhance: 1	Legitimate counseling correction or reward and punishment system not establishe: 2	-	
	Total	46 in total	50 in total	41 in total	43 in total
Environmental, Safety and Hygiene	Labor safety control deficiencies: 19	Labor safety control deficiencies: 11	Labor safety control deficiencies: 4	Labor safety control deficiencies: 7	
	Health control deficiencies: 2	Health control deficiencies: 7	Health control deficiencies: 4	Health control deficiencies: 1	
	Fire safety control deficiencies: 5	Fire safety control deficiencies: 1	Fire safety control deficiencies: 4	Fire safety control deficiencies: 9	
	Environmental protection control deficiencies: 9	Environmental protection control deficiencies: 5	Environmental protection control deficiencies: 4	Environmental protection control deficiencies: 1	
Total	35 in total	24 in total	16 in total	18 in total	

6.3 Enhance Supply Chain Sustainability

To address evolving sustainability trends and updates, Nanya Technology enhances suppliers' sustainability as well as their awareness and capacity in sustainable development through seminars and project-based guidance.

1. Sustainable Supply Chain Seminar

In 2023, Nanya Technology adopted the Taskforce on Nature-related Financial Disclosures (TNFD) and integrated its LEAP identification process to incorporate nature and climate risk management guidelines into our sustainable governance framework. In 2024, we released our *Nature and Climate-related Financial Disclosure Report*. To enhance nature and climate risk management across our entire value chain, we first check suppliers' geographical locations for proximity to biodiversity-sensitive areas and survey suppliers to evaluate their understanding and self-assessment of nature-related risks.

Recognizing TNFD as an emerging risk and financial disclosure framework, Nanya Technology hosted a "Nature and Climate Co-prosperity Supply Chain Workshop" on November 26, 2024. Approximately 30 suppliers, from industry sectors ranging from chemical manufacturing to electronics and plastic products, sent their climate and nature specialists to participate. This initiative aimed to deepen suppliers' understanding of environmental sustainability issues and strengthen nature and climate strategy management in the upstream supply chain.

During the workshop, experts from National Taiwan University of Science and Technology and National Taipei University of Technology were invited to present on theories and practices of climate and nature sustainability management. The sustainability team of our supplier, Formosa Advanced Technologies, also gave a talk about their projects on decarbonization and biodiversity under the theme "The Best Energy Is Energy Saving," showcasing case studies of energy-saving projects that reduced energy use and carbon emissions in production. This talk not only vividly introduced practical energy-saving experience but also strengthened collaboration across the value chain.

Additionally, our team of experts guided suppliers through a self-assessment of nature and climate risks. The assessment results revealed that the primary ecosystem services on which the supply chain depends include "water resource supply," "disease control," and "storm mitigation." Among the material natural impact risk items, "waste management" emerged as the most prominent issue, followed by "indirect energy use" and "climate change." These findings will reinforce Nanya Technology's management of upstream suppliers and provide crucial data for future strategic planning, all aimed at building a more resilient and sustainable supply chain. For more details, please refer to Chapter 3 of our Nature and Climate-related Financial Disclosure Report.

Every year, we evaluate raw materials, components, and equipment suppliers across six dimensions: quality, technology, delivery, service, cost, and sustainability (which includes aspects such as energy management, energy saving and carbon reduction, and human rights ethics). Excellent suppliers receive occasional awards as recognition. Their annual evaluation results are also considered for future supplier selection, and are crucial for increasing their partnership opportunities, such as supplying additional items.



2024 Nature and Climate Synergy Supply Chain Workshop



Suppliers share cases to facilitate exchanges on sustainability



2. Supply Chain Sustainability Projects

By focusing on labor rights and employment equity, we strengthen human rights protections for all workers within our organization and across our supply chain. Through a comprehensive approach, we help suppliers build their own human rights protection mechanisms, which then gradually extend throughout the entire supply chain.



