



ESG

2023 Sustainability Report

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About the Report

Chunghwa Precision Test Tech.Co., Ltd. (CHPT) has regularly issued sustainability reports every year since 2020. The voluntary preparation of sustainability reports reveals the Company's sustainable development promotion goals, strategies, and achievements to the outside world, attaches great importance to the interaction and communication with stakeholders, and proactively responds to sustainable issues of concern to stakeholders.

Report Boundary

The information disclosed in the report covers the actions and performance information of CHPT on various major topics such as corporate governance, environmental sustainability and social commitment from January 1, 2023 to December 31, 2023, including various stakeholders' feedback on concerning issues. The report boundary is set with CHPT as the main body (including eight locations of operations such as Taiwan, the United States, the mainland China, and Japan), and excluding companies with less than 100% shareholding. The boundary of the report accounts for 99.99% of the overall revenue indicated in the consolidated financial statements. The source of financial data is consistent with the financial report data after being audited by CPAs. Any adjustments to the data category will be explained in the notes to the report. The financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS to the extent endorsed, issued, and taken effect by the Financial Supervisory Commission. The financial report, calculated in New Taiwan Dollars, has been audited by the CPA (Deloitte & Touche).

Report Compilation Principles

The Report was prepared in accordance with the GRI Standards 2021 published by Global Reporting Initiative (GRI). The report information is also consistent with the standards at home and abroad, such as Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies, United Nations Sustainable Development Goals (SDGs), Task Force on Climate-Related Financial Disclosures (TCFD) Framework, and Sustainability Accounting Standards Board (SASB).

Report Review Approach

The information content of the report is collected and prepared by the sustainable development team, and the heads of various departments review and confirm the accuracy of the information and data. After proofreading and review, it is submitted to the Office of the President for review and verification. The report is finally issued and submitted to the Board of Directors in the second quarter of each year.

Review and Verification

- The report refers to the GRI Sustainability Reporting Standards and four principles of materiality, inclusivity, responsiveness, and impact of Accountability principles of AA1000 2018. The report, verified under Type 1 moderate-level assurance grade of AA1000 Assurance Standard v3, is in line with the disclosure items under the GRI Standards upon verification.
- To provide readers with reliable public information, the report has been verified operated by Afnor Asia Ltd., the third independent institution, which is consistent with the requirements of Type 1 moderate-level assurance of AA1000 AS v3 verification standard. The Assurance Statement is attached to the appendix of the report.

Publication Date of the Report



Contact Information

To continue to improve the quality and content of the CHPT Sustainability Report and to facilitate communication with stakeholders, if you have any suggestions or concerns for the Report, please contact us through the CHPT window.

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Message from the President

The year 2023 presented significant challenges for CHPT, largely due to external factors such as global inflation, interest rate hikes, and geopolitical issues. Market demand declined, necessitating an adjustment phase in the overall industry supply chain. As a semiconductor testing supplier, we were particularly affected by these circumstances. We anticipate growth in the AI ecosystem and smart manufacturing, driven by the advancement of communication technology in the 5G era. This will increase demand for electronic products. CHPT will focus on enhancing our process capabilities, delivering top-notch products and services to customers, while also prioritizing employee wellbeing and maintaining honest and trustworthy relationships with stakeholders. Furthermore, in fulfilling our social responsibility, we participated in the winter relief event organized by the Ministry of Economic Affairs Industrial Park Service Center, donating supplies to assist disadvantaged groups. In collaboration with the Taiwan Blood Services Foundation, we implemented the “Donate Blood, Save Lives, Continue Love” initiative. We also support the United Nations’ Sustainable Development Goals (SDGs) and, in partnership with TPIDC, advocate for sustainable actions. By integrating our core business expertise with public welfare, we promote industry-academia cooperation, providing students with comprehensive work experience and supporting local education, while also promoting ESG and sustainable development.

In recent years, the impact of extreme weather conditions has intensified the global call to address environmental issues. In response to this, CHPT has independently initiated greenhouse gas inventory operations since 2022. This serves as a benchmark for promoting various environmental conservation, energy-saving, and carbon reduction measures to decrease greenhouse gas emissions, with the aim of mitigating the operational impacts and challenges brought about by climate change. In terms of environmental performance, through process and equipment energy-saving improvement projects, we achieved a reduction of 982,000 kWh in energy consumption and a decrease of 581.7 metric tons of CO₂e emissions in 2023. We also continued to achieve an annual energy-saving performance of 1%. Our water-saving volume reached 93.18 thousand tons, and the wastewater recycling rate reached 56.2%. In terms of waste recycling, we promoted waste management measures, strengthened waste management, increased resource recycling ratios and resource sharing, and achieved an overall waste recycling rate of 75%. As for supplier management, we actively maintained good communication with suppliers, and the return rate of supplier social responsibility commitment statements reached 100%. We were also honored with the Taoyuan City Government’s “Excellent Green Procurement Enterprise” award in 2023. Regarding environmental maintenance, we rigorously monitored food safety for our employees, fulfilling our supervisory responsibilities to ensure the safety of employee meals. In 2023, our efforts were recognized with the Taoyuan City Department of Public Health’s “Enterprise Food Safety Volunteer” Award.

In terms of social responsibility, we advocate that employees are a vital asset to the Company, and therefore, CHPT adheres to legal policies and international human rights conventions, treating each employee fairly. We strive to establish a workplace environment that is friendly, inclusive, harmonious, and equal. We provide favorable working conditions, support local community development, and promote educational and training opportunities. We aim to create job opportunities where everyone is respected and construct diverse training programs for the mutual growth of our employees. In 2023, we were honored with the “2023

Happy Enterprise” Gold Award by 1111 Job Bank. While CHPT pursues sustainable economic development, we also care about the physical and mental health and quality of life of our employees. In addition to organizing family activities periodically, we also hold various sports competitions, allowing employees to form teams and strengthen communication and interaction among different units, thereby enhancing team cohesion.

In terms of corporate governance performance, CHPT has consistently been recognized as in the top 5% among TPEX Listed Companies in the Corporate Governance Evaluation. In terms of overall operations, the Company’s probe card revenue accounts for 1.21% of global probe card revenue, and we have been granted over 400 global patents. CHPT operates on the principles of integrity and ethics, adhering to honest business practices and refusing to accept improper benefits. In 2023, there were no violations involving competition, litigation, or corruption. Amid the ongoing global economic downturn, we continue to adjust our operational strategies. By implementing effective resource management policies, we drive innovation and technological development, establishing competitive products and services. This lays the foundation for addressing future operational challenges and long-term growth, creating long-term benefits for shareholders, employees, customers, and society.

Looking ahead, CHPT will fully integrate AI technology into its business operations to enhance performance. By utilizing digital twin technology, the company will be able to monitor production lines in real time, thereby improving productivity and workplace safety. Precision Instrument Co. will continue to apply various new technologies and collaborate with all stakeholders to collectively address ESG challenges. This is the path to sustainable development for CHPT, a journey marked by milestones, with no finish line.

President
Shui-Ke Huang

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Performance Highlights





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Awards and Honors

2019 Awards and Honors



Top 5000 Companies with Outstanding Performance in 2019 by China Credit Information Service Top 2000 Enterprises in 2019 by CommonWealth Magazine

Named one of the Top 5000 Companies with Outstanding Performance in 2019 by China Credit Information Service, and one of the Top 2000 Enterprises in 2019 by CommonWealth Magazine

2020 Awards and Honors



Asia-Pacific High-Growth Company by Financial Times Top 2000 Enterprises in 2019 by CommonWealth Magazine Technology Management Award" from the Chinese Society for Management of Technology ERSO Award

Awarded as a 2020 Asia-Pacific High-Growth Company by Financial Times, Top 2000 Enterprises by Common Wealth Magazine, and "Technology Management Award" from the Chinese Society for Management of Technology, and 2020 ERSO Award in 2020

2021 Awards and Honors



2021 Happy Enterprise Gold Award by 1111 Job Bank

Honored with the 2021 Happy Enterprise Gold Award by 1111 Job Bank

2022 Awards and Honors



"Excellent Enterprise Award" from the Ministry of Labor

Ranked among the top 10% at the Safety and Health Evaluation and Awarded the "Excellent Enterprise Award" from the Ministry of Labor



Green Procurement Enterprise Award

Honored with the Taoyuan City Outstanding Green Procurement Enterprise Award



Top 5% in the Corporate Governance Evaluation

Ranked among the top 5% in the Corporate Governance Evaluation



2022 Happy Enterprise Gold Award by 1111 Job Bank

Honored with the 2022 Happy Enterprise Gold Award by 1111 Job Bank

2023 Awards and Honors



Green Procurement Enterprise Award

Honored with the Taoyuan City Outstanding Green Procurement Enterprise Award



Top 5% in the Corporate Governance Evaluation

Ranked among the top 5% in the Corporate Governance Evaluation



2023 Happy Enterprise Gold Award by 1111 Job Bank

Honored with the 2023 Happy Enterprise Gold Award by 1111 Job Bank



Enterprise Food Safety Volunteer Award

Honored with the Enterprise Food Safety Volunteer Award by the Taoyuan City Government Department of Public Health



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People First for Social Good

Community Welfare

In conjunction with the "Pingjhen Industrial Park Warm Winter" event hosted by the Ministry of Economic Affairs' Industrial Park Service Center, CHPT donated 120 bags of toilet paper and 200 kilograms of white rice, which were delivered to the Pingjhen Industrial Park Service Center on December 19, 2023 and then presented to a total of 60 underprivileged families and senior citizens living alone as well as the Lohas Preschool and the Kangfu Intelligence Development Center in Yung-feng Village, Yung-kuang Village, Yong-an Village, and Chen-hsing Village.

"After establishing the Bureau of Industrial Parks upon organizational restructuring on September 26, 2023, the Ministry of Economic Affairs has attached great importance to sustainable development and safe production at industrial parks, where the Pingjhen Industrial Park Service Center is the first-line service unit among all industrial parks. We would like to express our gratitude to the Pingjhen Industrial Park Enterprise Volunteer Group Platform established by the Taoyuan City Pingjhen Industrial Park Industrial Development Association, as well as all caring enterprises at Pingjhen Industrial Park for their active participation and dedication, which enables the Pingjhen Industrial Park Service Center to connect enterprises at the industrial park and neighboring environmental volunteer teams with a view to jointly fulfilling the social responsibility of the industrial park," Bureau of Industrial Parks Taipei Branch Director Liang Yu-wen said.



Donor List of Enterprises

Public Welfare Activities

CHPT's "Keep Love Alive by Donating Blood to Save Lives" campaign in 2023

CHPT has joined forces with the Taiwan Blood Services Foundation, a major non-governmental organization (NGO) and non-profit organization (NPO) in Taiwan in blood donation on the "Keep Love Alive by Donating Blood to Save Lives" campaign to spread love through voluntary blood donation, with a view to fulfilling the social responsibility of caring for underprivileged groups while complying with the United Nations Sustainable Development Goals (SDGs).

During the post-pandemic period in 2023, which was also accompanied by severe blood shortage, CHPT was fortunate to be able to inject warmth into Taiwan's blood bank as over 100 employees participated in various blood donation drives by donating 112 and 117 bags of blood, totaling 57,250 cc. of blood, in the first and second half of the year, respectively.



Appreciation Certificate



Appreciation Certificate



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CHPT Joined TPIDC to Advocate for Sustainability Actions

In an effort to assist companies in digital transformation, sustainable development, and strategic innovation, National Taiwan University's Center for Technology Policy and Industry Development (hereinafter referred to as TPIDC) established the Digital Transformation and Sustainable Development Alliance with the support of the National Science and Technology Council, Executive Yuan.

