

➔ 2024 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?	

➔ 2024 ESG – Supplier Audit Results

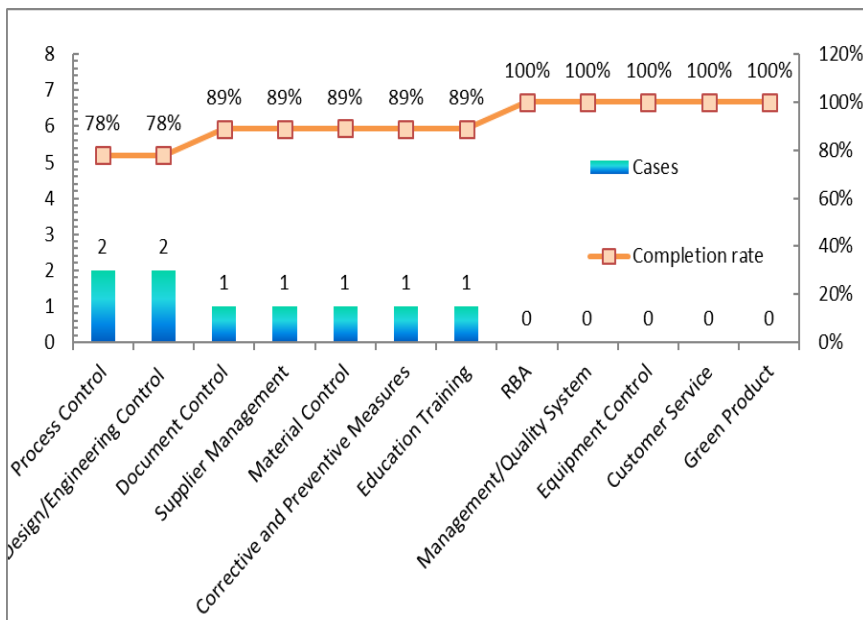
● Supplier Audit Result

In 2024, **total 93 supplier document reviews** will be conducted, and on-site evaluation will be **conducted for 29 key direct material suppliers**. In 2024, the audit compliance rate of the entire factory supplier will **reach 99%**, in addition, the audit compliance rate in the past five years has been greater than 98%.

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

Year	2020	2021	2022	2023	2024
North Supplier	98%	99%	99%	99%	99%
South Supplier	98%	98%	98%	100%	98%
ChipMOS Supplier	98%	99%	98%	99%	99%

■ 2024 supplier major deficiencies cases



■ 2024 supplier improvement tracking of deficiencies

Item	Major finding Question Items	Improve tracking and performance
Process Control	1) The program is selected by the personnel. Is there an automated plan or a foolproof mechanism to prevent personnel from manually selecting the wrong program? 2) It is recommended that SPC OOC/OOS use system-triggered exception handling.	1) Evaluate the automation program to avoid manual selection errors and provide the implementation date. 2) Evaluate the establishment of the system OOC automatic trigger system and provide the implementation date.
Design/Engineering Control	1) It is recommended that the SPC control items in the control plan be clearly marked as SPC control or that the SC special characteristics be noted as SPC control. 2) The FMEA meeting minutes only have the names of the personnel but not the units, but the specification defines the attending units, so it is recommended that the units to which the personnel belong can be marked.	1) When modifying a document, the SPC control items must be marked and the type of SPC control chart used must be stated. 2) In the future, it will be defined in the personnel signature area, with the department to which they belong noted.
Document Control	The drill plan recommends that warm, hot and cold zones be divided according to the exposure concentration of the chemical leak.	Differentiate hot/warm/cold zones based on chemical spills and exposure concentrations.
Supplier management	It is recommended that the supplier rating sheet be signed by the heads of relevant units to ensure that the relevant heads understand the supplier's performance.	Add a column for relevant supervisors to sign off on the supplier evaluation form to ensure that relevant supervisors understand the supplier's performance.
Material control	It is recommended that the shortage of raw materials should also be included in the contingency plan drill.	Modify the document and add the raw material shortage item as a contingency plan exercise item.
Corrective and preventive measures	There are four fixed measurement points in the clean room. It is recommended to redefine the measurement points according to international regulations using the minimum point for area calculation.	With reference to ISO 14644-1:2015, the international standard for evaluating clean room grades, the number of inspection points for daily inspection of dust in clean rooms has been increased from 4 to 11.
Education Training	It is recommended to add temporary cancellation of work qualifications to the definition of retraining for personnel with major operational anomalies.	Revise the education and training control procedures to add regulations for cancellation of job qualifications and retraining.