

eMemory

Stock Code: 3529

eMemory Technology Inc.
2020 ESG Report



ESG report will be available at Market Observation Post System:

<https://mops.twse.com.tw/mops/web/index>

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A Word from our Chairman

In 2020, the world was hit hard by the COVID-19 pandemic. Individuals, firms, and organizations had to adjust their ways of living and doing business to survive. It has brought unexpected challenges and inconveniences alongside some new opportunities. I am truly grateful and proud of the achievements we made and the challenges we overcame this year. It is thanks to the dedication and support from our fellow employees, customers, and partners, that eMemory was able to not just sustain our business but also enter a new growth cycle.

In the wake of the upheaval that the world has undergone over the last year, every responsible company has begun reassessing how they conduct their business and eMemory is no different. This ESG Report is a good example of our work in identifying and minimizing risks to stakeholders, employees, and the wider community. We have committed to the sustainable development of our company and have outlined in this report four key aspects of corporate and social responsibility we are dedicating to improving; accountable corporate governance, environmental sustainability, protection of the health and wellbeing of our staff, and positive participation in our wider community.

I believe sustainability has to be proactive. Reducing, reusing, and recycling are daily principles we adhere to and help lower our carbon footprint. However, to have a truly sustainable business, I think you have to reach beyond its current impact and look to the future. Our competency in advanced semiconductor process technologies enables us to provide customers with highly efficient IPs that remove many of the expensive and intricate processes required by other logic-based non-volatile memory solutions on the market. Our vision has always been “Embedded Wisely, Embedded Widely,” and we have already played a part in the shipping of over 32 million IC wafers that lower the power consumption and reduce manufacturing costs. I want to continue our commitment to sustainable business practices in the future, but I also think it's essential to remain proactive. For example, our new PUF-based IP solutions from eMemory, and our subsidiary PUFsecurity, are playing a part by helping secure the future of the IoT. Hardware-based security can help extend the chip life cycle and improve the longevity of their devices.

I would like to thank everyone for their devotion and dedication in 2020. eMemory has met all the challenges presented and far surpassed our expectations. I am confident in the company's future and our successes yet to come.

Charles Hsu
Chairman of eMemory Technology Inc.

About this Report

This report aims at disclosing transparent and comprehensive information regarding eMemory's impacts on economic, governance, environmental and social sustainability to our stakeholders. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

Reporting Period

This is an annual report, covering information from January 1st, 2020 to December 31st, 2020. The previous report, which was eMemory's first, was published in June, 2020, is available in both Chinese and English. It can be downloaded from the [eMemory website](#).

Scope of This Report

The scope of this report includes eMemory's facilities in Jhubei City and Hsinchu City, Taiwan. We integrated the social and environmental data of eMemory Technology Inc., and our subsidiary, PUFsecurity Corporation in the report. The entities included in the consolidated financial statements are eMemory Technology Inc., PUFsecurity Corporation, and PUFsecurity USA.

Changes in Reporting

eMemory compiled the material analysis in order to define the issues related to the environment, society, and corporate governance that are crucial to our stakeholders. This report and the analysis have adhered to the Reporting Principles defined by GRI, including stakeholder inclusiveness, sustainability context, materiality, and completeness. Information disclosed in this report is in accordance with the material topics specified. eMemory will consistently put effort into sustainable practices and making a positive impact on our society.

eMemory Technology Inc.

- Founded: September 2, 2000
- Location: Rm. 305, No. 47, Yuanqu 2nd Rd., East Dist., Hsinchu City 300, Taiwan
- Headquarter: 8F., No.5, Taiyuan 1st St., Jhubei City, Hsinchu County 302, Taiwan
- Public Listing: Taipei Exchange Stock Code 3529
- Industry: Semiconductor
- Capital: NTD 760,797,420
- Products: Logic non-volatile memory (NVM) silicon intellectual properties (IPs)
- Contact Information
 - Address: 8F., No.5, Taiyuan 1st St., Jhubei City, Hsinchu County 302, Taiwan
 - Tel: 886-3-5601168
 - Email: ir@ememory.com

About eMemory



1.1 Corporate Overview

eMemory Technology Inc. is the world's largest pure-play developer and provider of logic non-volatile memory (Logic NVM) technology. The proprietary technologies include NeoBit, NeoFuse, NeoMTP, NeoEE, and NeoPUF. Products developed with these core technologies have been made into more than 52.5 billion ICs used in various applications in 5G/4G Mobile Devices, Data Centers, Automotive, Internet of Things (IoT), Digital Consumers, and Home Appliances.

eMemory has licensed the intellectual properties (IPs) to semiconductor foundries, integrated device manufacturers (IDMs), and fabless design houses around the world. Our Logic NVM silicon IP platform provides fabless design houses superior product design flexibility and manufacturing process portability. We provide IDMs process scalability and valuable process engineering know-how that shortens their product development time to market. Furthermore, our foundry partners could gain access to hundreds of potential customers through us for sustainable business development.

1.1.1 Our Achievements

Ending on December 31st, 2020, the total number of employees at eMemory and its subsidiary was 288, locating majorly at the Jhubei headquarter in Hsinchu County, Taiwan. The gross profit in 2020 was NT\$1,777 million which was 26% higher than 2019. Our earnings per share (EPS) in 2020 was NT\$9.52, which was 30.4% higher than 2019. With our continuous investment in Research and

Development (R&D), which was around NT\$600 million in 2020, equating to 63.2% of total operating expenses, eMemory is able to provide advanced memory technologies as well as high-quality products and services to our customers and partners (See [eMemory 2020 Annual Report](#) for more details). Cumulatively, we have over 1,950 macros verified and 5,300 design licenses up until 2020, and the numbers are consistently growing. It is our goal to not only maintain the innovation momentum but also bring sustainable success together with our customers.

Achievements				
Over 35 million wafers shipped until 2020	24 foundry partners world-wide	10 IDMs coverage world-wide	Over 1,950 verified NVM macros	Over 5,300 cumulative design licenses

Global Customers							
	Taiwan	China	Korea	Japan	North America	Europe	Other
Foundry	4	8	4	4	1	2	1
IDM	1	0	0	6	2	1	0
Fabless	304	827	89	68	303	182	73

1.1.2 Corporate Values

eMemory believes in innovation and continual progress. Since eMemory was founded in 2000, innovation has always been one of the core values that we possess. From our first NVM solution, NeoBit, to our latest PUF-based IP solutions, we continue to provide full-service solutions integrating our innovative technology from the initial design stage to our customers. Following our breakthrough with NeoBit, NeoFuse, NeoMTP, NeoEE, and NeoPUF have all seen great success. By offering customized macros which meet product specification requirements, eMemory helps customers save time-to-market and development costs that further pursues sustainable success in the industry. These are all reasons that explain why there are so many companies choosing eMemory as their sole NVM partner.



1.1.3 Brand Communication

By continually striving to improve our competitiveness, we have established a great brand image domestically and internationally. For the past 20 years, eMemory keeps on delivering our brand and innovations to the world by actively participating in domestic and foreign events, including eMemory technical webinars and technology forums held by foundry partners and global associations.

In 2020, due to the global pandemic, the whole world, regardless of industries, has come to a halt. Exhibitions, seminars, or events of any kind were either canceled, postponed, or held virtually. Fortunately, Taiwan was not severely affected by the pandemic in 2020 and people could live a relatively regular life. In August 2020, eMemory and our subsidiary, PUFsecurity, participated in the annual events held by Very Large Scale Integration-Technology, Systems and Applications (VLSI-TSA) and Very Large Scale Integration-Computer Aided Design (VLSI-CAD) in Hsinchu and Taichung, Taiwan. We also joined online events and delivered webinars in order to actively promote our brand image and reputation even during these difficult and uncertain times.

Events Participated in 2020			
Foundry-hosted Forum	International Technical Seminar	Academic Symposium	Self-hosted Webinar
12	2	2	3

1.1.4 Membership of Associations

eMemory is a member of several associations in the industry locally and internationally. We prioritize playing an active role in the development of product and application trends. Our involvement in these associations is not only beneficial in maintaining positive cooperation with other industry leaders but also in fostering technological innovations across the community. For instance, our involvement as a member of the Global Semiconductor Alliance (GSA) exemplifies

eMemory’s contribution to advancing innovation and collaboration across the global supply chain companies. We participate in annual events contributing to panel sessions, providing keynote speeches, and offering our expertise to help resolve the challenges encountered in our industry.

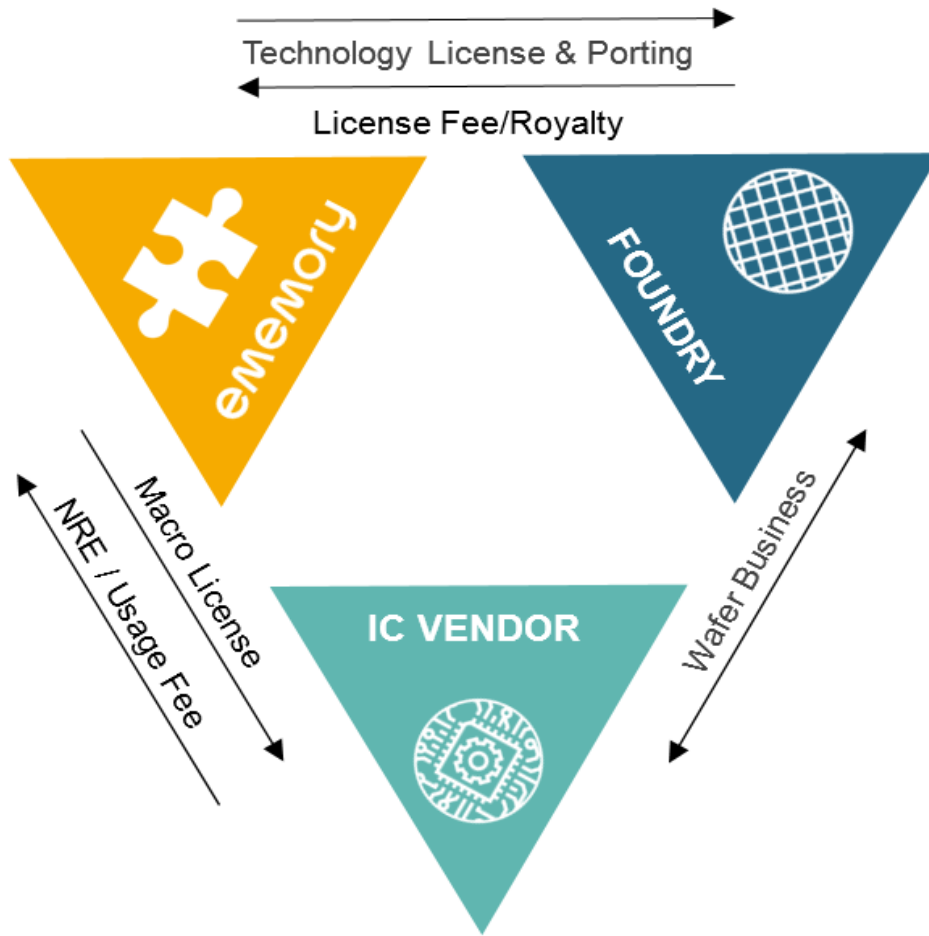
Membership in 2020	
Domestic	International
<ul style="list-style-type: none"> AI on Chip Taiwan Alliance (AITA) RISC-V Taiwan Alliance (RVTA) Taipei Computer Association (TCA) Taiwan IoT Technology and Industry Association (TwIoT) Taiwan Semiconductor Industry Association (TSIA) 	<ul style="list-style-type: none"> Asia Silicon Development Agency (ASVDA) Global Semiconductor Alliance (GSA)

1.2 eMemory’s Business Model

eMemory's business model is different from the typical business model of our peers. It is based on a triangular relationship between design houses, the foundries, and ourselves.

When eMemory licenses its technology to a foundry, the foundry partner then pays a license fee for the technical setup and license grant. For design houses, either a usage fee or NRE fee is collected when a complete design is licensed. Technology license fees, usage fees, and NRE fees are all categorized as upfront fees by eMemory. Later when a product is taped-out or mass-produced, eMemory receives running royalties from our foundry partners, based on the contractually agreed royalty rate.

This business model creates a much closer and sustainable collaboration among all three parties and allows eMemory to take an active role in supporting product development to completion. On the foundry side, we are a memory technology provider; with the design houses, we license our macro block design, and for both, we offer technical support. With our technologies and macro designs, our partners can further design energy-efficient and cost-efficient chips that can be utilized across a broad range of markets.



1.3 Sustainability at eMemory

The United Nations (UN) World Commission on Environment and Development has defined sustainability as “the development that meets the needs of the present, without compromising the ability of future generations to meet their own needs.” Sustainable development has become a major focus for many businesses, organizations, and countries that seek to integrate its principles. eMemory, as well, spares no effort on ensuring a positive impact on the domains we know the best. Our sustainable approaches are driven by three major factors: innovation, trust, and people.