CHPT feels honored to be invited to this alliance alongside National Taiwan University, whose purposes is to establish a credible learning and sharing platform via collaboration and participation among members and partners, as well as enhance the digital transformation and sustainable management capabilities of industries and companies in Taiwan with a view to enhancing our competitive advantage. This alliance project is hosted by Professor Chen Chung-Jen, a distinguished professor at National Taiwan University and a director at TPIDC, and co-hosted by Professor Victor Tsan and an independent at CHPT. At the same time, In addition, there are a wide range of experts and scholars from all walks of life who have formed a team of research consultants and partners such as the National Taiwan Academy of Economic Sciences (NTANES), Industrial Technology Research Institute (ITRI) Service Center (SCC), and Dun & Bradstreet (D&B), etc., which have brought about concrete benefits to the development of CPSS.

The alliance is tasked with the following: 1. Enhance the development and promotion of knowledge and methodologies for digital transformation, sustainable development, and strategic innovation, as well as accelerate digital and green transformation among enterprises; 2. Organize seminars, training, project research/consultation, etc. to enhance the competitiveness of industries and enterprises; 3. Facilitate academic and practical interactions and exchanges between industry, government, academia and research institutes to provide business opportunities and accelerate the upgrading and transformation of industries; 4. Integrate intermediary National Taiwan University's academic and industry-government-university-research network resources to assist alliance members in digital transformation, sustainable development and strategic innovation.



NTU TPIDC Digital Transformation and Sustainable Development Industry-Academia Collaboration Initiative Launching Ceremony and Press Conference





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Industry-Academia Cooperation

Through the strategy of combining the core professional skills of the enterprise with social welfare, we not only provide students with comprehensive work experience, but also support local education by increasing students' practical work experience and employing local manpower at various locations of operations while participating in educational development organizations. Each location of operations cooperates with the school to hire relevant manpower. In the internship program, through on-the-spot work experience, we bring young students workplace experience and sharing of professional knowledge, cultivate students to make good use of the professional ability to execute judgment and teamwork spirit, and complete work efficiently and independently. We uphold the original intention of "people-oriented," integrate the resources of the industry and academia to maximize the benefits, and jointly create competitiveness for the next generation.

We fulfill our corporate social responsibility by prioritizing the employment of local talent, contributing to the local community. In 2023, we actively participated in industry-academia cooperation with six local high schools and tertiary institutions across Taoyuan City by providing internships featuring a total of nine industry-academia events with 265 participants, as well as two student matchmaking activities, which saw the participation of 149 people and led to a total of eight people joining us as intern and employees.

At the same time, we also actively participate in and promote social welfare. In an effort to support local education and increase students' practical work experience, we not only join forces with neighboring universities and colleges in industry-academia cooperation, but also support local education by increasing students' practical work experience and employing local manpower at various locations of operations while participating in educational development organizations. In 2023, we cooperated with 10 universities in various types of industry-academia programs participated by a total of 1,110 people, including 15 industry-academia events with 605 participants, and nine student matchmaking events with 505 participants.

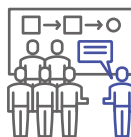
We are dedicated to providing scholarships and internship opportunities to schools and colleges, ensuring a safe environment for education and employment for young students. With a strong commitment to valuing and nurturing talent, we aim to make a positive impact on society by supporting and developing future leaders.

The relevant instructions are as follows:



Industry-academia cooperation

Through special lectures and other activities by the mentors, students can understand industry trends and technological developments while helping to minimize the learning gap.



Visiting and exchange

help students prepare by observing the work site and experiencing the working atmosphere first-hand.



Student matchmaking

Actively provide high-quality job opportunities, attract fresh graduates, give young students a stage to play, feed back the Company to create growth momentum, and help the society to be useful, ensure stability, and reduce youth unemployment rate to achieve a win-win situation.



Mock Interview

The purpose of the mock interview is to offer students resume check-ups and practice interviews. This allows them to receive guidance from industry professionals, improving their interview success rate and enhancing the success rate of company-student matching. Ultimately, it aims to increase social benefits.



Catalyzing Growth

We provide students with resume checks and mock interviews so that students can receive guidance from industry professionals. Such an initiative aims to increase the success rate of interviews, enhance the success rate of matchmaking between companies and students, and enhance social benefits. The salary and benefits of the interns can also be compared with the regular employees of the Company, and the favorable internship conditions are given.



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Industry-academia exchange event

University A's visit to CHPT

Effectiveness
and outcomes **9** /people

Resources
invested ■ Manpower
□ Funding

Event description

Date: March 6, 2023

Venue: The Company

Theme: Industry technology and experience sharing

Benefits: Gain an understanding of industry trends and technological developments and enhance the consistency of goals and targets in industry-academia cooperation through sharing sessions with practitioners.



Keynote speech at University B

Effectiveness
and outcomes **110** /individuals

Resources
invested ■ Manpower
□ Funding

Event description

Date: March 29, 2023

Venue: University B

Theme: Exchanges on industry-academia cooperation program

Benefits: Enhance the consistency of goals and targets in industry-academia cooperation.



University C's visit to CHPT

Effectiveness
and outcomes **76** /individuals

Resources
invested ■ Manpower
■ Funding

Event description

Date: April 19, 2023

Venue: The Company

Theme: Company and product introduction and alumni sharing

Benefits: Through visit activities, students and teachers can better understand the Company, and make connections between academics and the industry stronger.



University D EMBA's visit to CHPT

Effectiveness
and outcomes **31** /people

Resources
invested ■ Manpower
□ Funding

Event description

Date: April 24, 2023

Venue: The Company

Theme: Company outlook and industry experience sharing

Benefits: Gain an understanding of industry trends and expand horizons on international business through a visit to the Company.



CHPT sponsored the member and member representative meeting of the Chinese Institute of Electrical Engineering in 2023

Member and member representative meeting of the Chinese Institute of Electrical Engineering in 2023

CHPT was honored to be invited to this annual grand event hosted by the Chinese Institute of Electrical Engineering, which has long been ensuring non-discriminatory, fair, and high-quality education and promoting lifelong learning, with a view to jointly implementing the United Nations Sustainable Development Goals (SDGs).

The 2023 member and member representative meeting of the Chinese Institute of Electrical Engineering was held on December 22, 2023, and ended successfully. On that day, a number of elite academic awards were present during this grand event, including the 2023 "Fellowship" certificate, "Electrical Engineering Medal," "CTCI Foundation Electrical Engineering Academic Award," "Outstanding Electrical Engineering Professor Award," "Outstanding Electrical Engineer Award," "Excellent Young Electrical Engineer Award," and "Youth Research Paper Award."



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Sustainability Roadmap and Corresponding Strategic Themes

Stakeholder identification and communication channels

As the saying goes, “Giving back to society what has been taken from society,” CHPT places sustainable development and giving back to society as our utmost priorities. the Company accepts opinions and feedback from all stakeholders and establishes effective communication channels and communication mechanisms based on the concerns, needs and expectations of all stakeholders, along with the Company’s operational decision, as a series of methods for continuous improvement at the Company.

The sustainable development team gathers the practical experience of each department, and according to the different attributes of each unit, the main contact stakeholders of each department are preliminarily organized as follows:

- ① Office of the President: media, corporation, etc.
- ② Management units: communities, governments, non-government/non-profit organizations (environmental protection groups, trade unions), contractors, etc.
- ③ Environmental Protection/Safety and Health Center: environmental protection, safety and health units of government institutions, etc.
- ④ Sales unit: clients, strategy partners, etc.

- ⑤ Procurement unit: suppliers, contractors, etc.
- ⑥ Quality assurance unit: clients, verification units, etc.
- ⑦ Human resources unit: employee, labor Inspection unit of government institutions, etc.
- ⑧ Finance unit: bank, shareholders/investors, etc.

CHPT defined seven main categories of stakeholders, including clients, investors/shareholders, media, government institutions, suppliers/contractors, employees, and society as per the international standard AA1000 Stakeholder Engagement Standards (SES).

CHPT discloses public information such as annual reports, financial reports and ESG sustainable management indicators on the official website to share the Company’s actual actions in corporate governance, environmental sustainability and social welfare. CHPT has established diversified and efficient communication channels to understand the feedback provided by various stakeholders on issues of concern, as an important reference for the Company’s operational strategy and goals.

Stakeholder	Significance to CHPT	Item of concern	Communication Channel	Implementation status in 2023
 Clients	Starting from the perspective of customer, CHPT is committed to providing products and services that satisfy customers, and strives to create maximum value for customers.	■ Product quality and services ■ New technology ability ■ Price and delivery ■ Supply chain management	■ Business personnel visits to customer (monthly) ■ Customer satisfaction surveys (annually) ■ Marketing surveys (irregular basis)	■ Business visits to customers average 4 to 5 times per month ■ Sustainable operation management self-evaluation questionnaire, average 5 questionnaires per year ■ Suppliers environmental impact surveys average 4 cases per year ■ Customer satisfaction surveys 1 time per year ■ Participate in large-scale industrial exhibitions domestic and foreign 3 times per year
 Shareholders/ Investors	Shareholders and investors have supported the Company for a long time. CHPT will shoulder the responsibility of supervision and continue to reward shareholders and investors with the management policy of steady growth and transparency and autonomy.	■ Operating status and financial performance ■ Transparency of information disclosure ■ Dividend distribution ■ Corporate governance	■ Corporate governance evaluation (annually) ■ Market Observation Post System (issued by regulations) ■ Release annual report (annually) ■ Release financial reports (issued by regulations) ■ Annual Shareholders' Meeting (annually) ■ Spokesperson's contact information (irregular basis) ■ Investors Section on company website (irregular basis) ■ Investors relations contact person email (irregular basis) ■ Operating conference (quarterly) ■ Exchange meeting of domestic and foreign investment institutions (irregular basis)	■ Financial reports 4 times per year, annual report 1 copy per year ■ Corporate governance evaluation 1 copy per year ■ Annual Shareholders' Meeting 1 time per year ■ Convene operating conference 4 times per year ■ Published major information in Market Observation Post System 35 times in accordance with regulations ■ Investors Section on company website at least 1 time per month ■ 19 large-scale seminars, face-to-face and telephone communication meetings for domestic and foreign investment institutions per year



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 Media	The media is an important bridge for CHPT to communicate with the outside world. Through the media, the Company's information can be transmitted to all stakeholders in a timely, rapid, and accurate manner, and the Company's concept of transparency and autonomy can be maintained.	- Transparency of information disclosure - Business performance, current company status, and stakes in the semiconductor industry chain	- News & Events information on company website (irregular basis) - Spokesperson's contact information (irregular basis)	- Disclosure of corporate public financial and operating information 30 times per year - Held public financial and operating press conferences 7 times per year - Update News & Events section on company website 33 times per year - Updated group postings in the Media section 25 times per year
 Government institutions	Compliance with legal requirements is the most basic corporate culture of CHPT. It is the Company's duty to cooperate with government policy requirements, follow government orders and promotion, create a law-abiding workplace environment.	- Compliance with laws and regulations as well as policies - Cooperate with legal promotion and activities - Preventing environmental pollution and conserving energy resources - Personnel safety and health	- Audit sampling (monthly) - Waste management vendor assessment and audit (annually) - Energy audit/indicator reporting (annually) - Symposiums or seminars (irregular basis) - Laws and regulations promotion conference (irregular basis)	- Convene Occupational Safety and Health and Environmental Protection Committee meetings 4 times per year - Government official correspondences average 8 to 14 pieces per month - Laws and regulations promotion conference average 1 to 2 times per quarter - Symposiums or seminars average once to 2 times per quarter - On-site inspection average 4 to 6 times per year - Wastewater audit sampling average 2 to 3 times per month - Waste management vendor assessment and audit for an average of 20 to 25 vendors per year - Energy audit/indicator reporting once per year
 Suppliers/ contractors	CHPT regards the entire supply chain as one, and the quality of suppliers/contractors can determine the future of a Company's operations. Therefore, CHPT lays the foundation for operations through strict suppliers/contractor management.	- Supplier Management - Occupational Safety and Health	- Contractor safety agreement communication before construction (irregular basis) - Supplier questionnaire surveys (annually) - Face-to-face review meeting (according to product category) - Procurement personnel visit (irregular basis) - Procurement meetings (irregular basis) - Audit sampling (irregular basis)	- Supplier policies promotion and questionnaire surveys once per year - Supplier conference once per year - Procurement personnel visit average 3 to 4 times per quarter - Contractor conference once per year
 Employee	The employees are the most valuable assets of CHPT. In addition to protecting the rights and interests of employees, we also respect and care for employees. The Company regards each employee as part of our own family and strives together to co-create a sustainable operation.	- Employee salary, benefits, and rights - Talent training and education and training - Work environment and safety - Employee communication channel - Meet the requirements of laws and regulations	- Performance assessment and interview (annually) - Labor-Management meetings (quarterly) - Personnel evaluation meetings (quarterly) - Employee welfare committee (quarterly) - Employee health examination (biennially) - Education and training (irregular basis)	- Performance evaluation and interview 2 times per year - Convene labor-management meetings 4 times per year - Convene personnel evaluation meetings 4 times per year - Employee welfare committee meetings 4 times per year - Convene Occupational Safety and Health and Environmental Protection Committee meetings 4 times per year - Conducted internal and external training for employees 200 to 230 classes per quarter
 Society	CHPT actively participates in public associations, government and surrounding units and other public departments, industry-university alliances, and public welfare cultural and educational organizations activities, and is committed to promoting industry and public welfare activities to achieve the common good of the society.	ESG performance	- Participation in events organized by ESG-related organizations (irregular basis) - Reply to questionnaires and provide constructive comments (irregular basis) - Spokesperson's contact information (irregular basis)	Media and ESG-related event 10 to 15 times per quarter



