



# 2023 HRDD Report

Human Rights Protection and  
Due Diligence Report



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# 1

## Introduction



# 1 Introduction

Countries around the world are paying more attention to and setting higher requirements on the human rights protection and management of companies to become aligned with international trends. Nanya attaches importance to human rights protection and fulfilling its corporate social responsibility, and complies with international standards related to human rights, including the EU Corporate Sustainability Reporting Directive (CSRD), the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, International Labor Organization (ILO), Responsible Business Alliance (RBA) Code of Conduct, SA 8000 Social Responsibility Standards, General Data Protection Regulation (GDPR), and local government laws. We have established our human rights protection policy and related management mechanisms on this basis.

Furthermore, we believe that performing due diligence and risk assessments will ensure that our human rights policy is properly implemented. Besides improving our corporate image and reputation, this will also allow us to gain more support and enhance our competitiveness in a globalized business environment. Therefore, Nanya Technology Corporation compiled the Human Rights Protection and Due Diligence Report (applicable to all employees, suppliers, and joint ventures) according to the Universal Standards announced by the Global Reporting Initiative (GRI) 2021 (GRI Universal Standards 2021), and periodically discloses management results. This report describes the Company's human rights risk management system, introduces the human rights due diligence process and results in detail, and describes different communication channels and the implementation status and results of each channel. In the future, we will periodically disclose our human rights protection policy, practices, and results in this report, which will allow stakeholders concerned about Nanya's human rights protection to understand the Company's concern about human rights issues, as well as specific measures and social responsibility in human rights protection.

# 2

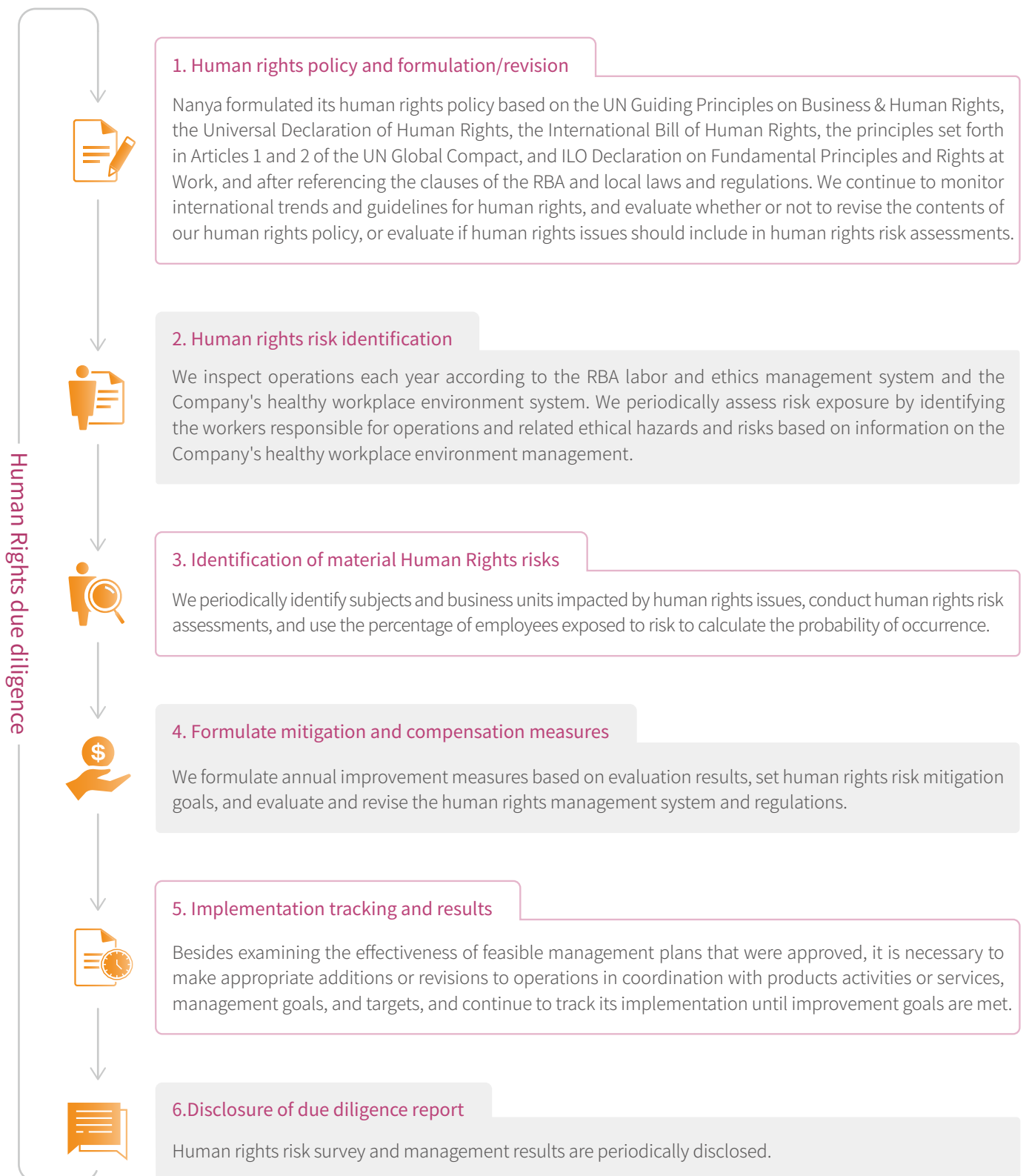
## Human Rights Risk Management System

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# 2 Human Rights Risk Management System

