

## ➔ 2023 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"><li>• Labor</li><li>• Occupational Health and Safety</li><li>• Environmental</li><li>• Management System</li><li>• Ethics</li></ul>	<ul style="list-style-type: none"><li>• Have you got ISO 9001 international standard certification ?</li><li>• Have you got ISO 14001 international standard certification?</li><li>• Have you got IATF 16949 international standard certification ?</li><li>• Have you got QC 080000 international standard certification ?</li><li>• Have you got ISO45001 international standard certification?</li></ul>	<ul style="list-style-type: none"><li>• Are there written procedures describing the document control system?</li><li>• Is there master list providing visibility on the current revision status of all controlled documents?</li><li>• Ensure all documents are confirmed and approved before changes</li><li>• Is it ensured that everyone knows where relevant documents are stored</li></ul>	<ul style="list-style-type: none"><li>• Whether there is a file system, to select the appropriate supplier/ outsourcer and list.</li><li>• Whether there are demand items are defined, notified, updated, so that suppliers/outsourcers can fully understand.</li><li>• If the purchased raw materials are defective, is there any quality system to inform the supplier? What is the actual effect?</li></ul>	<ul style="list-style-type: none"><li>• Is there a documented process flow chart, including producing inspection points and QC monitor points?</li><li>• Have documented job instructions (eg. Lot traveler, process control instructions, operation and equipment manuals) • been developed?</li><li>• Are there any inspection records for non-conforming products?</li></ul>	<ul style="list-style-type: none"><li>• Are purchased raw materials adequately identified during manufacturing?</li><li>• Are acceptance techniques adequately defined in terms of methodology, sampling, and acceptance criteria?</li><li>• Is there a provision to deal with the raw materials in advance for urgent products?</li></ul>	<ul style="list-style-type: none"><li>• Is there a PPAP program for the production of vehicle-standard materials?</li><li>• For the production of vehicle-standard materials, the IPM monitoring cycle is a safe start</li><li>• For the production of automotive-standard materials, the yield rate of the production process needs to be tightened.</li></ul>
Education Training	Customer Service	Green Product	Health and Safety	Corrective/ Preventive	Equipment Control	
<ul style="list-style-type: none"><li>• Is there an education and training program to meet current and future organizational needs?</li><li>• Are educational and training outcomes fully evaluated and necessary changes made?</li><li>• Does the education and training program address quality awareness, including the responsibilities of all personnel?</li></ul>	<ul style="list-style-type: none"><li>• Have the related demand and production capacity been reviewed before proposing a contract or order?</li><li>• Does the supplier have adequate measuring and inspection equipment to ensure compliance with customer specifications?</li><li>• Does the finished product conform to the minimum requirements of the customer specification?</li></ul>	<ul style="list-style-type: none"><li>• Has a relevant environmental management system and hazardous substance management been established? (Example: ISO 14001, QC 080000 )</li><li>• Is the No Hazardous Substances Policy endorsed by senior management?</li><li>• Are there any action plans for eradication or reduction of hazardous substances?</li></ul>	<ul style="list-style-type: none"><li>• Has it passed the ISO45001 management system verification and maintained the validity of the certificate?</li><li>• Are health and safety regulations regularly identified and assessed for applicability and compliance?</li><li>• Is the employee safety and health training procedure stipulated and implemented (including new recruits, in-service and job transfers)?</li></ul>	<ul style="list-style-type: none"><li>• Is there someone dedicated to performing certification testing or failure analysis?</li><li>• When non-conforming products occur during the manufacturing process, is there a complete system of improvement measures?</li><li>• If there are suspected non-conforming products and defective products, is there any procedure to define the scope of its influence?</li></ul>	<ul style="list-style-type: none"><li>• Is there any procedure for release of production equipment?</li><li>• Is there a calibration procedure to ensure that all measuring and testing equipment is regularly calibrated?</li><li>• 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?</li></ul>	

## ➔ 2023 ESG – Supplier Audit Results

### ● Supplier Audit Result

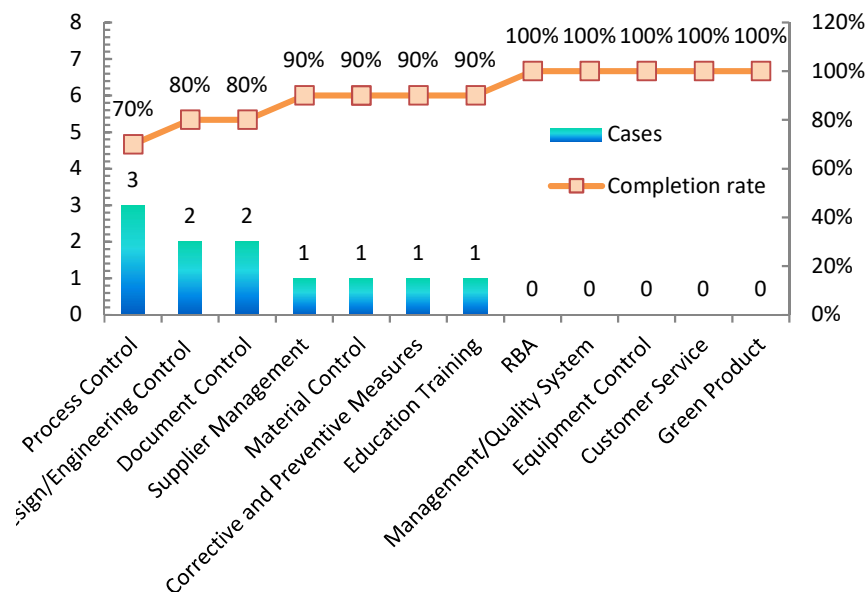
In 2023, **total 58 supplier document reviews** will be conducted, and on-site evaluation will be **conducted for 22 key direct material suppliers**.

In 2023, the audit compliance rate of the entire factory supplier will **reach 99%**, 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	2019	2020	2021	2022	2023
North Supplier	98%	98%	99%	99%	99%
South Supplier	97%	98%	98%	98%	100%
ChipMOS Supplier	98%	98%	99%	98%	99%

### ■ 2023 supplier major deficiencies cases



### ■ 2023 supplier improvement tracking of deficiencies

Item	Major finding Question Items	Improve tracking and performance
Process Control	1) Emergency plan integrity 2) In view of the need for process monitoring and regular analysis and effective improvement based on risk analysis in the production process of automotive grade materials	Revise emergency response plans and conduct regular audits. Added a list of projects that require process monitoring and regular analysis based on risk analysis during the production of vehicle-specific materials.
Design/Engineering Control	1) Is there a project management process for the production of vehicle-grade materials? 2) Is there an APQP/PPAP organization chart that determines the responsibilities and permissions of the project leader and team members and the qualifications of the project team members to perform project tasks. 3) Whether the project leader/member has defined qualifications and has a training record (APQP / PPAP)	Added a project management process for the production of vehicle-grade materials and established dedicated personnel.
Document Control	File control related software settings & storage rules	Revise document control related software settings & storage related rules and conduct regular audits
Supplier management	Process statistical control integrity	Add and modify process statistical controls to improve completeness
Material control	Process monitoring & analysis during the production of automotive grade materials	Formulation of process monitoring and analysis forms during the production of automotive grade materials.
Corrective and preventive measures	Corrective measures are implemented effectively.	Implement corrective measures to effectively improve accuracy.
Education Training	1) For the production of vehicle-specific materials, a project management process is required. The members of the project responsible production team have the responsibilities and permissions to perform project tasks. 2) It requires more than half a year of experience and certification of education every six months.	Added a regulatory material production project management process system and responsible specialists and certification.