Innovation

From our technological innovations and macro designs to our business model, our human resource management, and our Supplier Code of Conduct, we never stop searching for the best solution to every challenge encountered. For example, we invest highly in Research and Development, innovating technologies and products that not only best meet our customers’ requirements but also retain energy and cost efficiency. We take a proactive role in the management of our innovations and employees are encouraged, not only to apply for global patents, but also to formulate any proposal concerning the improvement of the company’s practices, policies, or working procedures.



We are focused on consistently pursuing innovations in every aspect of our business, such that we could quickly adapt to any situational changes in the future and further sustain our performance.

Trust

As stated in our core values and philosophies, eMemory does what is promised and helps our customers to succeed. We are focused on providing products and services that are safe, reliable, and of high quality. It has always been our goal to deliver the best to our partners and customers by helping them achieve sustainable success. Furthermore, we establish various communication channels for our stakeholders and ensure whatever efforts we are making are accessible and transparent. It proves without a doubt to our customers and other stakeholders that eMemory is responsible and trustworthy as an IP provider, an investee, an employer, and a business as a whole. In 2020, eMemory was recognized by Taiwan Semiconductor Manufacturing Company Limited (TSMC) as the OIP Partner of the Year for the 11th time since 2010. The award is one of the many examples that eMemory's continued investment in maintaining trust with our business partners.

People

With people being the heart of eMemory, we develop our corporate culture and working environment around our employees. From the competitive compensation to the professional training programs, from the all-day snack bar to the gym membership allowance, we take care of our people in every way possible. We provide safety, care, and opportunities where needed. In our role inside the supply chain, we also require our suppliers to maintain the same standards, operating with integrity and dignity. By signing the Supplier Code of Conducts, our suppliers are responsible to guarantee the safety and human rights of their employees, the transparency of operation, and efforts on environmental sustainability. eMemory actively puts positive impacts on the industry and



society, hoping to lead and expand this sustainable ecosystem.

With all the sustainable actions, procedures, and policies formulated, eMemory’s management pays utmost attention and efforts to ensure thorough implementation. Every year, the President reports the annual results on sustainable practices at the Board Meeting. In addition, eMemory convokes the Management Examination Meeting semiannually, which is also accommodated by the President to review issues related to the environment, society, and corporate governance which are concerned by our stakeholders. Internal audits are arranged to respond to the level of risks encountered by the firm. The Chief Auditor also bolsters internal control for minimizing risks and enhancing shareholders’ interest.

eMemory is and will continue to be active in practicing sustainability, following the three drivers, Innovation, Trust, and People. We will continue to operate and manage the business aligned to these principles, fulfilling the needs of the current generation, and reserving the same for future generations.

1.4 Our Approach to Materiality

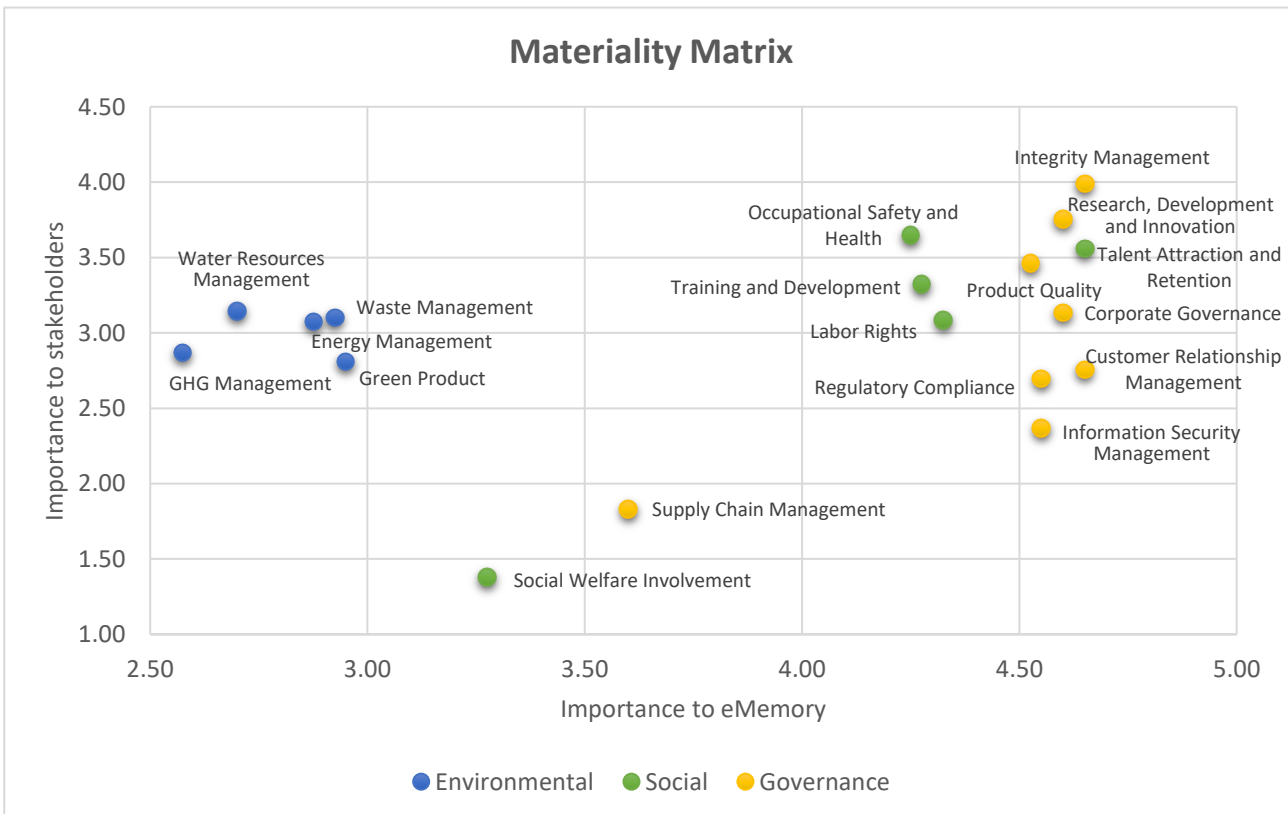
In order to specify crucial material issues, not only from eMemory’s perspectives but also from our stakeholders, we have designed a materiality survey using the benchmark analysis. By collecting and comparing information from international sustainability assessment institutes, such as Sustainalytics, we have categorized the material issues into three groups: environmental, social, and governance.

Category	Issues
Environment Aspect	<ul style="list-style-type: none"> • Water resources management • GHG management • Energy management • Waste management • Green product

Society Aspect	<ul style="list-style-type: none"> • Occupational safety and health • Talent attraction and retention • Training and development • Labor rights • Social welfare involvement
Governance Aspect	<ul style="list-style-type: none"> • Corporate governance • Integrity management • Customer relationship management • Research, development, and innovation • Product quality • Supply chain management • Regulatory compliance • Information security management

For business impact analysis, there were 40 managers, department-leveled managers and above, taking part in the survey. The survey is a 5-point Likert Scale, which managers aggregate from “most likely” to “least likely” on the matters that could cause potential interruptions to business operations. For stakeholder interest analysis, the questionnaire was distributed to our stakeholders, including employees, shareholders and investors, customers, suppliers, and government agencies. There were 77 questionnaires distributed and 68 effective responses received, which equated to an 88.3% response rate. The participants were required to rank the issues from the most important to the least important to them, by category.

According to the data received, eMemory has finalized our materiality matrix for 2020. With “Importance to Business” on the X-axis and “Importance to Stakeholders” on the Y-axis, we have



identified 11 prioritized material issues that appear to be the most important to eMemory and our stakeholders. Among these 11 issues, seven of them are governance-related, while the other four are social. It was not a surprise to us given that eMemory does not have factory of any sort, produce toxic wastes, or consume excessive amount of energy and resources. We, on the other hand, put even more attention on corporate governance and social issues especially the ones related to our human resources, such as Talent Attraction and Retention, and Occupational Safety and Health.

Following these material issues that are crucial to us and our stakeholders, eMemory adopts the sustainability approaches into daily operations. Carefully managing and preventing the potential risks related to these material issues, we hope to bring satisfaction to our stakeholders, as well as increase our positive impacts in sustainability for our value chain and the society.

Material Issues and eMemory’s Value Chain

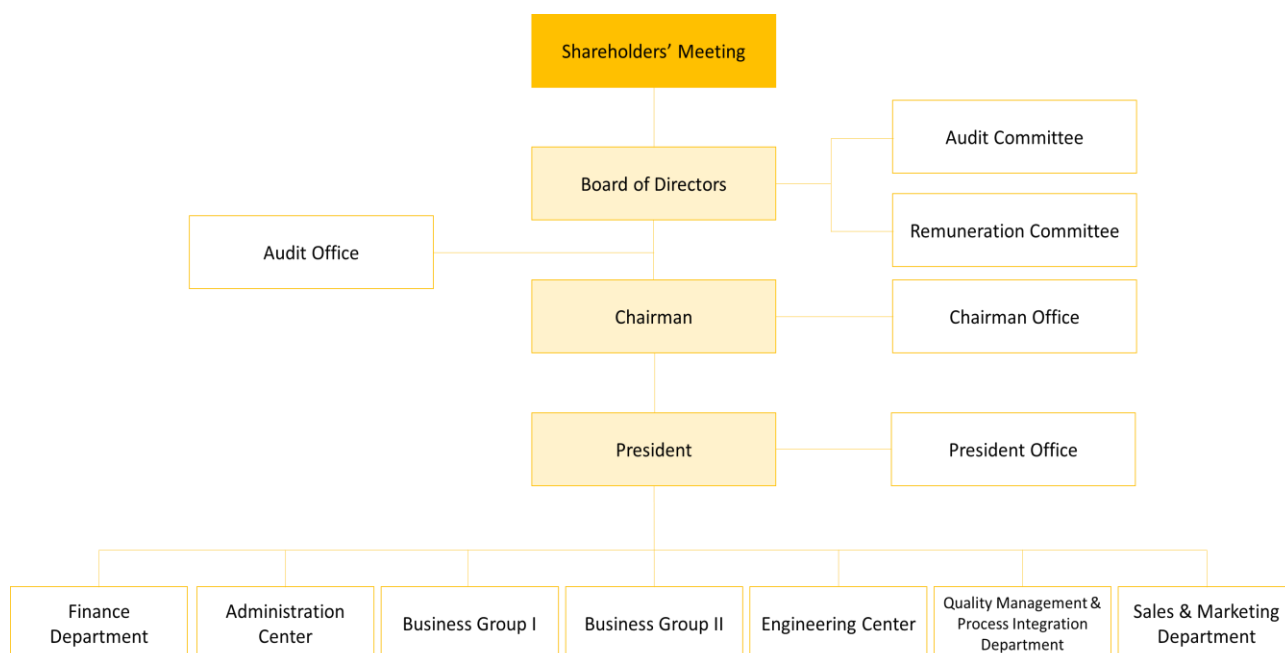
Material Issues	GRI Material Topics	Chapter	Scope of impact on Value Chain				
			Customer	eMemory	Supplier	Shareholder	Employee
Occupational Safety and Health	GRI 403: Occupational Health and Safety	Ch. 4 People		✓		✓	✓
Talent Attraction and Retention	GRI 202: Market Presence GRI 401: Employment GRI 405: Diversity and Equal Opportunity	Ch. 4 People		✓		✓	✓
Training and Development	GRI 404: Training and Education	Ch. 4 People		✓		✓	✓
Labor Rights	GRI 402: Labor Management Relations GRI 406: Non-Discrimination GRI 412: Human Rights Assessment	Ch. 4 People		✓		✓	✓
Corporate Governance	GRI 102: General Disclosures	Ch. 2 Corporate Governance		✓		✓	
Integrity Management	GRI 205: Anti-Corruption GRI 206: Anti- Competitive Behavior	Ch. 2 Corporate Governance Ch. 3 Environmental Sustainability		✓	✓	✓	
Customer Relationship Management	GRI 418: Customer Privacy	Ch. 2 Corporate Governance	✓	✓		✓	
Research, Development and Innovation	Non-GRI Material Issue	Ch. 1 About eMemory Ch. 3 Environmental Sustainability	✓	✓		✓	
Product Quality	GRI 416: Customer Health and Safety	Ch. 3 Environmental Sustainability	✓	✓			
Regulatory Compliance	GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance	Ch. 3 Environmental Sustainability		✓			✓
Information Security Management	GRI:418 Customer Privacy	Ch. 3 Environmental Sustainability	✓	✓	✓	✓	✓

Corporate Governance

2.1 Governance Structure

2.1.1 Organizational Structure

eMemory’s corporate governance related affairs are handled by different divisions which make up the complete organizational structure.



2.1.2 Board of Directors

The Board of Directors is comprised of 9 members with professional backgrounds and expertise in academia, management, leadership, strategic decision-making, industrial knowledge, and finance. The proportion of Directors with employee status is 22%, and within the Board, Independent Directors accounted for 33%. In addition, eMemory also cares about gender distribution in the composition of Directors. The goal of female Directors is at least one seat. Currently, we have two female Directors, accounting for 22% of the Board. eMemory convened 7 Board Meetings in 2020 with a 95% attendance rate among all the Directors.

