

# CH3

## Excellence in Governance

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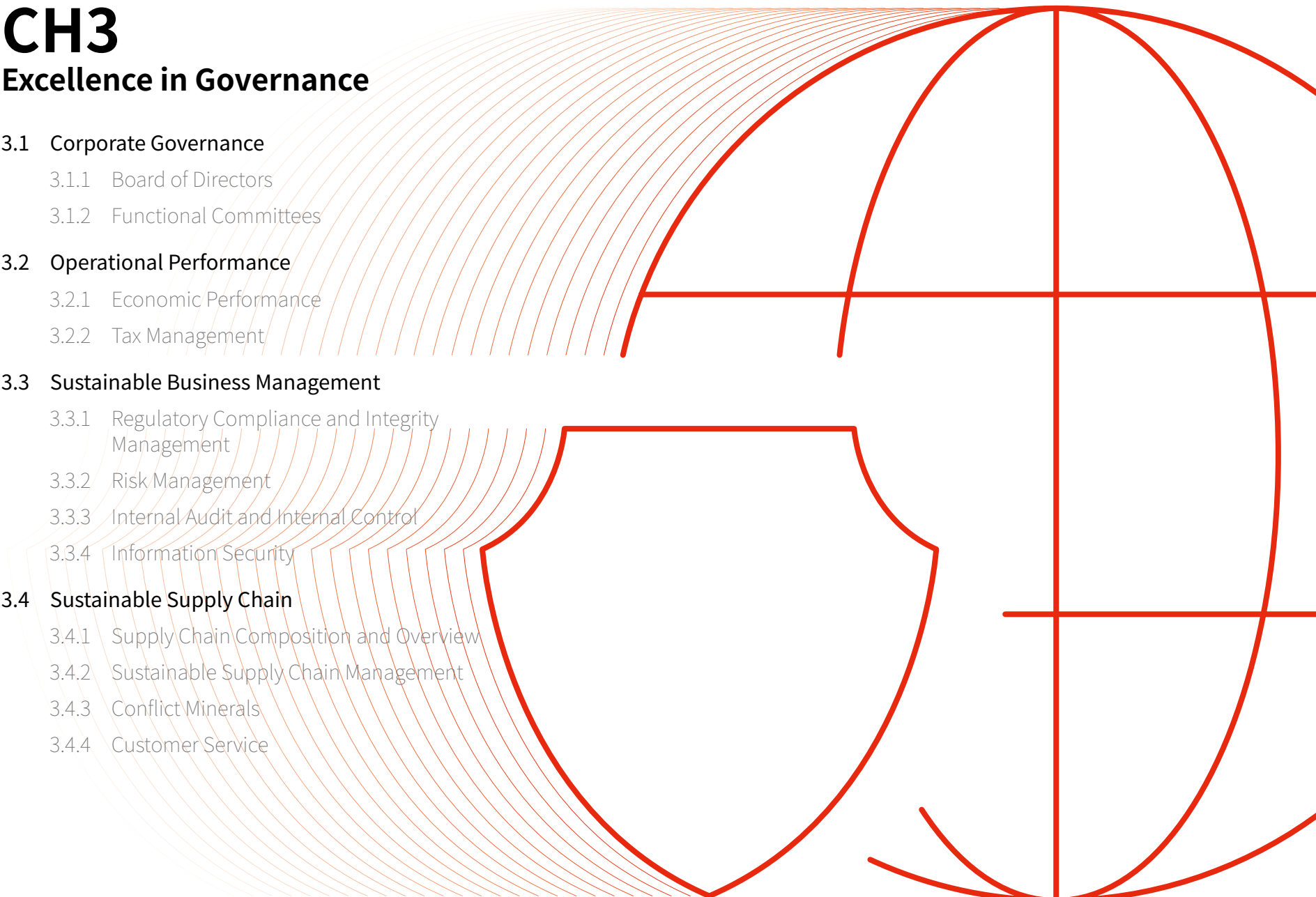
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Material topic: Business Strategy and Performance

Policy and Commitments	2023 Objectives		Future Goals			Specific Actions
	Objective Explanation	Achievement Status	Short-term(2024)	Mid-term(2025)	Long-term(2030)	
<ul style="list-style-type: none"> <li>Optimize business strategy and management models to enhance corporate competitiveness and market share.</li> </ul>	<ul style="list-style-type: none"> <li>Develop market strategies and explore new markets to sustain company profitability.</li> </ul>	<p><b>All goals achieved</b></p> <ul style="list-style-type: none"> <li>Achieve annual revenue of 35,348 billion yuan and after-tax net profit of 2.42 billion yuan.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly convene QBR meetings to support operational reviews and enhance business performance.</li> </ul>	<ul style="list-style-type: none"> <li>Expand target markets by entering new regions or markets.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously introduce competitive new products or services.</li> <li>sustainable supply chains.</li> <li>Implement digital transformation strategies to improve business efficiency, innovation capabilities, and data security.</li> <li>Strengthen internal training and development programs to enhance employee skills.</li> <li>Pay continuous attention to Sustainable Development Goals (SDGs) and incorporate them into the company's business strategy.</li> </ul>	<ul style="list-style-type: none"> <li>Regularly convene QBR meetings to support ongoing operational reviews and strategic adjustments.</li> </ul>

Material topic: Corporate Governance and Business Integrity

Policy and Commitments	2023 Objectives		Future Goals			Specific Actions
	Objective Explanation	Achievement Status	Short-term(2024)	Mid-term(2025)	Long-term(2030)	
<ul style="list-style-type: none"> <li>Establish a corporate culture of business integrity to promote sustainable development</li> </ul>	<p><b>Nuvoton Taiwan</b></p> <ul style="list-style-type: none"> <li>Corporate Governance Evaluation (Listed Company) within 20%</li> </ul>	<p><b>Nuvoton Taiwan</b></p> <p><b>All goals achieved</b></p> <ul style="list-style-type: none"> <li>Corporate governance evaluation within 6-20%.</li> </ul>	<p><b>Nuvoton Taiwan</b></p> <ul style="list-style-type: none"> <li>Corporate Governance Evaluation (Listed Company) within 20%</li> <li>Continuously promote integrity operation and compliance education training, with a 100% pass rate for HQ staff training tests</li> </ul>	<p><b>Nuvoton Taiwan</b></p> <ul style="list-style-type: none"> <li>Maintain corporate governance evaluation ranking within 20%</li> </ul>	<p><b>Nuvoton Taiwan</b></p> <ul style="list-style-type: none"> <li>Promote sustainable development's social responsibility program, enhance the company's social image, improve investor and stakeholder trust, and continuously improve corporate governance performance</li> </ul>	<p><b>Nuvoton Taiwan</b></p> <ul style="list-style-type: none"> <li>Establish a Sustainable Development Committee and ESG activitiesConduct external evaluations of Board of Directors performance</li> <li>All directors complete mandatory continuing education hours</li> <li>Regularly report communication with stakeholders to the Board of Directors</li> <li>Invest in energy-saving or green energy-related environmentally sustainable machinery and equipment, and disclose investment details and specific benefits</li> </ul>
	<p><b>Nuvoton Japan</b></p> <ul style="list-style-type: none"> <li>Convene Board of Directors meetings</li> <li>Execute internal audits</li> <li>Implement compliance education</li> </ul>	<p><b>Nuvoton Japan</b></p> <p><b>All goals achieved</b></p>	<p><b>Nuvoton Japan</b></p> <ul style="list-style-type: none"> <li>Comply with corporate governance and business integrity -related regulations, conduct corporate operations according to domestic and foreign relevant standards</li> </ul>	<p><b>Nuvoton Japan</b></p> <ul style="list-style-type: none"> <li>Comply with corporate governance and integrity operation-related regulations, conduct corporate operations according to domestic and foreign relevant standards</li> </ul>	<p><b>Nuvoton Japan</b></p> <ul style="list-style-type: none"> <li>Comply with corporate governance and integrity operation-related regulations, conduct corporate operations according to domestic and foreign relevant standards</li> </ul>	<p><b>Nuvoton Japan</b></p> <ul style="list-style-type: none"> <li>Establish a Sustainable Development Committee and ESG activities</li> </ul>

Material topic: Information Security and Privacy Protection						
Policy and Commitments	2023 Objectives		Future Goals			Specific Actions
	Objective Explanation	Achievement Status	Short-term(2024)	Mid-term(2025)	Long-term(2030)	
We aim to become a "trusted global corporate citizen." According to information security regulations, we have established an information security system to manage confidentiality, integrity, and availability appropriately to ensure compliance with regulatory, operational, and contractual requirements.	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>Implement and verify the new ISO27001:2022 international information security management system standard.</li> <li>Strengthen endpoint security protection by implementing and deploying EDR and enhancing monitoring mechanisms.</li> <li>All employees receive information security training, with a completion rate of over 97%.</li> </ul>	<b>All goals achieved</b> <ul style="list-style-type: none"> <li>Follow ISO 27001 international standards for internal "gap analysis, asset inventory, risk improvement plans, and establishment of management norms that comply with international information security standards."</li> <li>Complete the product evaluation of the "Endpoint Detection and Response (EDR) tool."</li> <li>Achieve a 98% completion rate for all employees receiving information security training.</li> </ul>	<b>Nuvoton</b> <ul style="list-style-type: none"> <li>Pass the initial verification of ISO 27001:2022 with zero major non-compliance findings in the audit.</li> <li>All employees receive information security training, with a completion rate of 100%.</li> <li>Zero major information security incidents affecting company operations.</li> </ul>	<b>Nuvoton</b> <ul style="list-style-type: none"> <li>Strengthen information security risk management and internal information security audits.</li> <li>Enhance the information security incident monitoring mechanism and expand the deployment of "Endpoint Detection and Response (EDR) tools."</li> <li>Zero major information security incidents affecting company operations.</li> </ul>	<b>Nuvoton</b> <ul style="list-style-type: none"> <li>Strengthen business continuity management to ensure uninterrupted operations during disruptive incidents.</li> <li>Establish data protection management norms and continuously promote awareness among employees, and introduce technical solutions to prevent incidents of sensitive data or personal information leakage.</li> <li>Integrate AI-based information security solutions to detect internal and external threats and prevent hacking attacks, achieving an efficient response mechanism through automated processes to minimize the impact of information security incidents.</li> </ul>	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>Implemented the new ISO27001:2022 international information security management system, understood the standard clauses, conducted asset inventory, and analyzed the differences between the current situation and the ISO27001 standards.</li> <li>Evaluated the endpoint detection and response (EDR) solutions, including product comparisons and proof of concept (POC) of product functions.</li> </ul>
	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>ISO 27001:2013 review, with zero major non-compliance findings in the audit results.</li> <li>All employees receive information security training, with a completion rate of 100%.</li> <li>Zero major information security incidents affecting company operations.</li> </ul>	<b>All goals achieved</b> <ul style="list-style-type: none"> <li>Achieve "zero major non-compliance findings in ISO 27001 audit results."</li> <li>Achieve "100% completion rate for all employees receiving information security training."</li> <li>Achieve "zero major information security incidents affecting company operations."</li> </ul>	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>Established a Security Operations Center (SOC) and began formal operations, with the deployment of EDR product tools completed.</li> </ul>			