## 2.1 Human Rights Due Diligence

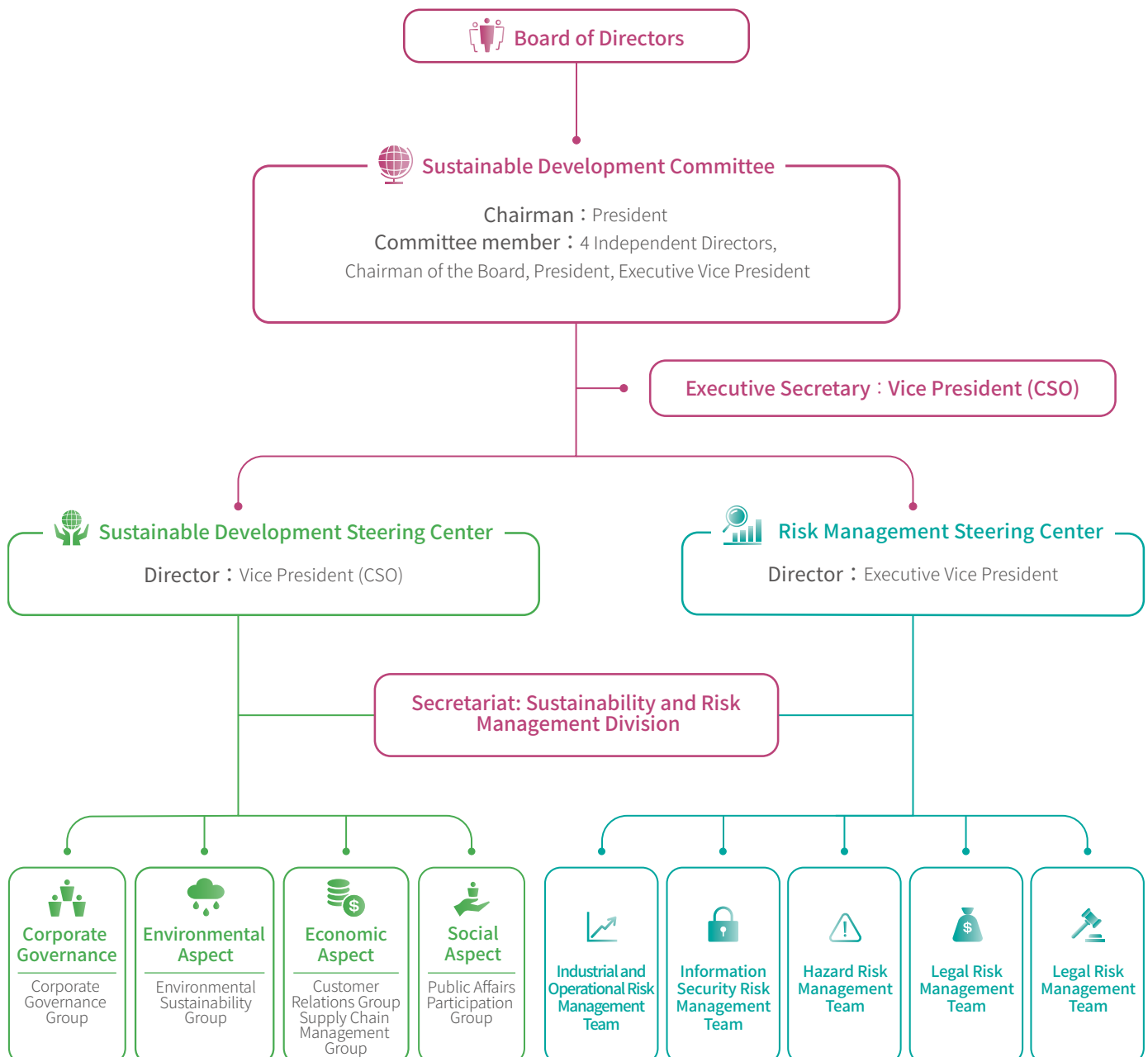


## 2.2 Sustainable Governance and Organization

Nanya established a Sustainable Development Committee to comply with international standards and relevant laws and regulations from the top down. We continue to implement sustainable development policies and human rights protection measures in various aspects, and carry out risk assessment and management, creating an inclusive and friendly environment with diversity.

The Sustainable Development Committee was established in 2018 and chaired by the president. Members of the committee are assistant vice president and higher level managers. Furthermore, the President's Office has established the Sustainability and Risk Management Division to serve as the secretariat. The Sustainable Development Committee was established under the Board of Directors in 2022 to elevate the level management for the Company's sustainable development, and the original Risk Management Committee was merged into the Sustainable Development Committee. The original internal committees were changed to the Sustainable Development Promotion Center and Risk Management Steering Center. The Sustainable Development Committee not only integrates and supervises the implementation progress and results of efforts in corporate governance, economic, social, and environmental sustainability. It also identifies, reviews, and manages risks in complex situations, incorporating controllable risks into the Company's daily operations and monitoring uncontrollable risks so that responses can be made.

### Sustainable Governance and Organization Chart



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## Human Rights Due Diligence Process

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# 3 Human Rights Due Diligence Process

## 3.1 Human Rights Policy and Formulation/Revision

### (1) Human Rights policy

Nanya supports and complies with the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights, the International Bill of Human Rights, the principles set forth in Articles 1 and 2 of the UN Global Compact, and ILO Declaration on Fundamental Principles and Rights at Work. The Company also joined the Responsible Business Alliance (RBA) to implement human rights protection:

1. This policy applies to all employees, subsidiaries, customers, suppliers, and our business relationships.
2. Comply with the local labor and environmental laws and regulations at the place of operation to ensure that employees have reasonable working conditions and a safe and healthy working environment.
3. Strive to create equal hiring, equal remuneration, and freedom from discriminated and harassed environment. There is no difference in employment and actual work (such as promotions, reward, and training) based on race, color, nationality, age, gender, sexual orientation, disability, pregnancy, religion, political affiliation, union membership, marriage, etc.
4. Forced, human trafficking, and child labor shall not be used. Respect the rights of privacy, collective bargaining and the employee freedom of association.
5. Establish a smooth communication channel between employers and employees and provide a grievance mechanism. If there is any violation of human rights, conduct investigation procedures and implement remedial and improvement actions immediately.
6. Regularly review and evaluate relevant human rights systems and practices.

**Applicable scope of Human Rights policy:** Nanya is dedicated to human rights protection, carries out human rights risk assessment and management, and created an inclusive and friendly workplace with diversity. The human rights policy is applicable to all employees, subsidiaries, customers, suppliers, joint ventures, and personnel with business relationships.

### (2) Labor and Ethics Policy

Actively promote Cooperate Social Responsibilities, Nanya Technology Corporation commit :

1. Respect labour's rights and work in concert with a common vision, on trustworthy.
2. Establish the Labour & Ethic Management System to make sure that all of our business activities must fully operate under the Labour & Ethic provisions of Responsibility Business Alliance(RBA), the Standards of SA8000, the government laws of labour and business ethic.
3. Implement the Labour & Ethic Policy, regularly review the operation status of the management organization system and continue improving to protect the interests of NTC employee and labours.

