

# 4

## Talent

An Attractive Employer for Professional Talents

4-1 Attracting and Retaining Talent	52
4-2 Talent Retention	57
4-3 Talent Cultivation	61
4-4 A Happy and Safe Workplace	75

In order to create momentum for growth even amid continuous changes in the external environment, Nanya uses talent retention and cultivation to preserve competitive advantages. We also accept employee opinions to create a safe, human rights-based, and harmonious workplace and fulfill our business targets.

# 76.2%

Employee Engagement Survey reached the average approval rate of 76.2%, up 4.2% compared to 2021.

# 85.9%

The Company encourages employees to receive on-the-job training for personal development, and the employee substitution rate for internal job openings reached 85.9%, up 1.7% compared with 2021.

# Full score of 200 points

RBA VAP Verification Plan



## Strategy and Performance of Material Topics

## 4-1 Attracting and Retaining Talent

Talent Cultivation and Development		
Competency improvement: Formulate annual training and development plans, and plan diverse learning courses and channels Key talent: Strengthen key talent development and increase the percentage of key talent Personal development: Establish self-learning and employee individual development mechanisms to increase the employee substitution rate for internal positions		
2022 Goals	2022 Performance/ Target achievement status	2023 Goals
Annual planned course completion rate $\geq 100\%$	178.5%	Annual planned course completion rate $\geq 100\%$
Key talent as a percentage of all employees $\geq 4\%$	5.5%	percentage of all employees $\geq 5.7\%$
Internal employee substitution rate for job openings $\geq 62\%$	85.9%	Internal employee substitution rate $\geq 65\%$
TTQS Talent Development Quality Gold Award	Received the Talent Development Quality Gold Award	Talent Development Leader Award

Human Rights		
Compliance with laws: Comply with international human rights standards and apply relevant policies and standards in practice. Protect equality: Build workplace equality by establishing risk management and precautionary measures as well as designing diversified communication and complaint channels.		
2022 Goals	2022 Performance/ Target achievement status	2023 Goals
No major deficiencies are found in external audits or labor inspections	No major deficiencies	No major deficiencies are found in external audits or labor
Workplace violence: 0 cases	0	Workplace violence: 0 cases
Human rights policies and procedures training completion rate:100%	100%	Human rights policies and procedures training completion rate:100%

Exceeded Achieved Partially achieved

Note:

\*1 : Voluntary turnover rate includes employees in Taiwan and overseas

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

\*3 : Severity of disabling injuries (SR) = (total days lost to disabling injuries  $\times 10^6$ )/total work hours

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

\*5 : External pull on talent with a background in engineering has increased due to the rapidly growing market demand, and its has affected employee turnover. We have already included the situation in our risk management and assessed the overall competitiveness of our salaries.

Talent Retention and Employee Care		
Manpower stabilization: Implement talent retention plans to stabilize outstanding employees and increase the retention rate of key talents.		
2022 Goals	2022 Performance/ Target achievement status	2023 Goals
Retention rate of key talent $\geq 98\%$	99.5%	Retention rate of key talent $\geq 98\%$
Voluntary turnover rate*1 $\leq 5\%$	8.8%	Voluntary turnover rate $\leq 6\%$
Average approval rate inf Employee Engagement Survey $\geq 75\%$	76.2%	Average approval rate inf Employee Engagement Survey $\geq 75\%$

Occupational Health and Safety		
Early diagnosis and early improvement: Continuous PDCA improvements for the occupational health and safety system Safety culture: Build employees' safety awareness and establish a high-quality safety culture Cross-inspection: Cross-inspection by internal and external institutions to strengthen independent inspections		
2022 Goals	2022 Performance/ Target achievement status	2023 Goals
Frequency of disabling injuries*2 $< 0.2$	0	Disabling frequency rate $< 0.19$
Severity of disabling injuries*3 $< 6.8$	0	Disabling severity rate $< 6.5$
In-plant self-inspection rate*4 $> 93.8\%$	94.1%	In-plant self-inspection rate $>93.9\%$
Number of proposals engaging all employees for safety and health $> 920$	1050 cases	Number of proposals engaging all employees for safety and health $> 1,150$
Occupational diseases caused by chemical exposures maintained at 0 cases	Maintained at 0 cases	Occupational diseases caused by chemical exposures maintained at 0 cases

### Employee Diversity

Employees are the most important partners of Nanya Technology Corporation, and also the key to maintaining corporate sustainability and innovative R&D. We strive to create a humane and comfortable office environment where new employees are subjected to systematic training and have access to diverse learning resources to help them quickly accumulate professional knowledge and skills for the semiconductor industry, and receive reasonable compensations in return. The Company also has an Employee Welfare Committee that organizes exciting and interesting recreation activities on a yearly basis to maintain employees' work-life balance as well as physical and mental well-being, and create a sustainably healthy workplace.

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

## Diversified recruitment policy

Since Nanya Technology Corporation has business operations based in Taiwan and overseas, the nationalities of the Company's employees are quite diverse. In addition to Taiwanese staff, employees of the following 15 nationalities were also hired in 2022: Chinese, French, German, Japanese, American, Thai, Vietnamese, Burmese, Italian, Kenyan, Korean, Turkish, British, Indonesian, and Malaysian. Our employees form an internationally diversified workplace. We had 111 foreign employees in 2022, accounting for 3.01% of all employees. Taiwanese nationals accounted for the largest proportion of employees in management levels, at 91.18%. In descending order, the top five nationalities of foreign managers were American, Chinese, Japanese, German, Indonesian, and Malaysian. Employees with these five nationalities made up 6.89% of all employees in management levels.

Nanya Technology Corporation also supports the government's policies of hiring people with disabilities as part of its workplace friendly diversity initiative. As of December 2022, Nanya Technology Corporation hired a total of 36 employees with disabilities into Taiwan operations, which represented 1.01% of total employees. We continue to work towards hiring more people with disabilities and provide appropriate job positions. Through increasing job opportunities for people with disabilities, we intend to build a friendly workplace with diversity.

Year	Nationality count	Percentage of foreign employee(%)	Number of employees with disabilities	Percentage of employees with disabilities (%)
2022	16	3.01%	36	1.01%
<b>Nationalities</b> Taiwanese, Chinese, French, German, Japanese, American, Thai, Vietnamese, Burmese, Italian, Kenyan, Korean, Turkish, British, Indonesian, and Malaysian				
2021	15	3.26%	36	1.05%
<b>Nationalities</b> Taiwanese, Chinese, French, German, Japanese, American, Thai, Vietnamese, Burmese, Italian, Kenyan, Korean, Turkish, British, and Indonesian				
2020	15	3.56%	36	1.05%
<b>Nationalities</b> Taiwanese, Chinese, Turkish, Japanese, Indonesian, French, Kenyan, USA, British, Malaysian, Indonesian, Italian, German, Burmese, Korean				
2019	11	2.96%	26	0.81%
<b>Nationalities</b> Taiwanese, Chinese, German, Italian, Japanese, Korean, British, USA, French, Turkish, Singaporean				

## Top five nationalities of managers and employees as a percentage of total employees at the level in 2022



## Top five nationalities of managers and employees as a percentage of total employees at the level in 2022

Taiwanese	American	Chinese	Japanese	German	Indonesia	Malaysia	Other nationalities
Number of Managers							
331	13	3	6	3	0	0	7
As a Percentage of Total Managers							
91.18%	3.58%	0.83%	1.65%	0.83%	0.00%	0.00%	1.93%
Number of people							
3574	59	21	8	4	3	3	13
As a percentage of total employees							
96.99%	1.60%	0.57%	0.22%	0.11%	0.08%	0.08%	0.35%

Note: The percentage of employees with disabilities is calculated based on the 3,579 formal employees in Taiwan.

## Stable workforce

The semiconductor industry is both capital and technology intensive. It not only involves multi-billion dollar plants and manufacturing equipment, but also requires a substantial number of outstanding engineering talents to join the production team of Nanya. Nanya Technology Corporation has a very stable workforce structure. As of 2022, the Company has a total of 3,685 permanent employees in Taiwan and in overseas subsidiaries (including 89 interns), in which 86.62% are specialists<sup>Note 1</sup>. The Company has also hired 53 informal employees<sup>Note 2</sup>. Overall, the Company has a competitive, healthy and growing talent base to support development of innovative production procedures, technologies and products. Nanya Technology Corporation has 3,579 formal employees in Taiwan, accounting for 97.12% of all employees; overseas subsidiaries have 106 formal employees, accounting for 2.88% of all employees. Formal male employees totaled 2,670 (accounting for 72.5%), whereas formal female employees totaled 1,015 (accounting for 27.5%), representing a gender ratio of 2.63 (male) : 1 (female). The average age of the Company's employees was 37.86 years old. The majority of employees was in the 30-50 year old age group, representing 67.41% of all formal employees. Most employees have a bachelor or master's degree. All formal and informal employees are directly hired by the Company. The Company did not hire any part-time staff in 2022 and 100% of its employees worked on a full-time basis.

Note1: Professional personnel refer to non-production line operators  
Note2: Informal employees include consultants, fixed-term contract-based employees, and part-time workers

## Statistics of employees in Taiwan and overseas subsidiaries in 2022 by age

	Taiwan				Overseas subsidiaries			
	Female	As a percentage of total females in Taiwan operations	Male	As a percentage of total males in Taiwan operations	Female	As a percentage of total females in overseas operations	Male	As a percentage of total male employees
<b>Under 30</b>								
Formal employees	171	17.22%	612	23.67%	3	13.64%	23	27.38%
Informal employees	13	100.00%	26	65.00%	0	0.00%	0	0.00%
<b>30-50 years old</b>								
Formal employees	737	74.22%	1707	66.01%	11	50.00%	29	34.52%
Informal employees	0	0.00%	7	17.50%	0	0.00%	0	0.00%
<b>Over 50</b>								
Formal employees	85	8.56%	267	10.32%	8	36.36%	32	38.10%
Informal employees	0	0.00%	7	17.50%	0	0.00%	0	0.00%

	Total					
	Female	As a percentage of total female employees	Male	As a percentage of total male employees	Male and Female	As a percentage of total male and female employees
<b>Under 30</b>						
Formal employees	174	17.14%	635	23.78%	809	21.95%
Informal employees	13	100.00%	26	65.00%	39	73.58%
<b>30-50 years old</b>						
Formal employees	748	73.69%	1736	65.02%	2484	67.41%
Informal employees	0	0.00%	7	17.50%	7	13.21%
<b>Over 50</b>						
Formal employees	93	9.16%	299	11.20%	392	10.64%
Informal employees	0	0.00%	7	17.50%	7	13.21%



In 2022, Nanya Technology Corporation had 19 female mid-level managers, which accounted for 20.00% of all mid-level managers; there were also 3 female senior-level managers, representing 4.29% of all senior-level managers. Due to the special nature of the semiconductor industry and realities concerning talent supply, males still dominated the management roles. As for managers of production and revenue related departments, 116 are female, accounting for 37.66%.

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

2019		2020		2021		2022	
Number of females	Percentage of females	Number of females	Percentage of females	Number of females	Percentage of females	Number of females	Percentage of females
<b>Total employees</b>							
930	28.12%	973	27.47%	982	27.63%	1015	27.54%
<b>Senior manager (A)</b>							
3	5.17%	3	4.35%	3	4.35%	3	4.29%
<b>Mid-level manager (B)</b>							
15	18.29%	15	16.30%	15	15.63%	19	20.00%
<b>Entry-level manager (C)</b>							
8	12.50%	8	9.20%	9	9.38%	7	9.59%
<b>Head of revenue-generating department (management level)*</b>							
106	39.55%	108	37.11%	114	36.89%	116	37.66%
<b>Females working in STEM-related positions</b>							
360	14.84%	411	15.54%	428	15.92%	459	16.34%

\*Managerial role refers to senior managers (plant manager, director and above), mid-level managers (department manager), and entry level managers (section manager).

\*Revenue-generating department refers to any department other than planning, administration, operational support, quality assurance, legal affairs, and safety & health departments. Heads of revenue-generating departments are included in the number of entry-level managers.

\*STEM: Job positions related to science, technology, engineering, and mathematics.

\*The number of people and percentage in 2019-2020 was revised, but the statistical method was not changed.

### Attracting top talents

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

The Company hired a total of 373 engineers in Taiwan in 2022. The Company recruits entry-level engineering talents through factory sites and campus recruitment programs. The Company approaches renowned local colleges each year to recruit engineering talents with various skill levels and matches them to open positions on-site. We invested approximately NT\$1.3 million in recruiting in 2022, averaging NT\$2,337 per person. As the COVID-19 pandemic gradually subsided, the number of college recruitment events increased to 15 in 2022. The Company approached campuses and engaged young students in a series of interaction, communication and discussion based on the theme "You be the Leader of the Future". It is our hope to encourage all willing students to pursue a dream career in the high-tech industry and contribute to semiconductor development in Taiwan. Recruitment of entry-level production line operators is carried out with the help of local employment service stations near the Company's plants. On-site interviews are held from time to time, and local residents are hired as a priority to promote local employment. Managers of Taiwan operations consist entirely of Taiwanese nationals for 100% localized hiring.

### Statistics on recruitment costs from 2019 to 2022

	2019	2020	2021	2022
<b>Total recruitment costs (NTD)</b>				
	2,118,234	820,261	1,286,210	1,304,183
<b>Total number of recruits</b>				
	309	483	360	558
<b>Average recruitment cost per person (NTD)</b>				
	6,855	1,698	3,573	2,337



Nanya talent recruitment video

Campus recruitment photos



In order to promote the development of the semiconductor industry and company operations, Nanya Technology Corporation proactively recruits new employees into the Nanya big family. Company employees work cooperatively to move forward together. New recruits accounted for approximately 11.18% of the Company’s total employees in 2022. Gender distribution of new recruits was approximately 4.02 (male) : 1 (female).

Statistics on new recruits of Taiwan and overseas operations from 2019 to 2022

	2019	2020	2021	2022
Number of new recruits	238	374	270	412

Statistics on new recruits in Taiwan and overseas in 2022

	Female		Male		Total	
	Number of people	Percentage <sup>Note 2</sup>	Number of people	Percentage <sup>Note 3</sup>	Number of people	Percentage <sup>Note 4</sup>
New recruits <sup>Note 1</sup>						
By region						
Taiwan	80	8.06%	318	12.30%	398	11.12%
Overseas subsidiaries	2	9.09%	12	14.29%	14	13.21%
Age group						
Under 30	66	37.93%	243	38.27%	309	38.20%
30-50 years old	15	2.01%	85	4.90%	100	4.03%
Over 50	1	1.08%	2	0.67%	3	0.77%
Management level						
Senior manager	0	0.00%	0	0.00%	0	0.00%
Mid-level manager	0	0.00%	0	0.00%	0	0.00%
Entry-level manager	0	0.00%	0	0.00%	0	0.00%
Total new recruits	82		330		412	
As a percentage of formal employees	2.23%		8.96%		11.18%	

Note 1: New recruits refer to personnel hired and remained employed in 2022 (excluding those who resigned during the year)  
Note 2, Note 3, and Note 4: The denominator is the number of employees in the group

## 4-2 Talent Retention

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

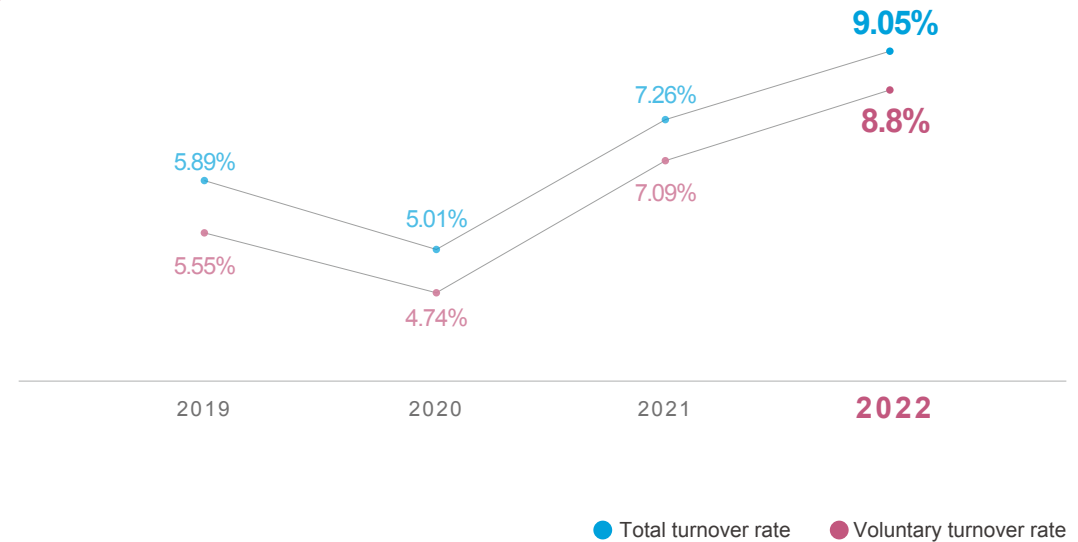
### Enhanced work security – Turnover rate

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

The voluntary turnover rate in 2022 was 8.8% (the male to female ratio of those who resigned is approximately 3.47 : 1). Compared to the voluntary turnover rate of 7.09% in 2021, there was a 1.71% increase in 2022, and it was also slightly higher than the average turnover rate of 8.3% in the industry. In response to this situation, the Company adjusted the starting salary of inexperienced new recruits, made an annual salary adjustment for all managers and employees, and made structural adjustments to the salaries of special departments and specialists in July 2022. This allows employees to work in a happy and safe environment. Nanya Technology Corporation upholds the spirit of being people-oriented, and has won the trust and recognition of employees by providing a

good work environment and security in life. We have implemented a variety of talent retention and incentive measures to manage turnover risk, in hopes of effectively retaining talent. For employees who have the intention to leave, the Company conducts interviews with them one by one to understand the reasons for their resignations and future plans; the Company also provides relevant suggestions based on employee needs.