 <p>Three Zeros Human Rights Initiative Advancement Project</p>	<p>Capacity Building Goals</p> <p>We promote the "Three Zeros Human Rights Initiative" among our significant suppliers, aiming for zero violations in terms of humane treatment, forced labor, and discrimination.</p>	<p>Number of Suppliers 2022: 15; 2023: 8; 2024: 8</p> <p>Project Period 2022-2030</p> <p>Estimated Benefit We strive to strengthen human rights protection, mitigate human exploitation, establish a supportive workplace environment, and eliminate sweatshops</p>	<p>Quantitative Evaluation of Benefit</p> <ul style="list-style-type: none"> ◆ 2022-2023 Initiatives and Advancement <ol style="list-style-type: none"> (1) For suppliers joining our "Three Zeros Human Rights Initiative," we will continue to communicate and provide guidance in alignment with audit schedules. We will also investigate their current internal systems to determine if they will be included as key suppliers. (2) For suppliers not yet joining our "Three Zeros Human Rights Initiative," we will continue to promote the initiative and communicate with them monthly. ◆ 2024-2025 Mitigation and Remedial Measures: <ol style="list-style-type: none"> (1) For suppliers joining our "Three Zeros Human Rights Initiative," we will continue to communicate, guide, and track their progress in alignment with audit schedules. (2) We will track the establishment of human rights systems for audited suppliers (approximately three suppliers) and guide them in drafting their human rights code of conduct every month. (3) We will continue to encourage other suppliers to join our "Three Zeros Human Rights Initiative." ◆ 2026-2028 Termination and Prevention: Track the status of suppliers' human rights system establishment, and guide them in drafting human rights risk assessment standards and promoting risk identification and compensation measures. ◆ 2029-2030 Tracking and Disclosure: Compile human rights due diligence report and disclose it regularly.
 <p>Product Carbon Footprint Inventory</p>	<p>Capacity Building Goals</p> <p>Promoting carbon footprint inventory among raw material suppliers and packaging/testing contractors</p>	<p>Number of Suppliers We began collaboration with 10 suppliers in 2023</p> <p>Project Period Conducted baseline establishment from 2023-2024 Conducted carbon inventory for 6 suppliers in 2024 Aiming to conduct carbon inventory for 4 suppliers in 2025</p> <p>Estimated Benefit</p> <ol style="list-style-type: none"> 1. Aligning with global climate change initiatives 2. Reducing the Company's product carbon footprint 3. Achieving SBT certification and reach targets by 2030 	<p>Quantitative Evaluation of Benefit</p> <ul style="list-style-type: none"> ◆ Inventory Since 2017, Nanya Technology has annually conducted product environmental footprint assessments to identify suppliers contributing to the increase of our product carbon footprint, including prominent companies supplying wafers, packaging and testing, and key suppliers of chemicals and specialty gases. ◆ Goal Setting: We prioritize our top 30 raw material suppliers and contractors by carbon emissions to promote our "Carbon Reduction Plan and Long-Term Net Zero Emissions Target" ◆ Communication: We engage in promotion and communication with our top 30 carbon-emitting raw materials suppliers and packaging and testing contractors. We encourage their participation in the low-carbon and carbon footprint inventory and reduction projects of the Ministry of Economic Affairs' Industrial Development Administration, which are guided by the Industrial Technology Research Institute. Nanya Technology and 10 supply chain partners aim to jointly achieve a 6,300 metric ton reduction in carbon emissions over two years (November 2023 to October 2025). ◆ Progress Tracking/Feedback: <ol style="list-style-type: none"> (1) Over a two-year cycle, the Industrial Technology Research Institute and National Taiwan University of Science and Technology will guide suppliers in product carbon footprint inventory and low carbonization energy-saving projects. (2) In 2023, we first conducted a supply chain baseline survey and then commissioned the Industrial Technology Research Institute and National Taiwan University of Science and Technology to host workshops on greenhouse gas and carbon footprint inventory, which enhanced our knowledge in carbon footprint management and data verification. (3) In 2024, we conducted carbon inventory for six supply chain products. We installed the Industrial Technology Research Institute's smart electricity meters to identify high-power consumption hotspots in factories. We are also advancing the carbon reduction project with our supply chain partners. (4) In 2025, we plan to conduct carbon inventory for an additional four supply chain products. We will also guide 10 supply chain products in obtaining the ISO 14067 Product Carbon Footprint Verification Certificate and showcase the results of our carbon reduction project.



Low Carbon Transformation Transportation Project

Capacity Building Goals

To support green supplier development, we established a collaborative upstream-downstream decarbonization model. Nanya Technology partnered with wafer suppliers to switch from air to sea freight for wafer transportation, achieving low-carbon logistics in 2024.