### (3) Other policies

Policies	Content
<b>Sustainable development Policy</b>	In the pursuit of accomplishments in DRAM manufacturing, Nanya establishes good interactions with employees, shareholders, customers, suppliers, and stakeholders. Nanya commits itself to take corporate social responsibility actively to reach the sustainable development goal.
<b>Nanya's Code of Business and Ethical Conduct</b>	<p>This Code of Business and Ethical Conduct(the Code of Conduct) applies to all employees, customers, suppliers and stakeholders of Nanya, its subsidiaries and joint ventures. The purpose of this Code of Conduct is to prevent misconduct in order to comply with the following principles :</p> <ul style="list-style-type: none"> <li>• The principle of honesty: Never seek personal gains.</li> <li>• The principle of legal compliance: Never engage in illegal activities.</li> <li>• The principle of information disclosure: Never engage in forgery or false representation.</li> <li>• The principle of environmental protection: Be friendly to the environment, love the Earth.</li> <li>• Creating a happy enterprise: Treat employees well and share profits.</li> <li>• Sustainable business: Support development of local communities and prosper with the society.</li> </ul>
<b>Prohibiting Workplace Violation Statement</b>	In order to maintain the health and well-being of the Company's employees, the Company adopts a "zero tolerance" attitude for all types of workplace violation. The Company has especially published a written statement announcing its commitment to ensuring a "zero workplace violation " environment in order to safeguard all employees against physical or mental violation that leads to physical or psychological illnesses in the execution of their duties. The Company will not tolerate workplace bullying by managers of any level, nor will it tolerate any workplace harm against the Company's employees by coworkers, visitors, clients, or strangers.

Policies	Content
<b>Anti-Discrimination and Anti-Harassment Statement</b>	Nanya clearly declares that it adopts a "zero tolerance" towards all kinds of illegal harassment in the workplace, prohibits tangible and intangible discrimination and harassment in the workplace, and expects all subsidiaries, suppliers, and partners to comply. Nanya prohibits all workplace discrimination based on race, skin color, nationality, gender, sexual orientation, age, marital status, political stance, religious belief (and any other personal characteristics not related to work performance), including but not limited to verbal discrimination, or using the abovementioned characteristics as criteria for the appointment, evaluation, or promotion of employees. Nanya implements anti-discrimination and anti-harassment education and training for all of its employees, so as to establish a workplace culture of safety, dignity, zero discrimination, zero harassment, mutual respect, tolerance, and equal opportunity.
<b>Conflict-Free Minerals Policy</b>	Nanya is committed to a responsible procurement management strategy for the ban on conflict minerals to satisfy current and future market, legal, and regulatory expectations.
<b>Nanya Technology Corporation Supplier's Code of Conduct</b>	Nanya is a responsible corporate citizen that takes action to ensure its business conduct complies with professional and ethical standards. We believe that the Company's long-term operations and success relies on sustainable development and corporate social responsibility practices. The supply chain is an important partner of the Company. We are actively developing our supply chain in hopes of working together with suppliers to build stable supply chain relationships in pursuit of sustainability. We ensure that our supply chain provides a safe work environment and that laborers are respected, enjoy dignity, fairness, and comply with ethical standards.
<b>Information Security Policy</b>	We insist to strengthen our information confidentiality, integrity and availability, to protect the rights and interests of our customers, stockholders, employees and suppliers, and to take corporate social responsibility.
<b>Privacy information</b>	The Company uses technical and organizational protection measures to protect personal data from accidental or illegal sabotage, damage, or modification and prevent unauthorized leakage or use. The Company uses the privacy and cookies policy and Personal Information Management Procedures to ensure the safety of privacy information.

## 3.2 Human Rights Risk Identification

### (1) Labor and ethics management system

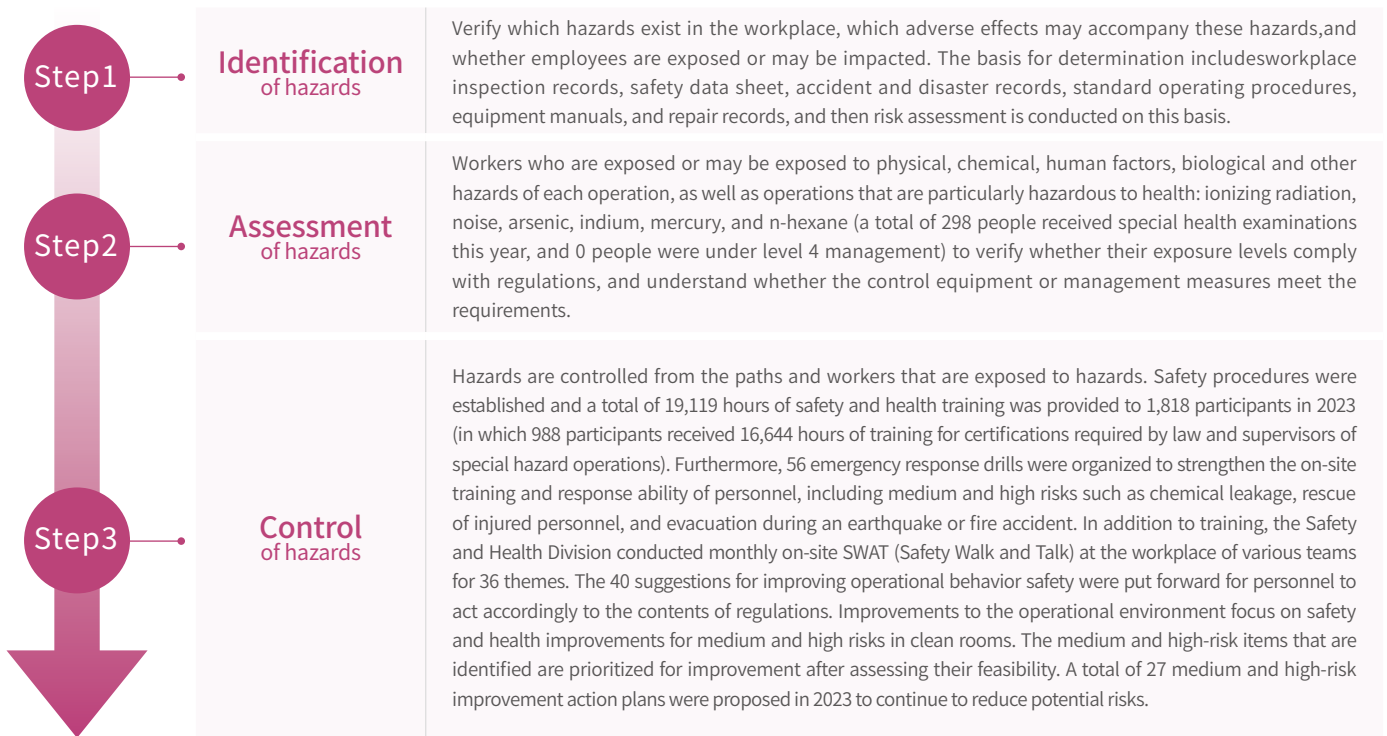
According to Nanya's labor and ethics management manual, each system identifies laborers responsible for operations and ethical hazards and risks according to the "Labor and Ethics Risk Assessment Items and Standards" and "Labor and Ethics Risk Assessment Form" in the second half of each year, and implements necessary control methods. The risk index in the risk assessment form = Asset level A \* Threat level T \* Vulnerability level V \* Consequence level C. When each system is conducting a risk assessment, if a vulnerability is Level 3 or the risk index is greater than or equal to 16, it is classified as high risk, and the "Labor and Ethics Goal, Target, and Management Plan Evaluation Form" must be filled out to evaluate improvements. A management plan approved by the management representative as feasible should use the "Labor and Ethics Goal, Target, and Management Plan Evaluation Form" to review the effectiveness of the management plan. It is necessary to make appropriate additions or revisions to operations in coordination with products activities or services, management goals, and targets.