### Analysis of turnover rate in Taiwan and overseas in 2019-2022



Note:

1. Calculating formula for turnover rate = (number of resignations in January/total number of employees at the end of January) x 100% + (number of resignations in February/total number of employees at the end of February) x 100% + ... + (number of resignations in December/total number of employees at the end of December) x 100%
2. Voluntary turnover refers to resignation initiated by the employee. The Company calculates turnover rate mainly based on voluntary turnover. Total turnover rate includes voluntary (including retirement) and involuntary turnover (including dismissal, redundancy, death etc.)
3. In 2019, the calculation of turnover rate began excluding direct interns (personnel turnover due to expiration of internship contracts).
4. We began excluding employees on unpaid leave from the voluntary turnover rate in 2020. Based on the calculation that excluded those who went on unpaid leaves, the adjusted voluntary turnover rate was 5.55% and the adjusted overall turnover rate was 5.89% in 2019.

Statistics on total number of employees separated in Taiwan and overseas in 2022

	Female		Male		Total	
	Number of people	Percentage <small>Note 2</small>	Number of people	Percentage <small>Note 3</small>	Number of people	Percentage <small>Note 4</small>
Total number of employees separated <sup>Note 1</sup>						
By region						
Taiwan	70	100.00%	232	92.80%	302	94.38%
Overseas subsidiaries	0	0.00%	18	7.20%	18	5.63%
Age group						
Under 30	30	42.86%	108	43.20%	138	43.13%
30-50 years old	37	52.86%	124	49.60%	161	50.31%
Over 50	3	4.29%	18	7.20%	21	6.56%
Job Level						
Senior manager	0	0.00%	1	0.40%	1	0.31%
Mid-level manager	0	0.00%	2	0.80%	2	0.63%
Entry-level manager	1	1.43%	2	0.80%	3	0.94%
Total number of employees separated	70		250		320	
As a percentage of formal employees <sup>Note 5</sup>	6.92%		9.67%		8.90%	

Note1: Total turnover rate includes voluntary (including retirement) and involuntary turnover (including dismissal, redundancy, death etc.)  
Note2: Percentage of employees separated that were female  
Note3: Percentage of employees separated that were male  
Note4: As a percentage of all employees separated  
Note5: As a percentage of total employees: Refers to the number of separated female employees, separated male employees, and separated employees as a percentage of total employees as of December 2022 (excluding interns)

To ensure employees' retirement-related rights and interests, for employees who choose the retirement scheme under the "Labor Standards Act", 2% of the total monthly salary is deposited into the designated Bank of Taiwan account. The accumulative labor retirement reserve in 2022 totaled NT\$574,315,919, and had been fully contributed. For other employees who choose the "Labor Retirement Pension" system, the Company contributes 6% of individual monthly salary to each employee's personal retirement account. Employees are eligible

to contribute a higher amount voluntarily, and the amount is deposited into the employee's retirement account along with the 6%, providing substantial retirement security.

Employee Engagement Survey

Nanya conducts an organization-wide Employee Engagement Survey annually to gain insight into employees' level of approval towards the Company on several aspects, including work, management, and organizational vision. This survey used 28 questions to collect employees' opinions on 6 aspects. The response rate of 93.4% was slightly higher than in 2021. The results showed that the average level of approval from all employees was 76.2%, an increase of 4.2% compared to the 72% in the previous year. Observing the approval scores in the 2021 and 2022 Employee Engagement Survey, even though some employee welfare activities were constrained by the pandemic, and the expansion of Fab 5A caused inconveniences in terms of parking, transportation, and shuttle bus in 2022, the convenient measures taken by the Company in advance significantly mitigated the impact. Except for a few responses and recommendations when the measures were first implemented, the majority of employees expressed their approval towards the measures. The groundbreaking ceremony for the expansion of the new fab invited President Tsai Ing-wen and New Taipei City Mayor Hou You-yi, showing how seriously the Company takes its future planning. Senior managers also actively explain the Company's vision and plans via internal e-mail to achieve information transparency. The Company's overall performance was not impacted by the pandemic in 2022, and there were no pay cuts as well, which led to an increase in approval.

Average Approval Rate

2019		2020		2021		2022	
Male employees	Female employees	Male employees	Female employees	Male employees	Female employees	Male employees	Female employees
Individual work performance							
60%	71%	70%	65%	73%	73%	74.1%	72.3%
Engagement with line manager							
60%	73%	73%	67%	73%	70%	79.0%	73.8%
Understanding of corporate vision/culture							
65%	75%	74%	70%	78%	79%	82.9%	82.0%
Performance of the managed team							
63%	75%	74%	69%	74%	75%	76.6%	73.0%
Relationship with peers							
71%	81%	81%	76%	79%	79%	81.7%	80.6%
Satisfaction with promotion/compensation							
56%	65%	65%	59%	58%	56%	69.5%	68.6%
Rate of reaching average approval							
72%		71%		72%		76.2%	
Response rate							
91%		93%		93%		93.4%	

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



## Improvement and reinforcement measures in 2022



When the epidemic situation was most severe, the Company regularly distributed rapid test kits to all employees free of charge, so that employees will be prepared and prevent the spread of COVID-19.



We made plans to meet the regular demand on transportation and shuttle buses in response to the expansion of the new fab, and reduced the inconveniences brought by the construction to employees. We also increased shuttle buses between Danfeng Station and A8 Station to provide employees living in Taoyuan Linkou and Taipei Xinzhuang and Taishan with a more convenient option for commuting to work.



Communication group trainings for mid-level managers: Set up group trainings for mid-level managers to help them strengthen leadership and communication skills.



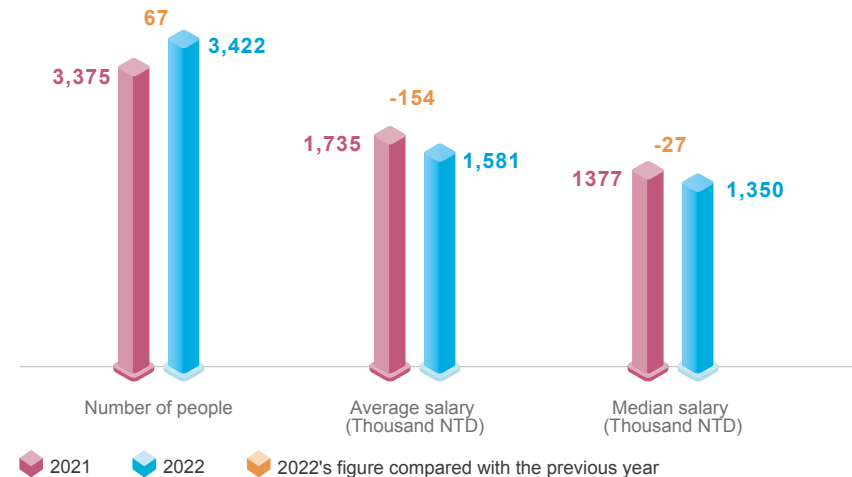
We continued to improve promotion and compensation measures in hopes of increasing employee approval in the aspects.

## Attractive compensations

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

The Company's compensation and welfare systems have been developed through local salary surveys and discussions with regional salary associations, after taking into account factors such as industry competitiveness, macroeconomics, corporate culture and business sustainability. This process ensures the competitiveness of our overall salary package. Monthly salary include base salary, food/transportation/region-based allowance, operational allowance, and efficiency bonus. We also offer additional bonuses and variable compensations based on employees' individual performance and accomplishment of organizational goals (or profitability), and in doing so, we reward employees for their excellent performance and share with them the profits we make as a group, regardless of their gender. In 2022, the average salary of non-managerial full-time employees was NT\$1,581,000, a 8.88% increase compared to 2021. The median salary of non-managerial full-time employees was NT\$1,350,000.

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



## Terms of compensation that enhance talent retention



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

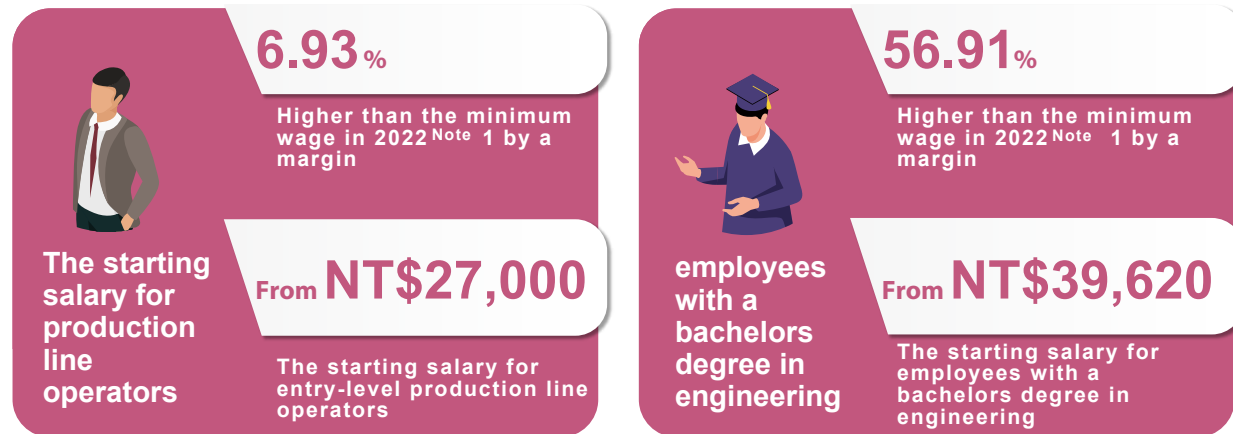


Year-end bonus, festive bonus, Dragon Boat Festival/Mid-autumn diligence bonus, grade bonus



Long-term incentives: Include employee remuneration, employee stock option certificates, incentive bonus and annual salary adjustments

The starting salary for male and female employees in Taiwan is the same. Female managers received slightly lower compensation on average than males in 2022. In terms of total salary package, females received 95.68% that of males on average; in terms of total salary plus remuneration, females received 95.28% that of males on average. This difference was mainly attributed to the higher average years of service among males, which made them entitled to higher compensation and remuneration compared to females. In 2022, female employees of non-managerial role received total salary package at 108.42% that of male counterparts on average, and remuneration at 111.43% that of male counterparts on average. Females received higher compensation and remuneration than males in this respect mainly because of their higher average years of service. Overall, the Company offers competitive compensation along with full benefits and facilities that enable employees to maintain job security and quality lifestyle.



Note 1: Minimum wage was adjusted to NT\$25,250 on January 1, 2022.

### Ratio of average wages of male to female employees in Taiwan

	2019	2020	2021	2022
<b>Female-to-male total salary ratio of managing supervisors</b>	-	-	-	-
<b>Female-to-male total salary + remuneration ratio of managing supervisors</b>	-	-	-	-
<b>Female-to-male total salary ratio of managerial roles</b>	92.35%	93.72%	94.55%	<b>95.68%</b>
<b>Female-to-male total salary + remuneration ratio of managerial roles</b>	93.24%	94.91%	94.55%	<b>95.28%</b>
<b>Female-to-male total salary ratio of non-managerial roles</b>	109.02%	110.34%	108.71%	<b>108.42%</b>
<b>Female-to-male total salary + remuneration ratio of non-managerial roles</b>	113.15%	113.49%	111.47%	<b>111.43%</b>

Note:

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

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

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

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

# 4-3 Talent Cultivation

## Comprehensive Talent Cultivation and Development Talent Development Guidelines



### Philosophy

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



### Policies

We continue to step up talent cultivation and development to improve the quality of Company employees, optimize the training system, offer diverse courses, systematically training employees to develop proper skills, knowledge and attitude, in order to accomplish the Company's annual strategic goals.



### Goals

- 2023 Goals: Key talent as a percentage of all employees  $\geq 5.7\%$ ; Internal employee substitution rate for job openings  $\geq 65\%$ .
- 2025 Goals: Key talent as a percentage of all employees  $\geq 6.0\%$ ; Internal employee substitution rate for job openings  $\geq 65\%$ .



### System

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



### Implementation

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

## Co-learning Gathering – We Together, We Learn, We Grow

As the impact of COVID-19 becomes normalized in the post-pandemic era, it has brought a wide range of changes. We continued to change the way we think and act under the impact of COVID-19 in 2022, and formulated the Talent Development Plan 2.0, building the resilience of our training system, and setting four missions for the talent pool development center, namely strengthen functions of the Talent Development Committee, expand the cultivation of leadership talent, incorporate information security training for advanced processes, and Third TTQS Gold Award Project. Continuing the talent cultivation project's theme of [Co-learning Gathering – We Together, We Learn, We Grow] in 2021, the theme of our 2022 talent cultivation action plan was [Work Together, Learn Together, Grow Together.] The framework consists of four talent development elements, including core competencies, organizational management, professional skills, and personal development.

Core competencies refer to the basic abilities that employees are required to have and cover new employee orientation, general competencies, and precision courses.

Organization management refers to influence ability that managers need to improve and covers the Successor Pioneer Program, elite talent cultivation, management trainee rising star plans, managerial competencies of managers, women's empowerment, and team consensus camp.

Professional skills refer to the professional abilities employees need to perform their duties and cover professional competencies, AI practices, technical papers, technical seminars/conferences for learning from others, and training activities for direct employees.

Individual development refers to employees' self-learning plans to develop their individual abilities, attainment of cultural literacy, Good Time to be a Girl, advanced lecturer training, on-the-job education, and cultural seminars.

A variety of training and development courses are executed according to the talent development and training system, which facilitate the dissemination of internal knowledge and creativity. Through internal trainings and the knowledge management system, employees are able to engage in online and offline learning, share and generate the needed skills, knowledge, courses, and information. External trainings, seminars, technical forums, and other learning resources continue to be provided to create a learning organization and improve the overall training result and resilience. We will continue to provide employees with better and more effective talent development plans, and constantly upgrade and improve our overall talent development and training system for comprehensive talent cultivation and development.