In addition, the recusal of a Director, if a conflict of interest has arisen, is outlined in the “Rules of Procedure for Board of Directors Meetings.” The Director him/herself or the corporate entity he/she represents, for whom has a stake in the proposal at the meeting, where there is a likelihood that the interests of eMemory would be prejudiced may state opinions or answer any inquiries. However, the Director him/herself cannot participate in the discussions, nor can he/she vote on that proposal. He/she shall recuse himself or herself from any discussion or voting, and may not exercise voting rights as a proxy on behalf of another director.

Title	Name	Major Experience	Professional Skill
Chairman	Dr. Charles Hsu	<ul style="list-style-type: none"> Ph.D. in Electrical Engineering, University of Illinois, Urbana-Champaign, U.S.A. Chairman, Institute of Electronics Engineering, National Tsing Hua University, Taiwan 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Professional Expertise
Independent Director	Dr. Kenneth Kin	<ul style="list-style-type: none"> Ph.D. in Nuclear Engineering and Applied Physics, Columbia University, U.S.A. Senior Vice President, Worldwide Sales & Services, Taiwan Semiconductor Manufacturing Company Limited Vice Dean, College of Technology Management, National Tsing Hua University 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Professional Expertise
Independent Director	Mr. Ming-To Yu	<ul style="list-style-type: none"> Master of Business Administration, The Wharton School of University of Pennsylvania President, Kaiyu Consulting Co., LTD. Chief Financial Officer and Spokesperson, MediaTek Inc. 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Financial Expertise
Independent Director	Dr. T.C. Chen	<ul style="list-style-type: none"> Ph.D. in Engineering and Applied Science, Yale University, U.S.A. Fellow Member, Institute of Electrical and Electronics Engineers (IEEE) Fellow and Vice President Science & Technology, IBM 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Professional Expertise
Director	How-Han Investment Corporation Representative: Ms. Teresa Cheng	<ul style="list-style-type: none"> Master of Science, Computer Science and Applied Mathematics, University of Illinois at Urbana-Champaign, U.S.A. Chief Information Officer, Macronix International Co., Ltd. Department Manager, Software Development, BDC Corporation 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Information Technology Expertise
Director	How-Han Investment Corporation Representative: Mr. Jason Hsu	<ul style="list-style-type: none"> Master of Computer Science, Stevens Institute of Technology, U.S.A. Chairman / General Manager, IBM Taiwan CEO, GE Taiwan 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Professional Expertise
Director	Mr. Mu-Chuan Hsu	<ul style="list-style-type: none"> Bachelor Degree in Medicine, China Medical University, Taiwan Attending Physician, Department of Obstetrics & Gynecology, National Taiwan University Hospital Superintendent, North Town Women & Children Hospital 	<ul style="list-style-type: none"> Corporate Management Decision Making Medical Expertise
Director	Ms. Lijeng Chen	<ul style="list-style-type: none"> Master of Air Transportation Management, University of Hawaii, Travel Industry Management School, U.S.A. Chief Investment Officer, Cathay Securities Investment Trust Portfolio Manager, Invesco Global Technology Fund 	<ul style="list-style-type: none"> Corporate Management Decision Making Financial Expertise
Director	Dr. Rick Shen	<ul style="list-style-type: none"> Ph.D. in Electrical Engineering, National Tsing Hua University, Taiwan R&D Principal Engineer, Taiwan Semiconductor Manufacturing Company Limited 	<ul style="list-style-type: none"> Corporate Management Decision Making Industry Knowledge Professional Expertise

2.1.3 Audit Committee

The main purpose of the Audit Committee is to assist the Board of Directors in performing the supervision on the quality and faith of execution regarding accounting, auditing, financial reporting, and the overall financial control of eMemory. The Audit Committee consists of 3 Independent Directors, with one as the convener.

2.1.4 Remuneration Committee

The Remuneration Committee of eMemory takes charge of assisting the Board of Directors in executing and assessing the entire remuneration and welfare policies of the company, and the remuneration of Directors and managers. The committee members are appointed by the Board, composed of at least one Independent Director. The Remuneration Committee consists of 3 Independent Directors, with one as the convener.

Committee Members

Name	Audit Committee	Remuneration Committee
Dr. Kenneth Kin	Member	Committee Chair
Mr. Ming-To Yu	Committee Chair	Member
Dr. T.C. Chen	Member	Member

For further details on the Board, Audit Committee, and Remuneration Committee, please refer to eMemory’s [2020 Annual Report](#).

2.1.5 Internal Audit

eMemory’s Audit Office is an independent department comprising a full-time dedicated member of staff who reports directly to the Board of Directors. Duties include evaluating the internal control system and improving the integrity, rationality, and effectiveness of management policies. The internal auditor reviews the company’s internal tasks and monitors its subsidiaries in accordance with annual plans, which need to be approved by the Board of Directors. Besides informing the Board of Directors during its ordinary meetings, the internal auditor briefs the Board Audit Committee quarterly.

Internal auditor assists the Board of Directors and Executives in reviewing the effectiveness of eMemory’s internal controls and operational efficiency, followed by corresponding recommendations. It guarantees the continuous function of the internal control system and generates recommendations for improving said system.

eMemory has established an effective accounting system and internal audit system. Certified Public Accountants (CPAs) review the financial statements of eMemory with an audit report. Based on the results of risk assessment on involvement in unethical conducts under internal control operation, the internal auditor devises internal audit plans and performs the examination.

2.2 Integrity and Ethics



eMemory holds zero tolerance for bribery, corruption, fraud, intellectual property infringement, insider trading, providing and receiving of inappropriate benefits, engaging in illegal activities, or breaching of the fiduciary duties for Directors, managers, and employees. eMemory's ["Ethical Corporate Management Practice Principles"](#) acts as a guideline for a fair, honest, trustworthy, and transparent engagement in business activities. The President's Office is a dedicated unit responsible for establishing ethical management policies and prevention programs. It also supervises the implementation of the policies and reports to the Board of Directors annually.

eMemory establishes the "Work Rules" which stipulate that all employees must be honest in their words and deeds in order to prevent damage to the company's benefits due to individual interests. In addition, there are also confidential communication channels for providing feedback. Employees can fill in the appeal form and submit it to the Human Resources department, which will handle it as soon as possible.

eMemory provides a series of training courses for new hires upon the first two weeks on board to ensure all employees are aware of the importance of integrity and ethical management. The fulfillment of ethical principles by employees is highly valued during daily business within the company. The "Information Environment and Information Safety" course is arranged in the new employee's training courses, emphasizing the confidentiality of both tangible and intangible information assets possessed by eMemory. In addition, the "Personal Information Protection" training course is also delivered, which emphasizes the execution of a non-disclosure agreement by the individual who handles any personal information, confirming their confidentiality obligations



and the parameters of the permissible legal use of personal information. Furthermore, the “Insider Trading” course, which propagates the inhibition of making use of undisclosed information to conduct insider trading and disclosure to others, is also provided. In 2020, 21 new employees at eMemory participated in the courses mentioned, totaling more than 23.1 hours.

In summary, through internal training courses, all personnel can clearly understand the company’s integrity management and related policies. According to eMemory’s [“Business Integrity and Ethical Management Report”](#) available on the company’s website and on the Market Observatory Post System (MOPS), the company’s corruption risk has been controlled appropriately, with no significant risks being found, and no record of employees dismissed or punished due to corruption incidents. During the reporting period, the company was not involved in any lawsuit related to anti-competitive, anti-trust, and monopolistic behavior.

2.3 Risk Management

eMemory conducts risk assessments on important issues in accordance with the materiality principle of social responsibility. Based on the assessed risks, related risk management strategies and measures are established as follows:

Project	Risk Management Strategy and Measures
<p>Environmental Protection and Ecological Conservation</p>	<p>eMemory is a professional silicon IP company, and does not engage in the production and manufacturing of tangible products; thus, there is no industrial waste being produced. Domestic waste is divided into general waste, including kitchen waste and recyclable waste. The waste is gathered by employees in the temporary waste storage area; then the property management company assists in its removal. The waste is then transported by a qualified waste handling operator to the incineration plant for treatment and disposal. In addition, eMemory has promoted the implementation of energy-saving measures in the office. For example, air conditioning systems have been equipped with timers for scheduled operation; tap water savers have been installed to save water; and employees are encouraged to turn off any unused lights, adopt paperless operations, and practice water conservation. Moreover, a regular annual inventory of greenhouse gases and water consumption is carried out, to achieve the goals of reducing carbon dioxide emissions, water consumption, and total waste generation each year, and thus implementing environmental protection.</p>
<p>Climate Change</p>	<p>The rising tangible risks brought on by climate change, such as natural disasters, market volatility, and supply chain disruptions, have been carefully evaluated by eMemory. Across all aspects of our business, we are looking to minimize our impact on the environment big or small, and play an active role in finding solutions within our industry. As an example, the innovative nature of our core technology removes the need for complex additional manufacturing processes, that are required by conventional non-volatile memory solutions, and in turn, plays a part in reducing the carbon footprint.</p>
<p>Workplace Safety</p>	<p>eMemory is dedicated to securing labor health and improving the working environment by periodically implementing health and safety education. The “Fire Safety Seminar” is provided in accordance with the occupational safety and health-associated laws and regulations. For example, by providing specific parking spaces, transportation allowances, a nursing room, a full-time security system, a rest area, etc., employees can enjoy a comfortable and healthy working environment. We believe that the health of our employees is eMemory’s greatest asset. Therefore, we provide health club membership subsidies, we hold health examinations periodically, Nursing services also are available on-site services for health consulting services. During the high-risk period of the COVID-19 pandemic, the policy of split operations was adopted to reduce the risk of cross-infection among employees. Later on, precautions to help fight the pandemic have continued to be periodically promoted.</p>
<p>Product Safety</p>	<p>eMemory has passed the TÜV Rheinland ISO 9001:2015 Quality Management System certification and obtained corresponding certificates. The NeoBit & NeoEE AS series products have passed the TÜV Rheinland ISO 26262 (Road Vehicles-Functional Safety) & Industrial Specifications IEC 61508 (Functional safety of electrical/electronic/ programmable electronic safety-related systems) certification and obtained corresponding certificates. Besides, we hold on to the spirit of “First-Class Quality, Best Service, and Satisfied Customer” and focus on excelling product quality to reach our goals of increasing customer’s satisfaction, providing customers with safe, reliable, and high-quality products, and maintaining good communication with customers by providing transparent and effective complaint handling procedures for products and services. In addition, the customer satisfaction survey is conducted every year, with excellent results, improving customers’ recognition.</p>
<p>Social Economic and Compliance</p>	<p>By establishing corporate governance organization and internal control system, we ensure that all personnel and operations at eMemory comply with relevant laws and regulations.</p>

2.4 Stakeholder Management

eMemory engages with stakeholders through a variety of communication channels that touch on important issues.

Materiality Identification & Stakeholder Communication

Stakeholders	Importance	Communication Channel	Frequency	Issues	Results
Employees	Employees are the most important asset of eMemory. With continuous innovation and efforts in IP design, eMemory has become a global technology leader.	<ul style="list-style-type: none"> • Performance assessment • Feedback mailbox • Quarterly employee meeting 	<ul style="list-style-type: none"> • Semi-annually • 24/7 • Quarterly 	<ul style="list-style-type: none"> • Ethics and regulatory compliance • Talent attraction and retention • Talent cultivation and development 	<ul style="list-style-type: none"> • Performance assessment/ two times • Quarterly employee meetings • Employee training 7,235 hours
Shareholders and Investors	Shareholders and investors are the driving force behind eMemory. Through capital investment and participation in corporate governance, our shareholders and investors help us go further on the road of sustainable development.	<ul style="list-style-type: none"> • Annual general shareholders' meeting • Quarterly investor conferences • Investor meetings • Investor relation contact window 	<ul style="list-style-type: none"> • Annually • Quarterly • According to demand • Any time 	<ul style="list-style-type: none"> • Corporate governance • Ethics and regulatory compliance • Customers and services • Technology development • Financial performance • Stock price • ESG execution 	<ul style="list-style-type: none"> • Annual general shareholders' meeting • Quarterly investor conferences • Attended 31 external investor conferences
Customers	Customers are our best strategic partners. Adhering the customer-oriented spirit, eMemory develops various IPs and provides professional services in order to assist our customers in successful product development.	<ul style="list-style-type: none"> • Designated customer service team • Customer complaint channels • Customer satisfaction survey 	<ul style="list-style-type: none"> • Daily • Annually 	<ul style="list-style-type: none"> • Technology innovation • Customer service • Brand value • Information confidentiality 	The average customer satisfaction score was 95.73 out of 100 in 2020.
Suppliers	Suppliers are eMemory's crucial partners, providing us with excellent products and support. Because of the close collaboration with our suppliers,	Supplier audit	Annually	Supply chain sustainability management	25 supplier checking list were distributed to the suppliers for management purpose.