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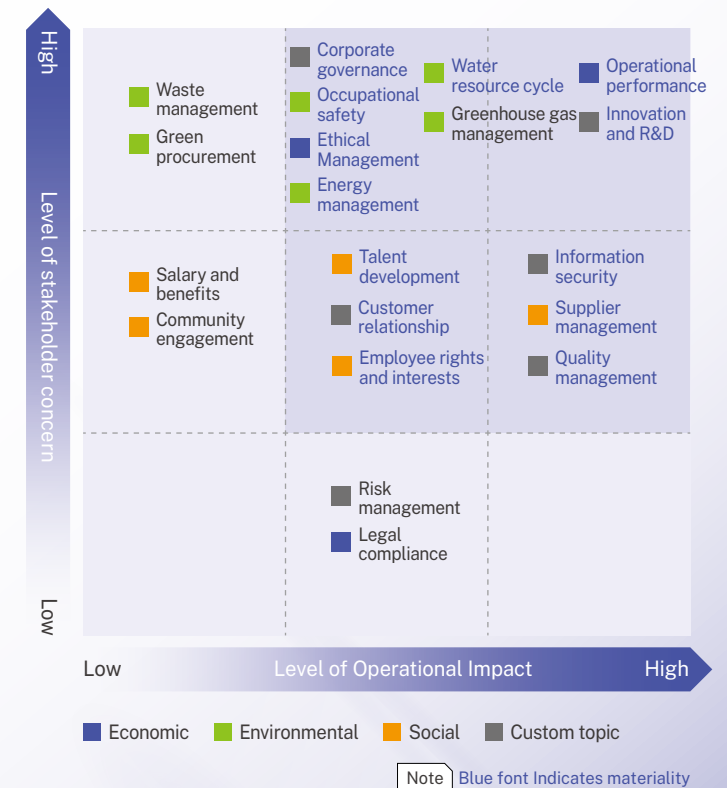
Analysis and Management of Material Topics

In addition to continuing routine communication with stakeholders, CHPT also follows the GRI Standard and Stakeholder Engagement Standard, establishes a materiality analysis process. Through collection and inspection, sorting, identification, and confirmation procedures, major topics with high attention and high impact correspond to specific topics in the GRI Standard, ensuring that the content of the sustainability report complies with the principles of inclusiveness, materiality, and integrity of stakeholders, and serves as an important basis for overall inspection and continuous improvement of sustainability management and performance. CHPT stakeholder and material issues identification procedure is as follows:

Identification Procedure



Materiality Matrix





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Response to Material Topics

● Direct Impact ◎ Facilitating Impact

Corresponding chapters/ sections of the report	Material topic	Significance to CHPT	Value chain impact boundary			Corresponding to SDGs goals	Multiple specific topics corresponding to GRI
			Upstream	CHPT	Downstream		
1. Corporate Governance and Integrity Management	Corporate governance	Transparent, robust corporate governance facilitates sustainable development and maximizes the rights and interests of stakeholders.		●	◎	 	Customized material topic
1.1.2 Financial Performance	Operational Performance	Given that steady growth in operational performance is key to sustainable development, CHPT is committed to making better profit performance to repay stakeholders.		●	◎		GRI 201: Economic Performance
2.1 Technological Innovation	Innovation and R&D	Technology R&D and innovation are the foundation for CHPT to establish industrial competitiveness. Through constant resource investments, CHPT maintains industry leadership in technology to fulfill customer demands.		●	◎		Customized material topic
1.6 Information Security	Information security	Establish a complete information security management system to ensure that company confidential information, customer business confidential information, and personal information are not improperly disclosed.		●	◎		Customized material topic
3.2 Talent Development and Cultivation	Talent Development	Constantly maintain an innovative and growing workplace environment for employees to make continual self-improvement in competencies in order to bring nonstop growth momentum to the Company.		●			GRI 401: Employment GRI 404: Training and Education
2.3 Customer Value	Customer Relationship	While customer satisfaction is key to sustainable operations, CHPT fulfills customer demands with quality excellence and innovative technology and enhances customer satisfaction with excellent services developed from the customer's point of view.		●	◎		Customized material topic
2.4 Sustainable Supply Chain	Supplier Management	Recognizing that suppliers and contractors are important strategic partners, CHPT maintains good interaction with them to realize sustainable supply chain management and achieve mutual prosperity and common good.	●	●			GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment



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● Direct Impact ◎ Facilitating Impact

Corresponding chapters/ sections of the report	Material topic	Significance to CHPT	Value chain impact boundary			Corresponding to SDGs goals	Multiple specific topics corresponding to GRI
			Upstream	CHPT	Downstream		
2.2 Quality Management	Quality management	Inculcate quality control in all CHPT employees to effectively reduce defect rate and unnecessary expenses through high quality control awareness and thereby improve operational performance.	◎	●	◎		Customized material topic
3.4 Occupational Safety	Occupational safety	Zero workplace accident is one of CHPT goals and establish a safe work environment is its responsibility. A safety workplace is built through occupational safety management, education and training, and policy publicity to ensure the health and safety of employees.	◎	●		 	403 Occupational health and safety
3. Friendly, Inclusive, Happy and Harmonious	Employee Rights and Interests	Value employee rights, interests, and benefits to ensure fair workplace treatment. CHPT is committed to building a friendly workplace environment to boost the organizational commitment of employees.		●		 	GRI 402: Labor/ Management Relations GRI 405: Diversity and Equal Opportunity
1.3 Ethical Management	Ethical Management	Since CHPT was established, CHPT has been conducting business based on the integrity corporate culture. CHPT also strongly requests employees to maintain legal compliance and enforce ethical management in all business activities.	◎	●	◎		GRI 205: Anti-corruption
4.1.2 Energy Management	Energy Management	To mitigate the environmental and ecological impacts of climate change, CHPT implements carbon reduction through energy control and practice the circular economy through equipment upgrading, energy and resource recycling, and awareness education on energy conservation for employees.		●			GRI 302: Energy
4.1.3 Water Resource Management	Water Resource Cycle	Increase the unit consumption of reclaimed water through improvement action plans to reduce water use, lower water consumption, and realize the common good with the environment to achieve business sustainability.	◎	●		  	GRI 303: Water and Effluents



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Management Approach to Material Topics

Policy, commitment, goals, management and assessment mechanisms

Material topics	Policy/Commitment	Core goals	Performance outcome	Action Plans	Assessment mechanisms	Feedback mechanisms	Goals for 2024
Corporate governance	Adhering to the business philosophy of long-term, stability, development, innovation, and internationalization, the spirit of corporate governance is realized through a sound and transparent governance structure and rules and regulations.	Ranked among the top 5% listed companies in the Corporate Governance Evaluation	Ranked among the top 5% listed companies in the 2023 Corporate Governance Evaluation	- Improve the quality of information disclosure by periodically reporting to stakeholders the Company's accomplishment, outlook, actual governance achievement over the open platform. - Hold Board Meetings periodically to optimize governance-related regulations of the Company. - Strengthen the Board's competence by arranging governance-related courses for directors regularly.	- Board performance evaluation - Corporate Governance Evaluation	- Shareholders' Meeting - board of Directors - Internal and external complaint channels - Company website online suggestion box	Maintain ranked top 5% among TPEx Listed Companies at the Corporate Governance Evaluation
Ethical Management	Shaping the organizational culture of corporate honesty and integrity, ensuring the implementation of the Principles of Ethical Corporate Management.	There is no violation of any ethical operation.	There is no violation of ethical operation.	- Training of new employees - promotion of legal knowledge including insider trading. - Quarterly e-bulletins - promotion of confidentiality, intellectual property rights compliance, and conducts of integrity. - Company website - Ethical Corporate Management Policy and Business Integrity Code of Conduct for Employees. - Organize the yearly online test on the Procedures for Ethical Management and Guidelines for Conduct.	- Internal Audits - Assessment mechanisms after education training courses - External review	- Management review meeting - Internal and external complaint channels - Audit report	There is no violation of any ethical operation.
Operational Performance	CHPT adopts solid financial strategies. It focuses on its business operations and pursues revenue and profit growth while managing operational risks.	Implement according to the Company's annual business plan to achieve the overall operational targets.	- NT\$2.884 billion in consolidated revenue - NT\$33 million in net income attributable to parent company - NT\$0.99 in earnings per share	- Constantly engage in technology innovation and pursue industry leadership to acquire long-lasting profit and steady growth. - Increase product value and provide customers with satisfactory service quality. - Maintain sound investor relationships and strengthen corporate governance.	- Financial reports and annual report - Market Observation Post System	- Shareholders' Meeting - Department meeting	Constantly engage in technology innovation, and implement according to the Company's annual business plan to achieve the overall operational targets.
Innovation and R&D	With the spirit of constant innovation and improvements, the word "Innovation" is engraved in CHPT's DNA, the Company persists and strives to move forward in the advanced technology development.	Establish CHPT's leadership in industrial technology	21 technologies or products successfully developed in 2023	- Maintain constant R&D of visionary technologies and innovative applications and enforce product design, R&D, and system management. - Engage in active cultivation of R&D talent and reward outstanding R&D talents for excellent performance to ensure the continuation of corporate culture and professional knowledge.	- Project technology discussion meeting - R&D review meeting - Project management	- Technical exchange meeting - Memorandum of understanding - Seminars - Market message	Research and development pilot, independent research and development of key technologies, and establish leadership in industrial technology