### We Together Work together

Jointly use the right way, shared values, and teamwork to do the right things







### We Grow Grow together

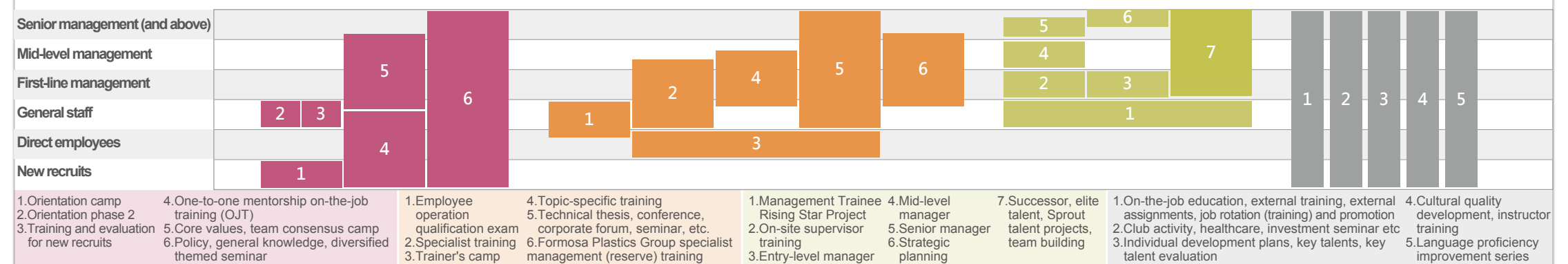
Jointly make improvements and upgrade, work towards the same goals, and make the team better.

### We Learn Learn together

Jointly gain knowledge and skills, and use different methods and processes to improve team and individual abilities.

Core competencies 	Organizational management 	Professional skill 	Individual development 
<p>▶ <b>New employee orientation</b></p> <p>Allows employees (including interns/part-time employees) to quickly assimilate into the company organization and culture, successfully complete basic job training requirements, and better understand the company's environment and semiconductor industry. The complete high quality training sessions for new employees and rigorous on-the-job training courses include experiences and interactive learning, which shortens the learning curve. A total of 550 new employees were trained in 2022 to replenish personnel.</p> <p>▶ <b>General knowledge precision courses</b></p> <p>In order to meet customer requirements on product quality, required professional courses of policies and positions are organized according to the Company's business development strategy, and training courses are also organized according to government regulations for labor safety, environment, and health. A total of 74,261 hours in training courses was offered in 2022.</p>	<p>▶ <b>Management competence training</b></p> <p>We periodically organize training courses for managers at different levels to improve their management ability and performance. Comprehensive management competency training includes management competency, teamwork, strategy expertise, and diverse new knowledge. A total of 9,288 hours in manager training courses was offered in 2022. Grade 1 and grade 2 management reserves participate in advanced management workshops depending on their roles. These training courses are intended to improve leadership, decision-making and adaptation of management philosophy among management reserves.</p> <p>▶ <b>Training of key talents</b></p> <p>We stepped up the cultivation of key talent and planned comprehensive development plans for elite talent, including talent review, competency analysis, training planning, and personal development. We also actively cultivated female managers under efforts to empower women, and completed the cultivation of 200 talents (male managers: 161; female managers: 39) as of 2022, achieving the goal for key talent to account for 5.5% of all employees in 2022.</p> <p>▶ <b>Team consensus camp</b></p> <p>The Company's yearly strategy and team consensus are strengthened by the annual senior management strategy meetings and management team consensus camp. These effectively help with achieving the Company's goals. The team consensus camp aims to establish managers' organizational leadership vision and goals, and enable them to make changes through actions to further exert influence, pragmatically motivating cooperation of cross-department teams. A total of 6 batches were organized for 582 managers at all levels in 2022.</p>	<p>▶ <b>Function-based specialized training</b></p> <p>We strengthened the system of each department for passing on specialized skills and to create a more active workplace. For departments to plan on-the-job training and more effectively integrate their core competencies, we established the Regulations for the Implementation of Structured On-the-Job Training (S-OJT), which lays out a clear planning process for S-OJT. We also prepared learning blueprints for each position (individual) to shorten the learning curve and improve training effectiveness. Completion of on-the-job training reached 100% in 2022.</p> <p>▶ <b>Artificial intelligence practices</b></p> <p>We continued to implement the AI talent cultivation program, which provides internal training for specialized talent in AI, enhances the AI technical abilities of factory personnel, and was effectively expanded to departments in the Company, suppliers, and students. The application of AI in practical work scenarios comprehensively improves work efficiency, reduces production cost, and enhances the Company's competitiveness. As of 2022, we cultivated 402 specialists in AI in factories.</p> <p>▶ <b>Direct employee training</b></p> <p>We planned 3-year re-training courses for trainers and completed the re-training of 80 trainers in 2022; 71 employees took trainer qualification courses. We continued to provide direct employees with pre-job training on professional skills and machine operation skills, and periodically assess and certify employees based on their training performance and professional skills. By adopting the trainer system and offering rewards, direct employees are given the incentive to adapt quickly to the clean room environment and join the production line at an earlier time. A total of 122 direct employees had completed their training and obtained the machine operation certificate during the year.</p>	<p>▶ <b>Self-learning projects</b></p> <p>We provide diverse learning resources and channels, including sharing events on internal training, specialized courses, contests of learning scores in events, and workshops, in order to make employees more self-conscious and actively learn. We are developing a learning organization through promotion, sharing, customization, competition, and incentives, changing employees' attitude from "requiring me to learn" to "I want to learn"! The self-learning development program provided 13,506 hours of training to 4,701 participants in 2022.</p> <p>▶ <b>Advanced lecturer training</b></p> <p>The Company continued to improve the training program in place to train internal instructors for the purpose of transferring corporate knowledge and building training capacity. A total of 314 internal instructors obtained qualifications, and 9 were newly certified in 2022. Furthermore, the Company regularly organizes commendation events for outstanding lecturers every September with the support of senior managers, showing appreciation and encouraging the lecturers for their continued contribution to the Company's training and improving internal teaching quality. A total of 16 outstanding lecturers were selected for their excellent performance in 2022.</p> <p>▶ <b>Employee individual development</b></p> <p>The Company formulates independent learning plans to continuously encourage employees' individual development, promote lifelong learning, and support career development among employees. Administrative resource and incentives are also offered in accordance with the Company's on-the-job training policy to encourage continuous learning. In 2022, a total of 735 people engaged in on-the-job degree programs, and the internal employee substitution rate for job openings was calculated at 85.9%.</p>

## Talent Cultivation and Development Training System



Note: General employees: Project-based, engineer, manager, new employee II



To ensure effective control of materials used internally by various departments for Structured on-the-Job Training (S-OJT), the Company has established a set of training material management guidelines and integrated it with the approval process of the knowledge management system so that the training materials are managed, updated, accessed and shared more efficiently through a unified portal. The system currently holds 5,326 internal training materials and operational documents contributed by various departments, up 69% compared with the previous year.



Manager team consensus camp – Building team consensus



Co-learning Gathering – Awards ceremony for excellent lecturers

### Talent Cultivation and Development Results

We continued to organize talent development and training activities in 2022 despite the impact of COVID-19, and training indicators thus remained stable with execution rate of annual training at 178.5%.. Average training hours per employee reached a record high 42.8 hours, the highest over the past four years. Talent development and training results and indicators are described below:

#### 2022 Employee Training Data by Age

Female			Male			Total
Under 30	30–50 years old	Over 50	Under 30	30–50 years old	Over 50	
Number of employees						
174	748	93	635	1,736	299	3,685
Person-hours of training						
11,392	21,490	1,504	42,586	73,496	7,252	157,720
Average training hours per person						
65.5	28.7	16.2	67.1	42.3	24.3	42.8
Training expense (NTD)						
243,879	1,815,058	182,001	845,490	4,765,598	1,752,365	9,604,391
Average training expense per person (NTD)						
1,402	2,427	1,957	1,331	2,745	5,861	2,606

#### 2022 Management Training Data by Level

Female			Male			Total
Entry-level manager	Mid-level manager	Senior manager	Entry-level manager	Mid-level manager	Senior manager	
Number of managers						
95	27	3	7	164	67	363
Person-hours of training						
1,486	1,122	58	109	6,817	1,292	10,884
Average training hours per person						
16	42	19	16	42	19	30
Training expense (NTD)						
190,186	521,247	49,967	14,014	3,166,093	1,115,933	5,057,440
Average training expense per person (NTD)						
2,002	19,305	16,656	2,002	19,305	16,656	13,932

Note:

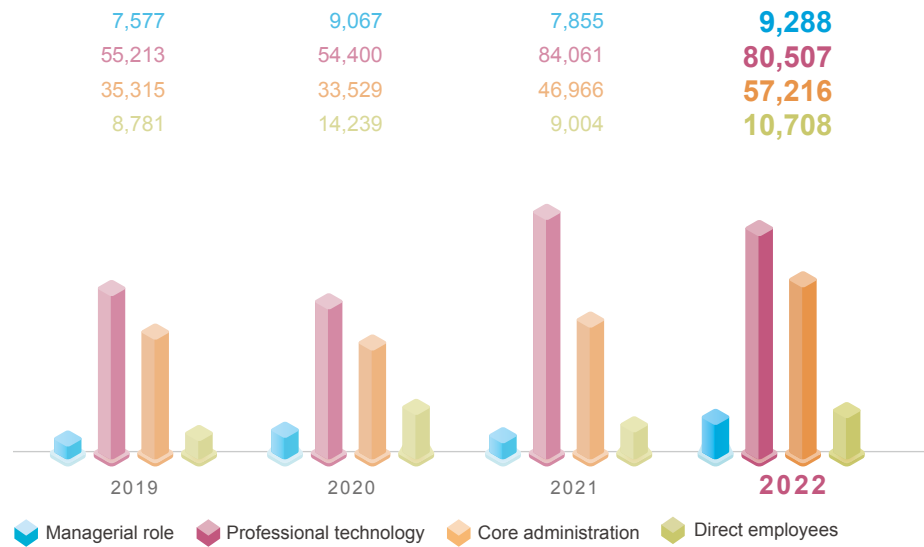
1: Employee training hours do not include training under one-to-one mentorship

2: Managerial role refers to a position in the management level, including entry-level managers (team leader, shift leader), mid-level managers (department manager and section manager), senior managers (factory directors, directors, and above)

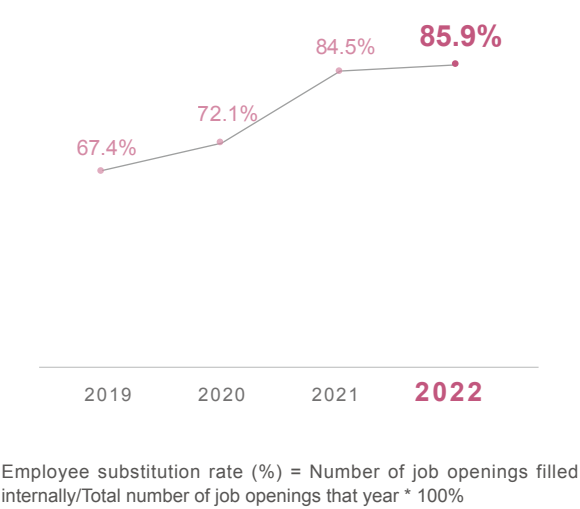
### Average Employee Training Time by Category

	2019		2020		2021		2022	
	Female	Male	Female	Male	Female	Male	Female	Male
Managerial role	22.8	22.8	33.5	29.3	20.0	22.5	28	22
Professional technology	30.6	31.7	26.7	26.9	40.8	41.0	40	23
Core administration	57.5	55.9	52.2	50.8	72.5	70.6	92	73
Direct employees	14.8	14.5	27.7	27.2	19.3	18.0	23	21

### Total hours



### Employee substitution rate



### Statistics on the number of internal employee substitution for job openings in 2022

	Female	Male	Total
<b>Age group</b>			
Under 30	3	9	12
30-50 years old	24	62	86
Over 50	1	17	18
<b>Job Level</b>			
Management level (A+B+C)	2	4	6
Senior manager (A)	0	1	1
Mid-level manager (B)	2	3	5
Entry-level manager (C)	0	0	0
Non-management level	26	84	110

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

Item	KPI-2022 Goals	2022 Achievements	KPI-2023 Goals	Item	2019	2020	2021	2022	2022Goals	points(10-point scale)
<b>L5 (Return on Investment)</b>										
• Human capital rate of return	• Human capital rate of return ≥ 12.5(According to company goal of the year)	• Human capital rate of return 10.0	• Human capital rate of return ≥ 12.5(According to company goal of the year)	Human capital rate of return <sup>Note 1</sup>	11.9	12.8	16.7	10	>12.5	8
				Return on personnel training investments <sup>Note 2</sup> (%)	313	894	1,196	796	-	-
<b>L4 (Results Evaluation)</b>										
• Employee promotion rate	• Employee promotion rate ≥ 16%	• Employee promotion rate 15.58%	• Employee promotion rate ≥ 16%	Employee promotion rate (%)	16.13	16.81	16.64	15.58	>16	9.7
• Employee substitution rate	• Employee substitution rate ≥ 62%	• Employee substitution rate 85.9%	• Employee substitution rate ≥ 65%	Promotion rate of employees with <3 years of service (%)	4.35	4.11	5.59	5.16	-	-
• Retention rate of key talents	• Key talent retention rate ≥ 98%	• Key talent retention rate 99.5%	• Key talent retention rate ≥ 98%	Promotion rate of employees with ≥ 3 years service (%)	11.77	12.7	11.05	10.43	-	-
• Result publication (patent count, national award)	• Result publication (no. of patents proposed ≥ 350)	• Result publication (no. of patents proposed: 812)	• Result publication (no. of patents proposed ≥ 350)	Voluntary turnover rate (%)	6.27	5.01	7.26	8.8	<6	5.3
• Productivity, sales value (volume)	• No. of improvement proposals ≥120	• No. of improvement proposals: 224	• No. of improvement proposals ≥120	Turnover rate of key talents <sup>Note 3</sup> (%)	0	0	0	0.005	<10	10
• Improvement proposal				Turnover rate of new employees <sup>Note 4</sup> (%)	15.25	7.47	9.4	14.99	<12	7.5
				Employee substitution rate (%)	67.4	72.1	84.5	85.9	>62	10
				Patent count (cases)	459	438	465	812	>350	10
				Improvement proposals (cases)	225	228	214	224	>120	10
<b>L3 (Behavioral Evaluation)</b>										
• Results of Customer Satisfaction Survey	• Customer satisfaction score ≥ 91	• Customer satisfaction score: 94.7	• Customer satisfaction score ≥ 91	Customer satisfaction (score)	91.8	93.7	93.8	94.7	>91	10
• Project achieving rate	• Project achieving rate 90%	• Project achieving rate 94%	• Project achieving rate 91%	Skill enhancement accomplishment rate (%)	100	100	100	100	100	10
<b>L2 (Learning Evaluation)</b>										
• Test/rehearsal Written report	• Course pass rate ≥ 94%	• Course pass rate 94.5%	• Course pass rate ≥ 94%	Course pass rate (%)	92.5	93.4	94.7	94.5	>94	10
• Operational certification	• Total annual plan accomplishment rate: 100%	• Total annual plan accomplishment rate: 100%	• Total annual plan accomplishment rate: 100%	Total annual plan accomplishment rate (%)	100	100	100	100	>100	10
<b>L1(Reaction Evaluation)</b>										
• Post-course satisfaction	• Post-course satisfaction score ≥ 4.5	• Post-course satisfaction score: 4.61	• Post-course satisfaction score ≥ 4.5	Satisfaction (5-point scale)	4.55	4.64	4.59	4.61	>4.5	10
• Closing report										

Note 1: Human capital rate of return = (Operating revenue - (Operating expenses - Labor costs))/Labor costs

Note 2: Return on personnel training investments = ((Net profit from training projects - Cost of training projects)/Cost of training projects)\*100%

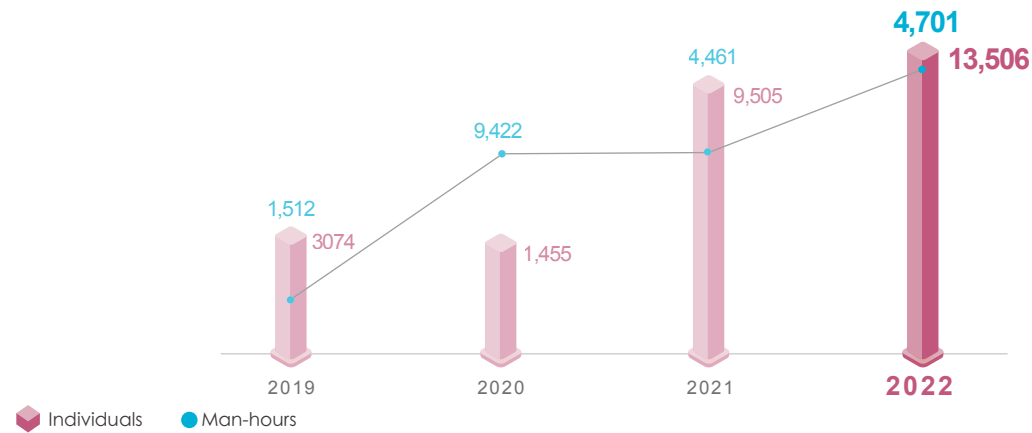
Note 3: Key talent – Talent in key positions that are necessary for executing the Company's business strategies and hard to replace.