Stakeholders	Importance	Communication Channel	Frequency	Issues	Results
	our IPs can be evaluated and pass various verification tests on schedule.				
Government	The government is the bridge for eMemory to enter the stock exchange market. Investors around the world are able to learn about us through the platforms built by the government.	<ul style="list-style-type: none"> • MOPS • Conferences 	<ul style="list-style-type: none"> • Any time • Aperiodically 	<ul style="list-style-type: none"> • Regulatory compliance • Corporate governance • Corporate social responsibility • Ethics and business integrity 	eMemory was ranked as top 20% in the corporate governance evaluation system, as well as selected as “TPEX Corporate Governance Index”, “TPEX 50 Index”, “TPEX 200 Index”, “TPEX Compensation Index”, “TPEX RGA Quality 50 Index” and “TPEX Semiconductor Leaders Total Return Index” constituents.

The whistle-blowing system and related processing procedures are established in the “Stakeholders Engagement” section on the company’s website. Also, any related concerns can be made by emailing the member of the Audit Committee. After receiving the whistleblowing case, according to the matters, eMemory appoints personnel to investigate the case. The appointed personnel then reports to eMemory and the whistleblower about the handling methods, schedule, and results. The whistleblower and appointed personnel shall keep the investigation and related information confidential. Meanwhile, eMemory shall protect the whistleblower from the possibility of any retaliation or other improper treatment. The involved parties that fail to retain confidentiality and are responsible for any public disclosure shall be disciplined according to the related rules.

Environmental Sustainability

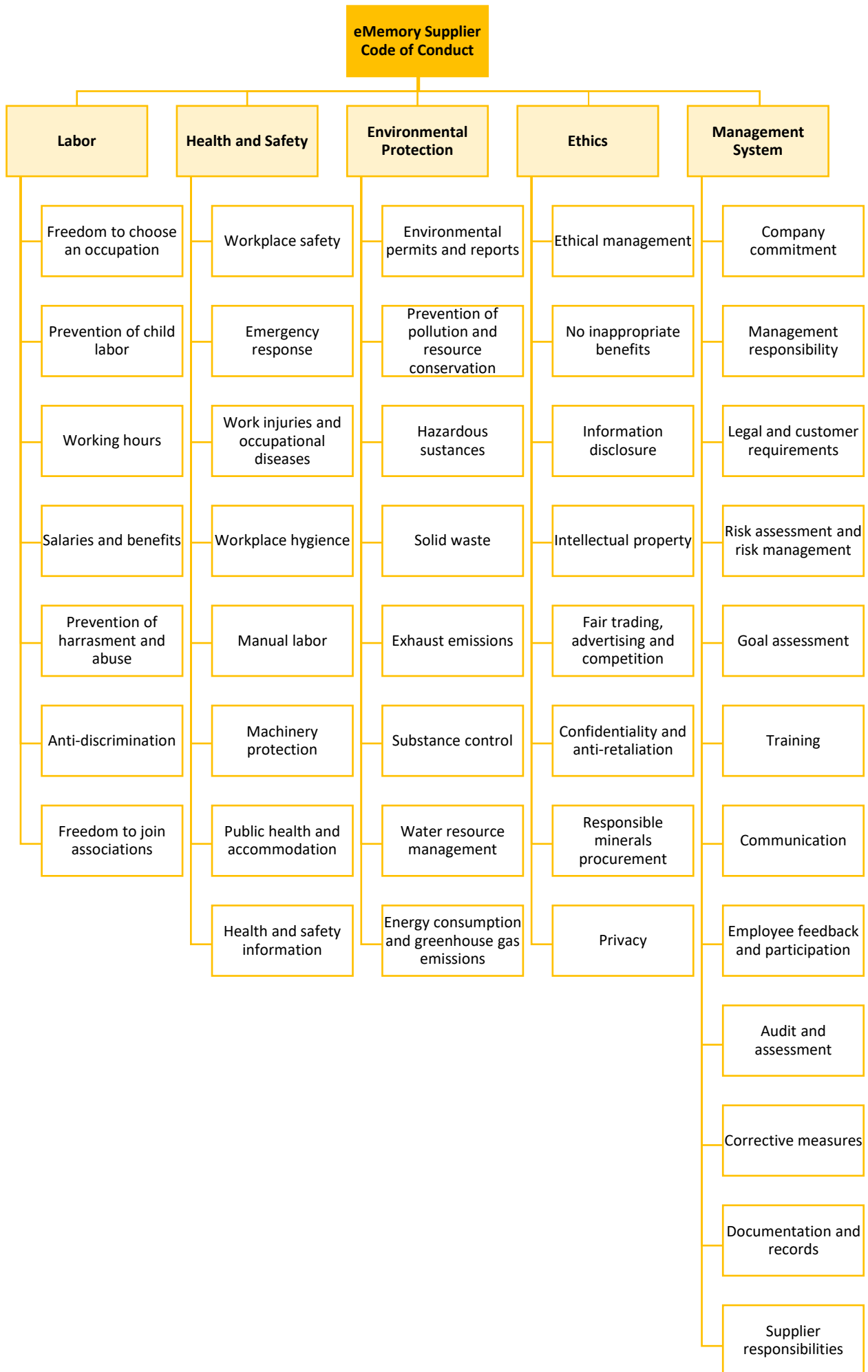


3.1 Supply Chain Management

eMemory establishes “[eMemory Supplier Code of Conduct](#)” to ensure that the supply chain vendors are qualified with sustainability standards, including a safe working environment, respecting employees, facilitating environment protection in business operation, and complying with ethics. In addition, suppliers are also encouraged to sign “eMemory’s Supplier Social Responsibility Commitment” and to comply with the local laws and regulations implemented in the place where their businesses are operated. By doing so, suppliers agree to adopt a zero-tolerance policy to prohibit any form of bribery and corruption, and will not provide or accept bribes or other forms of inappropriate benefits, and should abide by fair trade and competition standards.

Our sales and procurement teams respectively are responsible to evaluate customers’ credit and manage the quality of suppliers’ services pursuant to internal procedures. Suppliers will be required to perform a self-assessment annually as outlined in the “[Supplier Compliance Checklist](#),” where five specified domains: health and safety, labor, environmental protection, ethics, and system of management are evaluated. Suppliers will be asked to make improvements if found to possess potential risks.

There were 25 “Supplier Compliance Checklist” distributed to suppliers in 2020, where all forms were collected. The Quality Management & Process Integration Department reviewed the collected forms and made them as a basis for supplier management. On-site audits will be conducted when necessary to ensure that the suppliers comply with corporate social responsibility.





3.2 Environmental Management

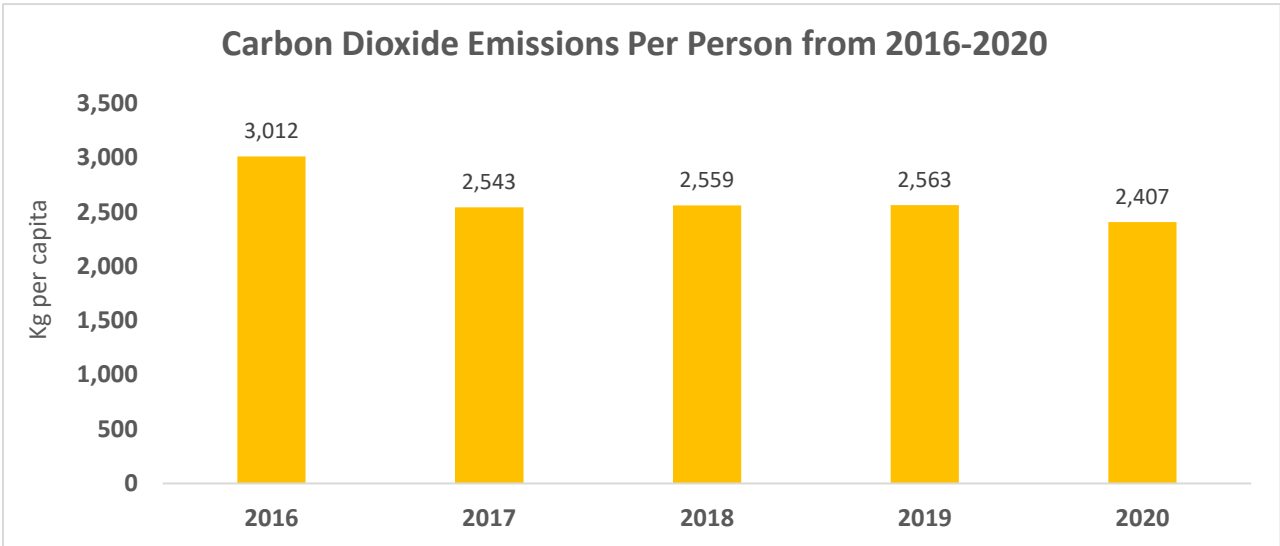
Environmental protection is one of the most important parts of corporate social responsibility. Although the main business of eMemory is authorizing pollution-free silicon IPs, eMemory adheres to the sustainable management policy of environmental protection and resource reuse.

3.2.1 Environmental Protection Policy

eMemory is a professional Logic NVM developer and provider that licenses silicon IPs. Hence, we do not engage in the manufacturing of tangible products. Thus, there are no relevant solvents or gases emitted from manufacturing and therefore no industrial waste produced. Employees are encouraged to switch off lights when leaving a room, practice paperless operation, and save water.

3.2.2 Electricity and Carbon Dioxide Emission Management

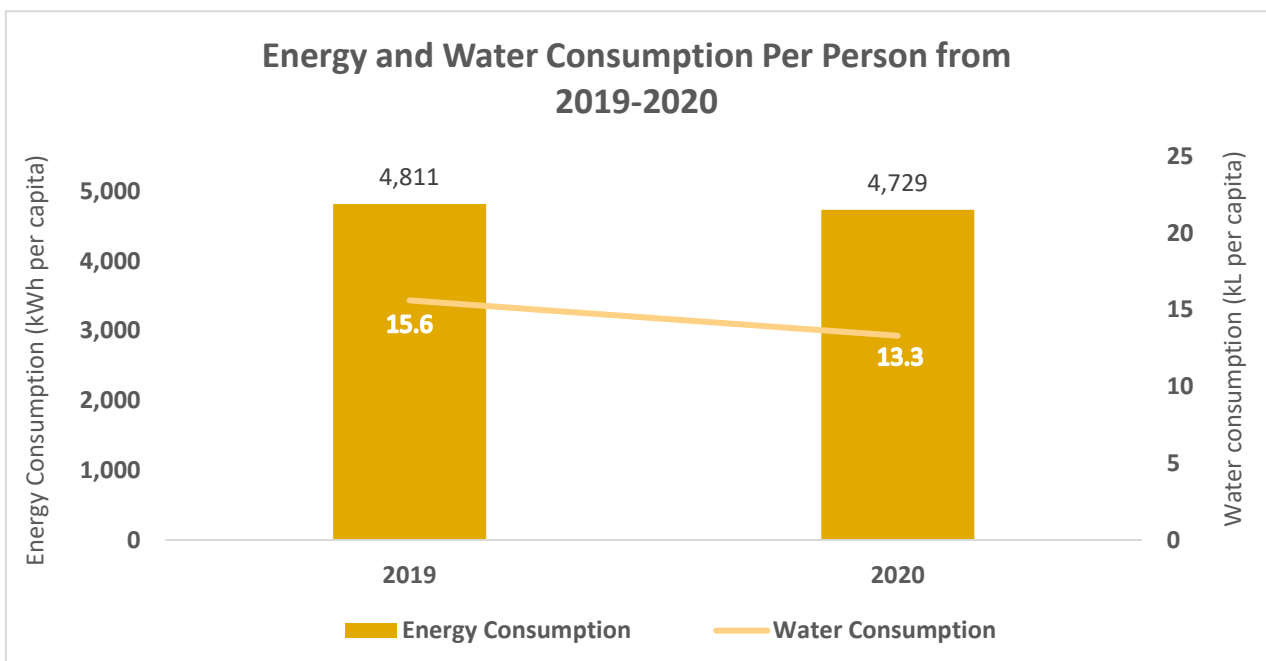
eMemory is devoted to environmental protection, energy conservation, carbon reduction, and water resource protection. Therefore, we comply with all environmental regulations. As eMemory has no manufacturing and physical products, most of the company's energy consumption is from air-conditioning and lighting. To reduce energy consumption and care for the environment, all lightings within the company use high efficient energy-saving light-emitting diode (LED). The air-conditioners are also inspected and cleaned periodically to maintain efficiency, and timers are configured on the air-conditioners after certain non-working hours. The total electricity consumption in 2020 was 1,343,090 kWh, with 4,729.1 kWh per capita, a decrease of 1.7% compared to 4,810.5 kWh per capita in 2019.



In addition, we conduct regular annual greenhouse gas and water consumption inspections with the goals of gradually reducing carbon dioxide emissions and water consumption. The main source of greenhouse gas emissions is electricity, which is from Taiwan Power Company. In 2020, the total carbon dioxide emission was 683,632.81 kg, with 2,407 kg of average emission per capita, which is a reduction of 6.1% from 2,563 kg in 2019. The emission of carbon dioxide is expected to reach 2,300 kg per capita by 2022, which we will continue working toward.