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Material topics	Policy/Commitment	Core goals	Performance outcome	Action Plans	Assessment mechanisms	Feedback mechanisms	Goals for 2024
Quality management	Full participation, continuous improvement, satisfying customers	Continue to maintain the ISO 9001 quality management system. To meet customer needs as the goal.	Achieve annual various quality goals	- Continue to conduct quality awareness training every year to ensure that each employee understands his/her role and responsibilities and that quality awareness can be deeply ingrained in the hearts of employees. - Convene regular quality review meetings with all departments to ensure total participation and consensus. - Conduct internal audits and reviews on a regular basis to analyze any potential quality issues, and develop improvement plans to ensure continuous quality improvement. - Continue to improve the quality of products, services, and technologies from the customer's point of view to ensure customer satisfaction.	- Internal Audits - Third-party assurance unit - Management review meeting	QTR meeting regular/irregular customer feedback	In line with the spirit of ISO 9001 management system, continuous improvement.
Customer Relationship	Increase customer satisfaction by enhancing various services provided for the customer.	Received a score of over 85% in customer satisfaction survey	Received a score of 84.86% in customer satisfaction survey	- Maintain constant communication with customers in each project to eliminate communication barriers and thereby provide customers with the most satisfactory products. - Capture project timeframe and efficiently provide customers with quality products. - Gather customer feedback with customer satisfaction surveys and make timely response and improvement to their feedback to constantly improve customer satisfaction.	- Customer Satisfaction - QTR meeting report	- Customer feedback suggestion - Customer satisfaction surveys - Annual bargaining meeting - External complaint channels	Received a score of over 85% in customer satisfaction survey
Supplier Management	Taking sustainable development as the core concept to establish long-term and stable partnerships with suppliers,	100% of our main suppliers signed the Statement of the Code of Ethics and Business Conduct	100% of our main suppliers signed the Statement of the Code of Ethics and Business Conduct	- New suppliers are introduced to sign the Statement of the Code of Ethics and Business Conduct and Social Responsibility Risk Assessment - The risk assessment of major suppliers includes social responsibility risks. - Publicize corporate social responsibility to the suppliers and request them to sign the Statement of the Code of Ethics and Business Conduct and comply with the Cod of Ethics and Business Conduct.	- New supplier assessment - Supplier Risk Assessment Form - Supplier Self-Assessment Form - Internal Audits	- Supplier questionnaire surveys - External complaint channels	Require new suppliers to undergo supplier social responsibility risk assessment, as well as conduct regular evaluation of key manufacturers, annual on-site audit, and annual questionnaire assessments.
Energy Management	Through the Company's energy conservation and carbon reduction measures, the environmental friendly goals of reducing energy consumption and carbon emissions are achieved.	Annual average electricity saving rate of 1%	- Annual electricity saving rates in 2023: - Headquarters: 1.10% - Plant 1: 1.66%	- Improve process and equipment for energy conservation through environmental objectives and improvement programs. - Set, periodically review, and make continual improvement of energy conservation KPIs. - Arrange awareness education on energy conservation and carbon reduction for employees.	- Environmental management objective plan - Internal Audits - Third-party verification unit	- Management review meeting - Internal and external auditing report	Continue to save electricity by 1% per year



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Material topics	Policy/Commitment	Core goals	Performance outcome	Action Plans	Assessment mechanisms	Feedback mechanisms	Goals for 2024
Water Resource Cycle	Through water resource cycle to reduce water use	The average utilization rate of reclaimed water in production units is 50%	56% reclaimed water use rate in 2023	- Increase the unit consumption of reclaimed water through environmental objective improvement plans to reduce water use and lower water consumption. - Set, periodically review, and make continual improvement of energy conservation KPIs.	Environmental management objective plan	- Occupational Safety and Health and Environmental Protection Committee - Internal and external auditing report	Maintain utilization rate of reclaimed water by over 50%
Talent Development	Actively cultivate outstanding talents, provide comprehensive education and training, and improve employee competence.	18 hours of employee education and training on average 36 digital courses and resource items in total	23.9 hours of employee education and training on average 51 digital courses and resource items in total	- Establish the annual training plan and unfold a diversified education and training system for employees to receive education and training plan with more resources. - Arrange competency-specific training and practice the job transfer and promotion system.	- Education training implement rate - After course performance tracking - Education training satisfaction surveys	- After course questionnaire surveys - Labor-management meetings - Occupational Safety and Health and Environmental Protection Committee	18 hours of employee education and training on average
Employee Rights and Interests	Create a people-oriented core culture, respect employees, and build a friendly workplace.	There is no violation of labor rights and no employee complaints	No labor disputes	- Hold periodical labor-management meetings, encourage employees to express their opinions, and establish protection regulations without fear of being treated unfavorably. - Establish sound regulations to protect the rights and interests of employees and actively address employee feedback.	- Labor-management meetings - Appeal incidents	- Labor-management meetings - Employee welfare committee - Appeal box and email	There is no violation of labor rights.
Occupational safety	Create a healthy working environment that complies with laws and regulations, so that colleagues can have a safe working environment.	- In-factory control and protection specifications are more complete. - Reduced incidence of occupational accidents, effectively improving operational safety	Hearing protection plan and noise operation control, reduction of loss recurrence rate, improvement of personnel safety in the working environment, improvement of emergency response capabilities, COVID-19 epidemic prevention management, sequence plan for safe handling of materials in the factory, as well as formulation and implementation of equipment safety guidelines.	- Inventory process noise measurement of each process within the plant every six months. - Arrange special health checkup every year. - Implement operation environment monitoring every six months. - Implement radiation film monitoring each month. - Arrange self-inspection audit every week. - Identify legal and regulatory change each month. - Hold Occupational Safety and Health and Environmental Protection Committee meeting quarterly. - Education and training for emergency response personnel each year. - At least one plant evaluation drill each year.	- Monitoring and evaluation team, process operation supervisor, health inspection report, telephone, mail, etc. - Occupational Safety and Health and Environmental Protection Committee	- Labor-management meetings - Occupational Safety and Health and Environmental Protection Committee - Appeal mailbox	Commuting accident incidence and severity reduction programs, with professional training on safe and defensive driving and practical demonstration courses to enhance employees' safe and defensive driving skills.
Information security	Establish a safe and reliable information-based operating environment to ensure the security of data, systems, equipment, networks, and information business services to guarantee continuous business operations.	Build a safe and reliable information operation environment, maintain business continuity, reduce information operation risks, and protect the rights and interests of information service users	Implemented the information security management system (ISMS), obtained the ISO 27001 certificate in August 2022, and passed the renewal process in 2023	- Establish the Information Security Management Committee convened by the chief information security office. - Implemented the information security management system (ISMS). - Hold management review meeting regularly to conduct management review of the effectiveness of ISMS implementation.	- Information Security Management Committee management review - Internal Audits - Third-party verification unit	- Information Security Management Committee management review - Internal Audits - Third-party verification unit	Continuously improve information security mechanisms and operations, build a safe and reliable information operation environment, maintain business continuity, reduce information operation risks, and protect the rights and interests of information service users



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01 Corporate Governance and Integrity Management

1.1 Organizational Profile

About CHPT

CHPT primarily engages in the provision of semiconductor wafer testing and IC testing solutions during the manufacturing process, and conducts IC testing using sockets, load boards, and testing machines to test the performance of ICs. Following the development trend of increasing transistor density per unit area and enhanced functionality, complete and reliable testing will become more and more important. CHPT is the only “All In House” testing interface service provider in the global semiconductor industry chain. We are committed to breaking through the traditional framework and together with customers to jointly develop advanced semiconductor testing interface technology, bringing together M (mechanical), E (electrical), C (Chemistry), O (Optics) and other fields of talents and environment, construct a complete All In House business model, help customers quickly introduce new ones in the ever-changing semiconductor industry, and create a win-win situation.

Adhering to the business philosophy of “Leading Technology, Satisfying Customers, Creating Profit, and Taking Care of Employees,” CHPT maintains leadership in semiconductor testing interface services. In addition, we continuously keep track of technology trends and customer’s pain points, develop state-of-the-art probe cards and technology roadmaps in collaboration with our customers to meet their future needs, and accurately masters the needs of new-generation products, and invests R&D resources in advance to ensure leading advantages to implement the Company’s management policy of “long-term, stability, development, innovation, and internationalization” and create more value for shareholders.

USA

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San Jose, 95131, USA

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1-5-13-602, Tokyo

Mainland China

Shanghai

Room 802B, No.1000, Jinhai Rd., Building 16, Pudong
New Area, Shanghai

Suzhou

Bld. 12 A, No. 200, Xingpu Road, Industrial Park,
Suzhou, Jiangsu

Taiwan

Taoyuan

No. 12 and No. 15, Gongye 3rd Road, Pingjhen
District, Taoyuan City

Hsinchu

Room. C8, 3F., No.1, Lixing 1st Rd., Hsinchu City

Taichung

1F., No. 356, Fuya Rd., Xitun Dist., Taichung City

Kaohsiung

No. 195, Tuku 1st RD., Nanzi District, Kaohsiung City

Basic Information on the Company

Name of the Company	Chunghwa Precision Test Tech.Co., Ltd. (Code: 6510)		
Headquarters address	No. 12, Gongye 3rd Road, Pingjhen District, Taoyuan City		
Date of establishment	2005/8/26		
Primary Products and Services	Probe Cards \ Load Board \ Technology service and others		
Chairman	Hong-Chan Ma	Number of people in the Company	1220 people (as of the end of December 2023)
President	Shui-Ke Huang	Paid-in capital	NT\$327,890,220



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Vision, Mission, Core Values and Business Philosophy

Business Philosophy

Taking care of employees
Leading Technology
Satisfying customers
Creating surplus

Vision

Becoming the benchmark
of semiconductor test
interface services.

Core Values

Professional work division,
rapid integration.

Developing new technologies,
exploring new blue oceans.

Attend to the customers' needs
and concerns, providing a
comprehensive service.

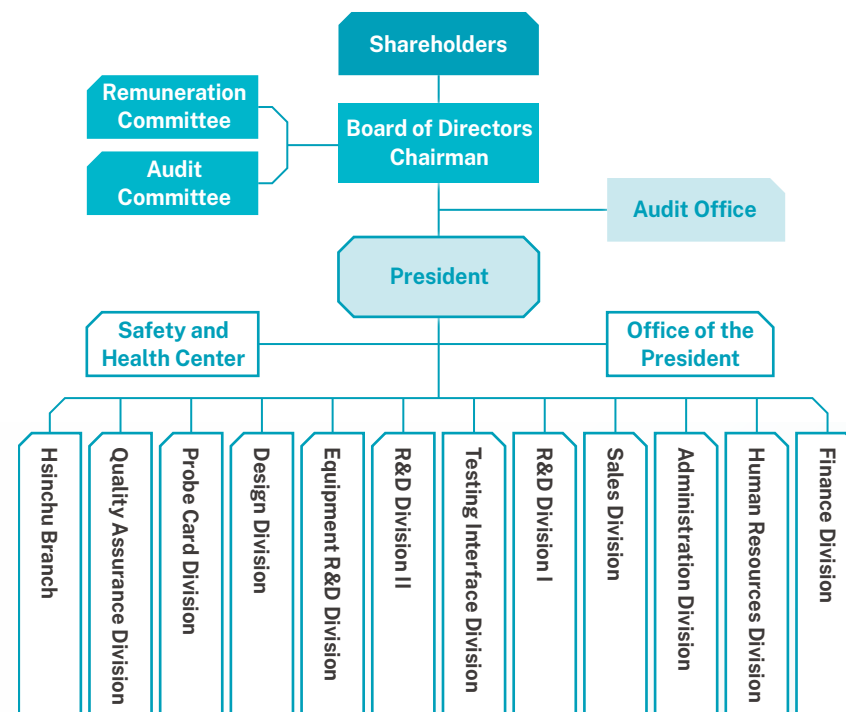
Mission

Satisfactory of the customer
demands in a timely manner

increment of the customer
competitiveness

become a value creator of the
semiconductor industry

Organization chart





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Department business introduction

Department	Responsibilities
Board of Directors Chairman	Supervises operations of the Company. Convenes Board of Directors meetings.
President	Responsible for the Company's operating guidelines, mid-term/long-term strategies, business promotion, interdepartmental coordination, and reporting to the Board of Directors.
Audit Committee	Assists the Board of Directors in decision-making. Enhances the internal control system of the Company and improves corporate governance performance.
Remuneration Committee	Stipulates and regularly reviews the remuneration policies, systems, standards and structures, and performance of directors and managers.
Audit Office	Responsible for the auditing, maintenance, and improvement of the internal control system. Makes suggestions and assists various departments in solving problems, improving processes, and raising work efficiency.
Office of the President	Responsible for legal, IR, and PR affairs, assists the President with operational planning and execution.
Safety and Health Center	Plan, supervise, and implement occupational safety and health management and instruct the relevant departments to implement and amend procedures relating to occupational safety and health activities.
Finance Division	Responsible for financial, accounting, share administration and taxation affairs within the Company. Prepares financial statements and manages information and plans for working capital and long-term financing.
Human Resources Division	Planning and implementing human resource strategies, systems and procedures; optimizing salary and welfare policies and operating procedures, as well as being responsible for the business related to the Remuneration Committee; promoting and maintaining labor-management harmony, balancing and protecting the rights and interests of both labor and management; deepening the high-quality culture of honesty and integrity.
Administration Division	Domestic and foreign procurement and warehousing management of equipment, construction and renovation projects, general affairs and raw materials, maintenance operations of factory affairs, environmental protection systems and mechanical equipment, and administration general affairs management.

