

➔ 2022 ESG – Supplier Audit Focus

● Supplier Audit

ChipMOS formulates an audit plan every year according to the <Supplier Management Measures>, and reviews suppliers by every item. Clearly define the date for each supplier's assessment through the audit plan, and explain the audit coverage points.

■ The supplier audit questionnaire has 13 aspects

| RBA | Management /Quality System | Document Control | Supplier Management | Process Control | Material Control | Design/Eng. Control |
|---|---|--|---|--|---|---|
| <ul style="list-style-type: none"> Labor Occupational Health and Safety Environmental Management System Ethics | <ul style="list-style-type: none"> Have you got ISO 9001 international standard certification ? Have you got ISO 14001 international standard certification? Have you got IATF 16949 international standard certification ? Have you got QC 080000 international standard certification ? Have you got ISO45001 international standard certification ? | <ul style="list-style-type: none"> Are there written procedures describing the document control system? Is there master list providing visibility on the current revision status of all controlled documents? Ensure all documents are confirmed and approved before changes Is it ensured that everyone knows where relevant documents are stored | <ul style="list-style-type: none"> Whether there is a file system, to select the appropriate supplier/outsourcer and list. Whether there are demand items are defined, notified, updated, so that suppliers/outsourcers can fully understand. If the purchased raw materials are defective, is there any quality system to inform the supplier? What is the actual effect? | <ul style="list-style-type: none"> Is there a documented process flow chart, including producing inspection points and QC monitor points? Have documented job instructions (eg. Lot traveler, process control instructions, operation and equipment manuals) been developed? Are there any inspection records for non-conforming products? | <ul style="list-style-type: none"> Are purchased raw materials adequately identified during manufacturing? Are acceptance techniques adequately defined in terms of methodology, sampling, and acceptance criteria? Is there a provision to deal with the raw materials in advance for urgent products? | <ul style="list-style-type: none"> Is there a PPAP program for the production of vehicle-standard materials? For the production of vehicle-standard materials, the IPM monitoring cycle is a safe start For the production of automotive-standard materials, the yield rate of the production process needs to be tightened. |
| Education Training | Customer Service | Green Product | Health and Safety | Corrective/ Preventive | Equipment Control | |
| <ul style="list-style-type: none"> Is there an education and training program to meet current and future organizational needs? Are educational and training outcomes fully evaluated and necessary changes made? Does the education and training program address quality awareness, including the responsibilities of all personnel? | <ul style="list-style-type: none"> Have the related demand and production capacity been reviewed before proposing a contract or order? Does the supplier have adequate measuring and inspection equipment to ensure compliance with customer specifications? Does the finished product conform to the minimum requirements of the customer specification? | <ul style="list-style-type: none"> Has a relevant environmental management system and hazardous substance management been established? (Example: ISO 14001, QC 080000) Is the No Hazardous Substances Policy endorsed by senior management? Are there any action plans for eradication or reduction of hazardous substances? | <ul style="list-style-type: none"> Has it passed the ISO45001 management system verification and maintained the validity of the certificate? Are health and safety regulations regularly identified and assessed for applicability and compliance? Is the employee safety and health training procedure stipulated and implemented (including new recruits, in-service and job transfers)? | <ul style="list-style-type: none"> Is there someone dedicated to performing certification testing or failure analysis? When non-conforming products occur during the manufacturing process, is there a complete system of improvement measures? If there are suspected non-conforming products and defective products, is there any procedure to define the scope of its influence? | <ul style="list-style-type: none"> Is there any procedure for release of production equipment? Is there a calibration procedure to ensure that all measuring and testing equipment is regularly calibrated? For all equipment that needs to be calibrated, is there an automatic reporting system to ensure that within the calibrated period, Will you accept relevant equipment calibration? | |