3.2.3 Water and Waste Management

The main water sources are from Touqian River and Baoshan Reservoir. In eMemory, water savers are installed on faucets. The total water consumption in 2020 was 3,787.998 kL, with 13.3 kL average water consumption for each person, a drop of 14.7% compared to 15.6 kL in 2019. Our goal is to



reach 13.0 kL by 2022, which we have almost achieved. The Taiyuen Hi-Tech Industrial Park (Science Park), where eMemory is located, has a sewage recovery system. This will be used for the watering of plants and flowers around the Science Park. The domestic sewage is discharged to the domestic sewage treatment facilities in the Science Park before being discharged to the water system without significant impact on the water system. The total weight of domestic waste in 2020 was 12 kg per capita (9.6 kg for general waste and 2.4 kg for recycled resources). Besides, a water-saving device is installed and adjusted to proper water output of faucets to reduce water wastage. For general wastes, a contract with a legal cleaning service company is signed to perform daily cleaning and waste recycling.

3.3 Green Product Development

With advances in the semiconductor manufacturing process and the increasing complexity of IC design, silicon IPs can now be used to enhance the efficiency of the IC design process and to shorten development time. eMemory supports sustainability by continuing to develop advanced semiconductor process technologies that support our customers' designs and thereby collaboratively producing the most advanced, energy-saving, and environmentally friendly products possible.

eMemory upholds its beliefs in innovation, customer trust, and continuous progress, and focuses on the embedded memory needs of foundry partners, IDMs, and fabless design house customers. This commitment has led us to accumulate unrivaled designs, processing, and engineering expertise. eMemory works closely with major foundries around the world and is committed to deploying our silicon IP solutions as early as possible in each generation process. Chip areas and power

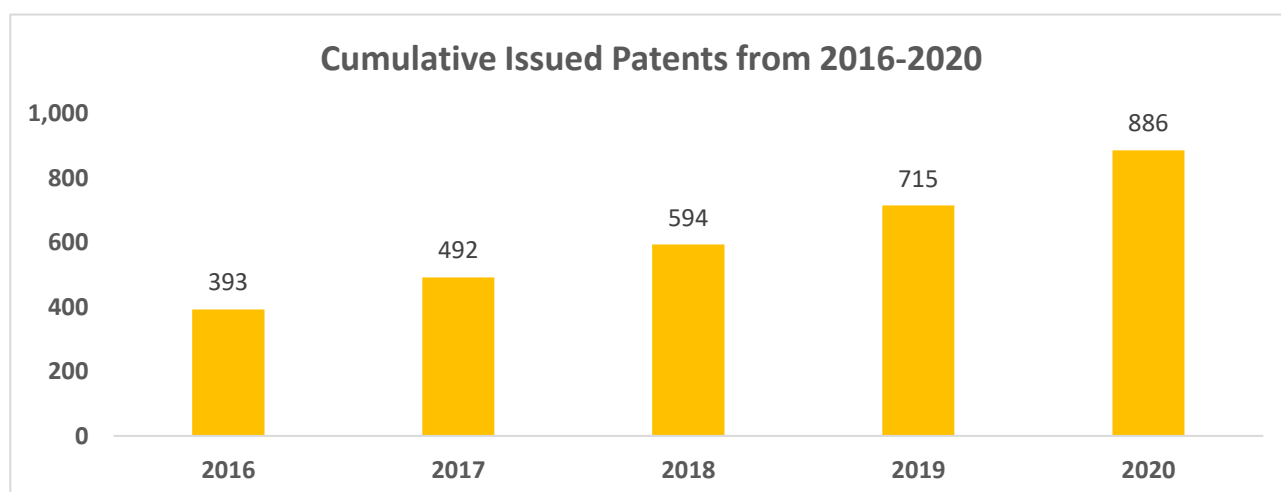


consumption are greatly reduced for better efficiency with the evolution of the manufacturing process. The average power consumption per chip embedded with eMemory’s IPs will reduce as the current migration to newer process platforms continues.

Display driver ICs (DDI) and power management ICs (PMIC) are currently the two applications with the largest shipments among various products embedded with eMemory’s IPs. Taking DDI as an example, the main demand is from 0.25um High Voltage Process (HV), 0.18um HV, 0.13um HV, and 80nm HV, moving into 55nm HV, 40nm HV, or even 28nm HV. With each generation of the HV process, 50%-70% of power is saved. As the process advances, the power consumption saving rate is reduced to approximately 30%-50%. By using this conservative estimation of power consumption, from 2019 to 2020, due to the changes in the proportion of different generations of HV processes, the DDI chip embedded with eMemory’s IP saves an average of 15% power consumption.

3.4 Patent Invention

To formulate patent strategies and plans of patent portfolio based on the company's business objective, a “Patent Strategy Committee” and a “Patent Examination Board” are established. Through the operation of the patent management mentioned above, eMemory attaches great importance to innovative research and IP protection. The company continues to enhance both the quantity and quality of IPs, to create economic value and strengthen competitive advantage. In the meantime, the Patent Strategy Committee keeps emphasizing the need for power consumption reduction for new technology development and circuitry design technique. With that, we will be able to provide power-efficient IPs facilitating low power consumption in customer products.



The patent portfolio developed by eMemory has spread all over Taiwan, United States, China, Japan, and Europe. By 2020, the number of worldwide patent applications has reached nearly 1,100 and the number of patent applications per employee is 4.1. There has also been a significant rise in patents issued (nearly 900), with a growth rate of 100% being achieved between 2016 and 2020.

In order to encourage innovation among employees, eMemory sets up the 'Patent Award' and the 'Golden Brain Award' to reward inventors with top-ranking numbers of issued patents and patent applications. Moreover, eMemory set up the 'New Brain Award' to motivate junior employees in applying for patents. Other than the annual awards mentioned above, events such as the "Innovation Competition" and patent training courses are held occasionally, to enrich employees' patent knowledge and to imprint the mindset of "every idea matters!"

In addition, eMemory has been ranked as "The Top 50 TWSE/GTSM Listed Companies with Most Valuable U.S. Patents" according to the cooperatives evaluation result by Institute for Information Industry and Ocean Tomo in 2013, and has received the "National Industrial Innovation Award" in 2019. With a higher honor, eMemory has won the Gold Medal Award of the "National Invention and Creation" twice in 2005 and 2020, and the Contribution Award once for the same in 2008.

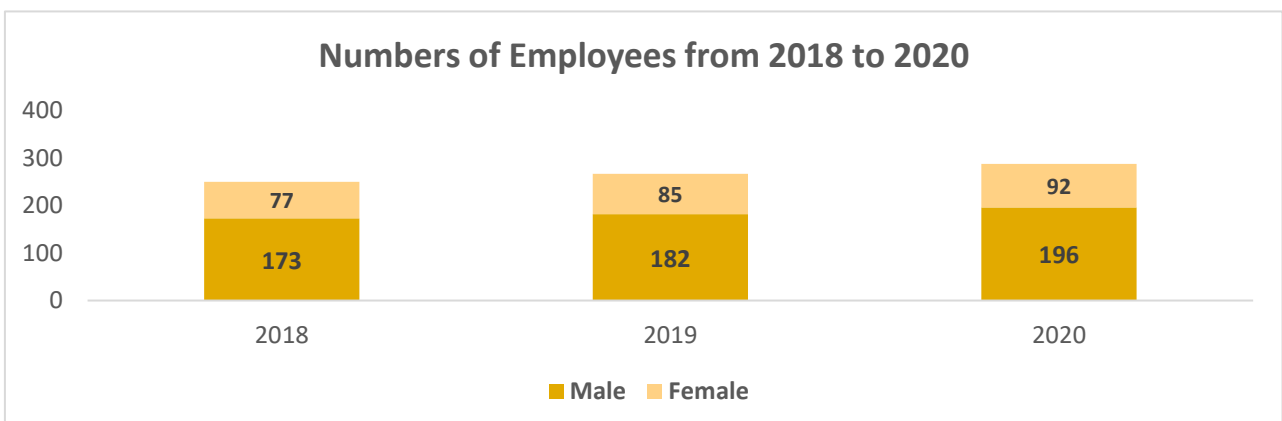
People



As a leading IP technology developer and provider, employees are eMemory’s most valued asset. From recruitment to retirement, from training programs to traveling programs, eMemory supports and provides opportunities for our employees to grow, innovate, and maintain a healthy work-life balance from day one.

4.1 Human Resources

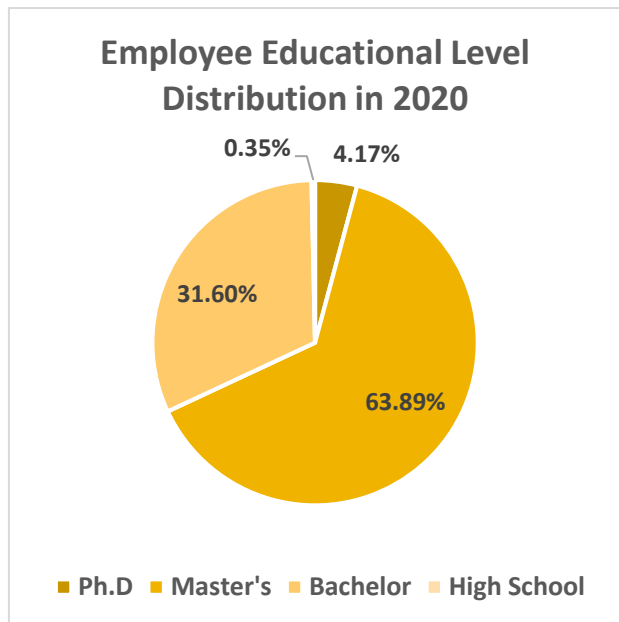
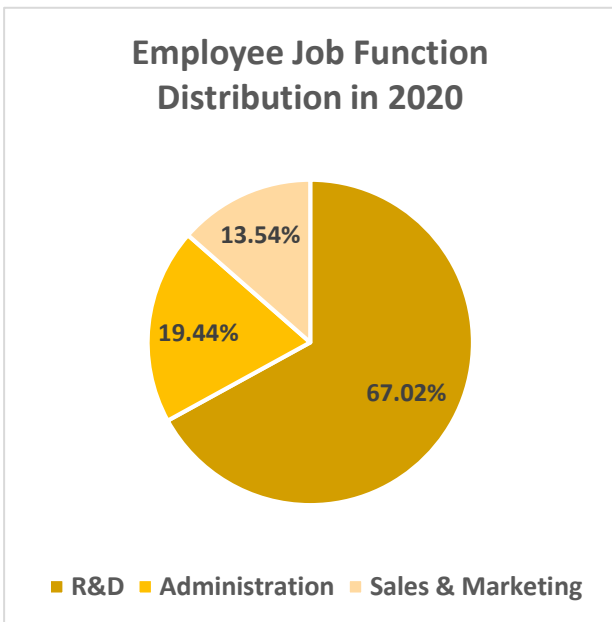
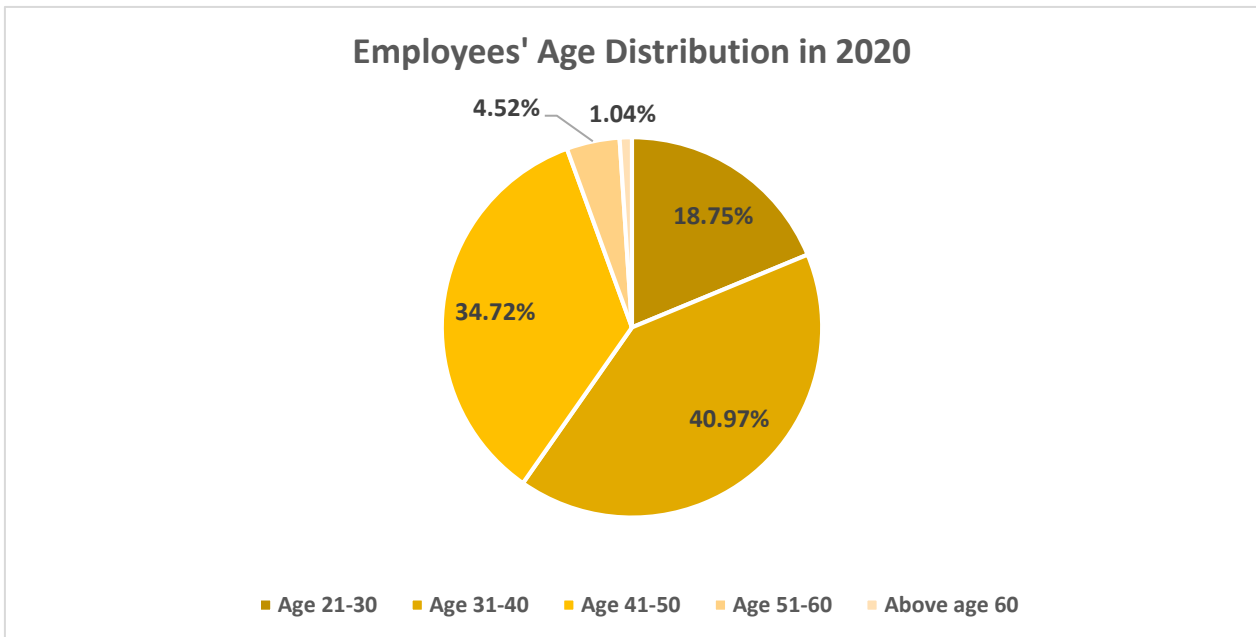
In 2020, the total number of employees was 288 with 68.1% of males and 31.9% of females. The gender ratio has been relatively steady for the past few years because of the nature of the semiconductor industry in Taiwan. eMemory continues to recruit great talents regardless of their gender, sexuality, race, class, age, marital status, language, religion, political party, place of origin, place of birth, appearance, facial features, or disability.