Department	Responsibilities
Sales Division	Market research, industry analysis, and product marketing.
R&D Division I	Responsible for the research and development of raw materials, key components, production technology, telecommunication R&D and simulation equipment, new process development and process capabilities, product quality improvement, etc.
Testing Interface Division	Production and manufacturing of testing interface products and management and continual improvement of jigs (tools).
R&D Division II	Overall IT development and information security maintenance within the Company.
Equipment R&D Division	Enhancement of the self-production rate of key equipment and automation efficiency and improvement of product quality.
Design Division	Design specification preparations and management, customer case design.
Probe Card Division	Manufacturing, production, engineering analysis, and continual improvement of probe card products.
Quality Assurance Division	Responsible for implementation and maintenance of quality assurance practices, corrective and preventive measures, and after-sales service and product maintenance for various quality issues.
Hsinchu Branch	Responsible for domestic business development, product design, and after-sales verification/repair.



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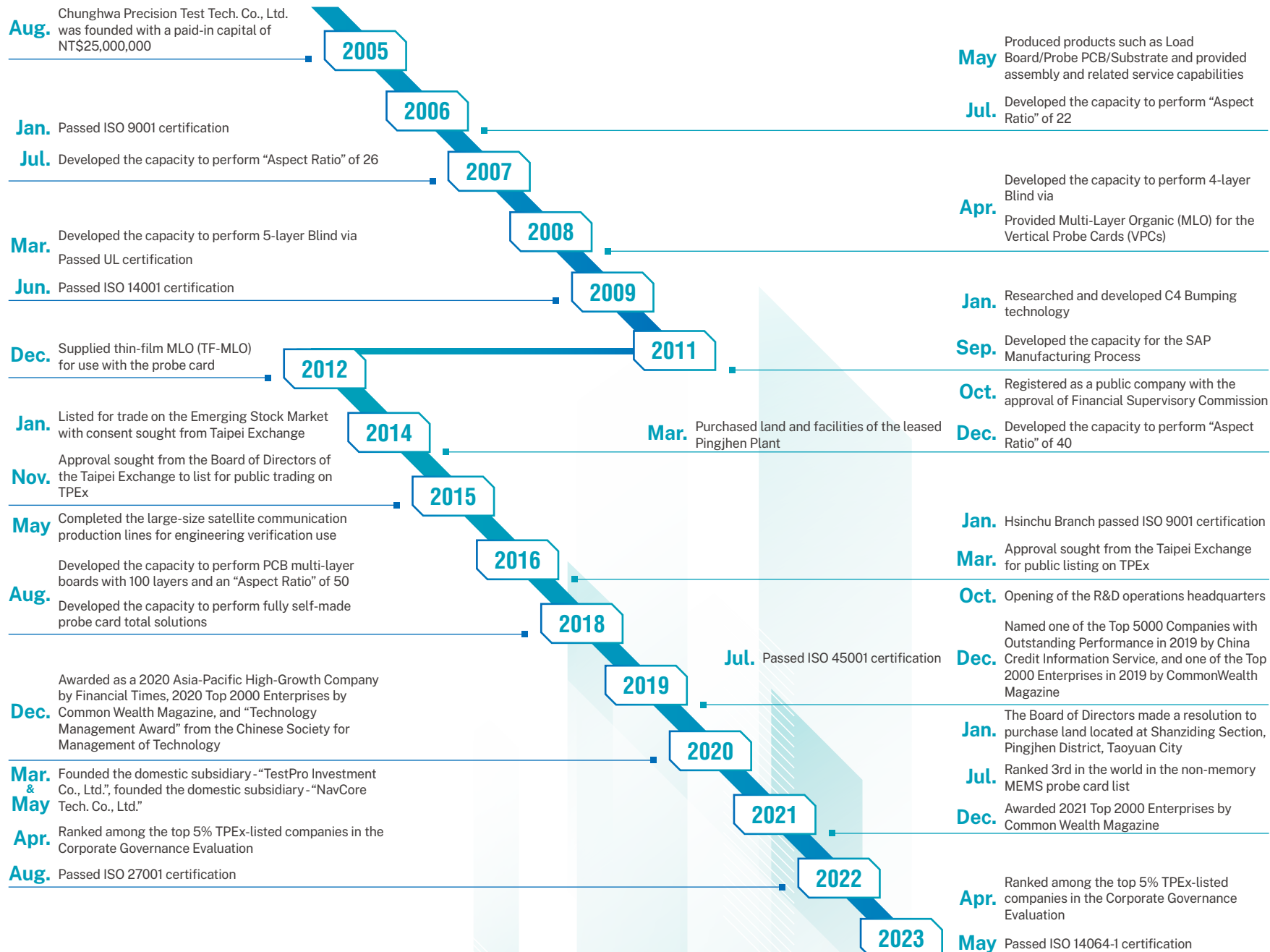
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Business Profile

In-house probe and probe card

CHPT is one of the few semiconductor testing interface factories in the world that both develops and manufactures wafer-level test probes. In addition to self-developed probe production equipment, we also master the key technologies of probe materials, potions, and synthetic metals. In the research and development of fully self-made probes, CHPT starts from the research of the metal composition and basic material properties of the probes, masters the material properties, and uses special potions and micro-electromechanical methods. According to the testing needs of customers, we produce and manufacture various types of customized probe needles, and conduct 2 million high and low-temperature pressure cycle tests for each probe to ensure that the probe can operate perfectly and continue testing under extreme test environments.

After five years, CHPT completed the design of introducing AI algorithm into the probe card, and through big data analysis, completed the mechanism optimization of the probe card before the manufacturing. Therefore, we can produce high-performance, high-reliability, and long-life probe cards for customers, provide excellent signal transmission quality, and greatly improve production efficiency.

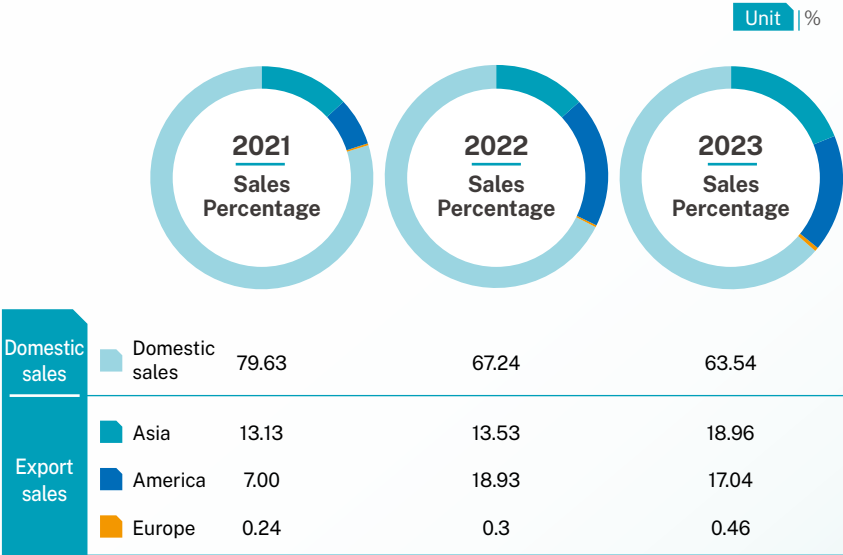
In-house IC Special for Testing PCB and ST

CHPT has high-speed PCB and ST design experience. Through 3D signal and power integrity simulation analysis and optimization, and measurement verification comparison, we establish the best design criteria for high frequency and high speed, and effectively ensures the integrity of testing interface signal transmission.

CHPT started with research and development, pioneered in the industry, and developed the most advanced AI production technology independently. The AI intelligent production line is specially designed for PCB and ST for semiconductor testing. The various processes of this production line are lamination, etching, electroplating, etc., all are monitored by a strict AI return control system, so we can produce high-quality, high-reliability PCBs and STs.

Market Analysis

Sales regions of major products:



Market share:

Since entering the probe card industry in 2015, the Company providing total solutions to customers, including R&D, design, manufacturing, and after-sales in recent years. According to Yole Intelligence's survey, CHPT's probe card revenue accounted for about 1.21% of the global probe card revenue in 2023.



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Participation in Associations

In order to keep in line with domestic and foreign industrial trends, CHPT has joined the public associations to communicate with relevant industrial and academic communities, exchange business experience and market information, so as to understand the latest developments and future trends of the industry.

Organization	Role
 Taiwan Semiconductor Industry Association (TSIA)	Member
 Taiwan Semiconductor Association (SEMI TW)	Member
 Taiwan Printed Circuit Association (TPCA)	Member
 Taoyuan City Industrial Association	Member
 Wireless Communication Measurement Alliance, Yuan Ze University	Member
 IPC International, Inc. (IPC)	Member
 Taiwan Artificial Intelligence Association	Member
 Digital Transformation and Sustainable Development Alliance	Member
 Hsinchu City Human Resource Management Association	Member
 Peripheral Component Interconnect Special Interest Group	Member
 Taoyuan City Pingjhen Industrial Park Industrial Development Association	Member

Financial performance

CHPT adopts solid financial strategies. It focuses on its business operations, pursues revenue and profit growth while manages operational risks. In 2023, CHPT recorded a net revenue of NT\$2.88 billion, down 34% from the previous year, as well as a 48% decline in gross profit margin. The semiconductor industry has been impacted by global macroeconomic factors including geopolitical issues, high inflation, and inventory adjustment. In times of industry changes, CHPT has undergone digital transformation and implemented smart design and manufacturing. With diversified product portfolio, a wide-ranged customer base, and a global presence, the Company's gross margin was impacted by increased resources required for the early development and verification of its diversified products and improving the yield rates. The Company's EPS thus reduced to NT\$0.99. In the face of a poor macroeconomic environment, the Company continues to invest in R&D of new products and technologies for the future, with the expectation that adjustments to the Company's operational strategy will help the Company overcome future challenges and thereby lay a solid foundation for long-term development.

Unit | NT\$ thousands

Item	2021	2022	2023
Operating revenue	4,240,874	4,388,507	2,884,442
Gross profit	2,291,214	2,287,696	1,391,136
Income from operations	1,080,838	866,335	(52,722)
Net income	891,760	756,566	2,595
Net profit attributable to shareholders of the parent	891,760	770,620	32,601
EPS (NT\$)	27.20	23.50	0.99



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Economic value distributed to stakeholders

Unit | NT\$ thousands

Item	Sub-item	2021	2022	2023
Direct economic value generated	Operating revenue	4,240,874	4,388,507	2,884,442
	Operating costs	3,160,573	3,522,172	2,937,164
Economic value distributed	Employee salaries and benefits ¹	1,406,634	1,565,888	1,342,200
	Payments to providers of capital	394,432	447,548	386,601
	Payments to government	226,512	185,455	53,536
	community investments	539	597	348
Economic value retained ²		458,818	232,735	(493,207)

Note1 Included in operating costs

Note2 Economic value retained = Operating revenue - Operating costs - cash dividends - Income tax paid - Community investment

Tax Risk Management

CHPT operates and expands business around the world, and at the same time abides by the tax laws and regulations of the countries where each operating area belongs. The Company's major policies are all subject to a professional internal team with appropriate qualifications and experience and external experts to participate in the tax assessment. In order to effectively manage tax risks, CHPT follows internal procedures to identify, assess and manage tax risks arising from changes in regulations and its operating activities, and properly measure, manage and control risks.

- ① Analyze the operating environment and change risks in each region, and use the management mechanism to assess tax risks
- ② Transparent financial reporting information, all comply with relevant laws and regulations to disclose relevant tax information
- ③ All operations are handled in accordance with the tax laws and regulations of each region
- ④ Actively participate in information seminars on major issues related to taxation in various countries to keep abreast of the latest status

Tax Governance

In 2023, CHPT reported a consolidated income tax benefit of NT\$23,612 thousand, mainly due to the fact that the income tax settlement report of profit-seeking enterprises in the previous year was approved in the current year and the income tax expenses were reversed. CHPT also enjoys the tax deduction legally obtained by investing in research and development expenditures, smart machinery and 5G investment, and real investment of undistributed surplus as stipulated in Taiwan's Statute for Industrial Innovation.