2022 ESG – Supplier Audit Results

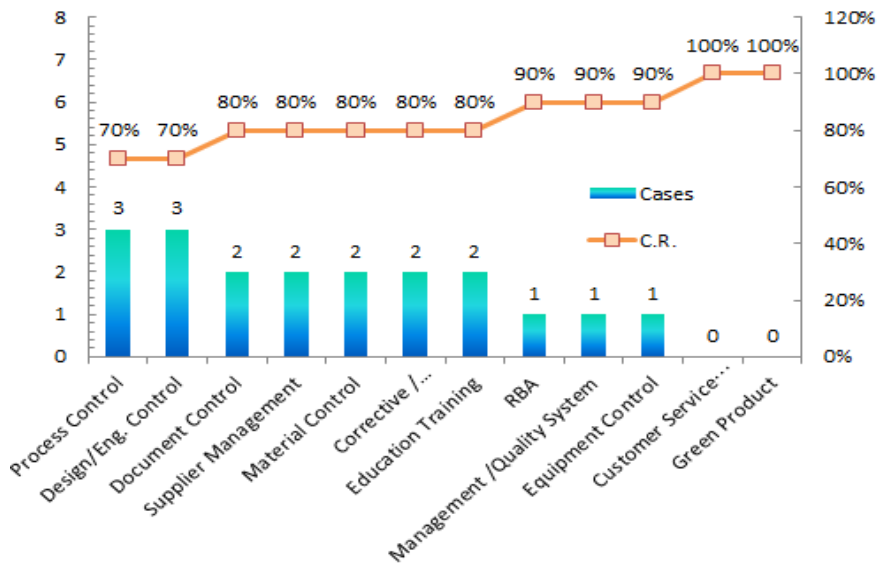
● Supplier Audit Result

In 2022, total 91 supplier document reviews will be conducted, and on-site evaluation will be conducted for 22 key direct material suppliers. In 2022, the audit compliance rate of the entire factory supplier will reach 98%, and the audit compliance results will increase year by year in the past five years.

■ The average degree of conformity of supplier audit results in the past 5 years

| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------|------|------|------|------|------|
| North Supplier | 98% | 98% | 98% | 99% | 99% |
| South Supplier | 94% | 97% | 98% | 98% | 98% |
| ChipMOS Supplier | 96% | 98% | 98% | 99% | 98% |

■ 2022 supplier major deficiencies cases



■ 2022 supplier improvement tracking of deficiencies

| Item | Major finding | Improve tracking and performance |
|------------------------------|--|--|
| Process Control | Insufficient completeness of emergency response plans For the production process of vehicle specification materials based on risk analysis, process monitoring, regular analysis and effective improvement are required | Revise the emergency response plan and audit it regularly. For automotive material production , based on risk analysis, process monitoring and regular analysis and effective improvement are required. |
| Design/Engineering Control | For automotive material production , a process for project management exists. Is there an APQP /PPAP organization chart to determine the responsibilities and permissions of the project leader and team members and the members of the ad hoc group are eligible to perform the project task. | For the production project management process of vehicle specification materials and the establishment of dedicated personnel |
| Document Control | Document Control Related Software Settings & Storage Rules | Document control related software settings & storage related rules and regular audit |
| Supplier Management | Integrity of Process Statistical Control | Add and modify process statistics control to improve integrity |
| Material Control | Manufacturing process monitoring & analysis in the production process of automotive materials | Formulation of manufacturing process monitoring analysis table in the production process of vehicle specification materials. |
| Corrective/Preventive Action | Corrective actions are effectively implemented. | Implement corrective measures to effectively improve correctness |
| Training | For automotive material production , a process for project management exists. The project is responsible for the duties and permissions of the production team members to perform the project task. | Improve the production project management process system of vehicle specification materials and the responsible specialist and certification |
| Management / Quality System | IATF 16949 Certification Integrity of internal audit system | IATF 16949 Certification Planning Schedule |
| RBA | Integrity of supplier corporate social responsibility code of conduct procedures | Revise and regularly audit the code of conduct procedures for suppliers' corporate social responsibility |
| Equipment Control | Production facility, machine, equipment MSA is regularly performed to record completeness. | Improve related facility inspection forms and formulate scheduling and audit plans |