Number of Suppliers

1 supplier in 2024

Project Period

2022-2030

Estimated Benefit

1. Reducing carbon emissions
2. Optimizing logistics to reduce loading/unloading frequency and labor costs
3. Reducing reliance on high-carbon forms of transportation, and enhancing supply chain resilience and adaptability

Quantitative Evaluation of Benefit

- ◆ **Annual emissions reduction:** 35,162 kgCO2e reduced in 2024 through shifts in forms of transportation
- ◆ **Carbon Reduction per Unit:** 0.671 kilogram of carbon emissions reduced per wafer



Joint Renewable Energy Procurement Project

Capacity Building Goals

To actively expand our sustainability impact, we jointly procure renewable energy with Formosa Advanced Technologies to achieve our green transformation goals together.

Number of Suppliers

1 supplier in 2024

Project Period

2024-2034

Estimated Benefit

1. Jointly procuring renewable energy with our supply chain partner for the first time to take concrete steps toward realizing green manufacturing together.
2. Increasing the possibility of future collaborations with more partners for carbon reduction and green transformation.

Quantitative Evaluation of Benefit

Starting in 2024, Nanya Technology will procure 25 million kWh of green power annually, totaling 250 million kWh in ten years. Formosa Advanced Technologies will procure 15 million kWh annually, totaling 150 million kWh in ten years.

Supplier Capacity Building

	2024 Goals	2024 Performance
Numbers of Suppliers Participating in Capacity Building	18	37
Percentage of Significant Suppliers	100%	70%



6.4 Responsible Mineral Sourcing Management

Nanya Technology is committed to managing conflict-free minerals and implementing a responsible sourcing strategy. We actively manage the responsible sourcing of tantalum, gold, tin, tungsten, and cobalt to meet current and future market expectations as well as legal and regulatory requirements. We have also published a [Responsible Mineral Sourcing Policy](#) to align with the requirements for responsible minerals sourcing, uphold our responsibilities as part of the Responsible Business Alliance Responsible Minerals Assurance Process (RMAP). Contractors and raw materials suppliers whose products use or contain gold, tantalum, tin, tungsten (3TG), cobalt, or mica must comply with our company's Responsible Mineral Sourcing Policy and cooperate with supply chain investigations.

Since 2009, in response to customer demands, Nanya Technology has begun surveying its supply chain for the sources of metals such as gold, tantalum, tin, tungsten, cobalt, and mica. We require our subcontractors and raw materials suppliers to use the survey tool templates provided by the Responsible Minerals Initiative (RMI) to collect relevant information. Our management has evolved from an early approach that focused on not using minerals from conflict-affected areas to emphasizing that companies must adopt a responsible attitude when procuring minerals. We expect our supply chain to conduct ethical and responsible mineral sourcing investigations.

As a result, Nanya Technology conducts at least one supply chain survey on responsible mineral sourcing annually. Suppliers handling gold, tantalum, tin, and tungsten (3TG) are required to complete the Conflict Minerals Reporting Template (CMRT), while those handling cobalt and mica must use the Extended Minerals Reporting Template (EMRT) as their survey tool. These tools help collect information on smelters and mineral sources for gold, tantalum, tin, tungsten (3TG), cobalt, and mica, ensuring the supply chain does not illegally finance warlords or armed groups, nor engage in activities that violate fundamental human rights. All 3TG and cobalt-related suppliers are required to sign a Responsible Mining Policy and Conflict-Free Metals Declaration, as well as confirm that the list of smelters provided complies with the responsibly sourced minerals mandates of the Responsible Business Alliance (RBA).

Since 2022, Nanya Technology has added the statement "Comply with RMI Policy and Conflict Mineral-Free" to its product labels, declaring that the company's products meet the mandate of the Responsible Minerals Initiative (RMI) and are free from conflict minerals.

To address potential risk exposures that may arise from future supplier changes or unforeseen events, the Company has put in place the following alternative and contingency measures:

- **Material Substitution Strategy:** For critical metals, the Company continues to develop and validate environmentally friendly alloys, recycled metals, or other non-3TG alternative materials that ensure product performance and meet customer requirements.

- **High-Risk Supplier Replacement Mechanism:** If a supplier is found to be involved in conflict minerals, the Company will immediately initiate the alternative supplier evaluation process.