Material topic: Supplier Sustainability Management						
Policy and Commitments	2023 Objectives		Future Goals			Specific Actions
	Objective Explanation	Achievement Status	Short-term(2024)	Mid-term(2025)	Long-term(2030)	
<ul style="list-style-type: none"> <li>In addition to meeting basic occupational safety and environmental protection requirements in supply chain management, Nuvoton has formulated a supplier sustainability management policy and incorporated ESG into supplier evaluation and audit items, with the aim of leveraging its influence to work hand-in-hand with suppliers to emphasize and promote corporate sustainability, achieving the vision of a sustainable supply chain.</li> <li>Nuvoton has established a conflict minerals management policy, committing to 100% non-use of "conflict minerals", and requires suppliers to comply as well.</li> <li>Require suppliers to sign the "Declaration of Non-Use of Conflict Minerals" to comply with the clause prohibiting the use of "conflict minerals".</li> <li>Require relevant suppliers to regularly conduct thorough investigations and confirm that no metals from conflict regions are used in their products.</li> </ul>	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>Comply with regulations and customer requirements related to hazardous substance-free products</li> <li>79% of major suppliers obtain ISO 14064 or equivalent international certification</li> <li>86% of major suppliers publish ESG reports</li> <li>50% of major suppliers complete RBA VAP</li> <li>100% of major suppliers promoted to set GHG emissions reduction targets</li> </ul>	All goals achieved	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>25% of major suppliers complete BCP (Business Continuity Plan) SAQ</li> <li>86% of major suppliers obtain ISO 14064 or equivalent certification</li> <li>93% of major suppliers publish ESG reports</li> <li>50% of major suppliers complete RBA VAP</li> </ul>	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>40% of major suppliers complete BCP (Business Continuity Plan) SAQ</li> <li>93% of major suppliers obtain ISO 14064 or equivalent international certification</li> <li>93% of major suppliers publish ESG reports</li> <li>57% of major suppliers complete RBA VAP</li> </ul>	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>75% of major suppliers complete BCP SAQ</li> <li>100% of major suppliers obtain ISO 14064 or equivalent certification</li> <li>100% of major suppliers publish ESG reports</li> <li>100% of major suppliers complete RBA VAP</li> <li>Based on major suppliers' GHG emission reduction targets, overall 15% reduction estimated for suppliers (using 2020 as base year)</li> </ul>	<b>Nuvoton Taiwan</b> <ul style="list-style-type: none"> <li>Complete annual evaluation of major suppliers</li> <li>All suppliers have signed the RBA Code of Conduct declaration.</li> <li>All suppliers have signed the "No Use of Conflict Minerals Declaration."</li> <li>All suppliers have signed the "No Use of Hazardous Substances Declaration."</li> <li>Key suppliers have published ESG (Environmental, Social, and Governance) reports.</li> <li>Key suppliers have conducted greenhouse gas emissions inventories (ISO 14064) and collected baseline emissions and reduction targets.</li> </ul>
	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>100% response rate for supplier CSR activity survey (every 2 years)</li> <li>100% annual response rate for supplier conflict minerals survey</li> <li>100% response rate for business continuity survey (every 2 years)</li> <li>100% annual response rate for survey on substances of very high concern</li> <li>100% annual response rate for carbon neutrality survey</li> </ul>	All goals achieved	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>100% response rate for supplier CSR activity survey (every 2 years)</li> <li>100% annual response rate for supplier conflict minerals survey</li> <li>100% response rate for business continuity survey (every 2 years)</li> <li>100% annual response rate for survey on substances of very high concern</li> <li>100% annual response rate for carbon neutrality survey</li> </ul>	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>100% response rate for supplier CSR activity survey (every 2 years)</li> <li>100% annual response rate for supplier conflict minerals survey</li> <li>100% response rate for business continuity survey (every 2 years)</li> <li>100% annual response rate for survey on substances of very high concern</li> <li>100% annual response rate for carbon neutrality survey</li> </ul>	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>100% response rate for supplier CSR activity survey (every 2 years)</li> <li>100% annual response rate for supplier conflict minerals survey</li> <li>100% response rate for business continuity survey (every 2 years)</li> <li>100% annual response rate for survey on substances of very high concern</li> <li>100% annual response rate for carbon neutrality survey</li> </ul>	<b>Nuvoton Japan</b> <ul style="list-style-type: none"> <li>Issued CSR self-assessment questionnaires to 37 suppliers and contractors, achieving a 100% response rate.</li> <li>Utilized CMRT and EMRT to survey and recover waste minerals from smelters to suppliers.</li> <li>Investigated whether suppliers' externally purchased parts, products, and materials contain SVHC and other harmful environmental substances, with a 100% response rate for survey results.</li> <li>Surveyed Scope 3 emissions for 32 suppliers in preparation for ISO 14064 certification.</li> </ul>

1 There are 14 main suppliers, accounting for approximately 92% of the transaction volume in 2023.

# 3.1 Corporate Governance

## 3.1.1 Board of Directors

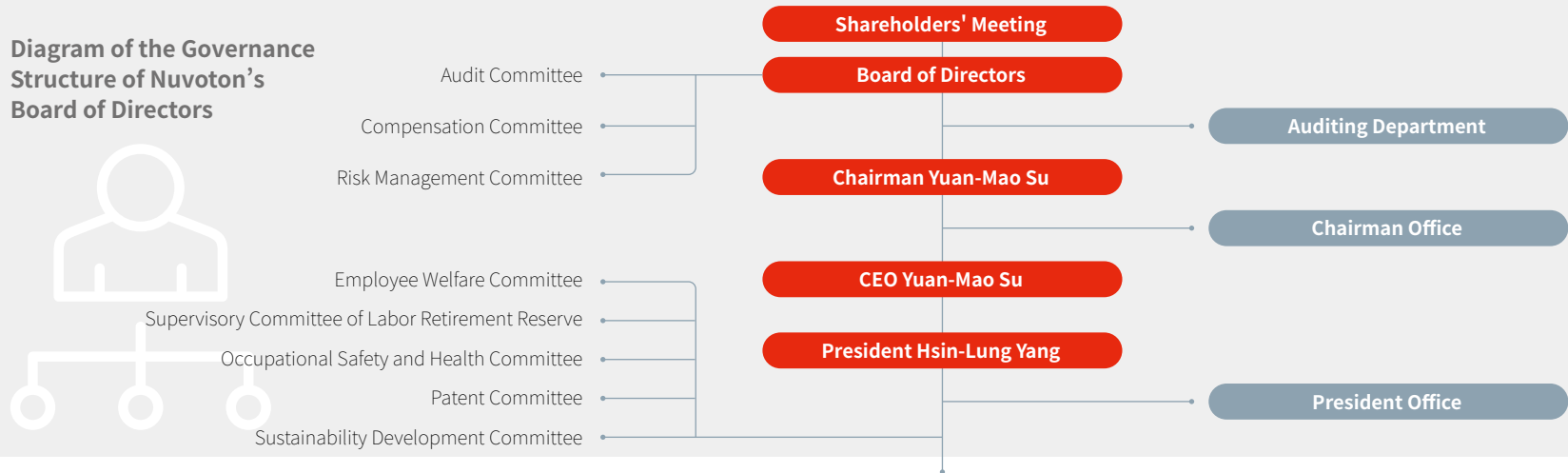
### Operation of the Board of Directors



The Board of Directors (hereinafter referred to as “the Board”) serves as the company’s highest governing body. The Board carries out its relevant duties in accordance with government regulations and the company’s charter, including appointing and supervising the company’s management, overseeing operational performance, and preventing conflicts of interest, while exercising authority over shareholder meeting resolutions. Both directors and independent directors share responsibility for corporate governance and operational strategies, guided by principles that prioritize the interests of shareholders while also considering the interests of stakeholders, such as employees, customers, suppliers, government, and non-governmental organizations. The organizational structure beneath the Board primarily consists of four major business groups and four major centers, with various committees established to handle different functions and promote business initiatives. The Chairman of the Board also serves as the CEO, while the position of General Manager is held by a professional manager who is not a board member. This arrangement aims to enhance the operational performance of the group, increase shareholder interests, and achieve the vision of sustainable business operations. In response to these considerations, the number of independent director positions has been increased from the statutory three to four, as outlined in the company’s Corporate Governance Best Practice Guidelines, to maintain objectivity and oversight. The primary goals are to enhance the operational performance of the group, increase shareholder interests, and achieve sustainable business operations while avoiding and mitigating related conflicts of interest. Please refer to the [2023 Annual Report](#), for more details.

In 2023, Ms. Hsiu-Fen Lai, Vice President of the company’s Finance Center, assumed the role of Corporate Governance Director. With over 26 years of financial professional experience and qualifications meeting legal requirements, she assists the Board of Directors and individual directors in fulfilling their duties. This includes arranging Board meeting schedules and agendas, planning director training, providing information during and outside of Board meetings, and regularly informing directors of relevant information. The Corporate Governance Director ensures the proper functioning of the Board of Directors and governance-related matters.

**Diagram of the Governance Structure of Nuvoton’s Board of Directors**



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To communicate significant events to the Board of Directors, not only are regular quarterly meetings held, but also ad hoc meetings are arranged. To better formulate goals and strategies, the following measures are taken:

<p>Quarterly Strategy Workshops</p>	<p>Through these workshops, the operational and financial status is reported by the management team. If any significant discrepancies arise, the Board of Directors actively encourages managers to analyze and review them, facilitating timely adjustments to operational plans and annual budgets. This helps strengthen interaction and communication between the management team and the Board of Directors, while also enhancing transparency of company operational information. When necessary, authorization is delegated to relevant units for handling or reporting significant economic, environmental, and human (including human rights) sustainability issues to the Chairman or the Board of Directors. In 2023, four strategy workshops were conducted.</p>
<p>Sustainability Development Committee Reporting to the Board of Directors</p>	<p>The Sustainability Development Committee coordinates sustainability direction and establishes short, medium, and long-term goals and management policies through seven working groups covering various aspects such as corporate governance, labor rights, environment, and safety, supply chain management, net-zero, social engagement, and green products. Quarterly meetings are held to oversee cross-departmental communication, resource integration, coordination, and check the progress and achievement rate of each working group's activities. Quarterly reports are submitted to the Board of Directors on ESG performance results and future work plans. This helps the Board of Directors gain comprehensive insights into the company's sustainability performance and challenges, thereby improving governance transparency and sustainability. In 2023, the Sustainability Development Committee reported to the Board of Directors four times.</p>
<p>Risk Management Committee Reporting on Identified Risks</p>	<p>The Risk Management Committee meets at least twice a year, as needed, to discuss technical risks in the market and other risk issues that the company needs to address, and reports to the Board of Directors to ensure effective management and response. In 2023, one meeting was held in total.</p>

### Composition of the Diverse Board of Directors

Based on the company's charter, the selection of directors adopts a candidate nomination system and adheres to corporate governance best practices emphasizing diversity among Board members. The Board of Directors configures its members based on the company's diversity policy, succession planning, and performance evaluation results. Director candidates are selected based on principles of diversity, sustainability, organizational impact, and ability to execute duties, assisting in operational decision-making and long-term strategic planning. The most recent election was held on June 2, 2022, resulting in the selection of the seventh term (until the year 114) Board of Directors members. Through the participation of female and independent directors, and the recruitment of elites from different generations and professional fields, the election results of the 2022 shareholder meeting have achieved the diversity policy and sustainable operation goals of the Board of Directors. For details on the selection process and methods, please refer to the official website regulations.



The seventh term Board of Directors consists of eleven directors, including four independent directors, accounting for 36%, and one female director, accounting for 9%. In terms of age distribution, directors aged 50 and above account for 91%, while those aged below 50 account for 9%. Directors who do not hold positions as company executives or employees occupy more than two-thirds of the director seats. Though there are two individuals with spousal or second-degree relatives relationships, this does not exceed half of the Board of Directors seats, complying with the provisions of Article 26-3 of the Securities Exchange Act. All members of the Board of Directors possess extensive industry management experience, with a wide age range, diverse knowledge, and professional backgrounds covering different fields, possessing the necessary capabilities to fulfill director duties, supervise, and provide constructive opinions. Winbond Electronics Corporation and Chin Xin Investment Corporation are the main shareholders of the company. Amongst them, Winbond Electronics Corporation is the parent company of Nuvoton and the largest shareholder holding more than half of the company’s shares, as well as serves as director of the company to date.



For more information about the backgrounds and details of the Board of Directors members, please refer to the [annual report](#) for further details.

### Member diversity of the seventh term Board of Directors

Job Title	Name / Legal Representative of the Corporation	Gender	Current Position	Core Diversity Elements					Attendance Rate of the Board of Directors in 2023 (The Board of Directors convened 5 times in 2023)
				Business Management	Leadership Decision Making	Industry Knowledge	Financial Accounting	information	
Chairman of the Board	Legal Representative of Winbond Electronics Corporation: Yuan-Mao Su (Risk) <sup>2</sup>	Male	CEO of Nuvoton Technology Corporation	●	●	●	●	●	100% (5/5)
Vice Chairman of the Board	Karen K. Chiao	Female	Director and President of Callisto Holding Limited	●	●	●	●	●	100% (5/5)
Director	Arthur Yu-Cheng Chiao	Male	Vice President of Winbond Electronics Corporation	●	●	●	●	●	100% (5/5)
Director	Legal Representative of Chin Xin Investment Corp: Jen-Lieh Lin	Male	Chairman and CEO of Winbond Electronics Corporation		●	●		●	100% (5/5)
Director	Chi-Lin Wea	Male	Chairman of Waterland Financial Holdings	●	●	●	●	●	100% (5/5)
Director	Royce Yu-Chun Hong	Male	Director & President of IPEVO Corp	●	●	●	●	●	100% (5/5)
Director	Liang-Gee Chen (Risk)	Male	Director of Himax Technologies, Inc. and Independent Director of Everlight Electronics Co., Ltd.		●	●		●	100% (5/5)
Independent Director	Mark Wei (Audit, Risk, Remuneration) <sup>3</sup>	Male	Chairman of Shin Kong Life Insurance Co., Ltd.	●	●	●	●		100% (5/5)
Independent Director	David Shu-Chyuan Tu (Audit, Risk, Compensation)	Male	Chairman of BestCom Info Tech Corp. and General Manager of Synnex Technology International Corp. – Group Business Development & Strategy	●	●	●		●	100% (5/5)
Independent Director	Allen Hsu (Audit, Risk, Remuneration)	Male	Chairman of Unus Tech Co., Ltd. and Yi Zhong Technology Co., Ltd., and Independent Director of Winbond Electronics Corporation	●	●	●	●		100% (5/5)
Independent Director	Kuang-Chung Chen (Audit, Risk Management, Remuneration)	Male	Independent Director of Diodes Incorporated	●	●	●	●	●	100% (5/5)

<sup>2</sup> (Risk) represent the Risk Management Committee.

