

# HUMAN RIGHTS

## Human rights policy

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

The Company commits not to hire child labor younger than 16 years of age and has never hired child labor. For the protection of employer's and employees' rights, all employees are given an employment notice prior to the work commencement date. The Company signs employment commitment in writing with all new recruits on the work commencement date, and 100% of employees have signed the commitment, meaning that all employees of the Company are fully protected by the terms of the employment contract. All employees have been hired with employment terms established under the free will, consent and consensus of both parties; no employee was forced or coerced to perform work activities unwillingly. In addition, there were no anti-discrimination incidents in 2020. "2020 Policy and Code of Conduct Training" and "2020 Unsafe Workplace Behavior and Prevention Training" are some of the training courses related to human rights policies and procedures in 2020, and the trainings mentioned are compulsory for all employees. The percentage of employees who have received the trainings is 100%, and the total person-hours of training is 6,879 hours.

### Statistics on human rights policies and procedures training hours from 2017 to 2020

	2017	2018	2019	2020
<b>Total person-hours of training</b>	685	1,510	1,059	6,879

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. In response to the redefinition of the scope of training, total person-hours of training of the previous three years was adjusted correspondingly.

## Human rights risk survey

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

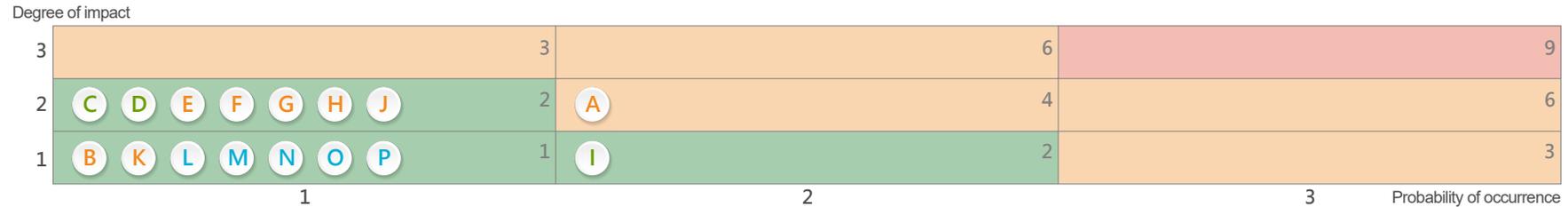
In 2020, the Human Rights Risk Assessment Framework was updated to include issues of human trafficking, equal remuneration, non-discrimination, freedom of association, and right to collective bargaining. A high-risk assessment method was also set up to calculate risk values based on the percentage represented by high-risk persons. The human rights risk value was 3.6% in 2020, which was a decrease of 6.8% compared to 2019. However, overtime work was still a medium-risk issue with exposure risks. We also launched mitigation and remedial measures in response to human rights risk factors.

### Human rights risks of Nanya

Human rights issues	Parties susceptible to influence	Assessment tools	2019 risk	2020 risk value	2020 risk	2020 risk value
<b>Occupational injury</b>	Production/new recruit	Occupational injury report	Low	10.4%	Low	3.6%
<b>Overtime</b>	Production engineer / technician / R&D personnel	Attendance system	Medium		Medium	
<b>Employment dispute</b>	All employees	Government correspondence on employment disputes	Medium		Low	
<b>Workplace violence</b>	All employees	Grievance investigation	Medium		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.	Medium		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>	People with ergonomic engineering risk grade >2	Tests for musculoskeletal injury and disease	Low	Low		
<b>Human trafficking</b>	All employees	Grievance investigation		Low	The risk values for the newly added assessment items in 2020 are zero.	
<b>Equal remuneration</b>	All employees	Grievance investigation		Low		
<b>Non-discrimination</b>	All employees	Grievance investigation		Low		
<b>Freedom of association</b>	All employees	Grievance investigation		Low		
<b>Right to collective bargaining</b>	All employees	Grievance investigation		Low		



Human rights risk matrix



Description: High risk (score: 9), medium risk (score: 3-6), low risk (score: 1-2) ● Indicates a decrease in risk score compared to 2020 ● Indicates a newly added item in 2020 ● Indicates risk score are the same as 2020