Labor and Ethics Risk Assessment and Identification Form																				
System :			Compiled by :					Date : MM/DD/YYYY				No. NDCA-0008-3/Ver.								
Serial No. (xxx)	Main Asset Category (A)	Main Activity Area/Operation Content	Security Threat Description (T)	Potential Vulnerability (V)	Current Control Management Description	SOP No.	Risk Evaluation Index (Before Solution)					Solution				Risk Evaluation Index (After Solution)				
																Risk index (All)	0	Submit management plan or improvement measure	Responsible personnel	Projected completion date
							Consequence level (C)													
							Vulnerability level (V)													
							Threat level (T)													
							Asset level (A)													

## (2) Healthy and safe workplace environment

Nanya continues to improve and promote the safety culture, all operating locations have obtained ISO 45001 Management Systems, and 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.

### Nanya sets out from the identification, assessment, and control of hazards in the workplace



## (3) Sustainable Supply Chain Management System

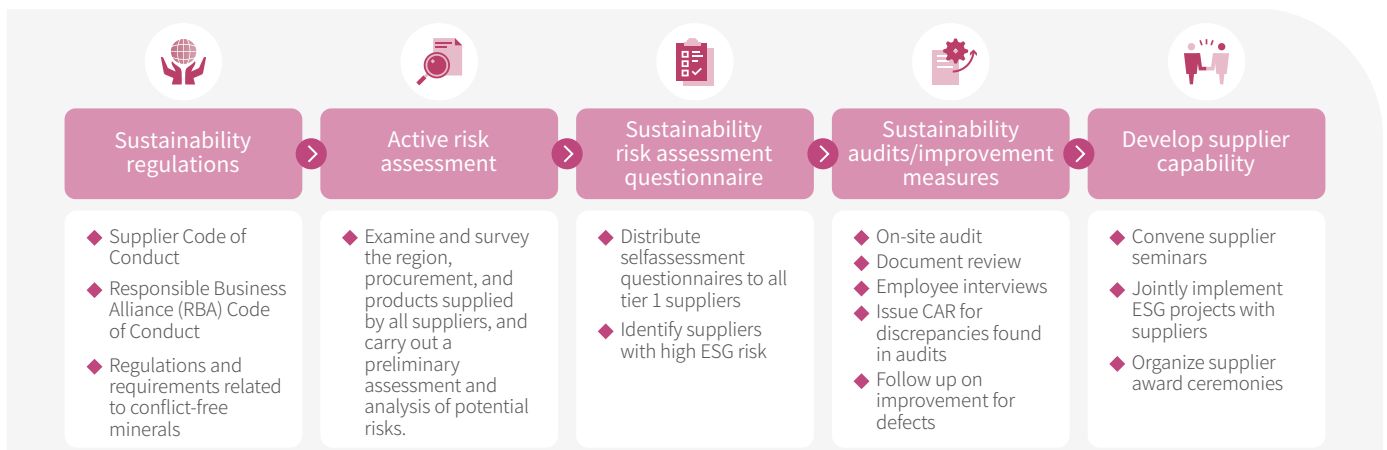
Nanya examines and surveys the region, procurement, and products supplied by all suppliers, and carries out a preliminary risk assessment to monitor suppliers' sustainability risks and further understand the status of their sustainable development.

### Risk factors included in preliminary assessment :

- **Region of the supplier** : Assess if the region has any conflict minerals, natural disaster risks, and human rights risks
- **Product categories supplied** : Assess if the materials used to produce the product contain any hazardous substances (e.g., RoHS/PFOS/PFAS, etc.) and whether there are alternative materials
- **Supply operations** : Assess if the supplier has any operational risks and emergency response plans