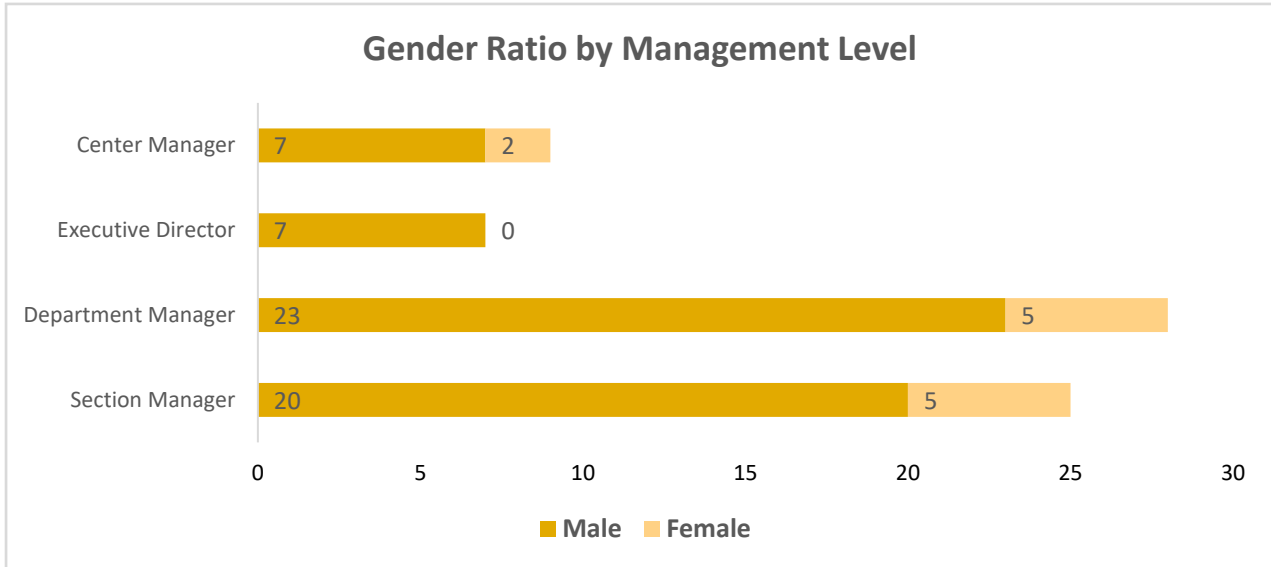


4.1.1 Basic Demographics

The average age of our employees is 39 years old. To look into details, employees aged between 31 to 40 years old are our majority, taking 40.97% of the total employees. Age 41-50 is our second largest group representing 34.72% of the total employees, followed by 18.75% aged between 21 to 30, 4.52% aged between 51 to 60, and 1.04% aged above 60.

In terms of job function, it consists of 67.02% of R&D personnel, 19.44% of Administrative personnel, and 13.54% of Sales and Marketing. Around 63.89% of the total employees have their Master’s degree, 31.60% have their Bachelor’s degree, and 4.17% have their Doctoral degrees.

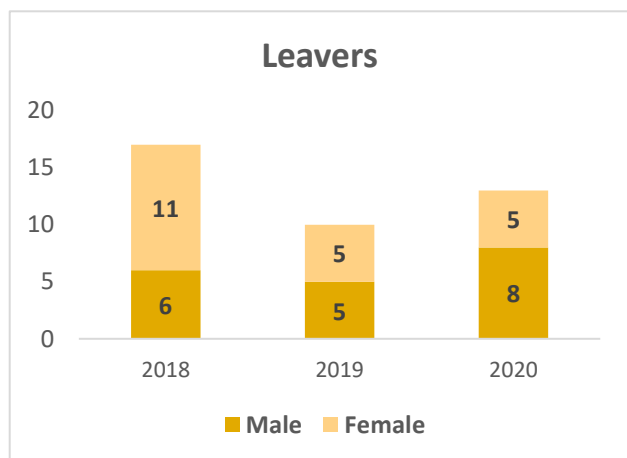
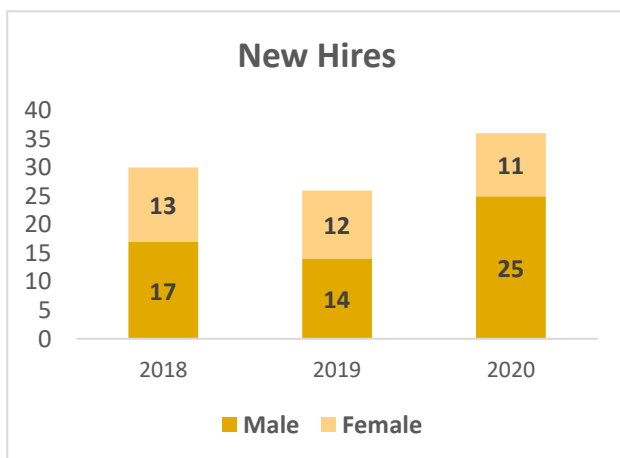




Regarding the gender ratio of each management level, 22.2% of our Executives are female, 17.9% of the department managers are female, and 20% of the section managers are female.

4.1.2 New Hire and Turnover

In 2020, eMemory had an overall turnover rate of 4.51% and a new hire turnover rate of 5.56%. Our goal for 2021 is to maintain the turnover rate lower than 5.5%. There were 36 new talents joining us in 2020, with 69.44% of male and 30.56% of female. In order to enhance the company’s growth in the long run, eMemory continues to recruit new talent via various recruitment channels, including job search websites, university career fairs, and intern programs. Not only did we recruit for current positions, but also collaborate with universities on providing recruitment sessions to juniors, seniors, and graduate students to establish a corporate image and attract young potential talent.



4.2 Training and Development

Having innovation as one of our core values, eMemory provides our employees continuous and comprehensive training and learning opportunities. In order to maintain the innovation momentum, both technical and non-technical training are available for employees of all levels and functions.

Course Types	Number of Courses	Total Participations	Total Hours
New Employee Training	4	30	259
Vocational Training	153	2,213	5,669
Supervisor Training	2	24	115
General Training	9	1,107	1,192
Total Amounts	168	3,374	7,235

In 2020, the total staff training time reached 7,235 hours, equating to an average of 25.12 hours received by each employee. For R&D personnel, the average training hours were 37.0 for males, and 24.9 for females. For non-technical personnel, the average training hours was 22.0 for males, and 16.3 for females. This data demonstrates a good level of enthusiasm from our staff in the further advancement of their skills.

4.2.1 Training for New Hires

For new hires to have better understandings of the company, eMemory develops a comprehensive training program. On the first day, a general orientation is given to each new hire, introducing the working environment, basic policy and procedures, benefits and rights. New hires will later attend a



one-day training given by the executives. This training focuses on delivering the company core values, functions, and responsibilities of each division, and common corporate languages such that the new employees could not only learn about the firm but also build a sense of inclusiveness. A half-day safety, health, and human rights training is given to the new hires as well, which equals a total of 117.16 hours of training delivered in 2020.

4.2.2 Diversified Learning Courses

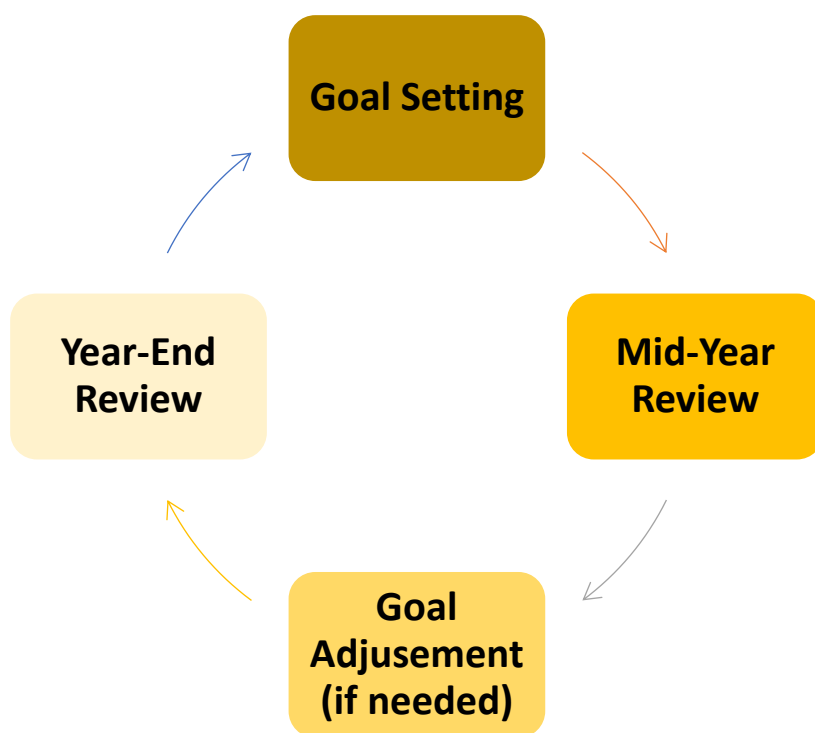
eMemory spares no effort in the cultivation and development of talents. Although the pandemic in 2020 has affected our opportunities for taking external training courses, which we have always encouraged our employees to do, we continue to uphold the frequency and quality of our internal training programs by utilizing the e-learning system to deliver professional knowledge sharing sessions, Business English courses, health and wellness workshops, and so on. Employees can develop the expertise for their profession, as well as achieve improvement in other domains.

4.2.3 Performance Management and Career Development

The performance management at eMemory includes goal setting and performance review. Based on personal achievements and project goals, each employee would set his/her annual goals, which are later discussed with the supervisors, at the beginning of the year. The performance review is conducted twice a year, the mid-year review and the year-end review. Not only will an employee be reviewed by the supervisors, but self-evaluation is also mandatory in the review process to make the evaluation impartial and comprehensive. In addition to work-related performance, we also expect employees to integrate the core values, innovation, customer trust, continuous improvement, and teamwork, into their jobs and daily operations. We believe that it would improve team efficiency and personal sense of inclusiveness when the core values are incorporated into our daily operations.



In addition to the performance management system mentioned above, eMemory also conducts appraisal meetings semi-annually. It is an opportunity for employees to demonstrate their aptitude and merit in their current role and, following an evaluation by the committee, whether a promotion or a raise may be appropriate. Based on the company’s needs, internal promotions to the management team and/or a higher rank within the profession is a career track we encourage. eMemory assists our employees in developing their preferred career paths and achieving personal goals. As for a transition assistance program, we currently do not have one for career endings resulting from retirement or termination of employment.



4.3 Benefit and Welfare

With employees being our most important asset, eMemory provides competitive compensation, a healthy workplace, and other benefits for our employees. We believe that maintaining a good work-life balance is the key to great innovation, better productivity, and higher job satisfaction.

4.3.1 Compensation Program

For compensation, in addition to the monthly salary and fixed bonus paid for the three traditional festivals, quarterly bonus, performance bonus, and project bonus are also distributed to employees for encouragement. It is stated by eMemory that a range from 1% to 25% of the pre-tax profits should be distributed to eligible employees as profit sharing. The salary and remuneration policies are applied to both male and female employees at eMemory.