Tax Commitment

Item of Commitment	Key points of Commitment
Compliance law and regulations	▪ All operations are handled by relevant tax laws and regulations. ▪ Transactions between affiliates are based on the principle of routine transactions and follow the internationally recognized transfer pricing guidelines published by the Organization for Economic Cooperation and Development (OECD)
Transparency of information	▪ Financial report information is transparent, and tax disclosure is handled in accordance with relevant regulations and standards
Economic substance	▪ Do not use tax havens or tax planning for tax avoidance purposes ▪ No transfer of profits generated by the Company to countries with low tax rates
Honest communication	▪ Based on mutual trust and information transparency, establish a relationship of mutual respect with tax authorities in each operating region
Risks control and management	▪ The Company takes into account the impact of taxation for all important decisions ▪ Analyze the operating environment and use the management mechanism to assess tax risks



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1.2 Board Governance

CHPT's Board of Directors is the highest governance unit of the Company. It convenes regular meetings to confirm the Company's operating strategy and financial stability, supervise operational performance, and ensure that the Company follows the Articles of Incorporation and does not violate government orders and regulations. CHPT adopts a candidate nomination system for elections of directors and they are elected by voting at the shareholders' meeting. The term of each director is three years. The current board members have professional backgrounds and industrial experience in business management, finance and accounting, law and semiconductors. Furthermore, the Company emphasizes gender equality for the constitution of board members. There are currently six seats for directors (where one independent director is to be elected during the 2024 annual general shareholders' meeting), among which is one female director, accounting for 17% of the total seats. The Company has achieved the goal of having at least one female director. The number of Independent Directors accounts for 33% of all directors, and two seats for independent director have tenures shorter than nine years. 17% of the Company's directors concurrently hold a position as an employee. Our objective is to have directors at least one seat shall have accounting or financial expertise; and directors concurrently serving as company officers not exceed one-third of the total number of the board members; and have at least one seat with a female director. In 2023, all directors of CHPT completed the goal of at least six hours of training each year in accordance with the Rules for the Implementation of Continuing Education for Directors and Supervisors of TWSE/TPEX Listed Companies. The topics of the courses include corporate governance themes, corporate transformation and upgrading, information security, and ethical management. The Company also has a chief corporate governance officer and corporate governance personnel who are responsible for corporate governance-related matters, assisting directors to ensure that Board of Directors procedures and all applicable laws and rules are complied with, and ensuring good information communication between members of the Board of Directors and between directors and managers. In 2023, the Board of Directors convened a total of six meetings. All directors were required to attend a total of 42 times, and actually attended a total of 41 times, with an attendance rate of 98%.

Board of Directors Nomination and Election

In accordance with the Articles of Incorporation, the Company may appoint five to nine directors to organize the Board of Directors, of which, appoint independent directors, not less than two in number and not less than one-fifth of the total number of directors, who shall serve a term of three years and shall be re-eligible. The candidates nomination system is adopted for election of the directors, independent directors and non-independent directors shall be elected together, and the number of elected directors shall be calculated separately. The Company's Board of Directors has a chairman elected by the Board of Directors, who internally serves as the chairman of both the Shareholders' Meeting and the Board of Directors and also represents the Company externally.



For details of the CHPT "Director Election Policy," please refer to Company website:
Home > Investors > Corporate Governance > Important Rules of the Company

Board Diversity

Name of Director	Gender	Age	Independent Director Tenure (years)	An employee/ management of the Company	Industry Knowledge/Professional Competency				
					Business administration	Leadership and decision making	Knowledge of the industry	Finance and Accounting	Legal knowledge
Chairman Hong-Chan Ma	Male	61-70			◆	◆	◆		
Director Jung-Kuei Chen	Male	61-70			◆	◆	◆		
Director Shui-Ke Huang	Male	51-60		◆	◆	◆	◆		
Director Wei-Ning Shen	Male	41-50			◆	◆	◆	◆	
Independent Director Chung-Fern Wu	Female	61-70	6 to 9 years		◆	◆		◆	
Independent Director Huang-Chuan Chiu	Male	61-70	6 to 9 years		◆	◆			◆
Independent Director Wen-Nan Tsan ^(Note)	Male	51-60	6 to 9 years		◆	◆	◆		

Note As Independent Director Wen-Nan Tsan resigned on March 11, 2024, the Company plans to elect an independent director during the 2024 annual general shareholders' meeting.



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Tenure of Board Members

Job Title	Name	Date of election	Current term of tenure	Date of first election
Director	Chunghwa Investment Holding Company	2023/6/7	2023/6/7~2026/6/6	2005/8/26
Chairman	Representative of Chunghwa Investment Holding Company: Hong-Chan Ma	2023/6/7	2023/6/7~2026/6/6	2022/6/30
Director	Representative of Chunghwa Investment Holding Company: Jung-Kuei Chen	2023/6/7	2023/6/7~2026/6/6	2023/6/7
Director	Shui-Ke Huang	2023/6/7	2023/6/7~2026/6/6	2005/11/30
Director	Hsiang Fa Co.	2023/6/7	2023/6/7~2026/6/6	2015/5/6
Director	Representative of MediaTek Capital Co.: Wei-Ning Shen	2023/12/29	2023/6/7~2026/6/6	2023/12/29
independent director	Chung-Fern Wu	2023/6/7	2023/6/7~2026/6/6	2017/6/8
independent director	Huang-Chuan Chiu	2023/6/7	2023/6/7~2026/6/6	2017/6/8
independent director	Wen-Nan Tsan ^(Note)	2023/6/7	2023/6/7~2026/6/6	2015/5/6

Note As Independent Director Wen-Nan Tsan resigned on March 11, 2024, the Company plans to elect an independent director during the 2024 annual general shareholders' meeting.

Board of Directors Meeting Attendance Statistics

Job Title	Name	Number of times to attend (A)	Actual attendance (B)	Actual attendance rate (B/A)	Note
Chairman	Representative of Chunghwa Investment Holding Company: Hong-Chan Ma	6	6	100.00	
Director	Representative of Chunghwa Investment Holding Company: Chau-Young Lin	3	3	100.00	Retired on June 7, 2023
Director	Representative of Chunghwa Investment Holding Company: Jung-Kuei Chen	3	2	66.67	Took office on June 7, 2023
Director	Shui-Ke Huang	6	6	100.00	-
Director	Representative of MediaTek Capital Co.: Heng-Chen Chen	6	6	100.00	Retired on December 29, 2023
Director	Representative of MediaTek Capital Co.: Wei-Ning Shen	-	-	-	Took office on December 29, 2023
independent director	Wen-Nan Tsan	6	6	100.00	Resigned on March 11, 2024
independent director	Chung-Fern Wu	6	6	100.00	-
independent director	Huang-Chuan Chiu	6	6	100.00	-



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Members of the Board of Directors training hours

In order to encourage all directors to continuously improve their ability to accurately judge industry changes, the Board of Directors of CHPT arranges more than 6 hours of advanced training courses every year to assist directors to acquire new knowledge of the industry, keep pace with the times, and familiarize themselves with their functions and roles in the Board of Directors, effectively to implement the corporate governance system, which is conducive to the continuous optimization of the Board of Directors and the sustainable operation of the Company.

Unit | hours

Job Title	Name	Organizer	Course title	Training hours	Training hours in 2023
Chairman	Representative of Chunghwa Investment Holding Company: Hong-Chan Ma	Taiwan Corporate Governance Association	The New Look of Corporate Governance under the ESG Trend	3	9
		Securities and Futures Institute	How Directors Can Supervise a Company to Do well in Corporate Risk Management and Crisis Management	3	
		Securities and Futures Institute	M&A Strategic Thinking and Evaluation Practices	3	
Director	Shui-Ke Huang	Securities and Futures Institute	How Directors Can Supervise a Company to Do well in Corporate Risk Management and Crisis Management	3	6
		Securities and Futures Institute	M&A Strategic Thinking and Evaluation Practices	3	
Director	Representative of Chunghwa Investment Holding Company: Jung-Kuei Chen	Taiwan Corporate Governance Association	Unraveling the Mystery Behind Corporate Governance: Operational Practices for Corporate Governance Officers	3	12
		Taiwan Corporate Governance Association	The New Look of Corporate Governance under the ESG Trend	3	
		Securities and Futures Institute	How Directors Can Supervise a Company to Do well in Corporate Risk Management and Crisis Management	3	
		Taiwan Corporate Governance Association	Bolstering the Functions of the Board of Directors to Enhance the Value of Corporate Sustainability	3	
Director	Representative of MediaTek Capital Co.: Wei-Ning Shen	Institute of Internal Auditors of the Republic of China	Self-assessment Practices	6	12
		Corporate Operating and Sustainable Development Association	Corporate Sustainability and Net-zero Strategy in the Climate Change Era	3	
		Corporate Operating and Sustainable Development Association	Corporate Sustainability: Preventing Insider Trading and Board Risks with the Power of Corporate Governance	3	
Independent Director	Chung-Fern Wu	Taiwan Corporate Governance Association	Digital Technology and Artificial Intelligence Trends and Risk Management	3	12
		Securities and Futures Institute	How Directors Can Supervise a Company to Do well in Corporate Risk Management and Crisis Management	3	
		Securities and Futures Institute	Competitiveness vs Survivability, ESG Trends and Strategies	3	
		Securities and Futures Institute	M&A Strategic Thinking and Evaluation Practices	3	
Independent Director	Huang-Chuan Chiu	Securities and Futures Institute	How Directors Can Supervise a Company to Do well in Corporate Risk Management and Crisis Management	3	6
		Securities and Futures Institute	M&A Strategic Thinking and Evaluation Practices	3	
Independent Director	Wen-Nan Tsan ^(Note)	Securities and Futures Institute	M&A Strategic Thinking and Evaluation Practices	3	6
		Greater China Financial and Economic Development Association	New ESG Challenges in the Industry: Towards a World with Net-zero Emission	3	

Note Independent Director Wen-Nan Tsan resigned on March 11, 2024.



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Board of Directors' Performance Evaluation

The performance evaluation of the Board of Directors is carried out once a year. The evaluation scope includes the performance evaluation of the Board of Directors, individual director members, and functional committees. In addition to the internal self-evaluation of the Board of Directors and the self-evaluation of directors, an external professional organization is appointed every three years to ensure its fairness. The Board of Directors' performance evaluation content can be divided into three aspects:

- Performance evaluation of the Board performance evaluation: including the professional functions of the Board of Directors, the decision-making effectiveness of the Board of Directors, the emphasis degree and supervision of the Board of Directors on internal control, and the attitude of the Board of Directors on corporate social responsibility, etc.
- Performance evaluation of individual directors: Includes the Company's objectives and tasks, Directors' understanding of responsibilities, participation in the Company's operations, internal relationship management and communication, professional and continuous training of directors, internal control, etc.
- Performance evaluation of the functional committee (audit committee and remuneration committee): the degree of participation in the Company's operation, the functional committee members' understanding in their responsibilities, improves the quality of the functional committee's decision-making, the composition of the functional committee, the selection of members, and internal control.