<sup>3</sup> The labels “(Risk)”, “(Audit)”, “(Remuneration)” respectively represent that the director simultaneously serves as a member of the Risk Management Committee, Audit Committee, or Remuneration Committee.



### Board of Directors Remuneration and Performance Evaluation

The Remuneration Committee is responsible for establishing and reviewing the performance evaluation and remuneration policies, systems, standards, structures, and individual remuneration of directors and managers. It sets forth the “Measures for the Compensation and Performance Evaluation of Directors / Managers” to ensure that overall remuneration is competitive and enhances operational performance to achieve maximum long-term benefits. The remuneration of the company’s managers is handled in accordance with the company’s charter and the “Measures for the Compensation and Performance Evaluation of Directors / Managers,” which covers salary, bonuses, and employee compensation systems and standards. In addition to considering role responsibilities, contributions to the company’s operations, and benchmarking against industry standards, operational performance, profitability, management effectiveness, and the practice of core corporate values and sustainable development goals (including environmental, social, and corporate governance aspects) are also taken into account as reference indicators for manager performance evaluations and remuneration allocation. After individual reviews and assessments by the Remuneration Committee, the overall reasonableness of compensation is submitted to the Board of Directors for resolution. This includes monthly salary disbursements, performance bonuses based on operational performance, and employee remuneration based on annual profit conditions. There are no provisions regarding manager “signing bonuses or recruitment incentives and clawback mechanisms.” For senior executives’ retirement benefits, the “Regulations on Manager Retirement” are established to ensure retirement security for senior executives.

To implement corporate governance and enhance the functionality of the Board of Directors, Nuvoton has established the “Measures for the Compensation and Performance Evaluation of Directors” to strengthen performance evaluations, while conducting annual performance evaluations of the Board of Directors based on five aspects: the degree of participation in company operations, improvement in decision-making processes, composition and structure of the Board of Directors, selection process for directors and continuous education, and internal controls. The results of the evaluation are summarized by the Board of Directors’ deliberative unit, reported to the Remuneration Committee and the Board of Directors, and used to formulate the plan to improve performance for next year. This continuous enhancement aims to improve the company’s governance and increase long-term shareholder value. The Board of Directors and functional committees’ performance evaluations for 2023 have been completed, and the overall results indicate that “the Board of Directors and its functional committees operate well.” Additionally, Nuvoton stipulates that the Board of Directors’ performance evaluation must be conducted by an external independent organization at least every three years. This includes on-site interviews with the chairman, president, conveners of functional committees, corporate governance executives, and internal audit executives, with the evaluation results reported to the Board of Directors. In 2023, the company commissioned an external organization, Taiwan Corporate Governance Association, to conduct a performance evaluation of the Board of Directors. The results were reported to the Board of Directors on March 5, 2024. For the results of the external evaluation of the Board of Directors, please refer to [Nuvoton’s official website](#).




## Board of Directors Professional Development

Nuvoton arranges annual training courses for directors on economic, environmental, and social issues related to operations to enhance their capabilities. Additionally, to facilitate ongoing learning, the company periodically sends information on economic, environmental, and social issues related to the Board of Directors. The training hours for courses related to environmental sustainability (carbon rights, climate change, sustainable finance) amount to 85 hours, those for courses related to corporate governance and risk management total 41 hours, and those for courses related to economics (regional economics, global political and economic situations) total 50 hours. By the end of 2022-2023, the total training hours for directors amounted to 194 hours, with an average of 18 hours of training per director.

### 3.1.2 Functional Committees

To strengthen oversight functions and enhance management capabilities, Nuvoton has established the three committees of Audit, Remuneration, and Risk Management under the Board of Directors in accordance with their authority and functions, enhancing the company’s governance framework. Functional Committees are composed of or involve independent directors to ensure the objectivity and impartiality of the committees’ decisions and recommendations for the effective implementation of mechanisms for independent oversight and checks and balances. This ensures that all decisions and actions of the Board of Directors are reported to and discussed by the Board, with directors abstaining from involvement in matters involving their own interests or those of the entities they represent. Some matters are also reported to and discussed at shareholder meetings, aligning with the best interests of stakeholders.

### Responsibilities and Composition of Functional Committees

Committee Name	Members and Attendance	Responsibilities	organizational procedures
 <b>Remuneration Committee</b>	The Remuneration Committee is composed of 4 independent directors. In 2023, a total of 2 meetings were convened with a 100% attendance rate.	The committee is responsible for formulating and regularly reviewing the annual and long-term performance goals and remuneration policies, systems, standards, and structures for directors and executives. It also periodically evaluates the achievement of performance goals for directors and executives, and determines the content and amount of their individual compensation.	
 <b>Audit Committee</b>	The Audit Committee consists of 4 independent directors. During the annual shareholders’ meeting on June 2, 2022, Nuvoton elected its seventh Board of Directors and the third Audit Committee assumed office on the same day. In 2023, the Audit Committee held 5 meetings, with a 100% attendance rate.	The primary function of the Audit Committee is to assist the Board of Directors in overseeing the quality and integrity of the company’s accounting, auditing, financial reporting processes, and financial controls. For external investors, it represents the company’s supervisory function and independence, effectively safeguarding investor interests.	
 <b>Risk Management Committee</b>	On August 2, 2022, Nuvoton’s Board of Directors approved the establishment of the Risk Management Committee. The committee comprises several directors appointed by the chairman, as well as four independent directors who account for a majority. The members collectively nominate one person to serve as the convener and meeting chair, representing the committee externally. The Risk Management Committee is mandated to convene meetings at least twice a year, with the flexibility to adjust as needed. In 2023, a total of 1 meeting was convened, with a 100% attendance rate.	The committee is responsible for overseeing the overall risk management of the company. It formulates risk management policies, frameworks, and establishes qualitative and quantitative management standards. Adjustments are made based on the company’s actual development needs or changes in the external environment.	

## 3.2 Operational Performance

### 3.2.1 Economic Performance

#### Financial Performance

In 2023, Nuvoton was impacted by market conditions and customer inventory, leading to a decrease in total revenue compared to 2022, with a decline of 15.6%. The consolidated total revenue for 2023 amounted to NT\$35,340.8 million. After-tax net profit was NT\$2,420 million, representing a decrease of 43% compared to the previous year. Earnings per share for 2023 were NT\$5.77, with a cash dividend of NT\$3 per share (dividend payout ratio of 52%). The total consolidated income tax expense was NT\$360 million, accounting for 0.9% of revenue, showing a year-on-year increase of 65.5%. The total income tax paid was NT\$720.8 million, reflecting a 1.7% increase compared to the previous year.

#### 2023 Consolidated Financial Performance

Unit: NT\$ Million

Item	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
<b>Operating Revenue</b>	41,456	41,872	35,348
<b>Non-operating Income and Expenses</b>	218	629	1,036
<b>Gross Profit (Retained Economic Value)</b>	16,856	17,494	14,342
<b>Operating Expenses</b>	13,529	13,016	12,652
<b>Operating Income</b>	3,327	4,478	1,690
<b>Profit (Loss) Before Tax</b>	3,545	5,107	2,726
<b>Profit (Loss) After Tax</b>	2,941	4,221	2,420
<b>Employee Salaries and Benefits (Personnel Expenses)</b>	7,859	9,110	8,336
<b>Community Investments</b>	0.1	1	3
<b>Payments to Government</b>	393	716	728
<b>Payments to Shareholders</b>	377	2,133	2,982
<b>Earnings Per Share (NT\$)</b>	7.27	10.06	5.77



Nuvoton’s business spans four major areas: automotive and industrial control, communications, consumer electronics, and computers. The diversified product line helps mitigate the risk brought by the recent softness in demand for consumer electronics, thereby enhancing the company’s resilience.

After a year of global market contractions for the semiconductor industry in 2022, it is anticipated that 2023 will be a year of divergence in global central bank policies, affecting economic growth across different regions. Facing the uncertainties of the overall economy and the macro environment in 2023, Nuvoton expects adjustments in channel inventory to continue for some time. Therefore, the management team at Nuvoton has set a strategy of “proactive development, cautious manufacturing” to adapt to the current market environment.

In terms of business development, we have plans to expand our sales territories by establishing new business offices worldwide, deepening strategic cooperation with customers, and actively exploring global markets. Strengthening partnerships with key customers is crucial for Nuvoton’s sustained growth. As a result, we engage in dialogue with customers across various levels and provide long-term value.

In product development, in addition to continuous innovation and reinforcement of existing product lines, we are also promoting a series of solutions related to edge artificial intelligence, electric vehicles, smart manufacturing, and new energy in line with the global trend of sustainable development. This not only optimizes the company’s product portfolio but also demonstrates our strength in innovation and technology development.

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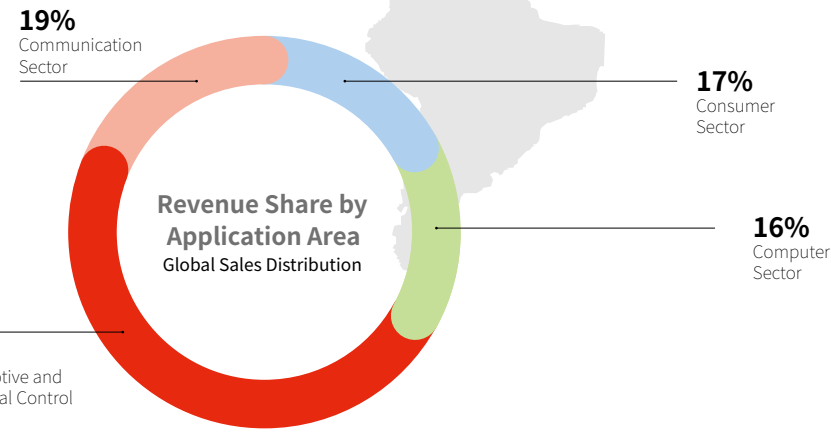
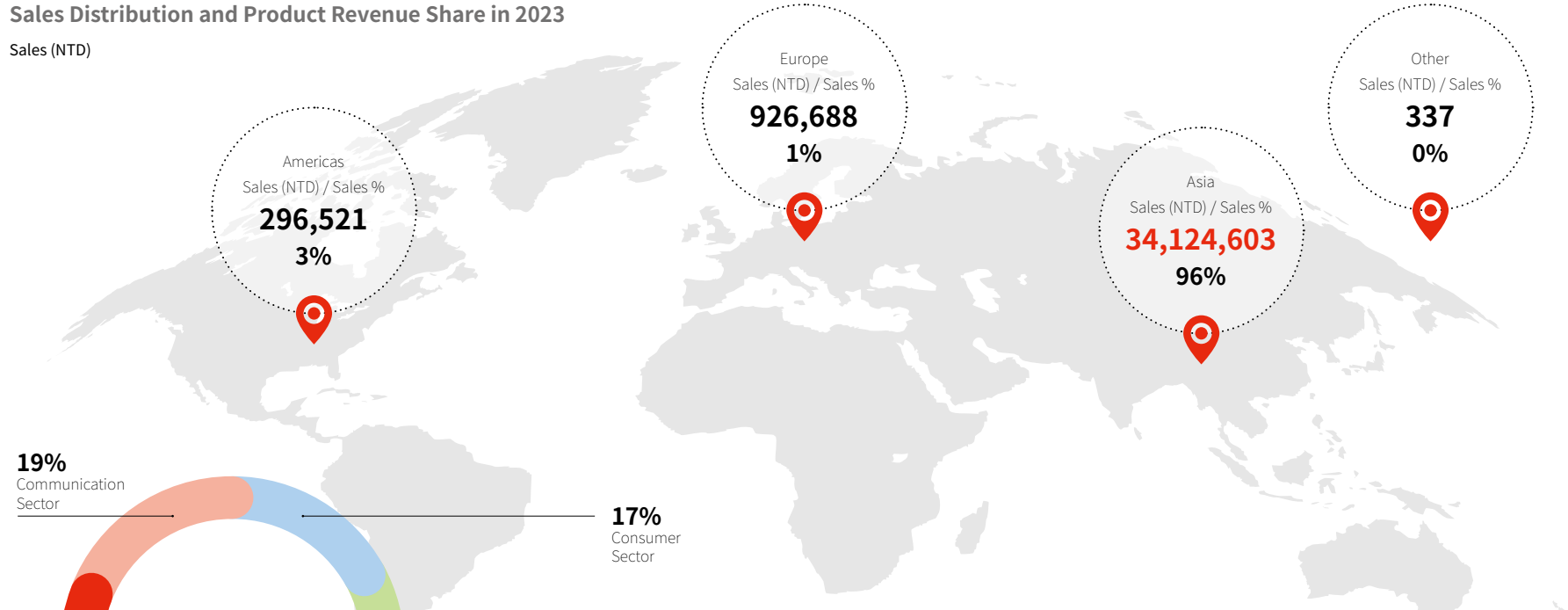
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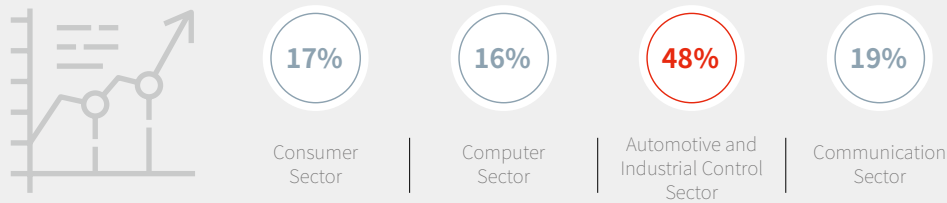
Sales Distribution and Product Revenue Share in 2023

Sales (NTD)

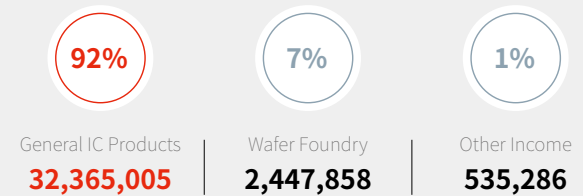


In manufacturing, we closely monitor inventory across the distribution system and channels and adjust production targets accordingly to avoid losing sensitivity to changes in end-demand. Especially after the adjustment of the “dynamic zeroing” policy in mainland China, we anticipate the next wave of changes in this vast production base and end-market, for which we have already made relevant preparations.