Human rights issues	2020 risk	Mitigation measures	Remedial measures
<b>A. Overtime</b>	Medium	Attendance system prompt and control	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.
<b>B. Occupational injury</b>	Low	Regularly conduct risk identification, perform preventive educational trainings for drivers, eliminate workplace hazardous factors and increase protective equipment.	Provide emergency medical and first aid treatment, complete medical assistance; allow leave of absence and provide compensation in accordance with the law.
<b>C. Employment dispute</b>	Low	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.	Establishing and fulfilling the rights and obligations of workers and management.
<b>D. Workplace violence</b>	Low	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.	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.
<b>E. Child labor</b>	Low	Explicit prohibition on the use of child labor in the manufacturing process; implementation of identity checking 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.
<b>F. Forced labor</b>	Low	Explicit prohibition on the use forced labor in the manufacturing process.	Terminate the personnel's work immediately, and the personnel is subject to the redundancy process.
<b>G. Protection of Personal Data</b>	Low	Personal data risk register and assessment; formulate and execute improvement measures for items with high-risk ratings.	Immediately notify affected persons and execute appropriate actions.
<b>H. Maternity protection</b>	Low	Implement the health management plan of "Maternal Health Protection for Female Workers", conduct workplace hazard assessments, provide prenatal- and postpartum-related health education.	Perform evaluations by on-site professional doctors and related teams; arrange doctor interviews and health assistance.
<b>I. Protection of occupational health</b>	Low	Dietary education, health promotion events (quitting smoking, weight loss).	Arrange doctor interviews and health assistance.
<b>J. Abnormal workload</b>	Low	Conduct hazard assessments and make improvements; provide health-related counsel and recommendation.	Arrange doctor interviews and health assistance.
<b>K. Ergonomic engineering</b>	Low	Implement prevention programs against disease caused by abnormal workload; identify and evaluate high-risk groups; conduct health inspections, management, and promotion.	Arrange doctor interviews and health assistance.
<b>L. Human trafficking</b>	Low	Explicit prohibition on the use forced labor in the manufacturing process.	Terminate the personnel's work immediately, and the personnel is subject to the redundancy process; notify police agencies and relevant authorities.
<b>M. Equal remuneration</b>	Low	Explicit prohibition on discriminatory practices in recruiting or hiring processes.	Immediately make effective corrections and implement remedial measures; re-examine company policies and promote correct concepts in the management level.
<b>N. Non-discrimination</b>	Low	Explicit prohibition on discriminatory practices in recruiting or hiring processes.	Immediately make effective corrections and implement remedial measures; re-examine company policies and promote correct concepts in the management level.
<b>O. Freedom of association</b>	Low	Conduct educational trainings for new recruits; promote correct concepts in the management level.	Immediately make effective corrections and implement remedial measures; adopt appropriate corrective, disciplinary, and issue-solving measures.
<b>P. Right to collective bargaining</b>	Low	Have clear and fair company policies, multiple employee complaint and communication channels; negotiate with the labor union before modifying labor conditions and work rules.	Immediately respond to appeals and conduct good faith bargaining.

Workplace Violence Prevention Measures

Nanya has a "Written Statement on Prohibition of Workplace Violence". It is signed by the top leader to demonstrate the Company's commitment to having zero tolerance for workplace violence. Before the release of the guidelines on workplace violence, the Company already had the "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy" and "Nanya 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 2019, these two sets of policies were integrated into the "Nanya Employee Protection and Complaint Measures" to make management more complete. In 2020, the Company started conducting employee protection measures, hazard prevention and identification, and risk assessments for each department. People with potential risks are listed as subjects of management as a measure to prevent and reduce risks in advance. Division, department, and section managers are also subject to policy education and asked to make declarative statements. Managers' self-check lists are also used to ensure the elimination of workplace violence. In August 2020, the complaint investigation mechanism was further strengthened and a complaint review standing committee was established. Upholding the principles of fairness and impartiality, appropriate punishment is imposed on the violators in valid complaint cases according to proportionality and severity of the situations. There are no sexual harassment cases in 2020.

2017	2018	2019	2020
0	0	1	0

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.

## Labor-management relations and communication

### ► Grievance channels

The following grievance channels have been implemented according to "Nanya Employee Protection and Complaint Measures", "Workplace Sexual Harassment Prevention, Grievance and Disciplinary Policy," and "[Nanya Whistleblower Policy](#)": The Human Resource Department is responsible for handling inappropriate or unfair work requests, workplace harassment and other work-related issues. Illegal, non-compliant and inappropriate conducts involving the Company can be reported to the President's Office through mail or phone.

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:

 <p><b>Meetings</b></p> <ul style="list-style-type: none"> <li>▶ Regular convention of employee meetings</li> <li>▶ Administration contact window forum</li> <li>▶ Production line workers' quarterly meetings</li> <li>▶ Unscheduled department meetings</li> </ul>	 <p><b>Bilateral communication platform</b></p> <ul style="list-style-type: none"> <li>▶ Life Space</li> <li>▶ Feedbacks and opinions</li> <li>▶ Epidemic prevention mailbox</li> </ul>	 <p><b>Electronic survey</b></p> <ul style="list-style-type: none"> <li>▶ Satisfaction with catering service</li> <li>▶ Satisfaction with activities</li> <li>▶ Employee Engagement Survey</li> </ul>
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Employee meetings are held two times a year.



Interactive opinion section

**68 cases**  
Number of feedbacks and opinions raised in 2020

**Within 5 days**  
Average time of reply per case

**The TOP 3 issues**

- ▶ Parking issues - 19 cases (27.94%)
- ▶ Plant environment issues - 16 cases (23.53%)
- ▶ Epidemic prevention issues - 8 cases (11.76%)

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. Monthly meetings with the labor union have been suspended due to the COVID-19 pandemic, but 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.

### Union members in the last 3 years - Taiwan

	2018	2019	2020
<b>Number of union members</b>	71	81	82
<b>Percentage of employees with union membership</b>	2.27%	2.53%	2.39%