- **Supplier Education and Collaboration Enhancement:**

Regular training sessions are conducted on Responsible Mineral Sourcing Management to strengthen supplier awareness and improve their risk management capabilities.

- **Disclosure and Communication Mechanism:** Should a risk event occur, the Company will disclose the resolution in our Sustainability Report, based on the facts, to ensure transparency.

We will continue to strengthen our responsible mineral sourcing management as an integral part of our sustainable supply chain, and uphold the highest standards of corporate responsibility.

1. Preparing for Investigation

Nanya Technology's supply chain has a multi-tiered relationship with raw mineral sources. Therefore, before conducting investigations, we first examine the raw materials in our supply chain to identify the applicable categories of gold, tantalum, tin, tungsten, cobalt, and mica in our products. This allows us to screen for suppliers that require conflict mineral investigations. We conduct interconnected investigations across supplier tiers using and cross-referencing the standard investigation tools defined by the Responsible Minerals Initiative (RMI) to obtain the most up-to-date list.

The gold, tantalum, tin, tungsten, cobalt, and mica metal minerals currently applied in our product supply chain are as follows:

Metal Name	Applicable Products	Applicable Categories
Gold	RDL, IC, DIMM	Gold plating, gold wire
Tantalum	Wafer, DIMM	Wafer processing target, passive component alloy material
Tin	IC, DIMM	solder paste, solder ball, solder wire
Tungsten	Wafer, DIMM	Wafer processing target, passive component alloy material
Cobalt	Wafer, DIMM	Wafer processing target, passive component alloy material
Mica	IC Packing	Tray Hardener Additive



Additionally, in 2024, Nanya Technology expanded its responsible mineral sourcing surveys to include aluminum, copper, nickel, zinc, natural graphite, and lithium, in response to global supply and demand strategies and customer requirements for adding critical minerals.

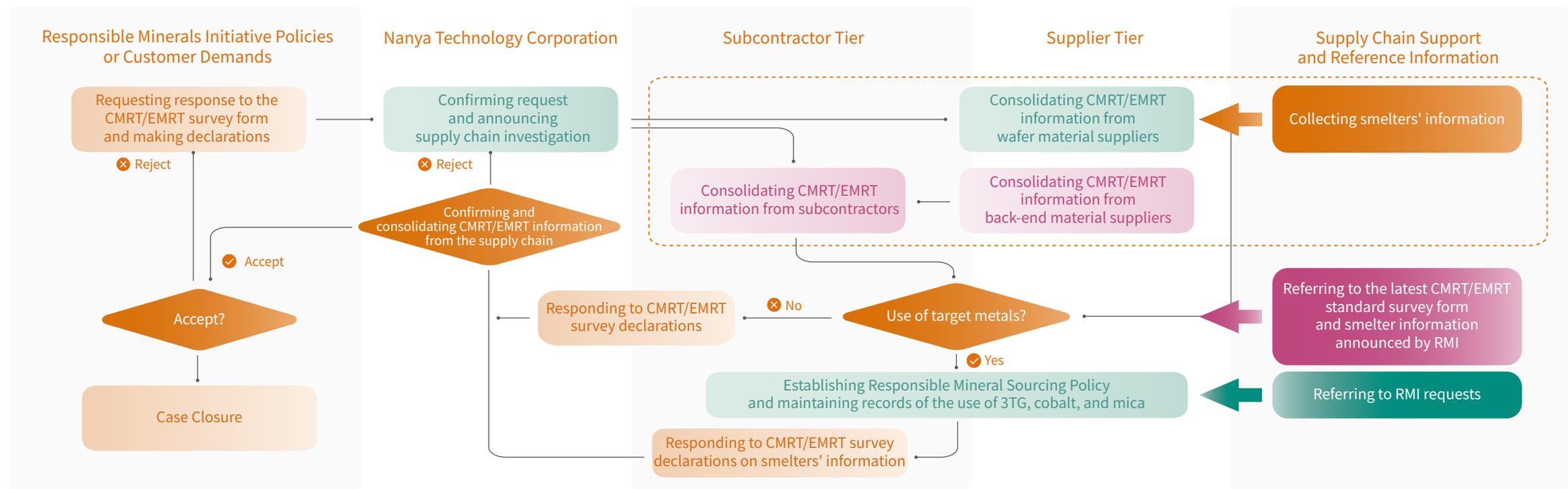
In addition, in response to the impact of international supply and demand strategies and customers' desire to conduct responsible mineral procurement traceability investigations on other metals of concern like Aluminum, Copper, Nickel, Zinc, Natural Graphite and Lithium have been added in 2024.