Note 4: Separation Turnover rate of new employees – Separation Turnover rate of new employees within three months after hiring

## ► Experience sharing: Self-learning

The employee self-learning program that began in 2019 planned "self-learning master," "learning master academy," and "iCan · iMaker" self-learning courses. The program creates an environment with diversity, flexibility, and cross-disciplinary learning, and cultivates employees' self-learning, cross-disciplinary exploration, and lifelong learning abilities, developing a diverse learning organization through promotion, sharing, customization, competition, and rewards. This encourages employees to learn and participate in courses, and show their attitude to learn on their own. We hope that employees will show their creativity after learning knowledge, become more willing and capable of learning, expand learning to professional skills at work, further enhance the Company's overall competitiveness and their personal development, and for it to directly reflect on our business performance. Results of the past four years are as follows (The scope of self-learning was expanded to three categories in 2021).


### Self-learning results





## Important Talent Development Programs

"People" are considered as the most important assets of Nanya Technology Corporation. Employees are the foundation of a company's innovation, operations, and sustainable development. Employees are key to maintaining corporate sustainability and innovative R&D, driving the Company's growth, and achieving sustainable development. We continued to implement the comprehensive talent cultivation and development plan [Co-learning Gathering] to cultivate comprehensive professional technical talent. In 2022, we continued the theme of learn together and implemented the talent cultivation action plan [We Together, We Learn, We Grow], which stepped up the cultivation and development of comprehensive talent, and linked the Company's business strategy planning with technology projects and training and development projects. Key training and development projects and their results in the past four years are as follows:


**2022  
DRAM Smart Manufacturing  
Leadership Project**

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

**Training topic**

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

**Importance of the project to the Company's operations**

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

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


- **L1 Post-course satisfaction**  
Employee response:Post-course satisfaction score: 4.48
- **L2 Course pass rate**  
Employee learning:Training course pass rate: 85.6%
- **L3 Skill improvement**  
Employee behavior:Productivity proposals: 56
- **L4 Performance**  
Enhancing efficiency:
  - 1.Accumulated amount from improving the efficiency of machinery transfer reached NT\$1.16 million
  - 2.Manpower saved from automatic dispatching reached NT\$2.9 million/year
  - 3.Cost reduced by independently developing software reached NT\$103.2 million

**Case :**  
Increasing production efficiency through automation:

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

**Output volume**  
Contributed to the sales of 121.8M special products

- **L5 Return on investment**  
Financial value:NT\$94.08 million(ROI:1032%)


**2022  
Advanced Process Proprietary Tech  
nology Development Project**

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

**Training topic**

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

**Importance of the project to the Company's operations**

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

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

- **L1 Post-course satisfaction**  
Employee response:Post-course satisfaction score: 4.72
- **L2 Course pass rate**  
Employee learning:Training course pass rate: 87.3%
- **L3 Project achieving rate**  
Employee behavior:Project achieving rate 100%
- **L4 Productivity**  
Enhancing efficiency: A total of 12 product R&D/validation tasks were completed; 109 productivity proposals and 228 improvement proposals were raised.

**Case:**  
Next generation process component development

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

**Development yield:** Successfully independently developed technology with record 65% YA  
**Results presentation:**Process product development items completed: 28 items (182 items in total)  
**Financial value:** Financial value is expected to increase by NT\$405 million when production begins



## 2021 MCP technology development and sales

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

### Training topic

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

### Importance of the project to the Company's operations

**Goal: Nanya Technology Corporation becomes 1st in the world in terms of MCP market share**  
Engage in cross-industry collaboration to complete the first MCP of Nanya, and incorporate it in the multi-chip analysis process, as well as testing tool and program development to directly increase the Company's revenue.

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

- **L1 Post-course satisfaction**  
Employee response: Training course satisfaction score: 4.4
- **L2 Course pass rate**  
Employee learning: Training course pass rate: 100%
- **L3 Skill improvement**  
Employee behavior : 1. Completed 13 experiments on the characteristics of multi-chip memory  
2. Stress test time for multi-chip memory decreased 82.2%  
3. Resolved 37 abnormalities on the client end  
4. Added 9 products to the portfolio

### Case:

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

### • L4 Performance

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

### • L5 Return on investment

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



## 2021 Complete organizational management talent training plans

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

### Training topic

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

### Importance of the project to the Company's operations

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

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

- **L1 Post-course satisfaction**  
Employee response: Training course satisfaction score: 4.7
- **L2 Course pass rate**  
Employee learning: Manager training course pass rate: 97.4%
- **L3 Skill improvement**  
Employee behavior : 1. Project achieving rate 96.5%  
2. 360 evaluation approval rating: 4.5 points (5-point scale)

### Case:

1. Completed the assessment of 30 competencies and behavior of 151 key talents, and established six key competencies, including accountability, excellent innovation, bold implementation, collaboration, communication and coordination, and talent development. We analyzed the gap in competencies and planned training courses to improve personal management abilities.
2. Leaders and managers led all employees of the Company in setting management goals, which are examined on a quarterly basis. Improvement proposals were made for operations of various units in the Company. A total of 207 improvement proposals were made in 2021 and provided NT\$8.83 million in actual annual benefits.

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

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

### • L5 Return on investment

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



## 2022 Development and Sales of Application-specific DRAM Products

Employee participation rate  
(As a percentage of all employees) **85%**

### Training topic

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

### Importance of the project to the Company's operations

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

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

- **L1 Post-course satisfaction**  
Post-course satisfaction score: 4.66
- **L2 Course pass rate**  
Training course pass rate: 95.8%
- **L3 Skill improvement**  
Project achieving rate 90.5%
- **L4 Productivity**  
Enhancing 1.A total of 12 product R&D/validation tasks were completed; 109 productivity proposals and efficiency: 228 improvement proposals were raised.

### Case :

Improve product yields and analytical efficiency

- 1.We efficiently lowered the manpower of yield engineering personnel and improved productivity. A total of 24 pieces of production products were implemented, and could reduce the manpower by 2.7 persons per day, equivalent to saving NT\$116,000 per month. The annual benefit totaled NT\$1.393 million.
- 2.The yields increased around an average of 2% during the period of implementation, accounting for 20% of the annual benefit. Based on the calculation formula of wafer sales benefit, the benefit reached NT\$134.34 million.

### Output volume

Sales of non-standard products > 135M pieces

- **L4 Performance**  
Results presentation:Patent count: 438
- **L5 Return on investment**  
Financial value:NT\$96.67 million(ROI:1316%)



## 2022 AI and smart manufacturing training program

Employee participation rate  
(As a percentage of all employees) **71%**

### Training topic

- 1.Bring together field experts, information specialists, and statistics specialists to jointly develop AI applications
- 2.Form a technical research team and launch basic/advanced technical practices and s
- 3.Training and expansion for practical project application and development
- 4.Establish an AI community and relevant knowledge documents

### Importance of the project to the Company's operations

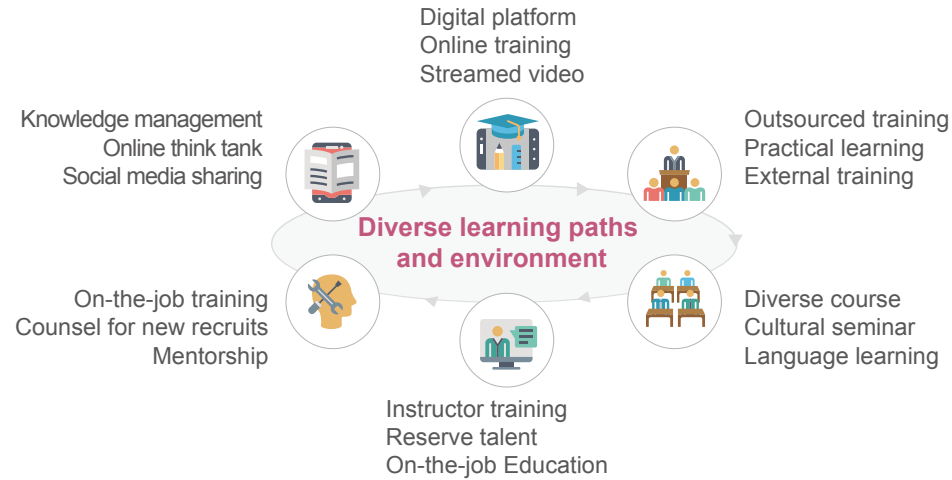
The program established an AI-assisted high-performance production line, improved the efficiency of wafer inspections and yield analysis, enhanced process control and optimal condition prediction, elevated productivity and machine efficiency, and increased the main scenarios in which the machinery prognosis system can be applied. It helped the Company to reach a new milestone in smart manufacturing.

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

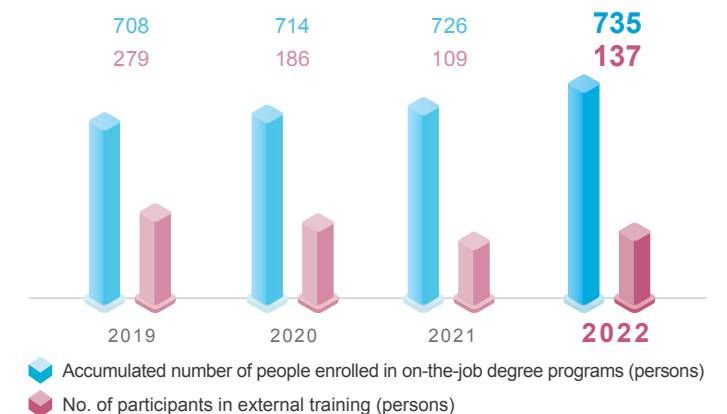
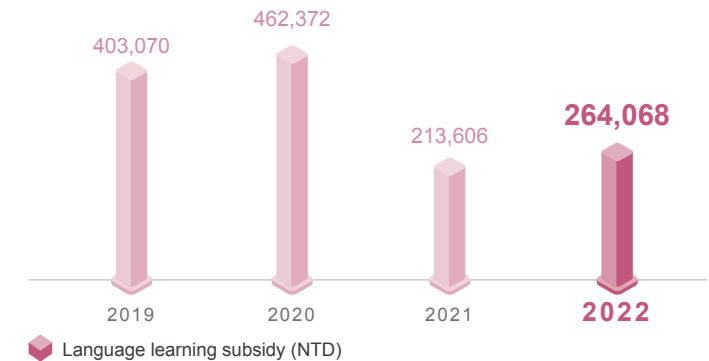
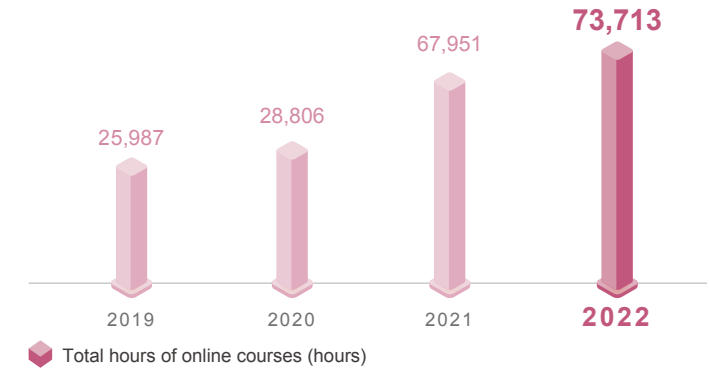
- **L1 Post-course satisfaction**  
Employee response:Post-course satisfaction score: 4.65
- **L2 Course pass rate**  
Employee learning:Training course pass rate: 99.25%
- **L3 Project achieving rate**  
Employee behavior:SOJT completion rate 100%
- **L4 Technical projects**  
Enhancing Technical projects: Basic theoretical studies, including 22 machine learning algorithms, 11 efficiency: deep learning algorithms, and 7 project research topics were completed.
- **L4 Productivity**  
Enhancing 38 AI projects were completed as enhancements for smart manufacturing production efficiency: technologies: 21 applied deep learning models, 10 applied machine learning models, and 7 applied mathematical rules  
**Benefits:** 1.Labor costs: NT\$14 million 2.Contribution to revenue: NT\$176 million 3.Potential benefit of productivity: NT\$50 million
- **L5 Return on investment**  
Financial value:NT\$2.4 million(ROI:56%)
- **L4 Productivity**  
Enhancing efficiency: A total of 239 product R&D/validation enhancement/advanced procedure adoption/productivity improvement tasks were completed, and 51 improvement proposals were raised.  
**Output volume:**>950M
- **L5 Return on investment**  
Financial value:NT\$20.45 million(ROI:783%)

## Diverse learning paths and environment

The Company planned complete and diverse learning channels and environments aligned with its talent development philosophy for talent cultivation. The Company advocates life-long learning and assisting employees with their individual development plans, in order to achieve comprehensive learning and development of employees.



## Diverse OJT and learning channels



Note: Due to the addition of some internal training courses, the total hours of online courses in 2021 was updated from 65,050 hours to 67,951 hours.

### E-learning audio visual center

In the audiovisual center of the Company's internal training and development center, we provided a total of 200 digital courses in the e-learning environment as of 2022, and online training and reading hours reached 73,317 hours, growing by 7.9 hours.

### On-the-job degree programs

The Company continues to encourage employees' personal development. In addition to continuing industry-academia collaboration and technology development projects, the Company continues to provide subsidies, incentives, and assistance through its on-the-job training policy to encourage employees' participation in tertiary education. To date, a total of 735 employees have attained a new degree through on-the-job education programs, including 201 associate degrees, 391 bachelor degrees, and 143 master's and doctoral degrees, increasing by 1.2%.

### Language learning subsidy

The Company provides employees with a "Comprehensive Language Proficiency Improvement Plan" that includes language seminars, on-site TOEIC courses, on-site TOEIC exams, online language courses, and external language courses. The Company also has a "TOEIC Exam Simulation System" set up for employees to practice for the TOEIC exam and take TOEIC simulation exams. The Company set TOEIC goals linked to job positions and its promotion system. A total of 2,221 people registered their TOEIC score in 2022, an increase of 10.9%.

### Participation in external training courses

The Company encourages employees to enhance their professional competencies and obtain certifications related to their jobs by encouraging employees to participate in external training courses aligned with their personal development. The Company has expanded product development to continue to increase product value. A total of 137 employees participated in 2,045 hours of external training in 2022, up 25.7%.