### Human rights assessment :

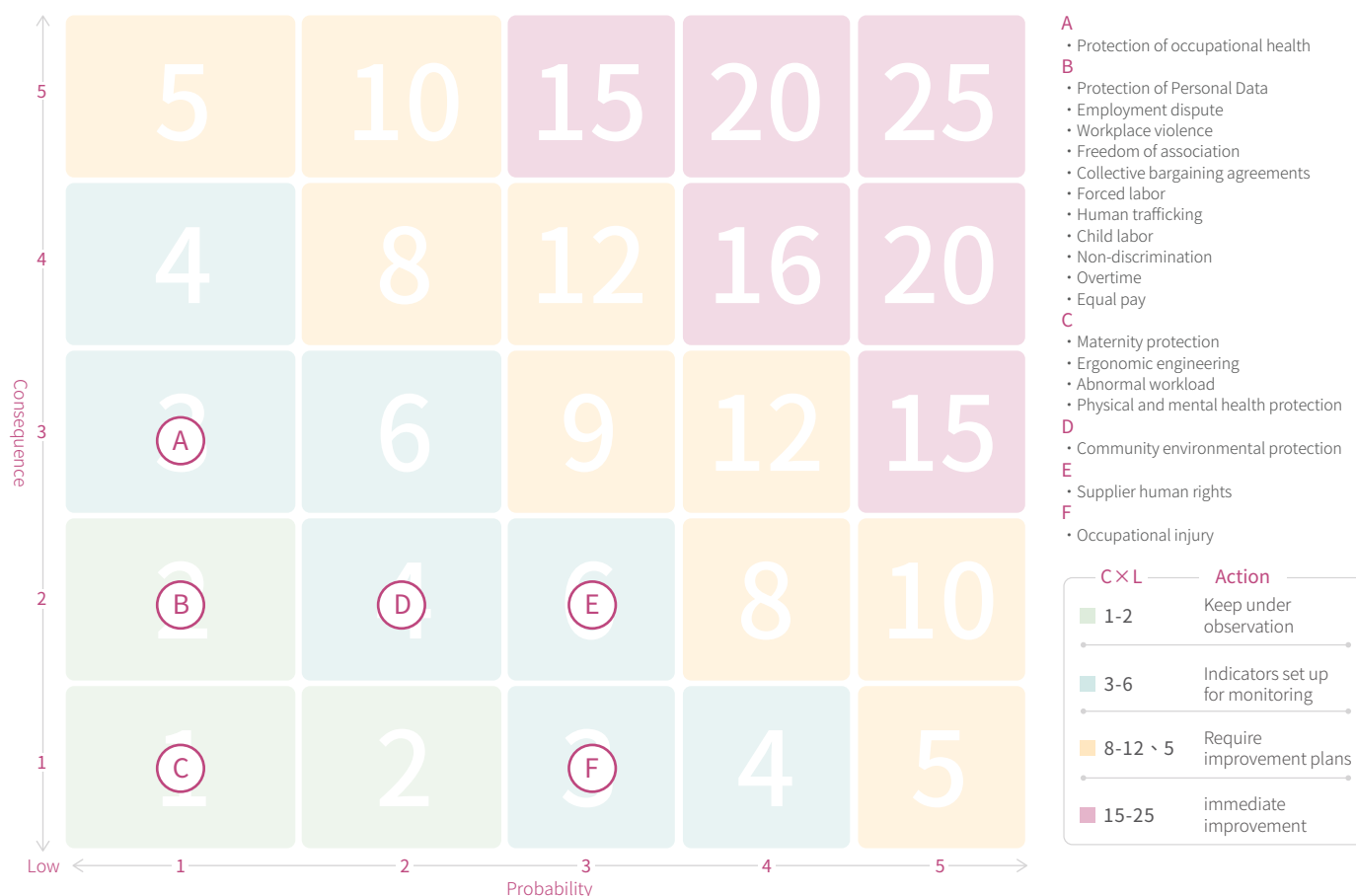
- **Labor** : Freedom to choose occupation, working hours, wages and benefits, human rights, non-discrimination, employee opinions, participation, and complaints.
- **Health and safety** : Occupational safety, emergency preparedness, occupational injuries and diseases, industrial hygiene, public health and accommodations, etc.



### 3.3 Identification of Material Human Rights Risks

Nanya uses the RBA's labor, health and safety, and environmental aspects, as well as government occupational safety and health regulations as the standard, and formulates risk mitigation measures through regular assessment of personnel risk exposure. We constantly identify human rights issues, susceptible parties and departments, and perform human rights risk assessments on a regular basis. The probability of occurrence is calculated to reflect the percentage of people at risk relative to total employees; based on the assessment results, the Company is able to devise annual improvements and set mitigation targets for human rights risks in the future.

The 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 improve overall work efficiency and satisfaction.



#### Nanya human rights risks assessment tool

Subjects	Human rights issues	Assessment tools
Employees	Freedom to choose employment, young workers, working hours, wages and benefits, humane treatment, freedom of association, occupational health and safety, personal data protection, illegal infringement in the workplace	RBA SAQ, RBA VAP, internal audit, complaint channel, occupational injury report form, annual average frequency-severity indicator for each industry announced by the Ministry of Labor (excluding commuting accidents), health examination report indicator
Suppliers (Joint ventures)		Supplier audit
Communities	Water resources, air pollution, noise, traffic issues	Government regulations, fab discharge water quality monitoring, air quality monitoring, noise frequency monitoring, traffic flow assessment and monitoring
Clients	Personal data protection and information security	Annual risk assessment, internal audit and external independent audit

## 3.4 Formulate Mitigation and Compensation Measures

Nanya identifies material human rights issues, formulates annual improvement measures, and sets human rights risk mitigation goals based on assessment results. Nanya assesses and revise the human rights management system and regulations, and actively encourages suppliers to make improvements.

Subjects	Material human rights issues	Mitigation measures	Remedial measures
Employees	Occupational health and safety	<p><b>Implement the following measures to reduce the risk of occupational hazards:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. We implemented 27 active safety and health improvement action plans in the working environment to continue lowering potential risks</li> </ol>	<p><b>The general rules for compensation are as follows:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. In 2023, there were a total of 23 false alarm incidents, and corresponding improvement and prevention measures have been proposed.</li> <li>3. The unit of the incident proposes corrective measures, reviews them with the safety and health department, and continues to track improvements.</li> </ol>
	Protection of occupational health	<p><b>We implemented the following health promotion activities to strengthen the concept of health management:</b></p> <ol style="list-style-type: none"> <li>1. Organize at least one health promotion seminar per quarter, and organized a total of 37 seminars with 4,973 participants as of 2023.</li> <li>2. CPR+AED training activities are held for all employees once a year, and the participation rate in 2023 was 98.74%.</li> <li>3. The annual weight loss activity and smoking cessation declaration activity had a total of 531 participants.</li> </ol> <p>Periodically provide relevant health information to employees (posters &amp; mail)</p>	<p><b>The general rules for compensation are as follows:</b></p> <ol style="list-style-type: none"> <li>1. Employees with abnormal health examination results are tracked and subjected to health management, scheduling regular interviews with a physician and receiving health guidance.</li> <li>2. We set up a medical room with a physician stationed on site to provide employees with professional medical and consultation services.</li> </ol>
	Workplace violence (sexual harassment)	<p><b>We established the following preventive measures to prevent workplace violence:</b></p> <ol style="list-style-type: none"> <li>1. Completion of training to prevent workplace violence (workplace bullying, sexual harassment) was 100% in 2023.</li> <li>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.</li> </ol>	<p><b>2 cases in 2023 The general rules for compensation are as follows:</b></p> <ol style="list-style-type: none"> <li>1. Measures to prevent complainants of workplace violence</li> <li>Measures for recurrence, such as appropriate adjustments to work content or workplace.</li> <li>2. Provide or refer the complainant to counseling, medical or psychological consultation, social welfare resources and other necessary services.</li> <li>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.</li> <li>4. The Company will track, assess, and oversee cases to prevent the recurrence of workplace violence.</li> <li>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.</li> </ol>
Suppliers	Working hours, wages and benefits, humane treatment	<p><b>We implemented the following measures to ensure the implementation of supplier sustainability actions:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	<p><b>0 human rights violations in 2023 General rules for compensation:</b></p> <p>Suppliers are required to make improvements until they comply with local laws and regulations</p>
Communities	Water resources	<p><b>We implemented the following measures to ensure environmental sustainability:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Environmental monitoring is carried out on a monthly basis.</li> <li>3. Feedback from local stakeholders is collected through quarterly meetings of the Nanlin Technology Park Management Committee.</li> </ol>	<p><b>0 community complaints in 2023 General rules for compensation:</b></p> <ol style="list-style-type: none"> <li>1. Pay attention to the progress of regulatory revisions and take corresponding measures</li> <li>2. Actively work with local schools, institutions and groups to carry out educational activities such as environmental conservation</li> </ol>
	Air pollution		
	Noise		
	Transportation		
Clients	Personal data protection and information security	<p><b>We implemented the following measures to for information security:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. After internal procedures and confidentiality classification, it is filed in the document control center.</li> </ol>	<p><b>There were 0 cases in 2023</b></p> <p>General rules for compensation:</p> <p>Immediately notify customers and take appropriate action</p>