The aluminum, copper, nickel, zinc, natural graphite, and lithium metals currently used in our company's product supply chain are applied as follows:

Metal Name	Applicable Products	Applicable Categories
Aluminum	Wafer	Wafer process target
Copper	Wafer, IC, DIMM	Wafer process target, copper foil, copper plating, copper wire Wafer target, copper foil, copper plating, copper wire
Nickel	RDL, IC, DIMM	Nickel plating
Zinc	IC	Copper Clad Laminate
Natural Graphite	Not use	Not applicable
Lithium	Not use	Not applicable

The metal minerals currently used in our company include Aluminum, Copper, Nickel, Zinc, Natural Graphite and Lithium.

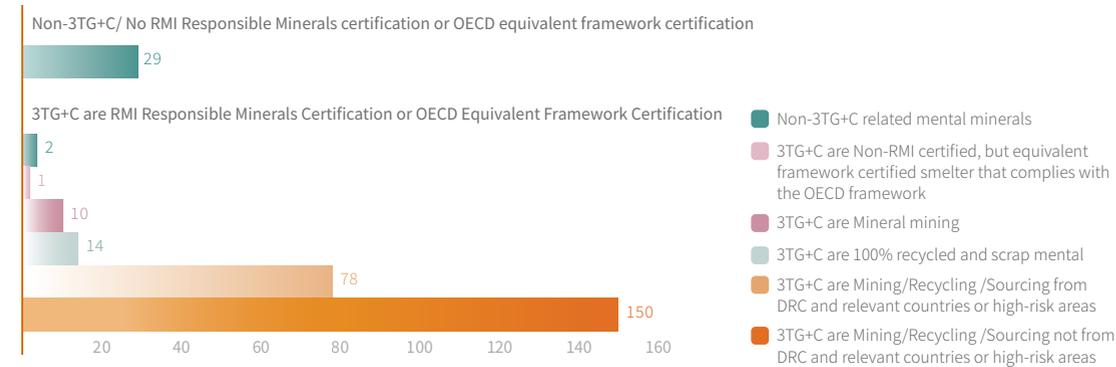
Responsible Mineral Sourcing Investigation Process



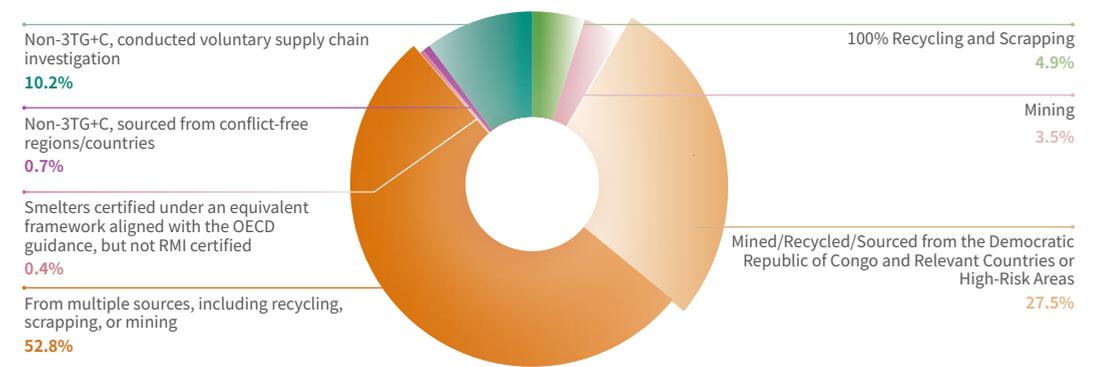
2. Aggregated Survey Data for Targeted Metals