## Recognition for Talent Cultivation and Development

Nanya continues to adjust its course structures in line with corporate strategies and goals, and takes step to improve the effectiveness, yield and output of its training efforts. In addition to periodically auditing, analyzing, and tracking training quality, the Company participated in the Talent Quality-management System (TTQS) certification program of the Workforce Development Agency, Ministry of Labor in 2022, which covers training plans, design, implementation, inspection, and results. Nanya Technology Corporation stood out from the many contestants to win the Gold Award for Large Enterprises for the third time. Motivated by the recognition for the Company's training and talent development efforts, the Company will be participating in the People Development Leader Award Category of the 2023 Taiwan Corporate Sustainability Award (TCSA) to continue upgrading the Company's talent development philosophy.

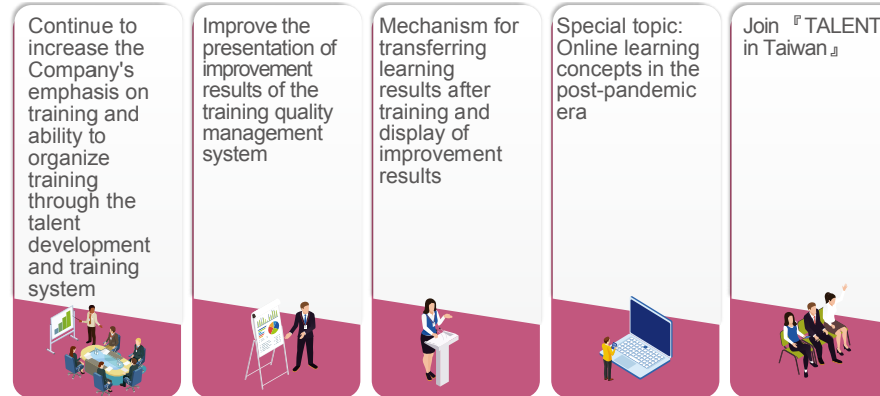


Talent Quality-management System (TTQS) Gold Award (Large Enterprise Version)

## Experience sharing

The Company upholds the spirit of continual improvement in talent development, and continues to participate in the TTQS evaluation conducted by the Ministry of Labor, in order to constantly improve

the Company's talent development measures. This is the third consecutive time the Company has won the highest award – the Gold Award (Large Enterprise Version). Highlights of the evaluation are as follows:



## Maximizing employee performance

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

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

The 180-degree performance evaluation has included even more subjects, and used different talent development tools to provide employees at all job levels with the most suitable opinions for improving work performance. The coverage remained at 26% in 2022. The 180-degree performance evaluation takes into consideration the frequency of communication and coordination between section managers and each unit, and direct supervisors choose peers that directly make contact with each other in operations; the number of people in indirect units is 4-6 and direct units is 2-4. The 360-degree evaluation is intended for plant and division managers and above, and involves feedbacks from subordinates on the

subject's managerial skills. The items assessed by each assessment tool are shown in the table below. Employees who exhibit good performance are rewarded; for those who exhibit poor performance, the system actively reminds their line managers to direct attention and provide assistance until there is significant improvement in performance. This treatment is not differentiated by gender in any way.

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

### Assessment Criteria

Multi-dimensional performance appraisal
Subjects: Plant and division managers and above Department managers/project managers/executive engineer Section manager/project manager/project lead engineer Team leader/Shift leader
Frequency: yearly
Evaluation method <ul style="list-style-type: none"> <li>180-degree performance evaluation: To provide a relatively objective basis for performance evaluation, the frequency of communication and coordination with each unit is taken into consideration for section managers and above (inclusive), and 180-degree performance evaluation is conducted. The direct supervisor of related personnel selects 4-6 peers or managers that come in contact with each other in operations for the evaluation.</li> <li>360-degree performance evaluation: Feedback from subordinates on the subject's managerial skills is referenced.</li> </ul>
Management by objectives
Subjects: Department managers/project managers/Section manager/project manager/Team leader/Shift leader/engineer/manager/Administrative, Technical, Business assistant
Frequency: quarterly
Evaluation method           First conduct self-assessment of colleagues, explain the work and their own views. Afterwards, the immediate supervisor evaluates the work performance of the subordinates, and gives encouragement and suggestions for improvement and assistance to the employees.
Agile conversations
Subjects: Team members
Frequency: quarterly
Evaluation method           Project evaluation is divided into top-to-bottom evaluation and peer evaluation. <ul style="list-style-type: none"> <li>Top to Bottom: The supervisor evaluates the performance of subordinates.</li> <li>Peer evaluation: Peer evaluations in each project to understand whether the two parties have a consensus on teamwork and communication performance.</li> </ul>
Team-based performance appraisal
Subjects: Direct employee and immediate supervisor
Frequency: monthly
Evaluation method           The supervisor will conduct evaluations based on individual teamwork, cooperation, learning ability and other items.

## ► Expanding Memory Talent

### Social issues we would like to resolve

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

#### Outstanding

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

#### Cultivate

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

#### Understanding

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

#### Future

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

#### Speech

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



## Major results in 2022



### Future

We provided scholarships to 22 students and provided a total of approximately **NT\$6.21 million** in Future Stars scholarships to 26 students (including qualification award).



### Outstanding

We cooperated with **5** universities on **14** industry-academia research plans, and the invested amount totaled **NT\$11.81 million**. The Company sponsored 4 campus activities with a total of **NT\$980,000**.



### Cultivate

We cooperated with **12** colleges on the internship programs. A total of **228** interns worked at the plant, including 70 indirect and **158** direct staff members.



### Understanding

A total of **14** corporate visits were held with about **613** teachers and students participants.



### Speech

As industry experts, they shared their experience with key schools in northern Taiwan during **36** seminars and with a total of **2,931** attendees in 2022.

## Our footprints



### Future Stars

- We organize Future Stars Scholarship activities to cultivate elite talent in the semiconductor field, encourage outstanding students to concentrate on related academic research and innovative technologies, and help young college students pursue their ideals and goals for the future. Online registration is open every October, and a total of NT\$610,000 in scholarships is provided to three divisions – Ph.D, master's, and bachelors. A total of 26 students qualified and 9 received scholarships in 2022.
- We implemented an internship scholarship system to help students successfully find a job after graduation. After students complete their internship, outstanding students will be awarded a scholarship and become employees of Nanya Technology Corporation after graduation. The internship is for a full academic year, and we provided a total of NT\$4.73 million in scholarships to 22 students in 2022.
- We sponsored three PhD students of National Taiwan University with scholarships to strengthen forward-looking R&D capability and carry out the development of next generation memory and advanced memory. This program provided a total of NT\$860,000 in scholarships to 3 Ph.D students of National Taiwan University to encourage outstanding students studying in semiconductor-related departments in 2022.



Photos of Future Stars



### Outstanding Projects

- We cooperated with universities in 5 industry-academia research projects on semiconductor applications and technologies, as well as product design and development, and periodically discuss research directions and results to jointly set research goals. These universities included National Taiwan University, National Tsing Hua University, National Taiwan University of Science and Technology, National Central University, and Ming Chi University.
- We sponsor domestic institutions that actively carry out academic research on semiconductors and make concrete contributions, including Chang Gung University College of Engineering, NTU System-on-Chip Center, NTUEE Camp, and the celebration of the anniversary of NTU Graduate Institute of Electronics Engineering.



## Cultivate

- We cooperated with 12 colleges on the internship programs in 2022, and established a complete internship system to effectively enhance the employability of students; a total of 111 interns were recruited.
- We successfully retained 1 interns to continue working at their internship units as a full-time employees in 2022. Moreover, we matched 7 interns to other suitable departments based on their professional competence. Therefore, students could extend their internship experience, link it up with employment opportunities, show their professional competence, meet the professional needs of industry academia, and give them the correct values and improve their abilities in the workplace.

## Understanding

- We invited teachers and students of colleges in northern Taiwan to visit our company and better understand Nanya, which will help them determine their future career path. Several of the visits were coordinated with the internship program and some students even found intern openings to utilize what they learned in school. The quality of visits to our company have improved and greatly benefited students who participated.
- We sponsored the Electronics Camp organized by the NTU System-on-Chip (SOC) Center and NTUEE Camp activities, which cultivates students for semiconductor research and development. Through group activities and an on-site plant visit, students gained an in-depth understanding of development trends in the semiconductor industry. Recruited students with superior engineering backgrounds across Taiwan.
- We planned industry visits for students in coordination with the Intelligent Electronics Talent Application and Development Program of the Industrial Development Bureau, which helps students gain an in-depth understanding of industry development and practical application trends. This will bring talent into the industry, and the guided tours will improve the Company's brand image.
- We assisted in the workplace experience of Taipei Youth Career Development Center Taipei Youth Salon, and gave students an opportunity to go deep into Nanya Technology Corporation through on-site visits and enterprise exchanges interaction, so that young students will be able to thoroughly consider the future direction of their career, prepared employment skills, and thereby promote youth employment.



NTU IC Camp



NTUEE Camp

## Speech

- Seminars with industry experts are held in 8 colleges and offer practical skills in the workplace, jointly developing an industry course that meets workplace requirements. The seminars place equal emphasis on theory and practice, and the easy-to-understand lectures gave students new perspectives on semiconductors.
- Continue to work with Ming Chi University of Technology/Chang Gung University in organizing seminars on practices in the semiconductor industry, arrange for experienced semiconductor supervisors to serve as instructors and offer courses, link students' workplace abilities to discussions on practices, strengthen students' competitiveness in the workplace, and eliminate the gap between education and employment.



Chang Gung University Integration Introduction to IC Process Integration



Youth Career Development Center



## 4-4 A Happy and Safe Workplace

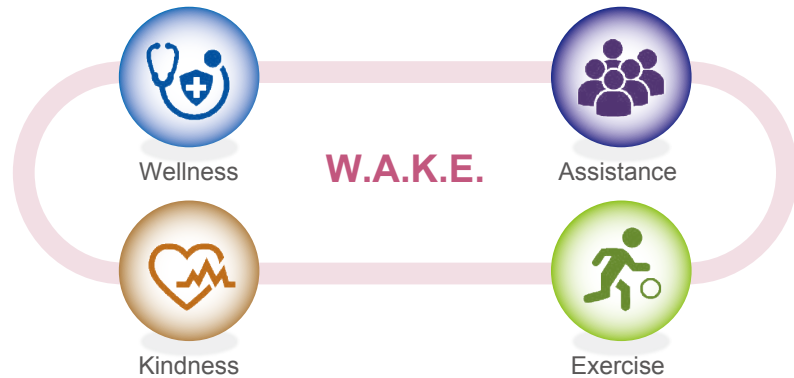
### Employee Care

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

In addition to providing salaries that are competitive for the industry, Nanya also promotes the Employee Assistance Program. It is combined with WAKE Up actions—a full range of employee benefit measures based on the themes of “wellness”, “assistance”, “kindness”, “exercise”. We hope to achieve the goal of creating a group of joyful technology talents through building a happy workplace. Nanya Technology Corporation received the Ministry of Labor Work-Life Balance Award Employee Care Award for its complete EAP.



Nanya  
Technology  
Corporation  
happy  
enterprise  
video



### Wellness

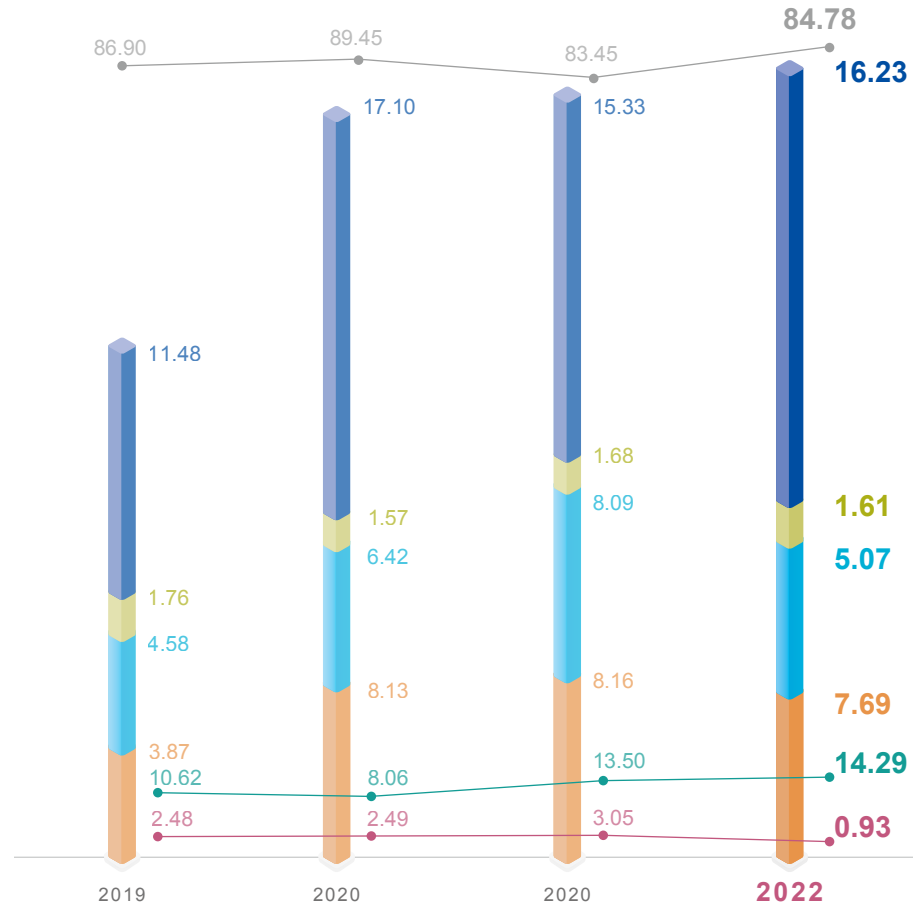


The Company collaborates with professional medical team from Chang Gung Hospital to provide annual health check service for employees. A total of 1,184 employees had completed their health checks in 2022, for which the Company incurred total expenses of NT\$1,734,802 in expenses. Employees who exhibit abnormal health check results are tracked on an ongoing basis and subjected to health management. All of our factories have a medical room with a physician stationed on site to provide employees with professional medical and consultation services. Seminars on spirituality and health and healthcare courses are arranged each quarter to meet employees' need for knowledge on physical and mental health.

The Company offers regular employee health check services that are more favorable than what the laws require, and the health checkup also includes cancer screenings for  $\alpha$ -Fetoprotein, carcinoembryonic antigen and oral cancer and waistline monitoring. Employees who exhibit abnormal health conditions (such as liver function, blood sugar, metabolic syndrome, cerebrovascular disease etc) are identified based on the health check results, and the Company provides them with healthcare information, suggestions and follow-up tracking.