## 3.5 Implementation Tracking and Results

Besides examining the effectiveness of feasible management plans that were approved, it is necessary to make appropriate additions or revisions to operations in coordination with products activities or services, management goals, and targets, and continue to track its implementation until improvement goals are met.

### (1) Evaluation of labor and ethics goals, targets, and management plan implementation

When each system is conducting a labor and ethics risk assessment, if a vulnerability is Level 3 or the risk index is greater than or equal to 16, it is classified as high risk, and the "Labor and Ethics Goal, Target, and Management Plan Evaluation Form" must be filled out to evaluate improvements. There were no high risk items found in the risk assessment in 2023.

### (2) Labor and ethics self-inspection and audit

According to the labor and ethics management manual, each system measures goals and monitors audits to ensure that adequate control and maintenance is carried out for labor and ethics management goals. Dedicated personnel are responsible for managing performance goals of each organizational system, and a self-inspection is conducted annually according to the labor and ethics self-inspection form. The Human Resources Division supervises the attainment of labor and ethics management goals by each organizational system. There were no deviations in 2023 that required the organizational system in charge to take corrective and preventive measures.

### (3) 2023 Management system implementation results

Aspects	Management goals	Implementation status
Labor	Zero unlawful workplace harassment cases	0 cases
	Zero sexual harassment cases	2 cases
	100% completion of occupational hazard (including sexual harassment) preventive training	100% completion of 1 physical course 100% completion of TDS reading
	100% Promotion of personal information protection	100% completion
Ethics	100% Promotion of labor and ethics regulations	100% completion
	Zero corruption cases	1 case
	100% completion of anti-corruption training	100% completion
	100% completion of Advocacy Briefing on Prevention of Insider Trading	100% completion
Other	Zero major deficiencies in compliance with labor laws	Zero fines
	Obtained RBA VAP certification	Score: 200 points (platinum)
	Supplier audit CAR case closing rate	100% case closing rate

#### RBA VAP certification over the years

Years	Audit performance
2012	182
2015	173.8
2017	174.3
2018	200
2020	193.6
2022	200






#### (4) Healthy workplace environment

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

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 risks and 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

#### (5) Incident management and analysis

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.

#### Nanya incident investigation process



## (6) Statistical analysis of occupational injuries and occupational diseases

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 severity rate of disabling injuries (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.

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

Year	2020	2021	2022	2023	2024 Target
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	-
Severe disabling injuries 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	0.34%	0.33%	0.23%	0.35%	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 severity of disabling injuries (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 menstrual 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%



## (7) 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.

### 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

## 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

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

## (8) Supply Chain Sustainability Audit

We analyze the results of supplier sustainability risk questionnaires, find high risk suppliers, conduct further audits and provide guidance for different attributes of suppliers, and issue a CAR for deficiencies found in the audit, requiring suppliers to propose improvement plans and complete improvement measures within a prescribed time limit. If a supplier cannot complete improvements within two years, how the supplier should be handled in severe cases will be discussed by the Material Review Board (MRB), such as: continued communication, reduction, transfer purchase orders, or cease cooperation, in order to ensure that risks are effectively controlled and reduced.

**Sustainability audit table of high-risk suppliers**

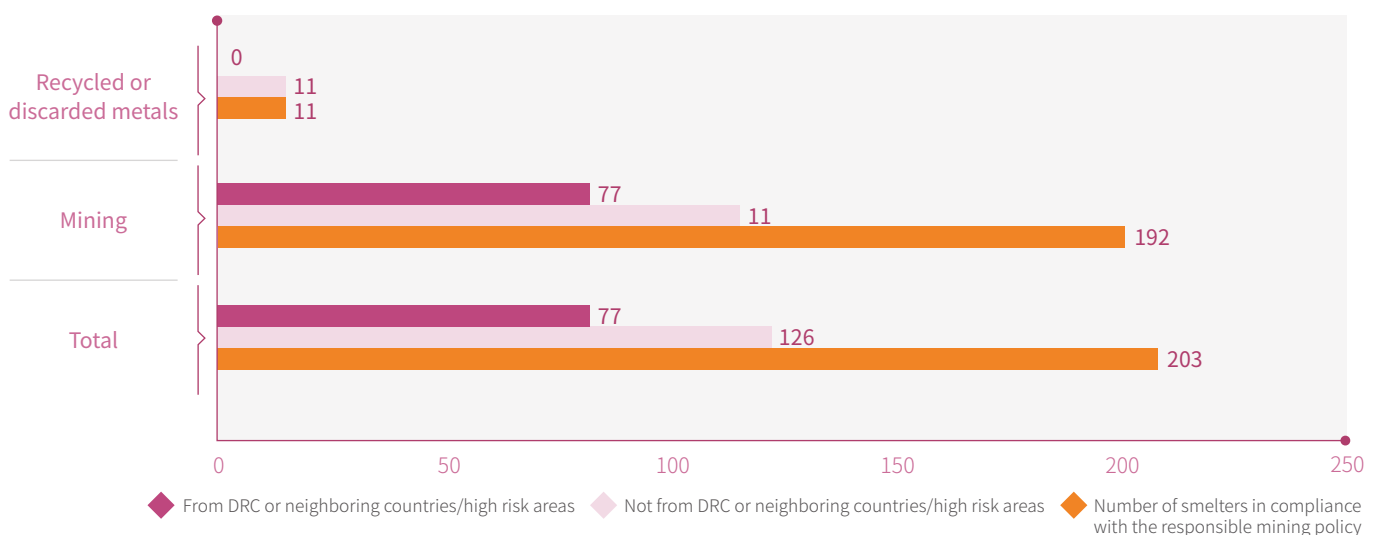
Year	2019	2020	2021	2022	2023
Average audit score	82	81	88	89.97	90.45
Number of non-compliance audit items	112	63	81	74	59
Labor ethics items	54	36	46	50	43
improvement rate	100%	100%	100%	100%	100%
Environmental health and safety items	58	27	35	24	16
improvement rate	100%	100%	100%	100%	100%