As a DRAM supplier, Nanya Technology conducted due diligence on its supply chain. After comparing its findings with the Responsible Minerals Initiative (RMI) qualified smelter list, 284 smelters or suppliers were identified in the 2024 supply chain investigation. Among them, 255 smelters or suppliers reported information concerning the gold, tantalum, tin, tungsten, cobalt, and mica currently used in our company's product supply chain. Additionally, for metals like aluminum, copper, and nickel used in our products, 29 smelters or suppliers have also reported information. Currently, all 255 3TG+C-related smelters are recognized by the Responsible Minerals Initiative (RMI). Furthermore, these 255 smelters are 100% compliant with conflict-free metals and Responsible Minerals Assurance Process (RMAP) requirements, or possess RMI Responsible Minerals certification or equivalent OECD framework certification, making a substantial contribution to the environment and the industry supply chain. Approximately 27.5% (78) of these smelters reported that their mineral sources might originate from the Democratic Republic of Congo or adjoining countries, or from recycled/scrap metals. According to supply chain reports, these 78 smelters have all confirmed that their mineral sources comply with the Responsible Minerals Assurance Process (RMAP) policy requirements and have been approved as legitimate smelters by the Responsible Minerals Initiative (RMI).

Disclosure and Certification Status of Responsible Metal Sourcing of Smelters



Responsible Mineral Sourcing Ratio

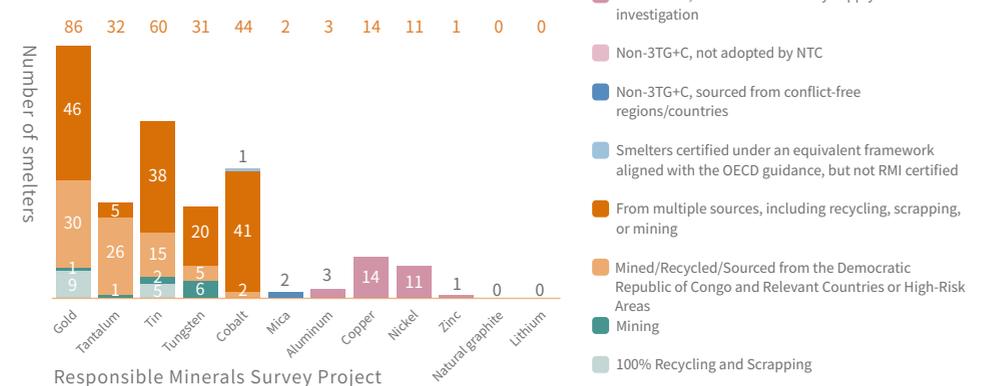


Responsible mineral sources

Nanya Technology will continue to conduct due diligence based on the Responsible Minerals Assurance Process (RMAP) policy to lower risks across our supply chain. Nanya Technology aims to meet the following standards through our responsible mineral guarantee investigation process:

1. Identifying which products and component materials contain 3TG+C
2. Collecting relevant data using standardized survey tools provided by the Responsible Minerals Initiative Organization
3. Supply chain data summarization and tracking to encourage the supply chain to use qualified smelters that meet RMAP requirements
4. Responsible mineral sourcing process management includes risk classifications and risk mitigation measures
5. Communicating and disclosing management policies to upstream and downstream stakeholders

Smelters of Responsible Mineral Sourcing Counting



Since conducting conflict free mineral supply chain surveys in 2009, Nanya Technology has made continuous improvements by aligning with RBA-RMI management guidelines and the latest customer requirements based on survey results. The company continues to communicate with suppliers, identifies survey criteria, analyzes findings, and adjusts its conflict-free management indicators and the Responsible Mining Policy as needed, demonstrating the positive outcomes of our cyclical management approach.

Supply Chain Responsible Mining Investigation Cyclical Diagram



3. Prospects

As smelter data collection in response to the Responsible Minerals Initiative (RMI) becomes a norm, various natural resources are gradually depleting, many of which are under the management and control of a few countries or governments due to geographic factors. The extraction of these resources often entails significant energy consumption, water pollution, land degradation, and even human rights violations. Therefore, companies should fulfill their social responsibilities by focusing on environmental protection, labor rights, and fundamental human rights. They should uphold the principles of lawful procurement and extend these management indicators to their suppliers.

Over the past decade, Nanya Technology has addressed customer and societal demands by conducting surveys on materials such as rare-earth elements, semi-metals, and volatile organic compounds. Nanya Technology actively incorporates alternative vendors into its qualified supply chain, ensuring that all suppliers actively participate in surveys and progressively align with corporate indicators. This approach not only meets legal requirements but also fulfills customer expectations and supports sustainability.