Revenue Share by Application Area  
Global Sales Distribution



Product Revenue Share by Type  
Sales %



Sales (NTD)

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### 3.2.2 Tax Management

Nuvoton is committed to enhancing tax transparency within the Group and aligning with global trends to combat tax avoidance. We actively update tax knowledge, appoint external tax advisors, and ensure compliance with tax regulations and reporting obligations. The responsibility for tax governance is overseen by the Audit Committee, which regularly monitors internal control processes related to accounting, finance, taxation, financial reporting, and subsidiary supervision. The Accounting Department is responsible for routine tax operations and management, and consults with accounting firms and tax advisory institutions when necessary. This ensures compliance with local tax laws and timely fulfillment of tax obligations and disclosure of information. Additionally, employees periodically participate in tax-related courses and policy advocacy programs to update their tax expertise and practical experience.



### Nuvoton's tax policy is guided by six principles

01

Comply with local tax laws, honestly declare and pay taxes within prescribed deadlines, and fulfill the social responsibility of taxpayers.

02

Evaluate the impact of changes in local and international tax regulations comprehensively and make prompt decisions to respond accordingly.

03

Disclose tax information regularly in financial and annual reports to ensure transparency of information.

04

Conduct transactions between related enterprises based on regular transaction principles and comply with the international transfer pricing standards published by the OECD.

05

Establish a relationship of mutual trust and honest communication with tax authorities.

06

Consider the tax implications in all major transactions and decisions of the company.

# 3.3 Sustainable Business Management



## 3.3.1 Regulatory Compliance and Integrity Management

Nuvoton conducts its business based on principles of integrity and actively prevents dishonest behavior. The company has established the “Rules for Ethical Corporate Management,” which has been approved by the Board of Directors and publicly disclosed on the [company’s website](#). These rules specify the matters that employees should pay attention to when performing their duties and include provisions prohibiting bribery, unreasonable gifts, entertainment, and measures to prevent harm to stakeholders. Furthermore, Nuvoton upholds principles of integrity, transparency, sustainable contribution, and prioritizing shareholder interests in its operations, guiding the behavior of all members to adhere to ethical standards, prevent misconduct, and ensure stakeholders understand the company’s ethical standards by establishing various regulations and guidelines, such as the “Rules for Ethical Corporate Management,” “Code of Conduct for Corporate Social Responsibility,” “Corporate Social Responsibility Best Practice Principles,” and “Regulations Governing Contributions.” These are disclosed on the Market Information Post System and the company’s website, covering criteria for identifying improper behavior as well as reporting and processing procedures. We incorporate these guidelines and methods for integrity management into training courses and performance evaluations for employees in each department, thereby achieving the goal of prevention.

Nuvoton’s customer base spans the globe, and in our commitment to upholding operational integrity and complying with laws and regulations, we vigilantly monitor both domestic and international policies that could impact the company’s operations and finances. We consistently advocate for core business values of integrity and prioritize adherence to relevant laws and regulations concerning labor, ethics, environmental protection, health, and corporate governance. A dedicated unit conducts quarterly assessments to ensure the applicability and compliance of newly enacted or revised regulations. These findings are reported at meetings of the Sustainable Development Committee, and pertinent information is updated on the company’s internal corporate social responsibility webpage for employee reference. In addition to continually tracking and updating all policies and regulations that could affect our operations, we regularly underscore the significance of corporate governance and ethical conduct among our employees. To ensure compliance with internal regulations and the latest legal requirements, we conduct quarterly regulatory compliance checks in accordance with the Responsible Business Alliance (RBA) Code of Conduct. The results from these checks demonstrate our ongoing compliance with applicable laws, with notable changes identified in 2023. Furthermore, the audit unit conducts audits on compliance with laws and regulations as outlined in the annual plan, and issues reports. In 2023, no significant deficiencies were found.



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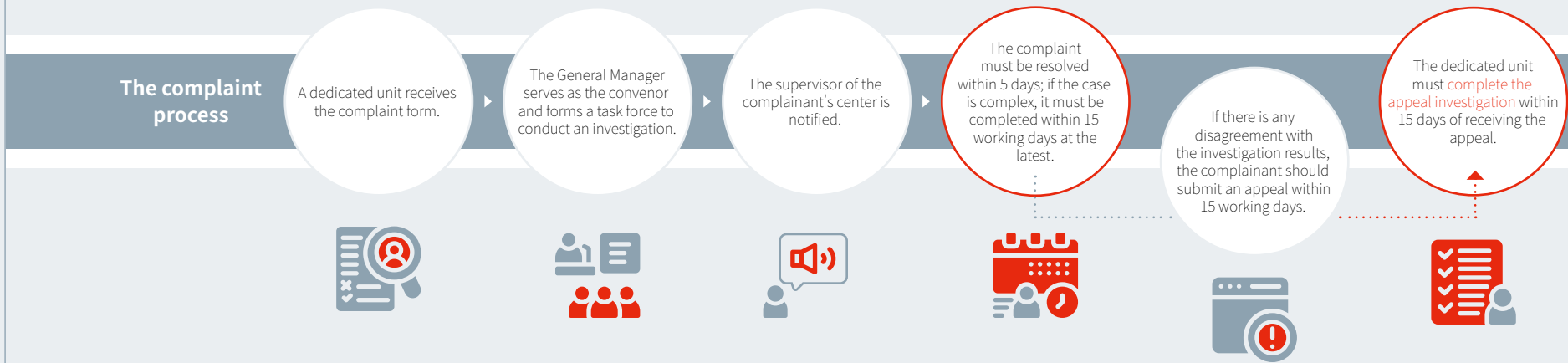
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## Complaint Mechanism and Channels

Nuvoton has established the “Reporting Violations of Integrity Conduct Regulations” to address Material Topic and provide clear operational guidelines. This procedure includes a variety of channels for complaints and reports to ensure the confidentiality of complainants and their concerns. Whether anonymously or non-anonymously, both internal and external stakeholders can report improper or unfair actions through these channels. All reports are handled by the designated Sustainable Development Committee. If violations of relevant laws or Nuvoton’s integrity-related policies are confirmed, appropriate actions will be taken in accordance with the established procedures, including disciplinary measures outlined in the “Reporting Violations of Integrity Conduct Regulations”, “Work Regulations” and “Reward and Penalty Handling Regulations.” The company ensures prompt cessation of any relevant actions and appropriate resolution. Details of reported incidents and their resolutions are disclosed on the internal website. If necessary, legal actions may be pursued to protect the company’s reputation and interests.

In addition to the previously mentioned themes of responsible business conduct and operational integrity, Nuvoton has established complaint channels specifically addressing issues, such as harassment, labor rights, and working conditions. These channels are accessible to employees, suppliers, contractors, customers, shareholders, and other stakeholders. All complaints are handled with utmost confidentiality, and designated contact points oversee each channel to ensure proper information management and limited access restricted to relevant personnel only. Upon receipt of a complaint, an investigation team is promptly assembled, prioritizing the protection of the complainant’s privacy throughout the process. All case records are meticulously maintained in compliance with legal requirements and company regulations. Only authorized personnel involved in case management have access to this information, ensuring the continued protection of complainants’ privacy.

Nuvoton is committed to upholding human rights in the workplace and endeavors to cultivate a safe environment where employees feel empowered to voice their concerns without fear of retaliation or mistreatment. To support this commitment, the company has implemented internal regulations, including the “Prevention of Workplace Harassment Regulations,” “Prevention Plan for Unlawful Acts in the Performance of Duties,” “Company Complaint Management Regulations,” and “Reporting Violations of Integrity Conduct Regulations.” These measures are designed to explicitly protect the rights of individuals who raise complaints. Nuvoton strictly prohibits any form of retaliation against complainants or individuals involved in investigations, and such actions will be met with disciplinary measures in accordance with company policies.



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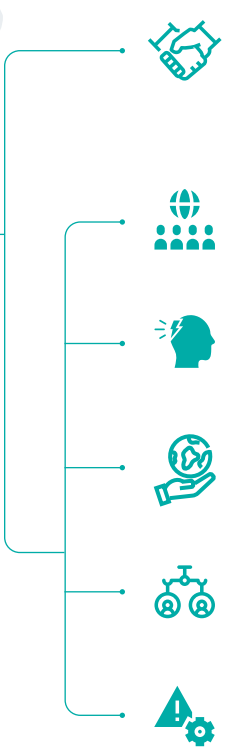
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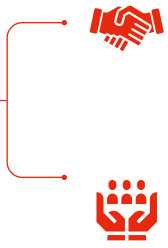


Nuvoton Taiwan



Complaint Theme	Complaint Channel
<p>Integrity in Operation</p>	<ul style="list-style-type: none"> <li>1. <a href="#">Whistleblowing channels for Ethical Management Violation</a></li> <li>2. Company Complaint Management Procedures - Company Complaint Form</li> </ul>
<p>Labor Rights</p>	<ul style="list-style-type: none"> <li>1. Email for Sustainability Committee: ESG@nuvoton.com</li> </ul>
<p>Health and Safety</p>	<ul style="list-style-type: none"> <li>2. (Non-factory area) Complaint Channel on the Official Nuvoton Website: <a href="https://www.nuvoton.com/about-nuvoton/ESG/stakeholder-engagement/communication-channel/">https://www.nuvoton.com/about-nuvoton/ESG/stakeholder-engagement/communication-channel/</a></li> <li>3. Physical suggestion box at factory/office premises</li> </ul>
<p>Environmental Protection</p>	<ul style="list-style-type: none"> <li>4. Company Complaint Management Procedures - Company Complaint Form</li> </ul>
<p>Diverse and inclusive workplace equality</p>	<ul style="list-style-type: none"> <li>5. Harassment Complaint Hotline: 03-577-0066</li> <li>6. Harassment Complaint Email: SHP@nuvoton.com</li> </ul>
<p>Other Suggestions</p>	<ul style="list-style-type: none"> <li>7. Communication Meetings: Labor-Management Meetings, Regular Committee Meetings, Occupational Safety and Environmental Protection Committee Meetings, Managerial Discussions, Town Hall Meetings, New Employee Forums</li> </ul>

Nuvoton Japan



<p>Responsible Operations and Integrity in Business</p>	<ul style="list-style-type: none"> <li>1. Internal Complaint Email: sys_ntcj_hotline@nuvoton.com</li> <li>2. External Complaint Email: hotline-ntcj@clo.gr.jp</li> </ul>
<p>Human Rights and Labor Safety</p>	<ul style="list-style-type: none"> <li>1. Occupational Health and Safety Committee</li> <li>2. Regular Labor-Management Meetings</li> <li>3. Direct Communication with the Management Team</li> <li>4. Face-to-Face Meetings with Human Resources</li> </ul>



## Integrity and Compliance Management in 2023



Nuvoton Taiwan conducted the “Corporate Integrity and Sustainable Development Code of Conduct Advocacy” training program (including anti-corruption advocacy), with a total of 1,514 employees trained, achieving a completion rate of **100%**. Nuvoton Japan held 5 courses on compliance-related topics (including Japan’s Japanese Premiums<sup>1</sup> and Representations Act<sup>2</sup>, The Subcontract Act, Antitrust Laws, Anti-Corruption, etc.), with a completion rate of **100%**.



2 There were no complaints filed through the reporting channels alleging violations of integrity and ethical conduct in 2023.



In 2023, Nuvoton was not involved in any integrity-related incidents such as fraud, insider trading, corruption, anti-competitive behavior, antitrust violations, market manipulation, or any significant violations of laws and regulations related to environmental protection or the economy. There were no legal penalties exceeding NT\$1 million imposed on the company for major regulatory violations.



There were no environmental or social legal disputes or penalties in 2022 related to Nuvoton. However, in 2023, Nuvoton Taiwan was fined NT\$20,000 for violating the Gender Equality in Employment Act. The company has implemented improvements in operational processes and personnel training to ensure compliance with legal requirements. Nuvoton is committed to creating a respectful and equitable work environment, ensuring that every employee has fair opportunities and treatment, and will continue efforts to comply with gender equality laws.