## (9) Responsible Mineral Procurement Management

Nanya conducts a supply chain survey at least once a year, users or suppliers of 3TG use the Conflict Minerals Reporting Template (CMRT), while users or suppliers of cobalt and mica use the Extended Minerals Reporting Template (EMRT) as survey tools to provide survey results on the source of 3TG, cobalt, and mica, in order to ensure that the supply chain is not a part of actions by warlords or armed groups that harm basic human rights, and signed the Responsible Mineral Policy and Declaration for No Use of Conflict Minerals. We ensure that the list of smelters provided by suppliers are all compliant with the requirement to responsibly source minerals set forth by the RBA Code of Conduct.

Minerals used in our existing products are gold, tantalum, tin, tungsten, cobalt, and mica. Approximately 38% of the 77 smelters replied that the source of the minerals might come from the Democratic Republic of the Congo (DRC) or neighboring countries as well as from recycled or discarded metals. The 77 smelters have confirmed that the source of all the minerals conformed to the Responsible Minerals Assurance Process (RMAP) policy, and were accredited by the Responsible Minerals Initiative (RMI) team as legitimate smelters.

### Source of minerals and number of smelters in compliance with the responsible mining policy



# 4

## Human Rights Protection Measures

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# 4 Human Rights Protection Measures

## 4.1 Education and Training

Nanya exerts every effort to ensure the health and well-being of employees, and create a workplace culture of safety, dignity, no discrimination, mutual respect and inclusive, and equal opportunity. Nanya offers training courses on the human rights policy or procedures every year, human rights courses in 2023 included "2023 Policy and Code of Conduct Training," "2023 Unsafe Workplace Behavior and Prevention Training," and "2023 Personal Data Protection Training." All employees are required to take the courses and the percentage of employees who have received the training is 100% with 10,947 hours in total training.

Statistics on human rights policies and procedures training hours from 2020 to 2023

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

## 4.2 Diverse Communication Channels

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 Form". 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	Two-way communication platforms	Electronic survey
<ul style="list-style-type: none"> <li>Regular convention of employee meetings</li> <li>Meeting with cadre members</li> <li>Administration contact window forum</li> <li>Production line workers' quarterly meetings</li> <li>Unscheduled department meetings</li> </ul>	<ul style="list-style-type: none"> <li>Life Space</li> <li>Feedbacks and opinions</li> <li>Epidemic prevention mailbox</li> </ul>	<ul style="list-style-type: none"> <li>Satisfaction with catering service</li> <li>Satisfaction with activities</li> <li>Employee Engagement Survey</li> </ul>



Employee meetings are held two times a year.

Number of feedbacks and opinions raised in 2023	✓ 95 cases
Average time of reply per case	✓ Within 5 days
<ul style="list-style-type: none"> <li>47 transportation/parking/shuttle bus cases (49.47%)</li> <li>15 information/information security issues (15.79%)</li> <li>Office environment issues - 14 cases (14.74%)</li> </ul>	✓ The top 3 issues



Interactive opinion section

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, 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

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

## 4.3 Employee Protection – Zero Tolerance of Harassment and Discrimination

Nanya prepared a "Prohibiting Workplace Violation Statement", which was signed by the highest level manager to protect all employees from physical and mental illness due to physical or mental harassment and discrimination, showing the Company's commitment to having "zero tolerance" for workplace violence. Nanya 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. Nanya'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 (02-29045858#1132, #1133) or use the internal complaint email address (protection@ntc.com.tw) to report such event to the Human Resource Division, which is the dedicated management unit for complaints. The reported cases will be 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. The Company will handle punishments according to the approved punishment content, and will track, assess, and supervise the punishments to avoid the recurrence of unlawful workplace harassment. Moreover, the Company prohibits anyone from taking revenge on complainants, informants, or those helping with investigations. Those who do so will be punished in accordance with the corporate management regulations. Furthermore, 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.

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

	<b>Policy Statement</b>	Nanya prepared a "Written Statement on Prohibition of Workplace Violence," to protect all employees from physical and mental illness due to physical or mental harassment in the process of performing their duties.
	<b>Zero Tolerance</b>	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.
	<b>Grievance Channels</b>	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. Complaint hotline: 02-29045858#1132, #1133 ; Complaint designated email: protection@ntc.com.tw
	<b>Education and Training</b>	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.
	<b>Penal Provisions</b>	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.
	<b>Remedial Measures</b>	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.

#### 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).

Departments periodically carry out employee protection measures, hazard prevention and identification, and risk assessments for each department. People with potential risks are listed as subjects of management as a measure to prevent and reduce risks in advance. Division, department, and section managers are also subject to policy education and asked to make declarative statements. Managers' self-check lists are also used to ensure the elimination of workplace violence. 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.

## 4.4 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 employees with channels for reporting any unlawful or unethical conduct. When employees 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) 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

Year			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 shares		3			6			5			3			
Case opened			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	0	2	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
		Protection of intellectual property rights	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
		Insider Trading	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	0	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	3	0	
	Total shares		0	0	3	0	0	6	0	1	4	0	3	0	
				3			0			6			5		
	Processing and case closed			3			6			5			3		
Case 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. Case description:

### 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.

### Sexual harassment

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

#### Remedial measures for sexual harassment :

**【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.

## 4.5 Supplier Human Rights Engagement

Besides continuing to implement the Company's human rights protection measures, we believe that linking together supply chains to strengthen human rights protection is becoming growingly important, so we are also setting human rights requirements for our supply chain. For our suppliers to understand and implement corporate sustainability step by step, we established the Supplier Code of Conduct, and provided suppliers with comprehensive training and education with training coverage rate reaching 100%. The Supplier Code of Conduct contains the supplier/contractor code of conduct of Formosa Plastics Group, the RBA Code of Conduct, and regulations and requirements related to conflict-free minerals. Suppliers must make a commitment to abide by corporate social responsibility regulations before signing contracts with the Company. Furthermore, the Company periodically supervises and assesses suppliers' human rights risks through audits, and guides suppliers to establish a complete human rights management system.