For details of the CHPT "Board of Directors Performance Evaluation", please refer to Company website:
Home > Investors > Corporate Governance > Board of Directors Performance Evaluation

Board of Directors Remuneration Policies

Rules concerning the payment of directors' compensation have been outlined in the Company's Articles of Incorporation. If the Company has profits, it shall set aside not more than 1% as remuneration for the directors, which shall be resolved by the Board of Directors and paid in cash. Individual directors are rewarded by the Board of Directors based on their involvement in and contribution to the Company's business operations. Independent directors are not included in the Company's annual earnings distribution. In addition to performance-based profit-sharing with directors and employees in the form of remuneration, the Company also has a compensation policy for the general manager and deputy general manager, which has a positive correlation with operational performance, and the amount of payment is disclosed in accordance with the law, and future risk should be limited. The assessment for procedure of formulating compensation is based on the Company's "Director Remuneration Management Measure," "Rules for Performance Evaluations of the Board of Directors," and "Senior Manager Remuneration Measure." The assessment is not only based on

the Company's overall operational performance, industry future business risks and development trends, but also examines the individual's performance achievement rate and contribution to the Company's performance including the realization of the Company's core value and operational management capability, financial indicators (e.g., the achievement rate of revenues, net income before tax, and net income after tax), the accomplishment regarding the business operations performance indicators and integrated management indicators, and involvement in sustainable development. Additionally, other special contributions or material negative incidents are also included in the performance assessment and remuneration measurement to facilitate the provision of reasonable remuneration. Performance assessment and the reasonableness of remuneration both have been reviewed by the Remuneration Committee and the Board of Directors. The compensation system is reviewed at any time based on actual business conditions and related laws to seek a balance between the Company's sustainable operation and risk control.

Critical concerns engagement and responses

The Company handles and discloses material inside information in accordance with relevant laws, orders, regulations of the Taiwan Stock Exchange or the Taipei Exchange, and Procedures for Handling Material Inside Information.

The scope of Material Inside Information referred to by CHPT is as follows:

01

The Taiwan Stock Exchange or the Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, or the material information determined by the Procedures for Press Conferences Concerning Material Information, etc.

02

Article 36-1 of the Securities and Exchange Act authorizes the formulation of matters that shall be announced or reported under relevant sub-acts.

03

Matters stipulated in Article 7 of the Securities and Exchange Act Enforcement Rules

04

Material news as defined in Article 157-1, Subparagraph 4 of the Securities and Exchange Act, the scope of material news and the regulations governing the method of disclosure.



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Evaluation and approval procedures for material inside information disclosure within CHPT

The major decisions made by the Company or the occurrence of important events conform to the regulations of the Taipei Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities. The “Material Information Release Application Form” and the “Material Information Evaluation Checklist” should be filled in and signed by the head of the financial and accounting department. It shall then be sent to the spokesman of the Company for review, and material information shall be released after being signed and approved by the president before the time limit prescribed by the law. The Company’s major decisions or the occurrence of important events are in compliance with the requirements of the Taipei Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, or after further evaluation of the materiality, the decision or event has a significant impact on the Company’s finances, business, shareholders’ equity, or securities prices, the material information shall be released as soon as possible within the time limit specified by the law and in accordance with the preceding paragraph. If the content reported by the media is inconsistent with the content disclosed by the Company, the Company should immediately clarify at the Market Observation Post System and request the media to make corrections. Major announcements were posted on the Market Observation Post System for a total of 35 times in accordance with the relevant laws and regulations in 2023.

Sustainability Vision

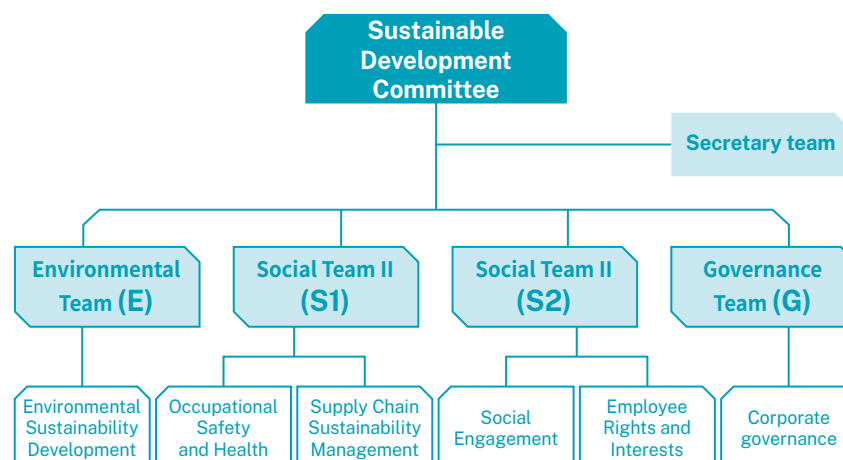
As a member of the semiconductor technology community, CHPT continues to promote the sustainable development of the environment and fulfill our corporate social and environmental responsibilities. CHPT spares no efforts in the implementation of sustainable environment (E), social good (S), and sound operation (G) while adhering to the concept of “it is more blessed to give than to receive” and fulfilling our responsibilities of social care and environmental sustainability.

- Sustainable environment: As the international community gradually focuses on energy conservation, carbon reduction, and environmental issues, CHPT continues to seek alternative energy sources and promote environmentally friendly energy conservation and carbon reduction measures to reduce greenhouse gas emissions, recycle energy resources, and mitigate the impact of climate change on company operations.
- Sound operations: With a commitment to the principles of integrity and honesty, CHPT focuses on the operation of our business in pursuit of revenue growth and profit increase while managing operational risks.
- Social good: CHPT endeavors to not only provide a happy, diverse, and inclusive work environment, shape a people-oriented core culture, respect employees, and establish a friendly workplace, but also participate in community and neighborhood activities and fulfill the responsibility of community care.

Sustainable Development Committee

The Company established the “Sustainable Development Best Practice Principles” on February 9, 2022 and established the Sustainable Development Committee chaired by the chairperson of the Board, the President to act as vice-chairperson, and the representatives from each unit forming various working groups. Besides proposing the visions, policies, and management guidelines for sustainable development, the Sustainable Development Committee supervises and traces the effectiveness of implementation, while each working group implement respective sustainable development tasks.

Organizational Structure of the Sustainable Development Committee:



Sustainable Development Committee reports to the Board each year of the achievements of implementation and the annual strategies and targets of the next year. The Board gives advice to the annual strategies and targets and urges the Company to implement such strategies as necessary to ensure that the strategies for sustainable development are fully implemented in operational activities. The committee regularly submits reports on the planning and implementation of greenhouse gas inventory to the Board of Directors every quarter. In 2023, a total of three reports were completed, where the Board of Directors gave suggestions on the Company’s planning and implementation.



For details of the CHPT “Sustainable Development Best Practice Principles,” please refer to Company website:
Home > Investors > Corporate Governance > Important Rules of the Company



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Audit Committee

CHPT established an Audit Committee approved by the Board of Directors on May 6, 2015, replacing the former supervisory duties and comprises of all independent directors. The responsibilities of the Audit Committee include:

- Adopt or amend internal control systems in accordance to Article 14-1 of the Securities and Exchange Act.
- Assessment of the effectiveness of the internal control system.
- Adopt or amend, pursuant to Article 36-1 of the Securities and Exchange Act, procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees of others.
- Matters relating to the director's own interests.
- A material asset or derivatives transaction.
- A material monetary loan, endorsement, or provision of guarantee.
- The offering, issuance, or private placement of any equity-type securities.
- The hiring or dismissal of a CPA, or the compensation given thereto.
- The appointment or discharge of a financial, accounting, or internal auditing supervisor.
- Annual and quarterly financial statements signed or stamped by the Chairman, responsible managers, and the Accounting Manager.
- Acceptance and processing whistleblowing cases with regards to the masters listed in the relevant provisions.
- Other material matters as defined by the Company or the competent authorities.
- In 2023, the Audit Committee convened a total of five meetings, with a 100% attendance rate in each meeting.

Remuneration Committee

To improve corporate governance, Company directors, and managers' remuneration system, the Company established a Remuneration Management Committee, which is composed of three independent directors, and selected one as the convener; with a professional and objective position, it evaluates the Company's directors and managers' remuneration policies and systems, and makes recommendations to the Board of Directors for reference in its decision-making.

The professionalism and independence of each committee member comply with the provisions of Articles 5 and 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange.

Stakeholders of the Company can submit their opinions through the stakeholder questionnaire on the official website; managers discuss remuneration-related issues through the personnel review committee held quarterly and submit them to the Remuneration Management Committee for resolution when necessary.

Remuneration Committee responsibilities include:

- Stipulates and regularly reviews the remuneration policies, systems, standards and structures, and performance of directors and managers.
- Regularly evaluate and formulates the directors' and managers' remuneration.

When the Remuneration Committee performs its functions and powers, it shall abide by the following principles:

- The performance evaluation and remuneration of directors, supervisors, and managers should refer to the normal payment situation of the industry, and consider the rationality of the relationship with individual performance, Company operational performance, and future risks.
- Directors and managers should not be led to engage in behaviors that exceed the Company's risk tolerance in pursuit of remuneration.
- The ratio of dividends for the short-term performance of directors and senior managers and the timing of payment of part of variable remuneration should be determined by taking into account the industry characteristics and the nature of the Company's business.

In 2023, the Remuneration Committee convened a total of two meetings, with a 100% attendance rate in each meeting.



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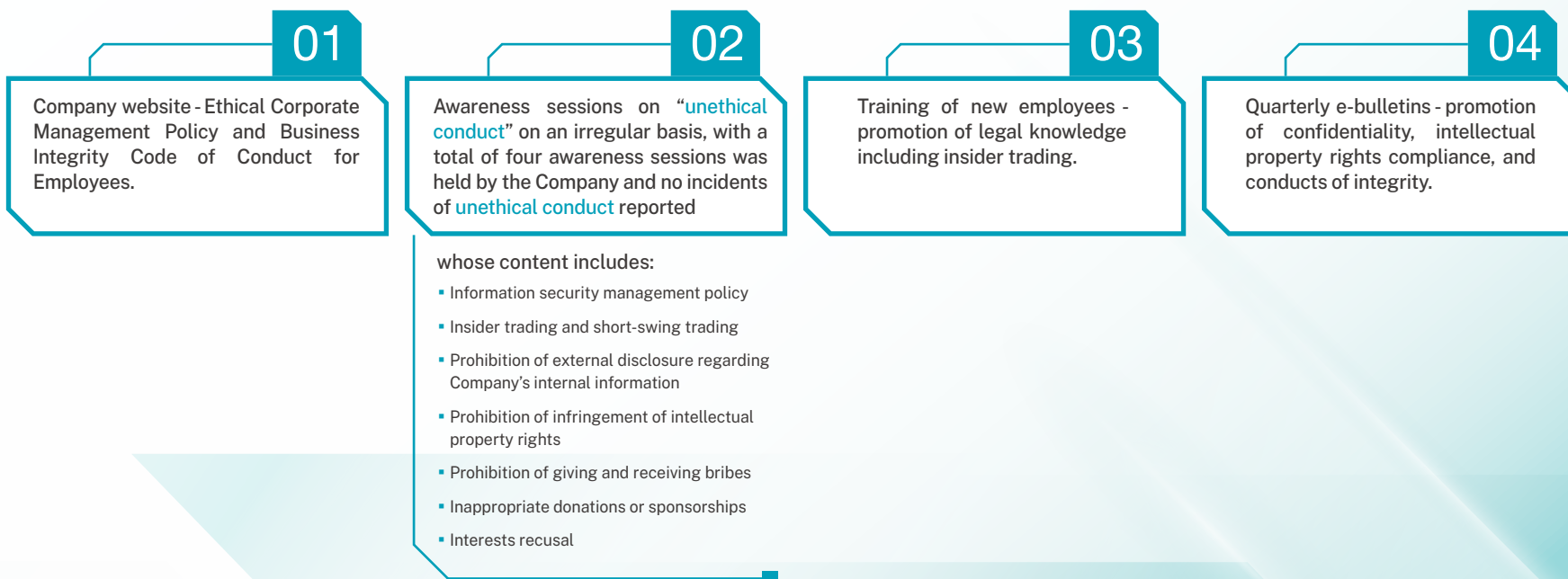
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1.3 Ethical Management

On the basis of “integrity and morality,” CHPT will improve and develop the corporate culture of ethical management; abide by ethical management and not accept improper benefits; advocate and promote norms such as integrity behavior, interests recusal, and business confidentiality protection; and regularly organize “integrity management” education and training, such as relevant internal and external laws and regulations on employee professional ethics and integrity principles. 100% of the employees sign the labor contract, which includes integrity and the prohibition of accepting benefits. There is no violation of laws and regulations in the social and economic fields, no related anti-competition, anti-trust, and monopoly behaviors, and no corruption incidents

Perfect Punishment and Appeal System for Violations

CHPT has established a comprehensive punishment and appeal system for violations to ensure that whistleblowers will not be mistreated due to reporting, and has set up a special page for “Inappropriate Behavior Reporting” on the Company website. In charge of work, assist the Board of Directors and management to formulate and supervise the implementation of ethical management policies and behavior guidelines, implement the Principles of Ethical Corporate Management, and report the implementation status to the Board of Directors regularly every year since 2019. The implementation status of this system in 2023 is detailed as follows:



Compliance with Professional Ethics and Personal Integrity

CHPT has established the “Principles of Ethical Corporate Management” and “Procedures for Ethical Management and Guidelines for Conduct” approved by the Board of Directors, and stipulated in the “Work Rules.” All employees should uphold the spirit of honesty, rigor, and dedication, and abide by the statement of the Code of Ethics and Business Conduct and the principle of personal integrity to perform duties.

