

Established on 28 July 1997, ChipMOS is a premier semiconductor manufacturing service provider specializing in assembly and testing.

In accordance with the ChipMOS's ESG development direction and the results of Material Topics, ChipMOS focuses on 10 major SDGs to respond and set measurable and timely internal management objectives. The ChipMOS Environmental, Social and Governance (ESG) Highlight Report 2021 articulates ChipMOS latest ESG achievements and marked progress¹.

LATEST ESG RATINGS & AWARDS

FTSE Russell
ESG Ratings

3.3/5

Sustainalytics²
(0 is the best)

Medium
Risk
22.63

Refinitiv ESG
score

81/100

TESG Rating³
(Leader)

A+

15th Taiwan Corporate Sustainability Awards



- Taiwan Corporate – **Top 100 Corporates**
- Corporate Sustainability Reporting – **Platinum Grade**

8th Corporate Governance Evaluation



- Ranked among the **top 5%** of all TWSE-listed companies
- The **top 10%** of all electronics companies with market cap above NT\$10 billion

2022 “National Sustainable Development Awards”

Top 10% of 2022 Occupational Health and Safety Indicators Disclosed in the ESG Reports

KEY ESG PERFORMANCE FIGURES

- Greenhouse gas emission intensity reduced by 12.31%
- Total water intake reduced by 7.7%
- Wastewater discharge reduced by 8.2%
- Employee Turnover Rate: 1.12%
- Training Hours per Employee: 146.25 hours
- Social Influence: 34 organizations benefited and 1,486 people directly benefited

SUSTAINABLE GOVERNANCE

- The highest-level ESG organization: ESG Committee
- Chair of the ESG committee is the Group's Chairman & President.
- Board diversity: 3 female directors (33% of all directors)
- Seats of independent directors > 50%.
- Attendance rate of all directors in person: 94%

ENVIRONMENTAL

- A total of 3,485 tCO₂e reduction from 25 energy-saving schemes.
- Non-hazardous waste intensity was 0.08 ton/Net Operating Revenue (NT\$1M)
- Process water recycling was 1,231 million liters (increased by 19.64%)

Progress on Responding Climate Change and Net Zero

- Identify, assess and manage risks and opportunities with the TCFD framework.
- Began to complete the CDP Climate Change and Water Security Questionnaire since the end of 2021.
- Officially signed to join as a TCFD supporter in March 2022.
- To achieve the carbon reduction goal, ChipMOS will focus on the self-generation and self-consumption of solar energy, and march towards the target of building 4.5Mw renewable energy by the end of 2023.

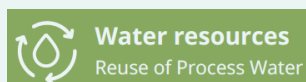


Three major strategic pillars are developed to achieve the goal of **net zero emissions by 2050**.

1. Prioritize inventory and implement substantial energy, water, and renewable energy measures.
2. Pay close attention to global warming issues and adjust the reduction targets based on the CDP questionnaire.
3. Assess the possibility of purchasing and developing other green energy sources.



- 2021: Completed 990.45 KW solar energy capacity.
- 2023: Reach 4.5MW solar energy capacity.



- 2021: The recycling rate of process water (grinding/cutting) reached 86%.
- 2021: Developed water risk and opportunity identification, impact assessment and management measures.
- 2022: Build 550 CMD of process water recycling equipment in Zhubei fab.

Notes:

1. Information and figures are based on the reporting period from 1 January 2021 and 31 December 2021, unless otherwise specified.
2. Result was released in June 2022.
3. Result was released in November 2022.

Climate and Water Assessment

An in-depth climate assessment and a water assessment were conducted. Major risks and opportunities were identified based on their degree of impact and possibility.

	Coverage	Major Risks	Major Opportunities
Climate Assessment	69 items (48 risk and 21 opportunity items)	(i) renewable energy regulations, (ii) carbon tax, (iii) customer behavior change, and (iv) demand for low-carbon products and services	(i) energy efficiency improvement, (ii) customer behavior change, and (iii) low carbon energy
Water Assessment	70 items (51 risk and 19 opportunity items)	(i) water supply interruption and (ii) extreme water shortage	(i) water use efficiency, (ii) recycling of wastewater, and (iii) adaptability

PRODUCT AND VALUE SERVICE

- ChipMOS all fab area has been certified by ISO 9001, IATF 16949, ISO 26262 and ISO/IEC 17025⁴.
- Overall scores of customer satisfaction survey results: 4.02/5
- Sources of minerals were 100% conforming to the Non-conflict Mineral Program.
- No customer complaints about customer information in the past five years.
- A Green Product Management System has been established to effectively manage the composition and analysis report of the vendors' material and ensure that the raw materials meet the green product requirements through an automatic inspection mechanism.
- ChipMOS Taiwan fabs has obtained IECQ QC 080000 System⁵ Verification to eliminate toxic substances from the manufacturing and recycling process.

SUSTAINABLE SUPPLY CHAIN

- The average conformation rate of audited Responsible Business Alliance vendors was 98.5%.
- Majority are Key vendors (89%) and Level one vendor (11%)⁶ in terms of procurement amount.
- In the recent four years, the proportion of local sourced supplies have been more than 50%. The Company is committed to selecting the local quality vendors to enhance the development.
- 264 vendors have signed the Declaration of Corporate Social Responsibility; the signature reply rate is 100%.
- The conformity of vendor audit results: 99%
- The audit compliance results in the past four years have been improved year by year.

TALENT DEVELOPMENT AND INCLUSIVE WORKPLACE

- Employees' diversity (female: male): management (21.04% & 78.96%) and non-management (56.71% & 43.29%)
- Valuing the talent development, and the percentage of managers transferred from employees is as high as 94.12%.
- Provide employment opportunities for the disable: 1.06% of the employment (exceeding the statutory standards)
- Employment contract renewal rate of the foreign laborers: 80% or higher during 2018-2021
- Activities of the work-family balance nature: >25%
- Family-oriented Group Insurance, and a variety of screening programs has been planned, with higher frequencies than peers, to continuously keep the health of employees in check.
- The Responsible Business Alliance (RBA) Code of Conduct Self-Assessment Questionnaire (SAQ) is conducted to evaluate human rights every year.
- RBA Validated Audit Program has been applied through the official third-party audit certification designated by RBA, with result of 187.1 points (green rating).

For more ESG details, please visit: <https://www.chipmos.com/english/csr/overview.aspx>

Notes:

4. ISO 9001 is an international standard that specifies requirements for a quality management system; IATF1694 is an international standard for automotive quality management systems; ISO 26262 describes a framework for functional safety to assist the development of safety-related electrical and/or electronic systems that are installed in passenger cars; ISO 17025 specifies requirements for the competency of the entity to carry out tests and/or calibrations, including sampling for laboratories.

5. The International Electrotechnical Commission Quality Assessment System for Electronic Components (IECQ) IECQ QC 080000 Hazardous Substance Process Management (HSPM) system is based on the international quality management system ISO 9001, covering key requirements of the various environmental protection directives.

6. Key vendors provide direct materials while Level one vendors provide indirect and packaging materials.