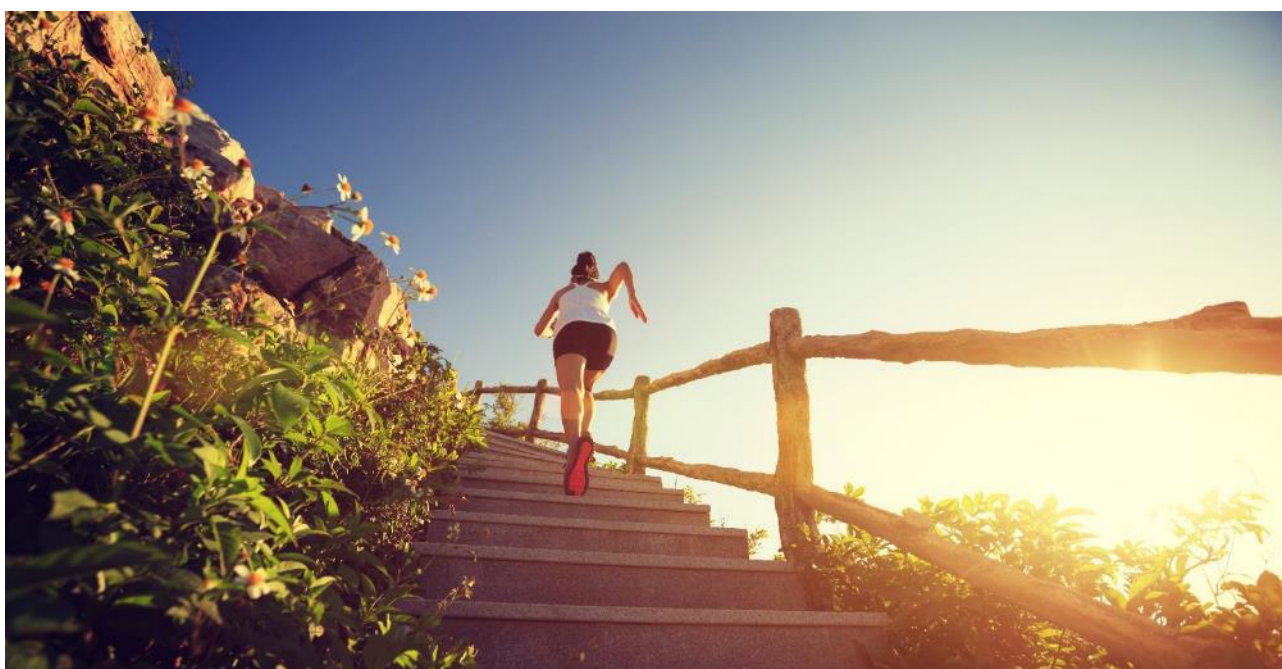
In order to encourage patent innovation and award outstanding performance, eMemory has established various awards for best performance, most patent receiving, most patent proposal, best instructor, and so on. Not only are these awards a part of the compensation program but they also serve as recognition for personal achievements and valuable contributions to the company.

4.3.2 Leave Program

In addition to the leave regulated in the Labor Standards Act, eMemory also grants 7 extra days of special leave per year as well as the birthday leave which can be redeemed within the birthday month. Under certain requirements, seven days of full-pay sick leave are provided to employees if needed. For maternity leave, a total of 8 weeks are granted before and after childbirth. There are 5 days granted for paternity leave. In 2020, there were two female employees taking parental leave with the returning and retention rate both being 100%.

4.3.3 Health and Well-Being

eMemory is dedicated to secure the health and well-being of our employees. In addition to the competitive compensation program and leave program mentioned, we also care about the physical and mental health of our employees. There is a long-established tradition of “the snack shelf” since the company’s founding. Healthy snacks, fruit, and beverages are provided at all times. Every day, employees can also use the afternoon tea subsidy for some refreshments. Membership to the on-campus gym is encouraged by providing a “sports and fitness” subsidy for maintaining a regular fitness regime. Regarding the work environment, eMemory provides staff rest area, nursery room, reserved parking space, and so on in order to create a pleasant and comfortable environment for our employees.



The Employee Welfare Committee, formed by individuals from different departments, is in charge of the recreational activities to build stronger bonds and a sense of inclusiveness among colleagues and teams. Activities, such as quarterly birthday parties, family days, special holiday celebrations, company trips, and our year-end party are held for all employees to participate in. Meanwhile, club activities are a common practice at eMemory, including wine tasting, board-game playing, mountain climbing, and many more.

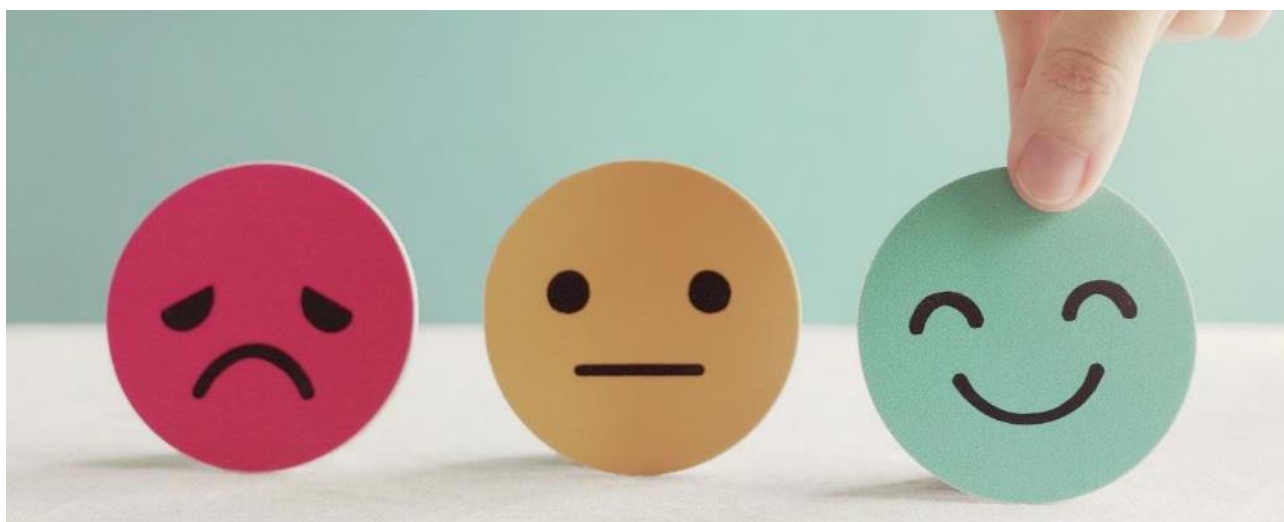
4.3.4 Retirement Plan

Continuing taking care of our retired employees, the Rules for Retirement Management of eMemory have been established in accordance with the Labor Act and Labor Pension Act and applied to all employees. Guidelines and procedures on retirement standards and the application process for benefits are clearly defined and implemented. The Supervisory Committee of Business Entities' Labor Retirement Reserve is established for preparation fund distribution-related matters. Since 2005, eMemory has been depositing a 6% monthly pension stipend for each employee to their pension account.

4.4 Occupational Safety and Human Rights

4.4.1 Occupational Health and Safety Management

Given that eMemory licenses IP designs, and does not manufacture tangible products, our operations are mainly based within the office environment. Thus, there were no work-related hazards or incidents that occurred at eMemory in 2020. In the first quarter of 2020, eMemory took preventive actions by launching our work-from-home (WFH) program in consideration of the potential pandemic outbreak in Taiwan. Stringent guidelines on personal health protection and remote working were implemented to ensure employee's physical and mental health.



Acknowledging the importance of working environment safety and risk management, eMemory regularly delivers occupational health and safety training to employees. For example, our Fire Safety Seminar is provided semi-annually, as well as the evacuation drill. The office is guarded by a 24-hour security system and with keycard access to the office area at all times.

Item/Year	Gender	2018	2019	2020
Occupational injury rate (OIR)	Male	0	0	0
	Female	0	0	0
Occupational disease rate (ODR)	Male	0	0	0
	Female	0	0	0
Fatalities	Male	0	0	0
	Female	0	0	0
Disabling injury frequency rate (FR)	Male	0	0	0
	Female	0	0	0
Disabling injury severity rate (SR)	Male	0	0	0
	Female	0	0	0

4.4.2 Health Checks and Insurances

An annual medical examination is offered to every employee. While most employees receive a regular medical examination, an advanced medical examination is provided for managers and employees whose seniority is more than 5 years. Furthermore, employees who work regularly at the laboratory receive additional examinations on the hearing due to the possible exposure to louder noises. In 2020, 34 employees took the hearing exam with a 100% completion rate.

Every week, eMemory corporates with medical professionals by offering on-site medical consultations for our staff. Although no actual medical treatment is provided during the consultation sessions, employees receive professional and detailed suggestions and possible referrals when necessary. In addition, eMemory also invites external speakers for health promotion seminars. In 2020, common diseases, such as osteoporosis and pneumonia, were discussed in the seminar including their treatments and other related knowledge. Employees not only acquire new medical knowledge but raise their awareness and cautiousness of these diseases which further promotes healthy habits and environments.



Labor insurance, health insurance, business trip travel insurance, and group insurances (term life insurance, accident insurance, medical insurance, and cancer insurance), are provided for employees. Group insurance for spouse and children are also available upon application. An insurance agent specialist provides insurance-related services and on-site consultation for employees bi-weekly. We want to ensure that our employees and their family members are financially secure to face any type of incident or risk in life.

4.4.3 Human Rights and Equality

eMemory actively protects the rights of our employees and fully complies with local regulations and internationally recognized human rights standards, such as the UN Guiding Principles on Business and Human Rights, the International Labor Organization Declaration of Fundamental Principles and Rights at Work, the Universal Declaration of Human Rights, and the Responsible Business Alliance Code of Conduct during operations. All full-time employees, contractors, and interns are treated with dignity and respect. Furthermore, our suppliers are obligated to sign the Supplier Social Responsibility Commitment which requires all eMemory’s suppliers to operate based on eMemory’s Supplier Code of Conduct.

All new hires are required to take the human rights training. In 2020, 57 colleagues were receiving such training, equating to a total of 117.16 hours. Continuous attention and awareness are given to human rights, discrimination, and other related issues to minimize any potential risks. A reporting system is established if employees ever experience any discrimination or human rights violation. The system is entirely confidential and the Human Resources department is in charge of any matters reported as well as the corresponding corrective actions. In 2020, there was no discrimination reported during the period.

Social Participation



eMemory sees giving back to society as an obligation for our business as well as an opportunity to foster a positive team spirit in our staff through engaging with our community. We are dedicated to educational activities that help us share our knowledge and help participate in a variety of community events to aid those in need. We also encourage employees to volunteer in the community as we believe that social involvement generates positive energy for our employees, the company as a whole, and makes the world a better place.

5.1 Talent Incubation

eMemory spares no effort in the cultivation and development of talent. We provide our employees with rich and diversified learning plans and establish industrial cooperation plans to enhance the professional skills and practical capabilities of potential talents.

eMemory believes in life-long learning and is committed to promoting diversified learning programs, providing employees with comprehensive and diverse training opportunities. Through the internal lecture system, with guest expert lecturers, and internal tutorial workshops, we encourage the development of professional expertise. This is structured and planned around the company's requirements for talent development, thereby providing solid technical and managerial training for both employees and executives.

5.1.1 Education

Education is the stepping stone to a brighter future. eMemory has not only provided professional courses and educational events for our employees but also developed long-term partnerships with universities and NGOs to share our experiences and inspire young people to pursue their potential. eMemory is a long-term partner of National Tsing-Hua University (NTHU) in Hsinchu and National Cheng-Kung University in Tainan. eMemory offers industry-related courses and summer internship



programs. This resource-sharing opportunity fulfills corporate social responsibilities, provides industry-university cooperation platforms, and enhances the combined application of theory and practice. The students undertaking an internship in eMemory are assigned a mentor to guide and supervise them on areas that suit their talents, as well as to provide them performance evaluations. We want these experiences to be formative in their professional development, wherever they venture in the future.

5.1.2 Knowledge Sharing

To share eMemory’s wealth of practical experience and development with industry and academia, eMemory published the first logic NVM book by an IP provider, “LOGIC NON-VOLATILE MEMORY — The NVM Solutions.” Copies of the book are distributed to universities and companies in our industry, sharing advanced research in Logic NVM and laying out a long-term foundation for future development in embedded non-volatile memory technology.

On a few occasions, eMemory conducted company tours for students, sharing eMemory’s business concepts and technological know-how to inspire students who are interested in a career in the industry. eMemory has partnered with NTHU to develop a one-semester course entitled “Logic Non-Volatile Memory.” Employees were invited to share their professional knowledge on Logic NVM with students, in the hope of developing future talent and enhancing industry competitiveness.

5.1.3 Scholarship and Joint Research Projects

eMemory provides an R&D environment with abundant resources for aspiring graduated students from National Tsing-Hua University and National Yang Ming Chiao Tung University utilizing scholarships, sponsorships, and support for long-term research projects. We encourage students to focus on various areas of academic research to stimulate more development potential and technological innovation. We believe that such resources can support young talent, assist students with academic and professional development, and also improve the international visibility and

industrial competitiveness of Taiwan's technology sector.

5.2 Community Engagement

eMemory carries out charitable actions as part of the implementation of corporate social responsibility. Practices such as making donations to public welfare organizations, and providing long-term practical supports and resources to disadvantaged groups, are applied to look after the communities in the ways that we identified could provide the most immediate and sustainable assistance.