<sup>1</sup> The Premiums and Representation Act in Japan is a law aimed at opposing unfair premiums and deceptive statements, preventing unreasonable additional or unexpected benefits, and misleading representations.  
<sup>2</sup> The Subcontract Act in Japan is a law established to protect the operations of small companies and prevent large companies from bullying smaller ones by leveraging their substantial capital advantages.



## Anti-Corruption Management Measures

To ensure robust integrity across its operations, Nuvoton Technology implements integrity management measures internally and throughout its business dealings. This includes stringent protocols for personnel hiring and requirements for suppliers to uphold integrity policies. Oversight of these initiatives falls under the purview of various company entities, including the Sustainable Development Committee and its finance, audit, and human resources units. These bodies are tasked with monitoring the implementation of internal integrity policies and prevention programs. Through the establishment of norms, continuous improvement efforts, rigorous supervision and control mechanisms, as well as comprehensive education and training initiatives, employees are thoroughly acquainted with the principles of integrity management. Nuvoton has developed a framework of norms, including the “Rules for Ethical Corporate Management,” “Integrity Management Regulations,” “Code of Conduct for Corporate Social Responsibility,” “Sustainable Development Practices Guidelines,” and “Regulations Governing Contributions,” to deeply ingrain integrity management practices into the company’s culture.

Nuvoton places significant emphasis on anti-corruption management. The Sustainable Development Committee regularly reports to the Board of Directors on the outcomes of promoting and executing integrity management training each year. Relevant units conduct self-assessments and reviews annually, followed by audits conducted by the audit unit to ensure compliance with internal controls and relevant legal regulations. In 2023, the company did not experience any incidents of employee corruption or other breaches of integrity management.



### 3.3.2 Risk Management

In response to the changing global economic environment and the operational impacts caused by sustainability risks, Nuvoton is committed to integrating the entire organization into its scope of risk management. The company adopts its own risks as management items and introduces best practices for continuous management.

In Taiwan, the Sustainable Development Committee is responsible for identifying relevant risks that may impact the company’s sustainable development and devising subsequent strategies to realize the vision of sustainable development. This approach aligns with the key concerns of stakeholders and international trends. The risk management process involves identifying, assessing, responding to, and tracking risks based on the company’s core business and external environmental conditions, covering economic, environmental, and social aspects of sustainability.

In Japan, the Risk Management Promotion Committee has been established, chaired by the President of Nuvoton Japan. This committee is responsible for establishing, operating, and continuously improving the risk management system of Nuvoton Japan. It conducts company-wide risk assessments annually, selects major risks for the year, formulates response plans, and reports the status of their implementation to the management team quarterly. For results from the risk assessment of Nuvoton Japan in 2023, please refer to the company’s official website.

#### Operational Risks

Risk Type	Risk Content Description	Control Strategy	Performance Indicator
<b>Interest Rate Fluctuation</b>	<ul style="list-style-type: none"> <li>from liabilities and financial investments associated with operational activities.</li> <li>income and expenses are affected by fluctuations in interest rates in Taiwan and the United States.</li> </ul>	<ul style="list-style-type: none"> <li>We monitor future market interest rate trends and gather information from various banks, assessing existing borrowing rates in a timely manner.</li> <li>Building strong relationships with banks, we leverage our good bank financing credit records to secure relatively favorable borrowing rates.</li> </ul>	<ul style="list-style-type: none"> <li>operating cash inflows to meet funding needs.</li> <li>of financial investments, the company mainly invests in fixed deposits to ensure principal safety and maintain liquidity.</li> </ul>
<b>Exchange Rate Fluctuation</b>	<ul style="list-style-type: none"> <li>More than half of the procurement expenses for raw materials are paid in currencies other than New Taiwan Dollars, such as the US Dollar.</li> <li>As the main revenue comes in the form of the US Dollar, significant international exchange rate fluctuations impact the financial position.</li> </ul>	<ul style="list-style-type: none"> <li>The company utilizes derivative financial instruments (such as forward foreign exchange contracts) to hedge against recognized or anticipated foreign exchange exposures. These hedges mitigate most of the financial impacts caused by exchange rate fluctuations but do not completely eliminate them.</li> <li>The financial unit closely monitors exchange rate movements and maintains close communication with major counterpart banks to stay updated on exchange rate trends. This allows relevant management personnel to fully grasp exchange rate trends and make timely adjustments as needed.</li> <li>establishment of procedures for handling derivative financial instruments specifies the transaction, risk management, supervision, and auditing of derivative financial instrument-related operations to reduce transaction risks associated with operating derivative financial instruments related to exchange rates.</li> </ul>	<ul style="list-style-type: none"> <li>Nuvoton primarily uses forward foreign exchange contracts to mitigate exchange rate risks arising from assets and liabilities.</li> <li>2023, positive exchange rate impacts were generated through effective foreign exchange operations, resulting in a net gain on exchange of 117,593 million NTD.</li> </ul>
<b>Inflation Deflation Market Volatility</b>	<ul style="list-style-type: none"> <li>The expected changes in market inflation and deflation have a significant impact on the global economy.</li> <li>will reduce market efficiency and disrupt investment decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Due to the nature of our products and services, our company is not heavily affected by inflation or deflation. Additionally, we actively manage costs and operational expenses to mitigate the impact of inflation on our operations.</li> </ul>	<ul style="list-style-type: none"> <li>We establish strong relationships with suppliers and customers to mitigate the impact of market price fluctuations on our company’s profitability.</li> </ul>
<b>Financing Risk</b>	<ul style="list-style-type: none"> <li>The ability of Nuvoton to obtain financing depends on factors such as the company’s future financial condition, operational performance, cash flow, and market financing activities.</li> </ul>	<ul style="list-style-type: none"> <li>We maintain good relationships with financial institutions. When financing is necessary, we will assess the actual funding requirements and plan appropriate short-term or long-term bank loans or other fundraising tools. The aim is to minimize the impact of interest rate fluctuations and funding costs on the company’s operations.</li> </ul>	<ul style="list-style-type: none"> <li>We have established procedures, such as “Acquisition or Disposal of Assets Procedure,” “Funds Loan to Others Operating Procedure,” “Endorsement Guarantee Method,” and “Derivative Financial Instrument Transaction Procedure” as the basis for relevant transactions to control financial transaction risks.</li> </ul>

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Risk Type	Risk Content Description	Control Strategy	Performance Indicator
<b>Environmental Risk</b>	<ul style="list-style-type: none"> <li>In response to global attention to environmental sustainability issues, environmental regulations are becoming increasingly stringent. In the future, it may be necessary to retrofit or upgrade pollution control equipment to comply with regulations or meet the expectations of stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>We focus on the best available pollution prevention and control technologies in the industry.</li> <li>We strengthen the management and maintenance of existing pollution control facilities to effectively utilize their functions.</li> <li>We pay attention to the needs of stakeholders and trends in regulatory changes, and strive to grasp them early to increase the buffer period for improvements.</li> </ul>	<ul style="list-style-type: none"> <li>Nuvoton continues to monitor relevant environmental regulations and the best available pollution prevention and control technologies in the industry. In 2023, after reviewing the performance of existing pollution control equipment and with the introduction of new emission standards by the government, the company allocated relevant expenses for improvements. After completing the improvement plan, all pollution control equipment is within manageable limits.</li> </ul>
<b>Supply Chain and Critical Raw Material Risk</b>	<ul style="list-style-type: none"> <li>Risk Associated with Supplier Lead Time, Quality, and Price Changes</li> </ul>	<ul style="list-style-type: none"> <li>diverse sources for products, procuring raw materials from different suppliers and regions to ensure a reliable supply of raw materials.</li> <li>Adhering to the principle of sourcing critical raw materials from multiple suppliers in different locations, signing long-term supply contracts with manufacturers, and maintaining zero supply risk by using consignment arrangements.</li> <li>When unable to establish a secondary supplier for a particular item, requiring manufacturers to maintain safety stock at production sites and with agents, and adopting a Just-in-Time (JIT) production approach to minimize supply risks.</li> </ul>	<ul style="list-style-type: none"> <li>In 2023, there were no incidents of critical shortages in raw materials.</li> </ul>
<b>Intellectual Property Risk</b>	<ul style="list-style-type: none"> <li>Involves infringement of patents, trademarks, copyrights, and trade secrets.</li> </ul>	<ul style="list-style-type: none"> <li>Product design and development teams collaborate with the intellectual property department to conduct searches, research, and analysis related to intellectual property rights. They employ strategies such as avoidance design or obtaining legal authorization to minimize (intentional) infringement.</li> <li>Actively address and resolve issues raised by plaintiffs, whether for commercial reasons, defense of intellectual property rights, collection of royalties, or other undisclosed purposes.</li> <li>Engage in discussions with external lawyers to develop response strategies, fostering rational interaction with mutual respect and seeking win-win outcomes.</li> </ul>	<p>Implementation of the Intellectual Property Management Plan in 2023:</p> <ul style="list-style-type: none"> <li>Mandatory education and training for all new employees.</li> <li>Quarterly social engineering education training and monthly information security awareness campaigns to enhance employee awareness of phishing emails and cybersecurity defense.</li> <li>Signing of confidentiality agreements with customers and relevant suppliers to mutually protect confidential information.</li> <li>Periodic use of software tools for software audits.</li> <li>The patent portfolio is competitive among industry peers, with a significant increase in the composite scores for patent quality and value</li> </ul>



### 3.3.3 Internal Audit and Internal Control

In accordance with legal requirements, the company has established an effective internal control system along with related measures. Internal audit personnel conduct regular audits to ensure the continued effectiveness of the design and implementation of various systems. Both Nuvoton Taiwan and Nuvoton Japan have internal audit units subordinate to the Board of Directors. The appointment and dismissal of the audit director in Nuvoton Taiwan require approval from the Audit Committee and the Board of Directors. In Nuvoton Japan, the appointment and dismissal of the audit director require approval from the Chairman and reporting to the Board of Directors. Based on these control systems, Nuvoton follows legal requirements to establish internal control systems and has internal audit implementation regulations to measure the effectiveness of current control systems for all operations, including those of its subsidiaries.

The internal audit units of Nuvoton draft annual audit plans based on the results of risk assessments. The audit plans of Nuvoton Taiwan are approved by the Audit Committee and the Board of Directors, while those of Nuvoton Japan require approval from the Board of Directors. Nuvoton Taiwan submits the “Audit Plan for the Following Year” to the competent authority by the end of December each year and executes the work according to the annual audit plan. Suggestions for improving deficiencies and abnormalities in the internal control system are made, and audit reports are prepared and regularly reported to the Audit Committee and the Board of Directors.

Moreover, important procedures and special cases may be audited at any time, or irregularly. The audit director of Nuvoton Taiwan reports to the independent directors (Audit Committee convener) monthly after completing the audit and tracking reports. The reports are submitted for review by the independent directors before the end of the following month, and are reported quarterly to the Audit Committee and the Board of Directors. The audit director of Nuvoton Japan submits audit reports and tracking reports to the supervisor by the end of the following month after completion, and quarterly reports on audit operations are submitted to the Board of Directors. The audit plans of Nuvoton Taiwan and Nuvoton Japan for 2023 have already been implemented. Nuvoton Taiwan reports on internal audit findings regarding deficiencies in internal control systems and improvement situations by the end of May each year.

The internal audit unit checks the internal control systems and operations of the company to assist the Board of Directors and management in reasonably confirming the achievement of related goals, such as operations, reporting, and compliance: operational effectiveness and efficiency, including achieving operational and financial performance goals and maintaining asset security; the reliability, timeliness, transparency, or compliance of internal and external financial reporting and non-financial reporting according to relevant regulations and laws.

The internal audit unit supervises internal units and subsidiaries to conduct regular self-checks on the effectiveness of internal control systems each year. The internal audit unit then reviews the self-check reports and the effectiveness of the internal control system of each unit and subsidiary, and integrates the self-check results as the basis for the Board of Directors and the General Manager to issue an internal control system. Please refer to the internal control system statement in the [2023 annual report, page 76](#).





### 3.3.4 Information Security

Nuvoton has established the “Nuvoton Security Policy” and “Information Security Management Measures” to create a secure information management system and implement control measures. This ensures a safe information environment, protecting company and customer data from theft, cybercrime, industrial espionage, or other threats. Confidentiality agreements with partners and customers prevent unauthorized disclosure of sensitive information. Regular internal security audits ensure effective control measures. To reduce overall information security risks, Nuvoton enhances employee awareness with monthly security promotions and quarterly social engineering training.

In December 2022, Nuvoton established a dedicated information security unit and appointed a supervisor to oversee information security-related operations and ensure the effectiveness of the company’s information security and risk management mechanisms. To assure our customers of secure collaboration with us, Nuvoton Taiwan launched an ISO/IEC 27001 information security management system project in September 2023. This project organization is supervised by Nuvoton’s president, vice presidents of various business groups, and center supervisors, with related unit supervisors and colleagues forming project teams. Actively implementing the information security management system, Nuvoton Taiwan completed “information asset inventory,” “business continuity exercises,” “risk identification and improvement,” and “information security control mechanisms” in 2023.