	Abnormal blood pressure	Abnormal liver function	Abnormal blood sugar level	Metabolic syndrome	Low risk	Moderate risk	High risk	Total employees checked for the year
2019	3.87%	4.58%	1.76%	11.48%	86.90%	10.62%	2.48%	1,420
2020	8.13%	6.42%	1.57%	17.10%	89.45%	8.06%	2.49%	1,526
2021	8.16%	8.09%	1.68%	15.33%	83.45%	13.50%	3.05%	1,311
2022	7.69%	5.07%	1.61%	16.23%	84.78%	14.29%	0.93%	1,184
Total								5,441

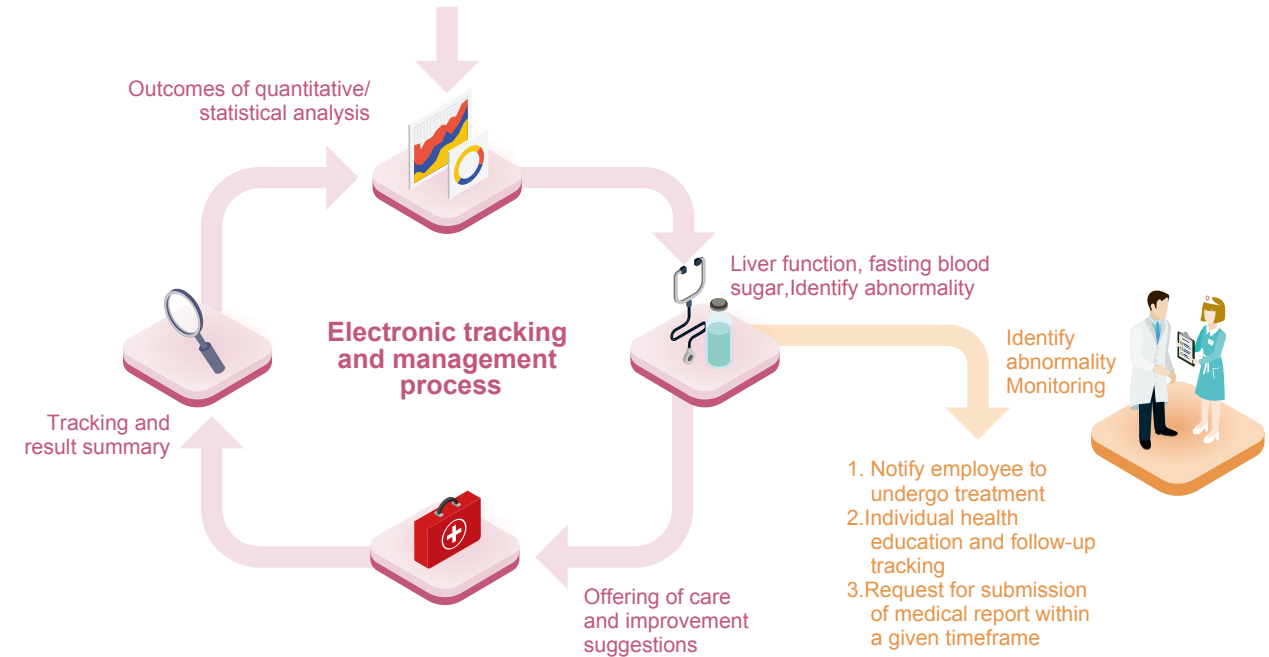
## Employee medical check-up data over the years



- Abnormal blood pressure
- Abnormal blood sugar level
- Abnormal liver function
- Metabolic syndrome
- Low risk
- Moderate risk
- High risk

Note: Risk levels are determined by using health check data (age, cholesterol, high-density cholesterol, blood pressure, diabetes, smoking history) to estimate the risk of developing ischemic heart disease within ten years.

## Electronic tracking and management process



In addition to arranging health check for employees, the Company also has a Health Center available to provide services such as preliminary treatment of injuries, preventive healthcare, weight management, and smoking cessation consultation. As a member of the Formosa Plastics Group, the Company is supported by the medical resources of Chang Gung Memorial Hospitals, including medical center-grade treatment and healthcare services. Employees of the Company and dependents are subsidized when seeking treatment at Chang Gung Memorial Hospitals, and are entitled to discounts on health checkups and various deductibles not covered by National Health Insurance Scheme.

The Company started holding charitable weight loss competitions in 2019. Employees are encouraged to sign up individually or as a team of 5 people. For every 1,000 grams of weight lost by employees, the Company donates NT\$1,000 to charitable organizations. The competitions not only help employees with weight control, but also serve as a measure to donate funds to those in need. In 2022, a total of 411 employees participated, and their weight loss totaled 931.8 kg; there was a total of 1,671 participants over the past four years and weight loss totaled 4,206.2 kg.

## Response to epidemic disease

The Company has assembled an Epidemic Response Team based on recommended practices for SARS and avian influenza to facilitate quick response in the outbreak of epidemic disease, such as influenza virus. Response measures are being devised and conveyed to employees on an ongoing basis. At the end of 2019, when sporadic COVID-19 cases emerged, the Company immediately put the Epidemic Response Team into action, conducting work allocation and drills for various tasks. For example, when any infection cases occur, investigations based on the activity histories of the infected people issued by the Central Epidemic Command Center are immediately initiated, then results are reported back to the Company's Epidemic Response Team in order to promptly set up lists of those going on quarantine leaves or self-health monitoring periods. If necessary, further disinfection and cleaning for the surrounding environment is carried out.

The Company's epidemic prevention and response work focuses on the following ten areas: epidemic prevention and control measures, preparation of epidemic-prevention supplies, tracking of atypical cases, personnel health assistance, attendance management, control measures for guests and manufacturer personnel, subsidiary management, compliance with laws and regulations, business operation, and supply chain. With a cautious and prepared attitude, we hope to take preemptive and preventive actions. We have been making every effort to reduce the risks of infection in all of the Company's operations with a diligent attitude and preparedness.



### Epidemic prevention propaganda

- Influenza virus response measures are announced internally
- Large posters are placed throughout plant premise to convey the importance of epidemic prevention and test employee understanding.
- Distribution of health self-management notice and rules.



### Epidemic prevention measures

- Reporting, containment and epidemic prevention leave.
- Restricting business travels and business errands, as well as number of people in meeting rooms.
- Epidemic prevention for contractors and visitors



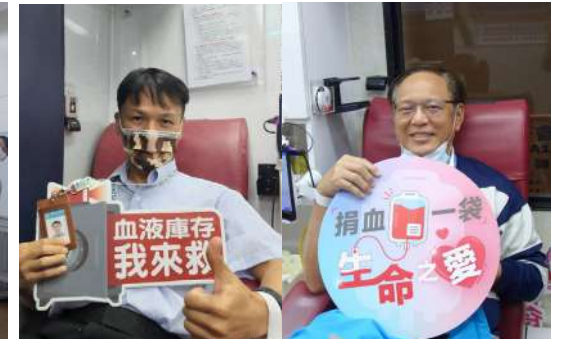
How to exercise for weight loss and health



Dynamic aerobics course



2022 Weight loss activity for public welfare



Nanya held 2 blood donations in 2022. The event received a total of 226 blood donation visits, and 367 bags of blood were donated.



2022 Health promotion activities – Bone density inspection







2022 Health promotion activities – Healthcare for women



2022 Health promotion seminar – Sleep disorder Number of participants: 75 people



2022 Health promotion activities – Quit smoking Number of participants: 24 people



2022 Employee medical check-up 1223 people (including annual: 1,184 people, non-annual at self expense: 32 people, catering staff: 7 people)



2022 Health promotion activities – Flu vaccination Number of participants: 223 people



2022 Health promotion seminar – Newborn parenting seminar Number of participants: 33 people

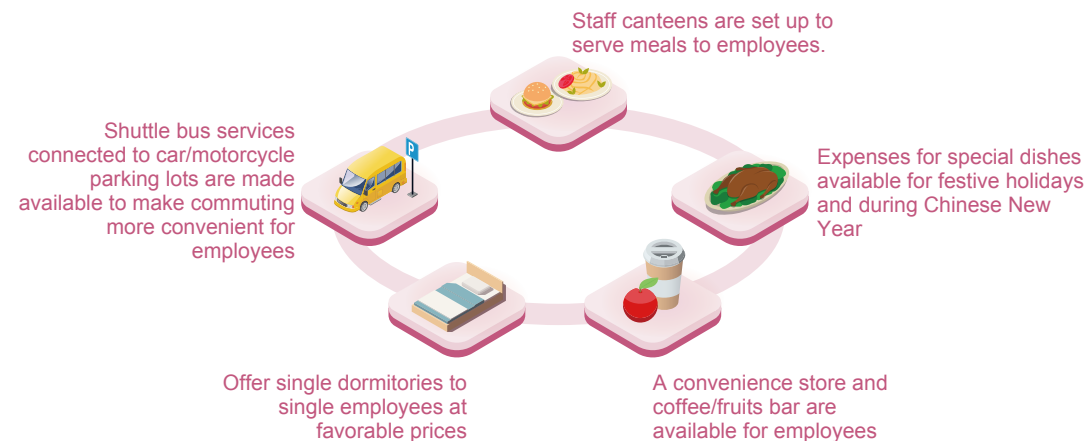
## Assistance



To provide employees with a friendly and convenient work environment, the Company planned meals, accommodations, shuttle buses, and parking lots. The Company also has an Employee Welfare Committee available to arrange diverse benefits and activities for employees. The Employee Welfare Committee comprises 9 members, 1 of whom is appointed by the Company whereas the other 8 are elected by employees from different departments. The Employee Welfare Committee received approximately NT\$40 million in funding in 2022; the majority of which was spent on incentive trips, festive gifts, birthday vouchers, children's scholarship, group insurance, entertainment, and childbirth and hospitalization subsidies. As the COVID-19 pandemic subsided in 2022, the Employee Welfare Committee organized Family Day and Baseball Day activities with a total of 6,560 participants.

Furthermore, to meeting the commuting needs of employees during the fab expansion period, the Company built three parking lots for cars and one parking lot for scooters nearby, and planned shuttle buses to and from the parking lots that start at 6:10 and end at 21:15, in order to meet the needs of employees that work different shifts. The shuttle buses are frequent with average waiting time of less than 10 minutes, reducing the wait time and allowing employees to commute to work without any worries. The shuttle buses on average transport 1,500 people and above a day.

### Main Employee Benefit Measures



After the pandemic subsided, employees enthusiastically participated in employee trips, and invited their family and colleagues to go together. A total of 3,193 employees signed up for employee trips in 2022 with participation reaching 91%.



Coffee/fruit bar



Clean single dormitory



Convenience store



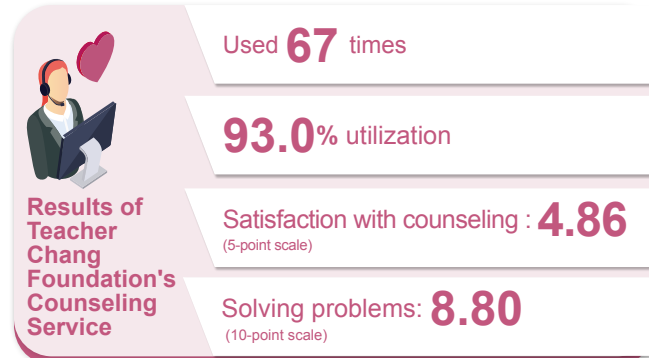
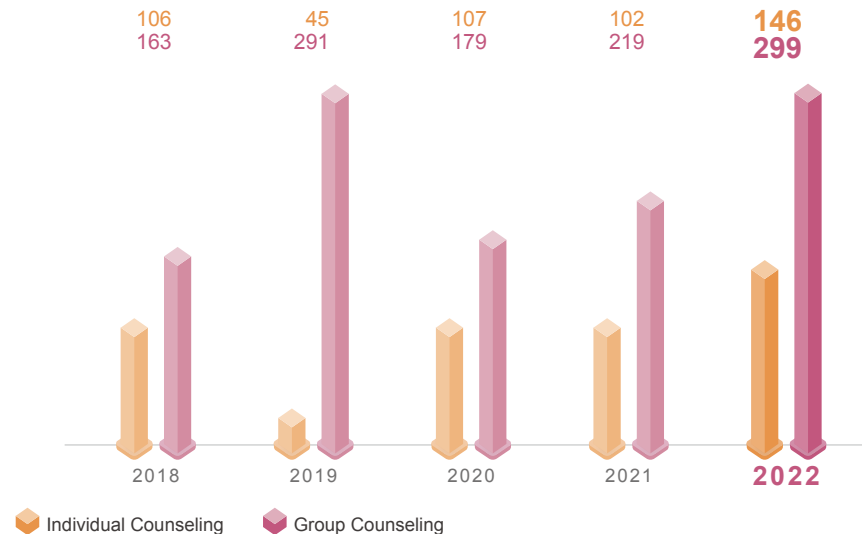


## Kindness



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

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



### Friendly environment for childbirth and raising children

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

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

Nanya also has an unpaid parental leave system. Employees may apply for parental leave at their own will. This contributes to the stability of families and society by enabling employees to maintain a balance between work and family without worrying about child care issues. In 2022, a total of 327 employees (91 female and 236 male) were entitled to take unpaid parental leave, and a total of 32 people (23 female and 9 male) had actually applied. Furthermore, Nanya has signed contracts with numerous kindergartens to provide employee discounts

on registration fees, monthly fees, transportation expenses, and free extended hours, lifting the burden of childcare on employees.

The Company established the Regulations for Childbirth Incentives to lift the burden on employees and encourage them to have children. Starting in July 2022, the Company provides a subsidy of NT\$20,000 for each newborn, and employees are also eligible to apply for a monthly allowance of NT\$2,000 until their child reaches the age of 6 years old. A total of NT\$7,748,000 was provided in subsidies to 535 employees in 2022.

#### Application for unpaid parental leave and reinstatement rate in Taiwan

2020			2021			2022		
Female	Male	Total	Female	Male	Total	Female	Male	Total
<b>No. of employees entitled to unpaid parental leave</b>								
112	252	364	101	244	345	91	236	327
<b>No. of employees applied for unpaid parental leave</b>								
19	4	23	19	5	24	23	9	32
<b>No. of people due for reinstatement in the current year (A)</b>								
7	3	10	10	5	15	12	5	17
<b>No. of people applied for reinstatement in the current year: (B)</b>								
6	2	8	7	3	10	9	5	14
<b>No. of employees still on the job 12 months after reinstatement</b>								
5	0	5	5	2	7	5	3	8
<b>Reinstatement rate % (B/A)</b>								
85.71%	66.67%	80.00%	70.00%	60.00%	66.67%	75.00%	100.00%	82.35%
<b>Retention rate %</b>								
100.00%	0.00%	83.33%	83.33%	100.00%	87.50%	71.43%	100.00%	80.00%

Note1: "No. of people due for reinstatement in the current year": does not include employees who applied to extend their unpaid leave during the year.

Note2: "No. of people applied for reinstatement in the current year": includes employees who applied for reinstatement in the current year before the end of their leave.

Note3: "Retention rate" refers to the percentage of employees reinstated from unpaid parental leave who continued to work for one year and above.



Priority Parking Lots for Pregnant Employees



Nursery Room

#### Exercise



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

#### Complete gym/fitness center

**40,702** participants

Number of visits to the sports and recreation center in 2022



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

#### Encouragement of sport activities

Nanya Technology Corporation organizes a variety of events to promote sports for the mental-physical balance of employees. Besides encouraging sports clubs, such as jogging club, basketball club, table tennis club, badminton club, and softball club, we organized a series of "Sports Festival" activities in 2019. Departments and clubs submitted creative proposals to utilize sports venues and facilities for sports promotion, creative thinking, and creating a more lively atmosphere in the Company. These sports promotion measures allowed Nanya Technology Corporation to be recognized with the Sports Enterprise Certification by the Sports Administration, Ministry of Education for the second time in 2022, showing that the Company has gained external recognition for its efforts in sports promotion.



The 2022 Sports Festival Event consisted of 7 departmental teams, with more than 300 participants.



Nanya Technology Corporation was recognized with the Sports Enterprise Certification by the Sports Administration, Ministry of Education for the second time

## Diverse club activities

The Company has a total of 24 clubs with diverse themes, including parenting, jogging, basketball, table tennis, badminton, slow pitch and hiking. More than 1,067 employees participated in the above club activities in 2022. The Company also encourages the clubs to hold annual recruitment events to increase staff participation and work-life balance.



Board games club uses time after work for employees to play board games together and build relationships.



Badminton club uses LOHAS club to organize a badminton tournament that will train the body and mind of employees.



After the pandemic subsided, the volleyball club participated in Hwa Ya Technology Park's friendly match, during which employees met new friends and released stress.