Starting in 2022, we utilized our experience and achievements in human rights protection to implement the "Three-zero Human Rights Program" for suppliers of concern, creating a virtuous cycle of human rights for suppliers of concern (supplier audit → establish system → risk assessment → mitigation and remedy → self-audit and management). Suppliers of concern then influence other suppliers. As of the end of 2023, a total of 23 suppliers of concern signed Nanya's "Three-zero Human Rights Program" and supported Nanya's supplier sustainability projects. The Three-zero Human Rights Program will be implemented until 2030. In 2022-2023, the Company will communicate with and provide guidance to suppliers that support "Three-zero Human Rights" in coordination with the audit schedule. We will continue to communicate with suppliers that have not yet responded to the Three-zero Human Rights Program. We will provide guidance and track the establishment of human rights policies by suppliers in 2024-2025. We will provide guidance to suppliers to establish risk identification and compensation measures in 2026-2028, in order to mitigate adverse effects. We will provide guidance to suppliers to periodic disclose human rights due diligence reports in 2029-2030.

#### The short, medium and long-term goals of the "Three-zero Human Rights Program"

Year	2022~2023	2024~2025	2026~2028	2029~2030
Goal	Total number of suppliers			
Supporting initiatives	20 suppliers	35 suppliers	50 suppliers	60 suppliers
Establishment of a human rights policy	-	10 suppliers	15 suppliers	20 suppliers
Risk identification and compensation	-	5 suppliers	10 suppliers	15 suppliers
Disclosure of human rights due diligence	-	1 suppliers	5 suppliers	10 suppliers

# 5

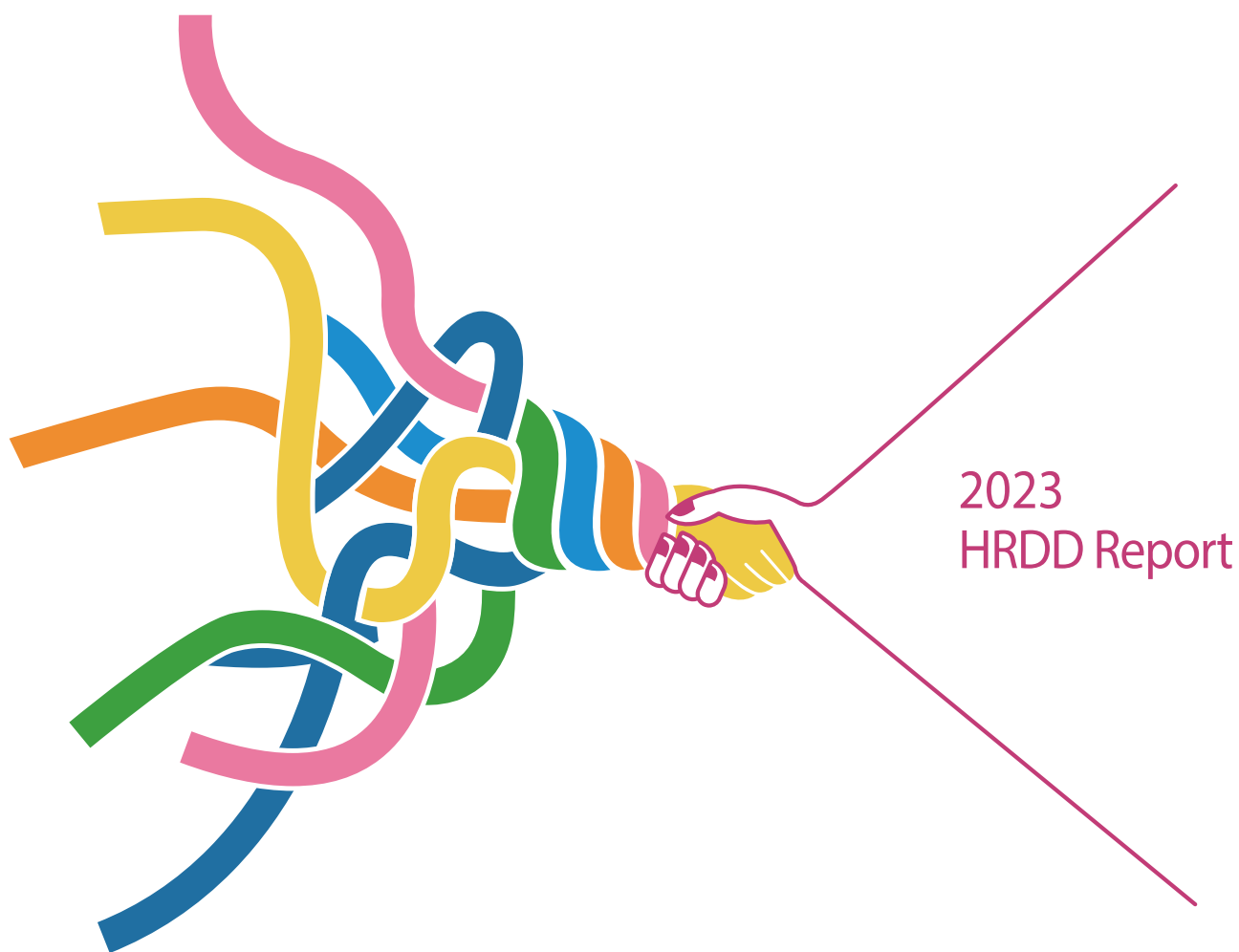
## Conclusion





# 5 Conclusion

Nanya will continue to strengthen human rights education, encourage and train employees so that they will understand human rights protection and related regulations, make human rights the core value of all employees, and integrate human rights risks into the Company's risk assessment and management system. We will encourage suppliers to create a virtuous cycle in human rights, and exert our influence on the entire supply chain. We are also considering working closely with stakeholders to jointly promote human rights protection. We are committed to periodically disclosing our human rights protection policy, practices, and results to stakeholders, so that company regulations will dictate our conduct and be subject to examination by the public. This will allow us to continue making improvements towards the vision of corporate sustainability.



2023  
HRDD Report

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