5.2.1 Donation and Charity

eMemory actively responds to the immediate donation actions of the government and public welfare organizations for various major disasters. We are concerned about the needs of social emergency relief, and continues to provide substantive assistance to socially disadvantaged groups, fulfilling the corporate social responsibilities and obligations.

eMemory has a long-term sponsorship for a non-profit organization (NPO) "Teach For Taiwan (TFT)", and supports TFT with regular donations to help children in remote areas to have a stable and high-quality education. To achieve this, we began the "Afternoon-Tea Donation Program" to increase awareness of this issue and encourage donations from employees. This charitable activity has continued to this day, and the cumulative number of participating employees has exceeded 6,000. We also work with non-government organizations (NGOs) helping them to upgrade the facilities in remote Taiwanese schools, by providing donations for computers and equipment.

In 2020, eMemory offered scholarships to projects at NTHU, sponsored seminars to NTHU Engineering Department, donated stationery to the "Hsinchu Renai Children's Home", donated laptops to the "Hualien Stella Maris Ursuline High School", and participated in the "Spinal Cord Injury Rehabilitation Center" Christmas fundraising program.



Timeline of Social Participation

Year	Activities
2020	<ul style="list-style-type: none"> • Scholarship for NTHU • Seminar sponsorship for NTHU • Sponsorship for Teach For Taiwan • Stationery donation for Hsinchu Renai Children’s Home • Laptop donation for Hualien Stella Maris Ursuline High School • Christmas fundraising for Spinal Cord Injury Rehabilitation Center
2019	<ul style="list-style-type: none"> • Scholarship for NTHU • Computer donation for World Vision – Hsinchu • Computer donation for World Peace – Hsinchu • Christmas fundraising for Spinal Cord Injury Rehabilitation Center • Stationery donation for Hsinchu I-Link Community Care Association
2018	<ul style="list-style-type: none"> • Scholarship for NTHU • Scholarship for NCTU • Donation for World Vision Taiwan for the earthquake in Hualien • Computer donation for Teach For Taiwan • Computer donation for Taiwan Fund for Children and Families • Christmas fundraising for Spinal Cord Injury Rehabilitation Center • Stationery donation for Hsinchu I-Link Community Care Association
2017	<ul style="list-style-type: none"> • Scholarship for NTHU • Scholarship for NCTU • Seminar sponsorship for NTHU • Sponsorship for Teach For Taiwan • Christmas fundraising for Spinal Cord Injury Rehabilitation Center • Stationery donation for Hsinchu Renai Children’s Home
2016	<ul style="list-style-type: none"> • Scholarship for NTHU • Scholarship for NCTU • Seminar sponsorship for NTHU • Sponsorship for Teach For Taiwan • Stationery donation for Catholic Church – Hsinchu Diocese, Teresa Children Center • Fundraising for Spinal Cord Injury Rehabilitation Center
2015	<ul style="list-style-type: none"> • Scholarship for NTHU • Scholarship for NCTU • Sponsorship for Teach For Taiwan • Donation for Sunshine Social Welfare Foundation
2014	<ul style="list-style-type: none"> • Scholarship for NTHU • Sponsorship for Teach For Taiwan • Donation for Taiwan Association for Happy Breathing Children
2013	<ul style="list-style-type: none"> • Scholarship for NTHU • Donation for St. Joseph Home • Computer and other equipment donation for Chenggong Junior High School, Chubei Elementary School, and Liujia Elementary School

GRI Content Index

GRI Standard	Disclosure	Location or information
GRI 102: General Disclosures 2016		
Organizational profile	102-1 Name of the organization	About This Report
	102-2 Activities, brands, products, and services	1 About eMemory p.1
	102-3 Location of headquarters	About This Report
	102-4 Location of operations	About This Report
	102-5 Ownership and legal form	About This Report
	102-6 Markets served	1 About eMemory p.1
	102-7 Scale of the organization	1.1 Corporate Overview p.1 4.1 Human Resources p.26
	102-8 Information on employees and other workers	4.1 Human Resources p.26
	102-9 Supply chain	3.1 Supply Chain Management p.19
	102-10 Significant changes to the organization and its supply chain	None
	102-11 Precautionary Principle or approach	2.2 Integrity and Ethics p.14 2.3 Risk Management p.15
	102-12 External initiatives	1 About eMemory p.1
	102-13 Membership of associations	1.1 Corporate overview p.1
Strategy	102-14 Statement from senior decision-maker	Words from Our Chairman
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	1 About eMemory p.1 2 Corporate Governance p.11
Governance	102-18 Governance structure	2.1 Governance Structure p.11
	102-20 Executive-level responsibility for economic, environmental, and social topics	1 About eMemory p.1 2 Corporate Governance p.11
	102-22 Composition of the highest governance body and its committees	2.1 Governance Structure p.11 2.4 Stakeholder Management p.17
Stakeholder engagement	102-40 List of stakeholder groups	2.4 Stakeholder Management p.17
	102-41 Collective bargaining agreements	Labor and Management Council is held regularly to

GRI Standard	Disclosure	Location or information
		communicate about issues on compensation and benefit.
	102-42 Identifying and selecting stakeholders	2.4 Stakeholder Management p.17
	102-43 Approach to stakeholder engagement	2.4 Stakeholder Management p.17
	102-44 Key topics and concerns raised	1.4 Our Approach to Materiality p.7 2.4 Stakeholder Management p.17
Reporting practice	102-45 Entities included in the consolidated financial statements	About This Report 2 Corporate Governance p.11
	102-46 Defining report content and topic boundaries	1.4 Our Approach to Materiality p.7
	102-47 List of material topics	1.4 Our Approach to Materiality p.7
	102-48 Restatements of information	None
	102-49 Changes in reporting	1.4 Our Approach to Materiality p.7
	102-50 Reporting period	About This Report
	102-51 Date of most recent report	About This Report
	102-52 Reporting cycle	About This Report
	102-53 Contact point for questions regarding the report	About This Report
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report
	102-55 GRI content index	GRI Content Index p.40–p.46
102-56 External assurance	None	
GRI 103: Management Approach 2016		
	103-1 Explanation of the material topic and its boundary	1.4 Our Approach to Materiality p.7
	103-2 The management approach and its components	1.4 Our Approach to Materiality p.7
	103-3 Evaluation of the management approach	1.4 Our Approach to Materiality p.7
GRI 201: Economic Performance 2016		
	201-1 Direct economic value generated and distributed	1.1 Corporate Overview p.1 4.3 Benefit and Welfare p.31
	201-2 Financial implications and other risks and opportunities due to climate change	2.3 Risk Management p.15
	201-3 Defined benefit plan obligations and other	4.3 Benefit and Welfare p.31

GRI Standard	Disclosure	Location or information
	retirement plans	
	201-4 Financial assistance received from government	None
GRI 202: Market Presence 2016		
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	4.3 Benefit and Welfare p.31
	202-2 Proportion of senior management hired from the local community	4.1 Human Resources p.26
GRI 203: Indirect Economic Impacts 2016		
	203-1 Infrastructure investments and services supported	5 Social Participation p.36
	203-2 Significant indirect economic impacts	5 Social Participation p.36
GRI 204: Procurement Practices 2016		
	204-1 Proportion of spending on local suppliers	3.1 Supply Chain Management p.19
GRI 205: Anti-Corruption 2016		
	205-1 Operations assessed for risks related to corruption	2.2 Integrity and Ethics p.14 3.1 Supply Chain Management p.19
	205-2 Communication and training about anti-corruption policies and procedures	2.2 Integrity and Ethics p.14 3.1 Supply Chain Management p.19
	205-3 Confirmed incidents of corruption and actions taken	2.2 Integrity and Ethics p.14 3.1 Supply Chain Management p.19
GRI 206: Anti-Competitive Behavior 2016		
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There was no legal actions for anti-competitive behavior, anti-trust, or monopoly practices during the reporting period.
GRI 302: Energy 2016		
	302-1 Energy consumption within the organization	3.2 Environmental Management p.21
	302-2 Energy consumption outside of the organization	3.3 Green Product Development p.23
	302-3 Energy intensity	2.3 Risk Management p.15 3.2 Environmental Management p.21
	302-4 Reduction of energy consumption	2.3 Risk Management p.15 3.2 Environmental Management p.21

GRI Standard	Disclosure	Location or information
	302-5 Reductions in energy requirements of products and services	None
GRI 303: Water and Effluents 2018		
	303-1 Interactions with water as a shared resource	3.2 Environmental Management p.21
	303-2 Management of water discharge-related impacts	3.2 Environmental Management p.21
	303-3 Water withdrawal	3.2 Environmental Management p.21
	303-4 Water discharge	3.2 Environmental Management p.21
	303-5 Water consumption	3.2 Environmental Management p.21
GRI 305: Emissions 2016		
	305-1 Direct (Scope 1) GHG emissions	3.2 Environmental Management p.21
	305-2 Energy indirect (Scope 2) GHG emissions	3.2 Environmental Management p.21
	305-3 Other indirect (Scope 3) GHG emissions	None
	305-4 GHG emissions intensity	3.2 Environmental Management p.21
	305-5 Reduction of GHG emissions	3.2 Environmental Management p.21
	305-6 Emissions of ozone-depleting substances (ODS)	None
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	None
GRI 306: Waste 2020		
	306-1 Waste generation and significant waste-related impacts	3.2 Environmental Management p.21
	306-2 Management of significant waste-related impacts	2.3 Risk Management p.15 3.2 Environmental Management p.21
	306-3 Waste generated	2.3 Risk Management p.15 3.2 Environmental Management p.21
	306-4 Waste diverted from disposal	2.3 Risk Management p.15 3.2 Environmental Management p.21
	306-5 Waste directed to disposal	3.2 Environmental Management p.21

GRI Standard	Disclosure	Location or information
GRI 307: Environmental Compliance 2016		
	307-1 Non-compliance with environmental laws and regulations	No significant fines and non-monetary sanctions for non-compliance with environmental laws or regulations was issued during the reporting period.
GRI 308: Supplier Environmental Assessment 2016		
	308-1 New suppliers that were screened using environmental criteria	3.1 Supply Chain Management p.19
	308-2 Negative environmental impacts in the supply chain and actions taken	3.1 Supply Chain Management p.19
GRI 401: Employment 2016		
	401-1 New employee hires and employee turnover	4.1 Human Resources p.26
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.3 Benefit and Welfare p.31
	401-3 Parental leave	4.3 Benefit and Welfare p.31
GRI 402: Labor Management Relations 2016		
	402-1 Minimum notice periods regarding operational changes	eMemory provides notice of significant operational changes which could substantially affect the employees based on governmental regulations.
GRI 403: Occupational Health and Safety 2018		
	403-1 Occupational health and safety management system	4.4 Occupational Safety and Human Rights p.33
	403-2 Hazard identification, risk assessment, and incident investigation	4.4 Occupational Safety and Human Rights p.33
	403-3 Occupational health services	4.4 Occupational Safety and Human Rights p.33
	403-4 Worker participation, consultation, and communication on occupational health and safety	4.2 Training and Development p.29 4.4 Occupational Safety and Human Rights p.33
	403-5 Worker training on occupational health and safety	4.2 Training and Development p.29
	403-6 Promotion of worker health	4.2 Training and Development p.29
	403-7 Prevention and mitigation of occupational health	4.4 Occupational Safety and Human Rights p.33

GRI Standard	Disclosure	Location or information
	and safety impacts directly linked by business relationships	
	403-9 Work-related injuries	4.4 Occupational Safety and Human Rights p.33
	403-10 Work-related ill health	4.4 Occupational Safety and Human Rights p.33
GRI 404: Training and Education 2016		
	404-1 Average hours of training per year per employee	4.2 Training and Development p.29
	404-2 Programs for upgrading employee skills and transition assistance programs	4.2 Training and Development p.29
	404-3 Percentage of employees receiving regular performance and career development reviews	4.2 Training and Development p.29
GRI 405: Diversity and Equal Opportunity 2016		
	405-1 Diversity of governance bodies and employees	4.1 Human Resources p.26
	405-2 Ratio of basic salary and remuneration of women to men	4.3 Benefit and Welfare p.31
GRI 406: Non-Discrimination 2016		
	406-1 Incidents of discrimination and corrective actions taken	4.4 Occupational Safety and Human Rights p.33
GRI 412: Human Rights Assessment 2016		
	412-1 Operations that have been subject to human rights reviews or impact assessments	4.4 Occupational Safety and Human Rights p.33
	412-2 Employee training on human rights policies or procedures	4.4 Occupational Safety and Human Rights p.33
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	None
GRI 414: Supplier Social Assessment 2016		
	414-1 New suppliers that were screened using social criteria	3.1 Supply Chain Management p.19

GRI Standard	Disclosure	Location or information
	414-2 Negative social impacts in the supply chain and actions taken	None
GRI 415: Public Policy 2016		
	415-1 Political contributions	None
GRI 416: Customer Health and Safety 2016		
	416-1 Assessment of the health and safety impacts of product and service categories	3.3 Green Product Development <u>p.23</u> 3.4 Patent Invention <u>p.24</u>
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	None
GRI 418: Customer Privacy 2016		
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	None
GRI 419: Socioeconomic Compliance 2016		
	419-1 Non-compliance with laws and regulations in the social and economic area	No significant fines and non-monetary sanctions for non-compliance with laws or regulations in the social and economic area were issued during the reporting period.

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