Additionally, in terms of product safety, Nuvoton Taiwan has passed the ISO/IEC 15408 Common Criteria certification by the international security organization, proving that the production process complies with international standards as reliable security products, thus protecting customer information and assets. Nuvoton Japan obtained ISO 27001:2013 certification shortly after its establishment. Additionally, due to its business involving IC cards and automotive-related products, Nuvoton Japan has also acquired ISO/IEC 15408 and ISO/SAE 21434:2021 certifications.

Facing the increasing threats of cyber hacker attacks and the use of more complex and advanced attack methods, Nuvoton Taiwan has evaluated the implementation of Endpoint Detection and Response (EDR) solutions to enhance the monitoring and protection capabilities against hacker activities and malicious attacks. This aims to accelerate threat detection and automated response mechanisms, analyze potential hacker activities, improve the efficiency of investigating and tracking hacker activities, and comply with information security control trends and compliance requirements. After completing the EDR solution selection and functionality verification, a phased implementation and deployment plan was carried out to gradually strengthen the group’s overall depth defense architecture and the breadth and depth of threat detection, as well as enhance the response mechanism and speed to hacker attack activities. Nuvoton Japan’s EDR endpoint protection solution was completed in 2023.



2023 Information Security Risk Control Measures



Specific Measures



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 <p><b>Enhancing Staff Awareness of Information Security</b></p>	<ul style="list-style-type: none"> <li>Monthly Information Security Awareness Campaigns</li> <li>Quarterly Information Security Education and Training (Social Engineering Training)</li> <li>Annual Personal Data Protection Education and Training</li> <li>Ad hoc Information Security Updates on Current Affairs or Major Events</li> </ul>	<p><b>Nuvoton Taiwan:</b></p> <ul style="list-style-type: none"> <li>Conducted 4 sessions of social engineering education and training courses, and 12 cybersecurity awareness sessions.</li> <li>Achieved a 98% completion rate for information security training among all employees.</li> </ul> <p><b>Nuvoton Japan:</b></p> <ul style="list-style-type: none"> <li>Conducted 6 joint morning meetings for cybersecurity awareness, published 6 training materials, and held 9 Cybersecurity Promotion Committee meetings with released meeting records.</li> <li>Achieved a 100% completion rate for information security training among all employees.</li> </ul>
 <p><b>Information Security Monitoring and Handling of Anomalous Events</b></p>	<ul style="list-style-type: none"> <li>Provide monitoring records and analysis reports weekly.</li> <li>Hold weekly information security monitoring meetings to discuss events and take response measures.</li> </ul>	<p><b>Nuvoton Taiwan &amp; Japan:</b></p> <ul style="list-style-type: none"> <li>Enhanced reporting mechanisms by automating virus alerts and abnormal logins to cloud services, ensuring direct notification to relevant parties for prompt resolution, thereby accelerating response times.</li> <li>In 2023, both Nuvoton Taiwan and Nuvoton Japan had no major cybersecurity incidents.</li> </ul>
 <p><b>Weakness and Vulnerability Management</b></p>	<ul style="list-style-type: none"> <li>For on-premises servers, conduct quarterly vulnerability scanning operations and schedule regular maintenance shutdowns monthly.</li> <li>Apply critical updates from Microsoft regularly.</li> <li>For external services, monitor risks using the SSC cloud scanning tool.</li> </ul>	<p><b>Nuvoton Taiwan &amp; Japan:</b></p> <ul style="list-style-type: none"> <li>The SSC cloud monitoring platform achieved an average total score &gt; 90 points (Grade A), with a total of 51 risks mitigated, including 13 classified as high/critical risks.</li> </ul>
 <p><b>Identity Access Control</b></p>	<ul style="list-style-type: none"> <li>For cloud services, we utilize conditional access and multi-factor authentication, allowing access only to compliant devices and using specific programs.</li> <li>For remote connections, we implement identity verification, multi-factor authentication, and device whitelisting, ensuring connection under specified conditions.</li> <li>Regular password updates are conducted as well.</li> </ul>	<p><b>Nuvoton Taiwan &amp; Japan:</b></p> <ul style="list-style-type: none"> <li>Conducted daily information reports on cloud login and remote access, analyzing and investigating unauthorized access attempts and unregistered devices. In 2023, both Nuvoton Taiwan and Nuvoton Japan had no major incidents.</li> </ul>
 <p><b>Physical Security Protection</b></p>	<ul style="list-style-type: none"> <li>Access to different areas is restricted based on employee roles, requiring the use of access cards for identity verification when entering each designated area.</li> </ul>	<p><b>Nuvoton Taiwan &amp; Japan:</b></p> <ul style="list-style-type: none"> <li>Complied with the access control security requirements of the ISO 15408 Common Criteria international standard.</li> <li>Nuvoton Japan replaced the old card readers and employee access cards with new ones.</li> </ul>
 <p><b>Code Security</b></p>	<ul style="list-style-type: none"> <li>The application department is required to conduct code security checks when launching new systems, external service systems, or major updates. High-risk code should be patched to enhance the security of the system upon deployment.</li> <li>Regular updates to the code scanning database are performed to improve code detection efficiency.</li> </ul>	<p><b>Nuvoton Taiwan &amp; Japan:</b></p> <ul style="list-style-type: none"> <li>In 2023, a total of 13 new systems were launched. The improvement rate for high-risk code corrections was 100%, and the program coverage rate for source code scanning was also 100%.</li> </ul>
 <p><b>Email Security</b></p>	<ul style="list-style-type: none"> <li>Enhanced email server security settings by configuring SPF to authorize designated mail servers for sending emails on behalf of the company. Implemented DKIM and DMARC settings to prevent email spoofing and tampering.</li> <li>Utilized secure Outlook plug-ins to verify recipients, content, and attachments before sending emails, thereby preventing erroneous email transmissions.</li> </ul>	<p><b>Nuvoton Taiwan &amp; Japan:</b></p> <ul style="list-style-type: none"> <li>All emails must pass through a legitimate email server verification process, resulting in a 100% success rate for external deliveries.</li> <li>Replaced with a new plugin containing additional features.</li> <li>Nuvoton Japan utilizes the email monitoring feature of the IT equipment management tool (AssetView) to oversee the sending of inappropriate emails.</li> </ul>

Information security education and training

Introduction

CH1 Sustainability Communication

CH2 Green Products

CH3 Excellence in Governance

CH4 Environmental Sustainability

CH5 Safe Workplace

CH6 Social Prosperity

Appendix





Company	Target Audience	Training Items	Content	Frequency	Total Hours	Completion Rate
Nuvoton Taiwan	General Staff	General Information Security Awareness	12 topics	Once a month	4	100%
		General Social Engineering Awareness	Recognizing Phishing Emails, Social Engineering Techniques	Once a quarter	4	97%
		General Personal Privacy Protection	Personal Data Privacy Protection	Once a year	1	100%
	Product Security Personnel	Product Security, General Courses	Product Security Training	At least once a year	6	100%
	Information Security Personnel	Product + General + Professional Courses	Information and Communication Security Technology, Relevant Regulations	At least once a year	8	100%
Nuvoton Japan	General Staff	Information Security Awareness	Familiarity with Information Security Risks and Risk Management Measures	Once a year	0.2	100%
		Email Self-Inspection	Precautions when Sending Emails	Twice a year	0.5	100%
		Self-Inspection on Handling "Company Mobile/Smartphones"	Implementation Overview and Issues	Once a year	0.2	100%
		Inspection on Handling "Laptop Computers"	Precautions for Taking Laptops out of the Office	Once a year	0.2	100%
	Members of the Information Security Promotion Committee	New Committee Member Training	Basic Status of Information Security Promotion	Once a year	0.5	100%

## Customer Privacy Protection

With the view of customers as strategic partners, Nuvoton strives to meet their needs and expectations. We also prioritize the protection of customer confidentiality and information. Customer-related information, documents, and data exchanged with customers are strictly controlled and stored within Nuvoton’s highly secure internal systems. Additionally, confidentiality agreements are signed with important vendors and customers to mutually protect sensitive information and prevent the exposure of customer information privacy and trade secrets. Through the ISO 27001 Information Security Management System, Nuvoton has established a more comprehensive information security protection system. In 2023, Nuvoton did not encounter any complaints regarding violations of customer privacy rights or loss of customer data.



### Customer Privacy Protection

Action	Explanation
 <p><b>Internal Management</b></p>	<p>As cybersecurity threats continue to rise, Nuvoton strengthens its information security protection, expands the scope of international standard certifications for cybersecurity and personal data protection operations, and ensures that the company achieves the protection of customer privacy and prevents the theft or leakage of trade secrets and intellectual property rights. In addition to conducting regular internal control self-assessment operations annually, Nuvoton sets control points based on personnel, customer, and vendor data, regularly inspects and records the execution status of control points, and conducts annual review and inspection operations to establish a comprehensive information security environment, thereby avoiding the occurrence of major incidental events and penalties, and maintaining the reputation of the company and its customers.</p> <p>Nuvoton Japan publicly releases its privacy policy and obtains consent from customers and business partners before processing personal information. When receiving from or providing personal data to third parties, it adheres to the Personal Information Protection Law.</p>
 <p><b>ISO 15408</b></p>	<p>In 2014, Nuvoton Taiwan obtained the ISO 15408 Common Criteria EAL 4+ product security certification. The verification covered the stages of “Design &amp; Development,” “Production,” and “Delivery” of the product. This indicates that Nuvoton Taiwan’s controls for product information security meet the requirements of the International Security Organization Common Criteria, enabling the production of security products that meet international standards and protect customer information and assets.</p> <p>Nuvoton Japan has obtained ISO/IEC 15408 Common Criteria EAL 5+ product security certification for its promotion of IC card business.</p>
 <p><b>Compliance with Privacy Laws</b></p>	<p>To ensure compliance with privacy protection regulations, such as the Personal Data Protection Act, the General Data Protection Regulation (GDPR) in the European Union, and the California Consumer Privacy Act (CCPA) in the United States, Nuvoton’s parent company conducted training on the “Personal Data Protection Act” for all employees in the 2023 fiscal year. The training included an introduction to GDPR and Taiwan’s personal information protection laws, with a completion rate of 100%. In Nuvoton Japan, training materials on personal information, including GDPR, were published on the company’s internal portal (e-learning), allowing all employees to access them at any time.</p>
 <p><b>Signing Confidentiality Agreements</b></p>	<p>While Nuvoton focuses on enhancing customer service, it places a strong emphasis on safeguarding customer privacy and intellectual property rights. Confidentiality agreements are signed with customers to protect sensitive information, and confidential data protection procedures are established to ensure there is no risk of leakage of sensitive information, thereby safeguarding customer privacy effectively.</p>



# 3.4 Sustainable Supply Chain

## 3.4.1 Composition and Overview of Supply Chain

Since its establishment, Nuvoton has aimed to establish a semiconductor supply chain that is robust and resilient in the long term. It prioritizes the localization of raw material production, continuously increasing the proportion of local procurement, and gives preference to environmentally friendly products that are low in pollution and recyclable. By implementing social and environmental responsibilities in the supply chain, Nuvoton seeks to have a positive impact on society, the environment, and the economy. All suppliers are required to sign agreements including the “Compliance Commitment Code of Conduct,” “Confidentiality Agreement,” and “Conflict-Free Minerals Declaration,” with sustainability projects integrated into supplier evaluations. Nuvoton has set goals to gradually increase the proportion of key suppliers passing RBA VAP and publishing sustainability reports, encouraging them to obtain international certifications such as ISO 14001 for environmental management systems.

Introduction

CH1  
Sustainability  
Communication

CH2  
Green  
Products

CH3  
Excellence in  
Governance

CH4  
Environmental  
Sustainability

CH5  
Safe  
Workplace

CH6  
Social  
Prosperity

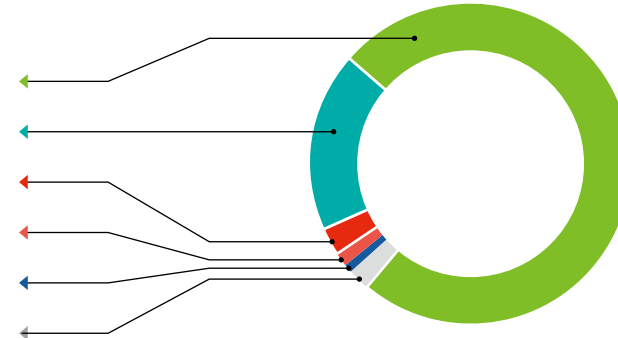
Appendix





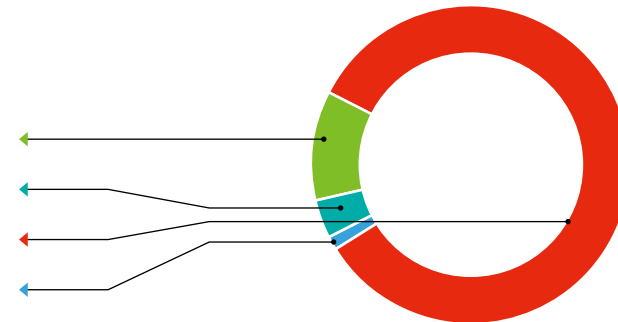
In 2023, Nuvoton had a total of 143 suppliers across various categories including raw materials, quartz, photomasks, outsourcing processing, subcontracting, wafer foundry, and logistics providers. The majority, about 74.8%, were local businesses registered in Taiwan, followed by 18.2% from China, 2.8% from Japan, 1.4% from South Korea, 0.7% from the United States, and 2.1% from other regions. These suppliers have established long-term cooperation and provided stable supplies, with no significant changes in the supply chain observed in 2023. In the same year, Nuvoton Japan had a total of 127 suppliers, with 114 located domestically in Japan and 13 overseas. The majority, accounting for 92%, were local businesses registered in Japan.