## Employee Human Rights Protection

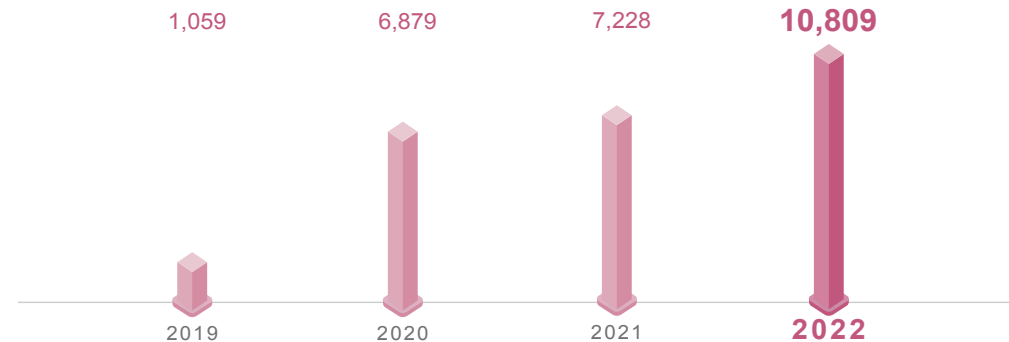
Nanya Technology Corporation places great emphasis on employees rights and has established a Labor and Ethics Policy. The Company complies with relevant international human rights standards, including the behavioral guidelines of Responsible Business Alliance (RBA), Social Accountability 8000 Standard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



Nanya's Human Rights Policy

The Company has made a commitment to not hire child labor under the age of 16 years old, and has never hired child labor. To protect the rights of employees and employer, employees will receive an acceptance notice before they officially report for duty, and an employment contract is signed between the Company and new employees when new employees report for duty. All employees have signed an employment contract and are fully protected. All employees have been hired with employment terms established under the free will, consent and consensus of both parties; no employee was forced or coerced to perform work activities unwillingly. In addition, there were no anti-discrimination incidents in 2022. "2022 Policy and Code of Conduct Training," "2022 Unsafe Workplace Behavior and Prevention Training," and "2022 Personal Data Protection Training" are some of the training courses related to human rights policies and procedures in 2022. The trainings mentioned are compulsory for all employees. The percentage of employees who have received the trainings is 100%, and the total person-hours of training is 10,809 hours.

### Statistics on human rights policies and procedures training hours from 2019 to 2022



Total person-hours of training

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



## Human Rights Risk Management

Nanya Technology Corporation adopts the RBA and healthy workplace criteria to assess human rights risks. We periodically assess employees' risk exposure, formulate risk mitigation measures and abide by local law at business operations based in Taiwan and overseas. We constantly identify human rights issues, susceptible parties and departments, and perform human rights risk assessments on a regular basis. Risk values are calculated to reflect the percentage of people at risk relative to total employees; based on the assessment results, the Company is able to devise annual improvements and set mitigation targets for human rights risks in the future.

### Identification process



















The probability of risk was 0.99% in 2022, 1.11% lower compared to 2021. This year we focused on improving the issue of excessive overtime risk, and the number of excessive overtime cases decreased by 21 cases compared with last year through properly planning and work arrangements, as well as effective use of time, lowering the risk to low risk.

### Human rights risks of Nanya

Human rights issues	Parties susceptible to influence	Assessment tools	2021 risk	Probability of risk in 2021	2022 risk	Probability of risk in 2022
<b>Occupational injury</b>	Production/new recruit	Occupational injury report	Low	2.1%	Low	0.99%
<b>Overtime</b>	Production engineer/ technician/R&D personnel	Attendance system	Medium		Low	
<b>Employment dispute</b>	All employees	Government correspondence on employment disputes	Low		Low	
<b>Workplace violence</b>	All employees	Grievance investigation	Low		Low	
<b>Child labor</b>	Employees aged 18 and below	Identity proof	Low		Low	
<b>Forced labor</b>	All employees	RBA internal audit	Low		Low	
<b>Protection of Personal Data</b>	All employees	Cases of violation on personal data protection	Low		Low	
<b>Maternity protection</b>	Females in pregnancy or within 1 year of labor	Pregnant women or women who have given birth within less than a year are included in the tracking list if the work environment has caused harm to the mother or fetus.	Low		Low	
<b>Protection of occupational health</b>	People with blood pressure >140/90mmHg or metabolic syndrome	Health figures that did not become under control after assistance, health education, and medical treatments.	Low		Low	
<b>Abnormal workload</b>	Overtime working exceeding 37 hours a month for 6 consecutive months	Physical and mental health test scale	Low		Low	
<b>Ergonomic engineering</b>	The musculoskeletal soreness indicator was greater than 4 in the musculoskeletal symptom survey, and reflects on all employees often taking leave due to poor ergonomic design or soreness and discomfort	Tests for musculoskeletal injury and disease	Low	The risk probability of newly added assessment items in 2020 was all low.	Low	The risk probability of the five human rights risk assessment items was all low.
<b>Human trafficking</b>	All employees	Grievance investigation	Low		Low	
<b>Equal pay</b>	All employees	Grievance investigation	Low		Low	
<b>Non-discrimination</b>	All employees	Grievance investigation	Low		Low	
<b>Freedom of association</b>	All employees	Grievance investigation	Low		Low	
<b>Collective bargaining agreements</b>	All employees	Grievance investigation	Low		Low	

Note: Human trafficking, equal pay, non-discrimination, freedom of association, and collective bargaining agreements were included in the human rights risk analysis in response to the Company's RBA Standards and human rights policy.

 <p><b>Occupational injury</b></p>	<p>2022 risk : Low Mitigation measures: Regularly conduct risk identification, perform preventive educational trainings for drivers, eliminate workplace hazardous factors and increase protective equipment</p> <p>Remedial measures: Provide emergency medical and first aid treatment, complete medical assistance; allow leave of absence and provide compensation in accordance with the law.</p>	 <p><b>Employment dispute</b></p>	<p>2022 risk : Low Mitigation measures: Have reasonable and clear company policies, multiple employee complaint and communication channels; proactively collect information on labor laws and modify relevant management policies in a timely manner.</p> <p>Remedial measures: Establishing and fulfilling the rights and obligations of workers and management.</p>
 <p><b>Child labor</b></p>	<p>2022 risk : Low Mitigation measures: Explicit prohibition on the use of child labor in the manufacturing process; implementation of identity checking measures.</p> <p>Remedial measures: Terminate child labor immediately, and the personnel is subject to the redundancy process; the parents and legal guardians of the child worker shall be notified; the Company covers the transportation/accommodation/other expenses involved in sending the child home.</p>	 <p><b>Protection of Personal Data</b></p>	<p>2022 risk : Low Mitigation measures: Personal data risk register and assessment; formulate and execute improvement measures for items with high-risk ratings.</p> <p>Remedial measures: Immediately notify affected persons and execute appropriate actions.</p>
 <p><b>Protection of occupational health</b></p>	<p>2022 risk : Low Mitigation measures: Dietary education, health promotion events (quitting smoking, weight loss).</p> <p>Remedial measures: Arrange doctor interviews and health assistance.</p>	 <p><b>Ergonomic engineering</b></p>	<p>2022 risk : Low Mitigation measures: Implement prevention programs against disease caused by abnormal workload; identify and evaluate high-risk groups; conduct health inspections, management, and promotion.</p> <p>Remedial measures: Arrange doctor interviews and health assistance.</p>
 <p><b>Equal pay</b></p>	<p>2022 risk : Low Mitigation measures: Explicit prohibition on discriminatory practices in recruiting or hiring processes.</p> <p>Remedial measures: Immediately make effective corrections and implement remedial measures. Re-examine the Company's methods and promote correct concepts in the management level.</p>	 <p><b>Freedom of association</b></p>	<p>2022 risk : Low Mitigation measures: Conduct educational trainings for new recruits; promote correct concepts in the management level.</p> <p>Remedial measures: Immediately make effective corrections and implement remedial measures; adopt appropriate corrective, disciplinary, and issue-solving measures.</p>
 <p><b>Overtime</b></p>	<p>2022 risk : Low Mitigation measures: Attendance system prompt and control</p> <p>Remedial measures: Provide overtime pay and rest time in accordance with the law, conduct abnormal workload assessments and provide counseling, assign tasks in a reasonable and fair manner, implement educational trainings to improve work efficiency, increase manpower in accordance with organizational needs.</p>	 <p><b>Workplace violence</b></p>	<p>2022 risk : Low Mitigation measures: Have a complete internal mechanism for handling sexual harassment complaints, conduct sexual harassment prevention trainings, have a complete internal mechanism for handling workplace bullying, conduct workplace bullying prevention trainings.</p> <p>Remedial measures: Immediately make effective corrections and implement remedial measures; assist in arranging counseling when necessary; make referrals to professional counseling services or medical institutions; adopt appropriate corrective, disciplinary, and issue-solving measures.</p>
 <p><b>Forced labor</b></p>	<p>2022 risk : Low Mitigation measures: Explicit prohibition on the use forced labor in the manufacturing process.</p> <p>Remedial measures: Terminate the personnel's work immediately, and the personnel is subject to the redundancy process.</p>	 <p><b>Maternity protection</b></p>	<p>2022 risk : Low Mitigation measures: Implement the health management plan of "Maternal Health Protection for Female Workers", conduct workplace hazard assessments, provide prenatal- and postpartum-related health education..</p> <p>Remedial measures: Perform evaluations by on-site professional doctors and related teams; arrange doctor interviews and health assistance.</p>
 <p><b>Abnormal workload</b></p>	<p>2022 risk : Low Mitigation measures: Conduct hazard assessments and make improvements; provide health-related counsel and recommendation.</p> <p>Remedial measures: Arrange doctor interviews and health assistance.</p>	 <p><b>Human trafficking</b></p>	<p>2022 risk : Low Mitigation measures: Explicit prohibition on the use forced labor in the manufacturing process.</p> <p>Remedial measures: Terminate the personnel's work immediately, and the personnel is subject to the redundancy process; notify police agencies and relevant authorities.</p>
 <p><b>Non-discrimination</b></p>	<p>2022 risk : Low Mitigation measures: Explicit prohibition on discriminatory practices in recruiting or hiring processes.</p> <p>Remedial measures: Immediately make effective corrections and implement remedial measures; re-examine company policies and promote correct concepts in the management level.</p>	 <p><b>Collective bargaining agreements</b></p>	<p>2022 risk : Low Mitigation measures: Have clear and fair company policies, multiple employee complaint and communication channels; negotiate with the labor union before modifying labor conditions and work rules.</p> <p>Remedial measures: Immediately respond to appeals and conduct good faith bargaining.</p>

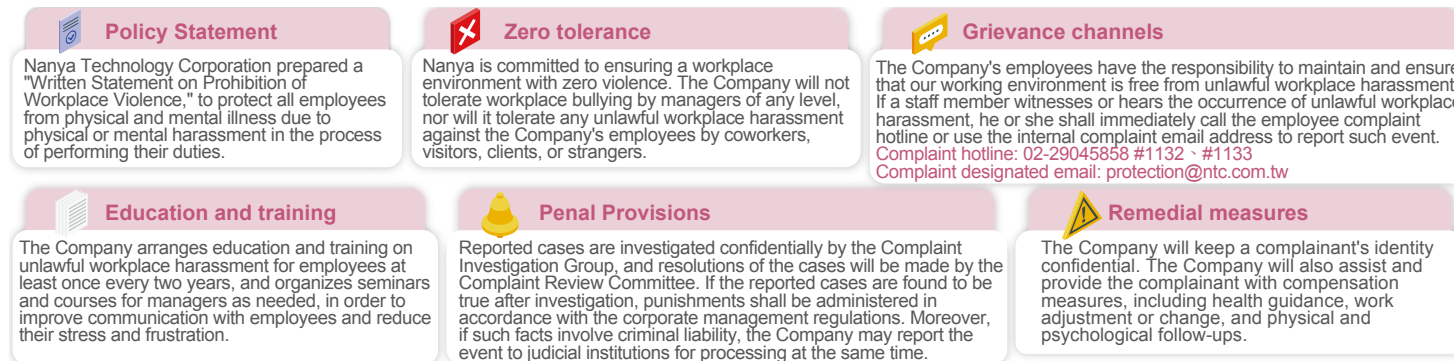


## Employee Protection and Communication

### Zero Tolerance of Harassment and Discrimination

Nanya Technology Corporation prepared a "Written Statement on Prohibition of Workplace Violence", 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 Technology Corporation'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 of Nanya for preventing harassment and discrimination



Note 1: Definition of unlawful workplace harassment

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:

(I) 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).

(II) Sex- and gender-related behaviors

(1) Sexual harassment (sexual behaviors towards a person against the person's will, such as: inappropriate sexual innuendo remarks and behaviors).

(2) Gender harassment (use gender discrimination or bias speech to insult, demean, or be hostile towards specific genders).

Before the release of the guidelines on workplace violence, Nanya Technology Corporation already had the "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy" and "Nanya Technology Corporation Employee Complaint Guidelines" in place; regarding the improper treatment of workers in the workplace, relevant preventive measures and follow-up investigations had been formulated. In addition, the Company not only has counseling rooms, but also cooperate with the Teacher Chang Foundation to offer on-site counseling services. This provides space for employees to talk and receive counseling. Workplace mental health improvement seminars are also held regularly to provide workers with relief channels. Nanya Technology Corporation had no unlawful workplace harassment and sexual harassment cases in 2022.



## Unlawful workplace harassment training statistics

2019	2020	2021	2022
"Occupational Hazards and Preventive Training" completion rate			
100%	100%	100%	100%

## 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. Documents shall be processed and stored as confidential documents.

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

	2019	2020	2021	2022
<b>File written complaints (including anonymous reports)</b>				
	0	2	5	4
<b>Employee grievance report table</b>				
	2	1	0	0
<b>Complaint hotlines and mailboxes</b>				
	0	0	1	1
<b>Total</b>	2	3	6	5

		2019			2020			2021			2022		
		Rejected	Accepted		Rejected	Accepted		Rejected	Accepted		Rejected	Accepted	
			Case opened	Case not opened		Case opened	Case not opened		Case opened	Case not opened		Case opened	Case not opened
Cases related to the Business and Ethical Code of Conduct	Corruption and bribery	0	0	0	0	0	0	0	0	0	0	0	1
	Improper income	0	0	0	0	0	0	0	0	2	0	0	0
	Fair competition	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
	Conflicts of Interest	0	0	0	0	0	0	0	0	0	0	0	0
	Money Laundering or Insider trading	0	0	0	0	0	0	0	0	0	0	0	0
	Protection of intellectual property rights	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
	Sexual harassment	0	1	0	0	0	0	0	0	0	0	0	0
	Harassment	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
	Environmental protection	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
Other		0	0	1	0	0	3	0	0	4	0	1	3
Total		0	1	1	0	0	3	0	0	6	0	1	4
		2			3			6			5		
Processing and case closed		2			3			6			5		
Case closure rate		100%			100%			100%			100%		



A total of 5 reports were received in 2022, including 1 case of embezzlement and 4 cases of internal management issues. Each case is described below.

After investigation, the embezzlement case was due to management personnel not periodically announcing accounts and a case was not opened. Dedicated personnel were appointed for management and to periodically announce the department's accounts.