Nuvoton Taiwan	Year 2021	Year 2022	Year 2023
Taiwan	76.6%	73.6%	<b>74.8%</b>
China	14.9%	18.1%	<b>18.2%</b>
Japan	2.1%	2.8%	<b>2.8%</b>
South Korea	1.4%	2.1%	<b>1.4%</b>
USA	1.4%	1.4%	<b>0.7%</b>
Others	3.6%	2%	<b>2.1%</b>

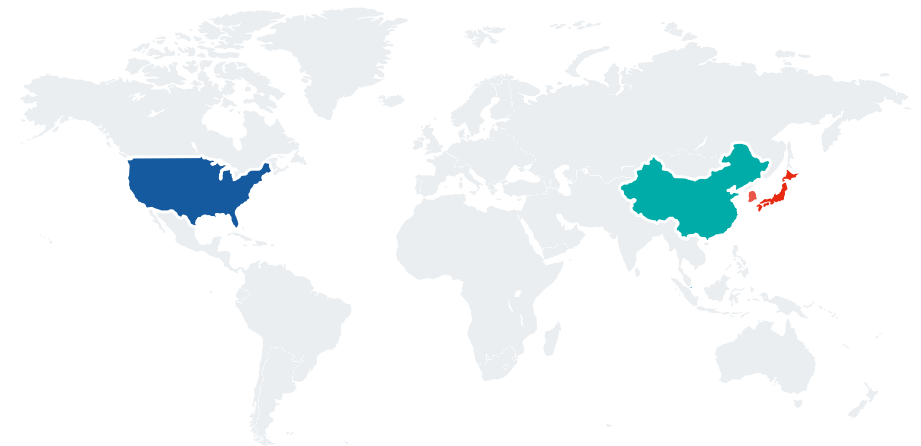
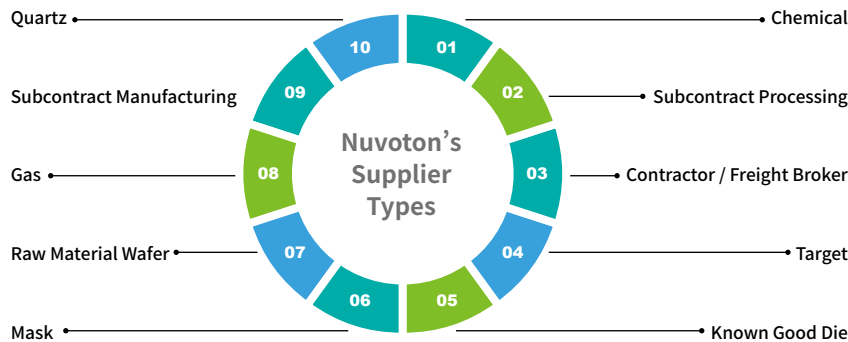


**Nuvoton Taiwan**  
The distribution of Nuvoton Taiwan's suppliers by geographical location is as follows

Nuvoton Japan	Year 2021	Year 2022	Year 2023
Taiwan	14.4%	1.2%	<b>11.1%</b>
China	2.7%	3.7%	<b>3.7%</b>
Japan	81.1%	81.5%	<b>81.5%</b>
Singapore	0%	1.2%	<b>1.2%</b>



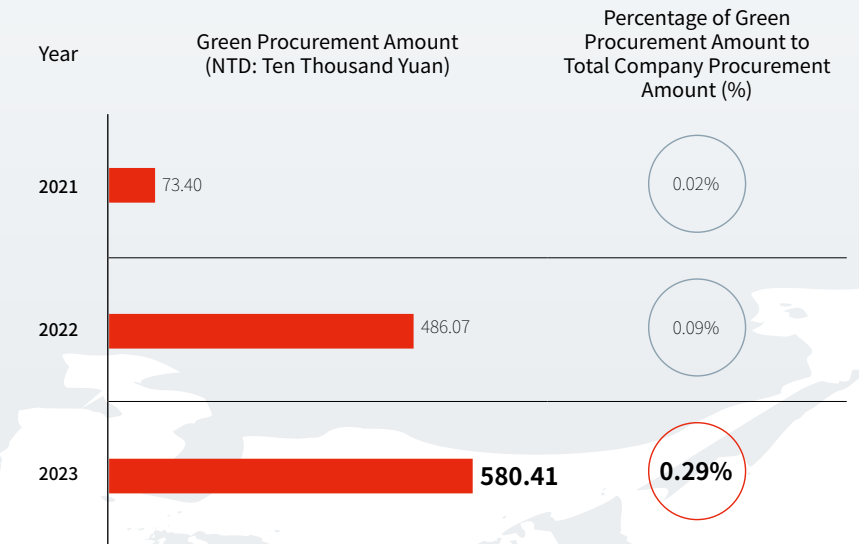
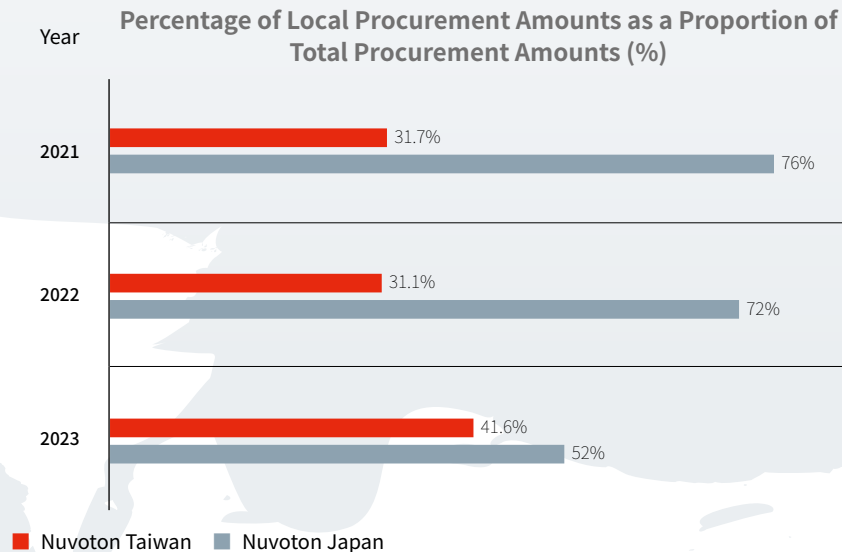
**Nuvoton Japan**  
The distribution of Nuvoton Japan's suppliers by geographical location was as follows





In recent years, Nuvoton has been committed to localizing the production of raw materials to reduce transportation costs, carbon emissions, and risk diversification. Additionally, it aims to promote local production in Taiwan to increase employment opportunities. Local suppliers for Nuvoton Taiwan are primarily from the Taiwan region, with important operational bases located at the Taiwan headquarters. Similarly, local suppliers for Nuvoton Japan are from the Japan region, with important operational bases located at the Japan headquarters. In 2023, the proportion of locally sourced raw materials for Nuvoton Taiwan reached 41.6%, marking a three-year high. Meanwhile, for Nuvoton Japan, this proportion was 52% in 2023, indicating that local sourcing remains an important strategy for supplier selection. Despite the limitations imposed by industry characteristics, Nuvoton will continue to maintain close relationships with local suppliers in the future, striving to reduce costs and risks together.

Committed to environmental protection, Nuvoton continuously promotes energy-saving and carbon-reduction measures in its offices and various locations. Additionally, it supports the Taiwan government’s green procurement policy by prioritizing and procuring environmentally friendly products that comply with “low pollution, resource conservation, and recyclability” criteria. Moreover, Nuvoton incorporates green procurement concepts into its procurement management system to achieve energy saving, carbon reduction, and operational cost reduction goals.



Note: This table only includes data from Nuvoton Taiwan.

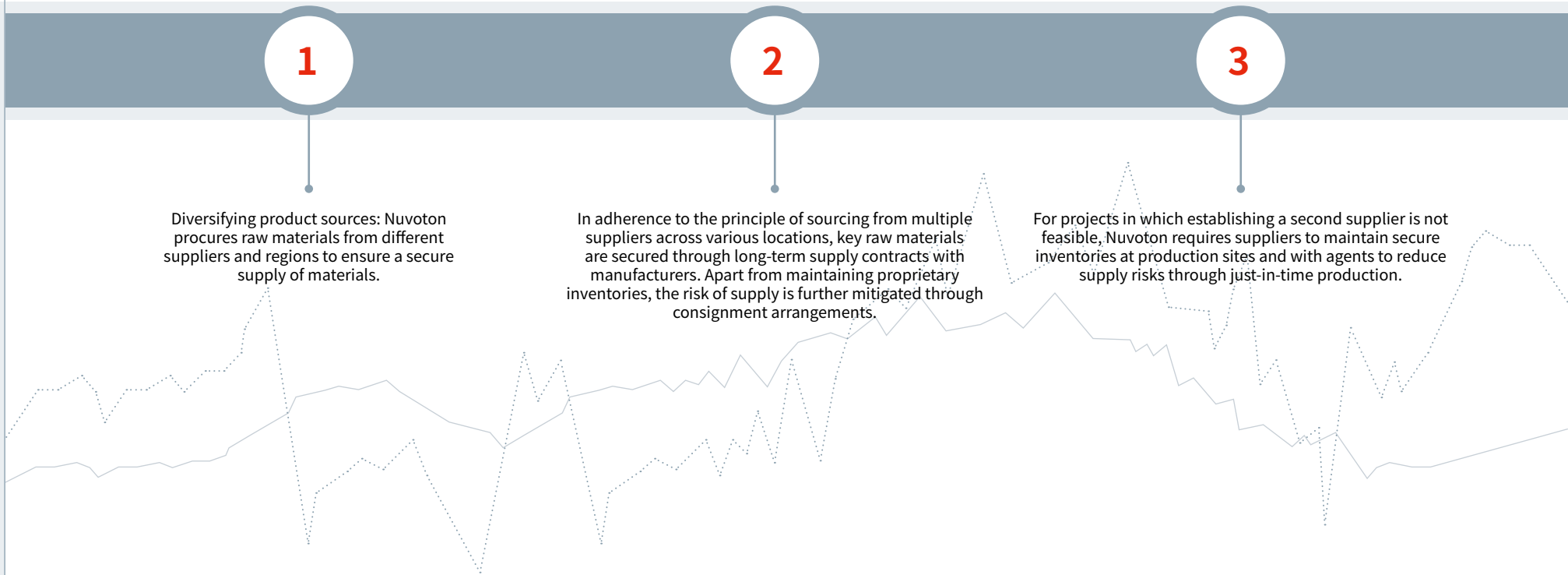
### 3.4.2 Sustainable Supply Chain Management

Nuvoton has established a Supplier Management Team under the Sustainable Development Committee that is responsible for formulating policies related to sustainable supplier management. It leverages its influence and collaborates with suppliers to prioritize and promote corporate sustainability, achieving the vision of a sustainable supply chain. Nuvoton’s strategy for promoting a sustainable supply chain includes developing risk management methods for critical materials, setting short, medium, and long-term goals to increase the percentage of major suppliers completing RBA VAP and publishing sustainability reports.

As a key player in the semiconductor supply chain, with a focus on chip design upstream and wafer manufacturing midstream, Nuvoton closely collaborates with suppliers in the industry chain to form partnerships based on specialized division of labor and mutual cooperation. As a global semiconductor industry leader, collaborating with suppliers to build a sustainable supply chain is a key indicator of Nuvoton’s sustainable development management. Nuvoton pays attention to labor rights in the supply chain, requiring suppliers to operate in compliance with relevant laws of their operating countries and comply with relevant international industry codes of conduct, including the Responsible Business Alliance (RBA) Code of Conduct and any amendments thereto. All suppliers are required to sign the “Compliance with the Code of Conduct Commitment” and “Confidentiality Agreement.” Over the past three years, 100% of Nuvoton’s suppliers have signed the Supplier Code of Conduct. In 2023, Nuvoton’s suppliers did not experience any human rights disputes related to child labor, forced labor, violation of the freedom of association or collective bargaining rights of employees.

In the risk management of critical materials (wafers, chemicals, gases, targets), Nuvoton employs three main control strategies. In 2023, there were no instances of critical material shortages:

#### Nuvoton employs three main control strategies



## Supplier Selection and Evaluation

Nuvoton’s selection mechanism for new suppliers is designed with reference to RBA standards. It considers multiple factors, such as the use of hazardous substances, quality, price, and environmental considerations. Suppliers meeting Nuvoton’s requirements must sign agreements including the “Code of Conduct Commitment,” “Confidentiality Agreement,” and “Declaration of Non-Usage of Conflict Minerals.” Nuvoton also requires suppliers to faithfully execute all transactions without harming Nuvoton’s interests or reputation to become qualified suppliers. Additionally, Nuvoton encourages suppliers to obtain international certifications such as ISO 14001 for environmental management systems. If suppliers cannot obtain these certifications promptly, Nuvoton requires them to provide a schedule for obtaining the certification.

### Selection Mechanisms for Suppliers

<b>Environmental Management System Certification</b>	Nuvoton encourages its supply chain manufacturers to obtain international certifications such as ISO 14001 for environmental management systems. If they cannot obtain them promptly, they are required to establish a schedule for obtaining the certification.
<b>Code of Conduct</b>	Nuvoton actively adopts the standards of the Responsible Business Alliance (RBA) Code of Conduct. It requires all supplier factories to jointly sign the “Code of Conduct Commitment” and “Confidentiality Agreement.” Suppliers must faithfully execute all transactions without harming Nuvoton’s interests or reputation.
<b>Conflict Minerals Management</b>	Relevant suppliers are required to sign the “Declaration of Non-Usage of Conflict Minerals,” including wafer foundry subcontractors, packaging plants, and raw material suppliers.

In 2023, we conducted RBA risk assessments for our top 92% suppliers by revenue, covering ESG risk evaluation content (including environmental, social, and governance aspects). Starting from 2024, key suppliers are required to undergo regular assessments, including completing a self-assessment questionnaire (SAQ) on the Business Continuity Plan (BCP) and compliance with product-related regulations and customer specifications. Nuvoton commits to continually assessing supplier risks, measuring the extent of negative environmental and social impacts, and devising improvement plans to enhance the resilience of the overall supply chain.

## Method for Supply Chain Management

Nuvoton manages and guides qualified suppliers through three major aspects, while also requiring them to obtain third-party quality system certifications such as ISO 9001, IATF 16949, or QC 080000. Additionally, suppliers must sign Nuvoton’s “Code of Conduct Commitment” and undergo document review, with on-site audits being a necessary condition for outsourced processing vendors.

### Supplier Evaluation

In 2023, Nuvoton had a total of 14 major suppliers, accounting for approximately 92% of total supplier transactions. An annual RBA VAP audit process was conducted, with 7 suppliers completing the RBA VAP assessment.

### 3.4.3 Conflict Minerals

#### Nuvoton’s Conflict Minerals Management System

 <p>Publicly declare the non-usage of conflict minerals.</p>	 <p>Require suppliers to sign a “Declaration of Non-Usage of Conflict Minerals” and disclose detailed reports from due diligence investigations of conflict minerals.</p>
 <p>Conduct annual due diligence investigations of conflict minerals, covering raw materials, outsourcing, and subcontracting suppliers.</p>	 <p>The scope of due diligence investigations on conflict materials includes tin, tungsten, tantalum, gold, cobalt, and mica.</p>

To safeguard international human rights, Nuvoton attaches great importance to the issue of conflict minerals. It has established a Conflict Minerals Management System and publicly announced the [Declaration of Non-Usage of Conflict Minerals](#) on the official Nuvoton website. Nuvoton is committed to avoiding the use of metals obtained from illegal mining operations that violate human rights in both product materials and production processes. Suppliers are required to sign a “Declaration of Non-Usage of Conflict Minerals,” including wafer outsourcing manufacturers, packaging factories, and raw material suppliers, with a signing rate of 100% over the past three years.

Nuvoton has established Conflict Minerals Management Measures, including:

- 1 Requiring suppliers to sign a “Declaration of Non-Usage of Conflict Minerals” to comply with the prohibition of using conflict minerals.
- 2 Requiring relevant suppliers to conduct regular and thorough investigations to ensure that metals from conflict areas are not used in the products.

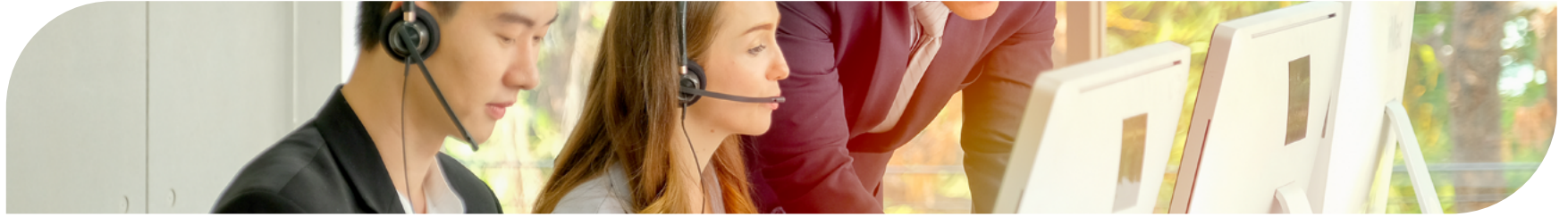
To safeguard human rights, Nuvoton attaches great importance to the issue of conflict minerals. And commits to conducting due diligence in accordance with the standards outlined in the Organization for Economic Cooperation and Development (OECD) “Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas,” or an equivalent recognized due diligence framework. It is committed to avoiding the use of metals from illegal mining that violate human rights in the product materials and production processes. Nuvoton requires semiconductor foundry subcontractors, packaging plants, and raw material suppliers to sign a “Declaration of Non-Usage of Conflict Minerals” to state that tantalum (Ta), tin (Sn), tungsten (W), and gold (Au) all sourced from smelters listed as qualified on the official Responsible Minerals Initiative (RMI) website. Suppliers are also required to comply with the prohibition of using “conflict minerals” to be listed as qualified suppliers. Furthermore, Nuvoton requires suppliers to conduct thorough investigations and disclose due diligence reports on

conflict minerals. The frequency of investigations follows updates to the Responsible Business Alliance (RBA) Code of Conduct. Conflict mineral investigations were conducted for the aforementioned suppliers (including subcontractors), all of which fully complied with the relevant regulations

Nuvoton adopts the Conflict Minerals Reporting Template (CMRT) released by the Responsible Minerals Initiative (RMI) for conflict minerals including tin, tungsten, tantalum, and gold. Conflict mineral due diligence investigations have been conducted since 2014, covering various suppliers, such as raw material suppliers, subcontractors, and contract manufacturers, to ensure that the mineral materials used in products come from smelters, refineries, or countries recognized by the RMI. In 2023, the tin, tungsten, tantalum, gold, and other mineral materials used by Nuvoton Taiwan came from 202 smelters spanning 63 countries, while those used by Nuvoton Japan came from 7 smelters spanning 6 countries. All smelters used were 100% recognized by the RMI.

In addition to 3TG minerals, Nuvoton has expanded the scope of its investigations. In 2021, investigations were conducted on cobalt and mica suppliers, with disclosure of the sources of their smelters to customers. In 2023, cobalt mineral materials used by Nuvoton Taiwan came from 10 smelters spanning 6 countries, with no suppliers using mica. Cobalt mineral materials used by Nuvoton Japan came from 8 smelters spanning 3 countries, while mica came from 3 smelters spanning 1 country. Nuvoton will continue to monitor and oversee the mineral sources provided by suppliers to ensure that its raw materials come from qualified suppliers.

Investigation Items	RMI Certification Qualified						Total
	Mineral Name	Sn	W	Ta	Au	Cobalt	
<b>Number of Nuvoton Taiwan Smelters</b>	53	32	31	86	10	0	212
<b>Number of Countries with Nuvoton Taiwan Smelters</b>	15	9	10	29	6	0	69
<b>Number of Nuvoton Japan Smelters</b>	3	2	2	0	8	3	18
<b>Number of Countries with Nuvoton Japan Smelters</b>	3	1	2	0	3	1	9



### 3.4.4 Customer Service

Meeting customer needs and providing high-quality, competitive products have been Nuvoton’s primary goals since its establishment, and they remain key to maintaining customer trust. Nuvoton offers diverse customer service solutions, including professional wafer foundry services, collaborative product development with partners, and Nuvoton product application training courses. Additionally, Nuvoton provides customers with the convenience of ordering products either physically or online, enhancing the accessibility of purchasing products. The company also offers various professional consultations, such as new product introductions, regional customer technical support, and consulting services. Moreover, Nuvoton provides multiple channels for inquiries, including business, distributor, agent, and online customer service.

To assist customers in achieving rapid development, mass production, and easy upgrades, and to provide customers with the best development experience, Nuvoton has designed the “NuDeveloper” ecosystem, which offers the following customer services:

#### Comprehensive development tool platform



Development boards, debuggers and programmers, software tools, Board Support Packages (BSP), and sample code, IDE drivers.

#### Rich offering of online digital resources



Providing online access to product knowledge, tutorial videos, product selection, finding/downloading development resources, purchasing products, and technical and sales support to meet various online and digital resource needs.

#### Collaborating with third-party vendors to provide a rich variety of software and hardware reference design solutions



Offering diverse cloud services and networking options, supporting multiple operating systems, and providing easy-to-use, professional graphical user interface software.

# NuDeveloper

**nuvoton.com**

Product Information / Documents / Selection

- Online Support: NuForum / Sales Support Mailbox / Online Chat
- Social Media & Knowledge Base: LinkedIn / Facebook / Twitter / WeChat
- Video Platform: YouTube / bilibili
- Open Resource: Github / Gitlab / Gitee

**Online buy**

- Nuvoton Direct
- Tmall
- TechDesign
- DigiKey

Digital Platform

NuEclipse NuEdgeWise

**IDE**

Nu-Link2-Pro/Nu-Link2-Me  
Nu-Link-Gang/Gang Writer

**BSP & Example Code**

MCU BSP (API Compatible) /  
Linux BSP/ Peripheral Driver /  
Library / Rich Sample Code  
Third party resource

**Debugger & Programmer**

NuMaker Series /  
Motor Control Series /  
Power Control Series

**Software Tool (NuTool)**

NuIDE/  
UltraIO/ VR Lib /  
CodeGenerator/ PinView /  
PinConfig/ ClockConfig/  
LCDView / TouchView/  
ICP/ISP Programming/  
Nu-Link Command/  
USB to Serial Port /  
NuAudio

**Evaluation Board**

**Software Tool (NuTool)**

**HMI Platform**

**IoT Device and Gateway**

**DALI 2 Solutions**

Supports all control gear and control/ input device certified library protocol.

102	103
202	301
206	302
207	303
208	304
209	

Platform

BMS

LCD Touch Key

Cold Chain

Thermostat

Lighting Control

HDMI2.1

USB Type-C PD3.1

AR & VR

Development Platform

Reference Design Platform

8051 / M0 / M23 / M4 / M7 / Arm9 / A35 based Microcontroller

**NuMicro® Microcontroller Platform**

※ All trademarks are the property of their respective owners.

To better understand customers' opinions regarding the services provided by Nuvoton, the Quality Assurance unit regularly collects feedback from customers on new product marketing/sales, delivery, quality improvement, technical support, and customer service through Nuvoton's annual Customer Satisfaction Survey (CSS). To facilitate effective communication with customers, after analyzing the results, Nuvoton convenes relevant units such as business departments, sales departments, research and development departments, and production management departments to formulate improvement plans based on customer feedback within one month, and responds to customers accordingly. The Quality Assurance unit also reports the analysis results to the management team as a basis for future resource allocation and improving customer satisfaction.



**Importance of Each Factor**

The rating ranges from moderately important (6 points) to extremely important (10 points). Since Nuvoton considers all factors to be important, there are no options for 1 to 5 points.

The content of Nuvoton's Customer Satisfaction Survey is divided into five main themes: research and design, production (logistics), quality and improvement, customer service, and value chain. Its content includes aspects such as new product marketing/sales, delivery, quality improvement, technical support, customer service, and corporate image. Customers are also asked to rate the importance of each factor to facilitate sorting of the analysis results.

Nuvoton analyzes the results of the Customer Satisfaction Survey using the Importance and Performance Matrix (IPM) to identify areas that customers consider important but where there is still room for improvement in performance. This helps company executives decide on the allocation of limited resources. The results are presented in a quadrant visual representation, making it easier for stakeholders to read and understand.

**Results of Customer Satisfaction Surveys**

In December 2023, an external agency was commissioned to conduct the annual Nuvoton Customer Satisfaction Survey for the year 2023. The survey targeted customers accounting for the top 70% of total sales. A total of 66 customer satisfaction questionnaires were sent out, with 58 responses received, yielding an 88% response rate. Across the five major themes of Research and Development, Production (Logistics), Quality and Improvement, Customer Service, and Value Chain, the overall average satisfaction score was 8.85 out of 10.

Compared to 2022, measures were taken to control the development schedule, resulting in improved satisfaction with new product development projects in 2023.



Score range (out of 10), from lowest to highest: Extremely Dissatisfied, Dissatisfied, Neutral, Satisfied, Extremely Satisfied.