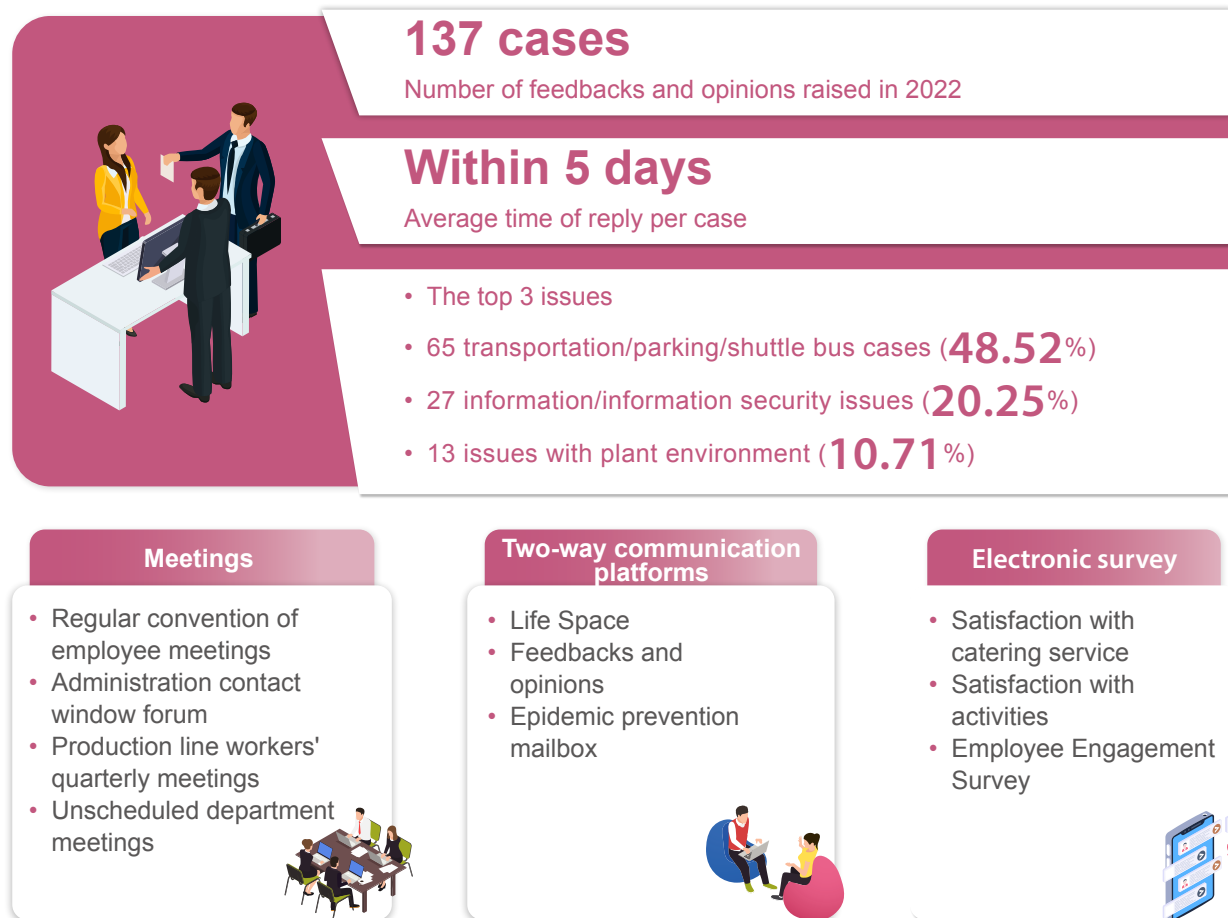
1

After investigation, the 3 internal management complaints involved unsuitable constraints and rules. Departments were informed to comply with company regulations when carrying out management operations, and to fully communicate with employees to avoid misunderstanding. The other case was investigated due to improper discipline and management behavior of the supervisor, and will be punished in accordance with the company regulations.

2

## Labor-management relations and communication

The Company has diverse, open and transparent communication channels in place to maintain harmonic employment relation, facilitate labor-management collaboration and improve workers' benefits. These communication channels not only enable employees to express opinions on various issues concerning health, safety, benefits and basic work conditions, but also allow the Company to take initiative in learning employees' thoughts and address problems in a timely manner. The Company also has complaint mailbox, whistleblower hotline and sexual harassment prevention hotline available for reporting illegal matters, and any opinions concerning corporate policies may be raised using the "Management System Improvement Opinion 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:



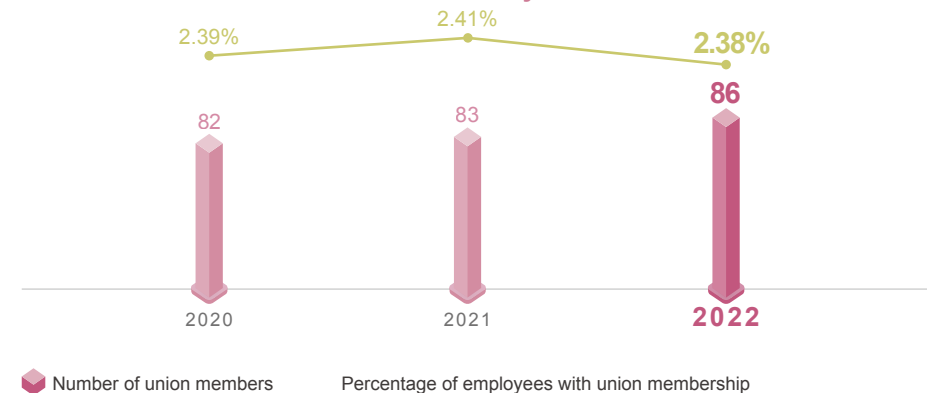
Employee meetings are held two times a year.



Interactive opinion section

The employees of Nanya have established a labor union since April 2012. Although the Company and the labor union have not signed a group agreement, we still actively maintain communication and harmony. Various communication channels are still utilized to exchange information, allowing the labor union to fully perform its functions and express opinions. This strengthens the harmonious employment relationship and benefits. Employees currently communicate through the Nanya labor union. Labor representatives are elected by the labor union representative assembly according to Article 5 of the Regulations for Implementing Labor-Management Meeting. Hence, the Company believes that labor representatives may overlap with directors and supervisors of the labor union. The Company communicates with the labor union on a monthly basis, so labor-management meetings are not convened.

### Number of union members in the last 3 years - Taiwan



## Occupational Health and Safety

The president of Nanya Technology Corporation has signed a safety and health policy commitment to continue to improve and promote a safety culture. The Taiwan plant obtained ISO 45001 Management System certification (covers all workers: employees account for 85.1% and other workers that are not employees account for 14.9%), and the NDAZ-0002 EHS Management Manual was established to provide a safe, healthy, and excellent work environment to all workers at the Company. The Company is committed to ensuring that all workers of the Company have the ability to recognize hazards when engaging business activities so that occupational injuries can be prevented, in hopes of achieving zero occupational injuries and zero occupational disease.

Nanya Technology Corporation sets out from the identification, assessment, and control of hazards in the workplace:



### Step 1

The identification of hazards requires the verification of which hazards exist in the workplace, verification of which adverse effects may accompany these hazards, and determination of whether employees are exposed or may be impacted. The basis for determination includes workplace inspection records, safety data sheet, accident and disaster records, Job Safety Analysis, job safety observations and interviews, standard operating procedures, equipment manuals, and repair records, and then risk assessment is carried out on this basis.



### Step 2

The assessment of hazards requires the verification of whether the level of exposure of workers who are exposed or may be exposed complies with regulations, and understanding whether control equipment or management measures meet requirements. After hazards identification and risk assessment, a total of 380 people (the number of people under level 4 management in the annual special health examination was 0) were determined to be involved in high risk operations (e.g. special hazard health operations: ionizing radiation, noise, arsenic, indium, mercury, and n-Hexane), and control and improvements were carried out.



### Step 3

The control of hazards requires control of hazard sources, control of routes that come in contact with hazards, control of workers exposed to hazards, and the establishment of safety procedures. High risk items that are identified are prioritized for improvements after feasibility evaluation.

Nanya Technology Corporation not only provided 254 hours of safety and health training for 4,362 participants in accordance with the law, but also invited industry experts to provide construction safety seminars (a total of 86 employees and 6 contractors participated) and organized construction safety supervisor certification training (a total of 112 employees obtained the certification) in response to the expansion of the new fab, so as to maintain construction safety during the expansion period. We organized 54 emergency response drills to strengthen the training and response ability of personnel, including medium and high risks (such as chemical leakage and fire accidents), rescue of injured personnel, evacuation during an earthquake or fire accident, and actual operations of fire extinguisher. In addition to training, the Safety and Health Division conducted monthly on-site SWATs at the workplace of various teams based on 36 themes. The 36 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.

## Nanya Technology Corporation's Proactive Safety and Health Improvement Plan for Work Environment and Clean Room

2019	2020	2021	2022
<b>Number of medium and high risks and improvement plans in the general work environment</b>			
12	11	11	12
<b>Summary of Improvement Plan</b>			
Oxygen detector installation, regional lighting improvement, adding insulation on busbars, and traffic safety of employees riding scooters	Personnel passageway/platform fall protection, lowering the noise in blower areas, and other measures to reduce operational risks of personnel	Forklift AI protection, tanker pipeline improvement, oxygen concentration detector installation, personnel ladder fall protection, and traffic safety of employees riding scooters	Organic solvent hood installation, exterior wall tile reinforcement, sidewalk leveling, and personnel passageway/platform fall protection to reduce operational risks
<b>Number of medium and high risks and improvement plans in clean rooms</b>			
17	12	9	10
<b>Medium and high risk improvement rate</b>			
100%	100%	100%	100%
<b>Amount invested in improvement plans(NT\$10,000)</b>			
396.4	383.7	341.8	296.1
<b>Improvement plan Main Content</b>			
Earthquake-proof construction for clean room machines and material shelves, lighting improvement for clean room areas, efficiency improvement for clean rooms' local air exhaust equipment, leakage prevention measures for pipeline valve and chemical storage areas.	Work safety for working aloft in clean rooms (adding lifelines), lighting improvement for clean room areas, adding protection nets for material shelves in clean rooms, fall protection for machine maintenance personnel working on platforms, rust and leakage prevention for pipeline valves.	Clean room machine cover, shaker improvement, and work platform personnel collision prevention, power connector insulation improvement, local air exhaust equipment improvement, pipe coating prevention, and valve leakage prevention measures.	Measures to prevent objects from falling and toppling of machinery and material racks in clean rooms, seismic-resistance measures for machinery, improvement in ergonomic design of cart for maintenance parts, and pipe valve and chemical storage area leak prevention and ventilation facilities.

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

Nanya Technology Corporation places great importance on occupational safety and health. Occupational safety and health committee meetings are held every month at a regularity higher than what is required by the law. Each meeting is directed by the executive vice president, while the process is participated by senior managers, department heads, and committee members. Labor representatives make up 41.7% of the committee members. They jointly review the achievement statuses of various safety and health management goals, accident investigations, and the performance of safety and health projects. To strengthen communication on health and safety issues, in addition to existing channels of the



Company (e.g. opinion box on the homepage), each department has appointed dedicated personnel to collect inquiries from employees, matters requiring communication, and proposals through department meetings, SWAT, and the Safety & Environment Event Tracking System (SETS). The personnel directly contact, receive information from, respond to, and consult the Safety and Health Division, establishing smooth channels for safety and health management and communication.

### Consultation and Communication between the Occupational Safety and Health Committee and Workers

- Occupational safety and health management affairs and safety and health performance
- Safety and health self-inspections and audits
- Safety and health education and training plan and implementation
- Measures that must be taken for operating environment monitoring results
- Occupational hazard and incident investigation reports
- Health management and health promotion affairs
- Regulatory changes and response measures

### Important Issues that the Occupational Safety and Health Committee Adopted Resolutions in 2022

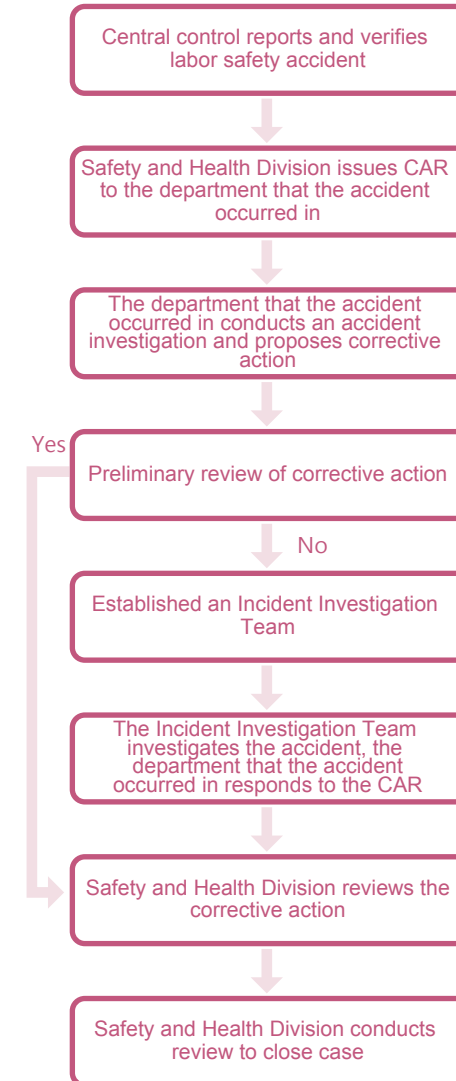
- Supervisors verify that improvements for scooter safety inspections in the department are completed
- Improve the management method for predicting failure of equipment parts through function inspections
- Ensure the training qualifications of personnel of expansion related contractors
- Complete trend analysis and classified management of exposure evaluation assessment data
- Specify safety and health items that must be performed for wall hole milling to avoid damaging pipelines in walls
- Examine shuttle bus routes and show concern about the safety and completeness of employees' scooters
- Early Control the certification of aerial work platform operators in the latest amendment

## Incident management and analysis

When an accident is verified by central control after investigation (occupational accident, false alarms near miss, incident that affects physical and mental health), the Safety and Health Division will issue a Corrective Action Request (CAR) to the department that the accident occurred in to conduct a preliminary investigation and take corrective action. Whether or not an Incident Investigation Team is established to cooperate with the investigation is decided based on the severity of the accident. The Safety and Health Division strictly reviews corrective action taken for accident 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 close the case. There was a total of 28 false alarms near miss in 2022. The main improvement to false alarms near miss this year was liquid leak alarm (17%, accounted for 61%), which is mainly caused by cracked washer of flow meter and waste liquid pipe air lock overflow. The improvement method was a comprehensive inspection of washers in the same type of machine and setting a

replacement cycle, and adding air locks to ventilation pipes.

### NTC Accident Investigation Process



Note: Members of the incident investigation team include: 1. Head of the department of the incident, 2. Operators of the department of the incident, 3. Industrial safety personnel, 4. Other (nurse, contractor, construction supervisor, or other personnel), 5. Labor representative.

## Statistical analysis of occupational injuries and occupational diseases

Disabling injury frequency rate (No. of disabling injuries/ Million work hours) and severe disabling injuries rate (No. of lost work days/Million work hours) were both 0 in 2022.

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

	2019	2020	2021	2022
Total work hours (hours)	6,398,888	6,778,840	6,872,456	7,073,064
Number of recordable occupational injuries (no. of people)	0	1	0	0
Rate of recordable occupational injuries (frequency of disabling injuries)	0	0.14	0	0
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	0	6	0	0
Frequency-severity indicator	0	0.03	0	0
No. of occupational illnesses certified by physician	0	0	0	0
Ratio of occupational illnesses certified by physician	0	0	0	0

Note 1: In 2022, 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: In 2022, the Company had no financial loss resulted from compensations or fines as outcomes of lawsuits involving employee occupational injuries or occupational illness.

Note 3: 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).



## Contractor Total Work Hours and Occupational Injury Statistics

	2019	2020	2021	2022
<b>Total work hours (hours)</b>	345,824	404,054	339,387	<b>562,977</b>
<b>No. of injuries</b>	0	0	1	<b>0</b>
<b>No. of lost work days</b>	0	0	7	<b>0</b>

## 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 personnel of contractors to abide by regulations and engage in safe behavior, in order to achieve zero disasters and zero accidents.

Nanya Technology Corporation has established complete contractor management regulations according to the internal regulations of Formosa Plastics Group, such as the Construction Permit Management Regulations, Safety and Health Work Rules, Application Form for Controlled Constructions, Application form for Hot Work, Application Form for Power System Electricity Use, High Risk Construction Worker Checklist, and Abnormal Situation Emergency Response Regulations. All contractors are required to sign a construction contract and construction safety notice, which informs contractors of the work environment, hazards, and safety and health regulations. Furthermore, the Company currently has a number of safety and health management mechanisms to maintain a safe work environment for workers, such as self-inspection conducted by each unit, inspection and proposals by personnel of the construction safety department, personnel work observation and interviews, and accident report investigations. The mechanisms are also applicable to contractors. Employees are encouraged to monitor contractors for unsafe conduct, and may report abnormalities to Central Control through their team leader or safety and health personnel via safety and health management mechanisms 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 raise their safety awareness. Employees that serve as safety supervisors are required to complete the safety supervisor course required by internal regulations. This is to ensure that they are clear about the duties of a safety supervisor, in order to prevent an occupational accident from occurring.

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