Relevant Interests Recusal

CHPT takes ethical management as the primary principle. If a decision or transaction involves a conflict of interest, directors and managers are not allowed to participate in voting based on the principle of interests recusal.

Please refer to the section on important resolutions of the Board of Directors in CHPT's 2023 Annual Report.



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“Prevention of Insider Trading” and “Anti-corruption”

01

CHPT has formulated the “**Management for the Prevention of Insider Trading**,” which prohibits insiders such as directors or employees from using unpublished information in the market to profit from trading securities.

02

Promote on the Company’s official website “**Prevention of Insider Trading**,” “**Implementation of Ethical Management Policy**,” “**Employee Integrity Code**” and “**Inappropriate Behavior Reporting**.”

03

Quarterly internal announcements on “**Insider Trading and Short-Term Trading Regulations**,” “**Prohibition of Employees from Disclosing Material Inside Information of the Company without Authorization**,” “**Promotion of Confidentiality**” and “**Promotion of Conducts of Integrity**.”

04

Periodically implement “**New Employees Training**” and “**Current Employees Training**”.



New Employee Training:

New recruits must complete the “New Recruits Training Course _ Legal Knowledge Promotion” course within three months of their report to duty, which includes insider trading and honesty and integrity promotion.



Current Employees Training:

In order to prevent the risk of illegal insider trading caused by the Company or insiders who are not familiar with the laws and regulations, the Company specially formulated the “Management for the Prevention of Insider Trading” in accordance with the Securities and Exchange Act and related laws and regulations, and the handling guidelines for the internal control system of public companies, all employees are prohibited from using unpublished information on the market to profit from trading securities. The following are the actual actions of the Company to promote the prevention of insider trading:

01

The Company’s official website discloses promotion on preventing insider trading.

02

Quarterly e-bulletins of promotion of confidentiality, and conducts of integrity, etc.

03

Every year, insiders are prohibited from trading their stocks during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.

04

Every year, online courses of compulsory training on “Prevention of Insider Trading” and “Confidentiality, honesty and integrity” are held for all employees. Each course study includes a test for about 1 hour, and the test score must reach 100 points.

Starting from 2020, all employees are required to undergo compulsory training on “Preventing Insider Trading” and “Promoting Confidentiality, Integrity, and Honesty” regularly every two years regularly. The content of the course includes explaining the constituent elements of insider trading, the penalties for violating insider trading, how to avoid false insider trading, and the promotion of confidentiality, honesty and integrity, and so on. From 2022, these two courses have been relisted as annual compulsory courses.



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Training hours of the 2023 Promotion of Confidentiality and Honesty and Integrity Course for each location of operations

Issues promoted or discussed in the course	Course Title (a)	Taiwan			Mainland China			USA			Japan		
		Number of Trainees (b)	Course Hours (c)	Total Training Hours	Number of Trainees (b)	Course Hours (c)	Total Training Hours	Number of Trainees (b)	Course Hours (c)	Total Training Hours	Number of Trainees (b)	Course Hours (c)	Total Training Hours
Employee integrity	Promotion of confidential- ity and honesty and integrity	1057	0.5	528.5	55	0.5	27.5	14	0.5	7	1	0.5	0.5
Employee integrity	New employees training - Legal knowledge (Perso- nal confidentiality obliga- tions, personal data pro- tection, insider trading, technical protection, and honesty and integrity)	87	0.5	43.5	10	0.5	5	0	0.5	0	0	0.5	0

	2021	2022		2023	
Trainees	New employees	New employees	Current employees	New employees	Current employees
The number of employees to be received anti- corruption policy training	261	275	1062	97	1127
Number of employees who actually received anti- corruption policy training	261	275	1062	97	1127
Training completion rate	100%	100%	100%	100%	100%

Total number of sites where the Company conducts corruption risk asses- sment

	2021	2022	2023
The number of sites already assessed	8	8	8
Total number of CHPT sites	8	8	8
Percentage	100%	100%	100%

Note From 2020 to 2023, CHPT conducted integrity training for employees at 8 locations of operations in Taiwan (i.e., Taoyuan, Hsinchu, Taichung, and Kaohsiung), Mainland China (i.e., Shanghai and Suzhou), the United States (i.e., California), and Japan (i.e., Tokyo).

In 2023, the number of new recruits training courses and on-the-job training completed: a total of 1,224 people, with a training completion rate of 100%. Among them, there were 97 new recruits (i.e., 87 from Taiwan and 10 from Mainland China) and 1,127 employees attending on-the-job training (i.e., 1,057 from Taiwan, 55 from Mainland China, 14 from the United States, and 1 from Japan). The number of trainees above does not include migrant workers.



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1.4 Risks Internal Control

Risk Management

Every year, CHPT regularly collects relevant market information and evaluates possible risk events through dedicated units, and formulates countermeasures for major risk management issues, so that it can be deployed in advance within the controllable range and respond to possible major risks in the future, reducing the impact on the Company, or access to priority business opportunities.

Risk Management Scope

CHPT uses a matrix model to analyze the probability of risk occurrence and the severity degree of the impact on the Company, define the risk level, and formulate contingency countermeasures according to the risk level. Risk source management includes “labor safety risk,” “supply chain risk,” “environmental protection risk,” “information system risk,” “financial risk” and “operational risk.”

Risks Sources	Risks Description	Correspond Method
 Labor safety risks	▪ The operations that employees are engaged in may have potential hazards that may result in injury to employees. ▪ If the way of operating activities is changed without complete risk evaluation and education and training, new hazard risks may be derived, resulting in injury to employees.	▪ Use the “Hazard Identification Risk Assessment Management Procedure” to continuously identify hazards, assess risks, and determine necessary control measures during the Company’s activities and operations.
 Supply chain risks	▪ At the end of each year, conduct risk factor assessments for major raw material manufacturers, including supply quality, supply delivery risk, lack of alternative sources risk, financial risk, natural disaster risk, political risk, information security risk and supply chain risk assessment	▪ Regularly conduct supplier risk evaluation in accordance with the “Supplier Management Procedures.”
 Environmental protection risks	▪ If an environmental pollution incident occurs, we may be fined, and in severe cases, we could face suspension.	▪ ISO 14001, “Environmental Considerations Identification Management Procedures”

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Risks Sources	Risks Description	Correspond Method
 Information system risks	As the Company's operations are gradually computerized, informatized and networked, the Company's competitiveness has been enhanced, but threats from the network environment and challenges to equipment management quality have also increased. The main risks include: hacker intrusion, computer viruses and malicious software damage the system, data leakage or loss, system failure, etc.	- To build a safe and reliable information operating environment for the Company, reduce information operation risks, and establish an information security management system, the "Information Security Management Procedure" is specially standardized as the highest guideline to achieve the goal of information security management. Included items are: information computer room management, network security management, system development and program modification operations, data security management, information confidentiality principles, intellectual property rights principles, and information outsourcing principles. - Begin to introduce the ISO 27001 information security management system. Through the introduction of this system, we will strengthen risk evaluation, processing, safety goals and planning for their achievement.
 Financial risks	- Engaging in high-risk, high-leverage investments, loan funds to others, endorsement guarantees, derivative trading, etc., may cause financial losses in the event of default. - Changes in interest rates and exchange rates will have an impact on financial profit or loss.	The Company focuses primarily on core business activities; it did not engage in any high-risk or highly leveraged investments or transactions such as loans to third parties, endorsements, and guarantees. Adhering to the prudent and conservative principle of financial management, the derivatives trades that CHPT engages in are mainly risk-avoiding operations, and pay close attention to changes in market interest rates and exchange rates, and keep abreast of potential risks to operations and profits, so as to ensure the operational performance and stable profitability of the industry.
 Operational risks	In order to protect the rights and interests of customers and maintain the normal production and supply of products, as well as the normal operation of the Company's various business activities, to avoid the impact of unexpected events in the normal operating environment causing interruption of the Company's operation.	Follow the "Business Continuity Management Procedure" from risk identification, impact analysis to business continuity plan (BCP) countermeasures

Internal Audits

CHPT has set up an internal audit unit affiliated to the Board of Directors. According to the "Corporate Governance Code of Conduct" and the "Board of Directors and Management Department Responsibilities Table," the appointment and removal, evaluation, and remuneration of auditors must be signed and approved by the chairman of the Board of Directors, and the appointment and removal of the internal audit supervisor must be submitted to the Board of Directors for approval. The internal audit conducts various audits in accordance with the annual audit plan approved by the Board of Directors, and regularly reports the audit results and improvement results to the Audit Committee and the Board of Directors to ensure the reliability, timeliness and transparency of the Company's financial, operational, and management information, as well as compliance with relevant laws and regulations.

The internal audit unit has relevant internal audit rules and regulations, reviews whether the internal control system is appropriate, whether the general operation is implemented, and conducts continuous and special inspections. The audit scope covers all internal operations of the Company. The internal audit unit formulates the annual audit plan based on risk assessment results, which should be approved by the Board of Directors and implemented accordingly. The monthly audit report must be audited by the Audit Committee, and the deficiencies in the audit should be continuously tracked until the improvement is completed. The supervisor of the internal audit unit must attend the Audit Committee and the Board of Directors to report audit findings every quarter. After the actual implementation of the internal control system, CHPT has not found any lack of internal controls in 2023.



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1.5 Climate Risk Management

In 2023, CHPT adopted the framework of “Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)” issued by the Financial Stability Board (FSB) to disclose the governance, strategy, risk management and indicators and targets.

Sustainable Governance

The chairman as the top executive of in charging of issues related to the sustainable development of CHPT, including the verification of climate change response strategies. Promote climate action issues and target management, and report to the Board of Directors regularly every year. The Board of Directors is the highest supervisory unit of climate change management, responsible for reviewing annual risk management reports, implementation reports and audit reports to ensure the effective implementation of climate-related risk management systems. The Board of Directors meeting convenes at least once a quarter on average, to review business performance and discuss important strategic issues and key major events, including economic, environmental and social impacts, risks and opportunities, etc. Every year, the Sustainability Committee will report climate-related operating results to the Board of Directors, and regularly review ESG impact, performance and strategic goals

Risk Management

Identification and evaluation: In response to various climate-related physical risks and transformation risks in the operation process, CHPT expects to re-identify and evaluate the impact and influence of climate-related risks every year, review business opportunities and discuss corresponding countermeasures and response actions. Incorporate systematic methods into annual plan to execute tasks.

Management mechanism: The Board of Directors lists the impact of climate change as one of the Company’s major risks. The committee formulates strategies and implements management for climate-related issues, systematically manages climate-related issues through greenhouse gas inventory and third-party external verification, and regularly reports management results.

Integration with the organization’s overall risk management system: CHPT integrates climate risks and various operational risks into the overall risk management system, and regularly identifies, evaluates, and manages them through standardized processes. All departments identify relevant risks and review them at annual planning and quarterly review meetings.

Risk/Opportunity Matrix



▲ Risks		★ Opportunities
Physical risks	Transition risks	
Extreme climate disasters (e.g., droughts, high temperatures, rainstorms, etc.)	Carbon fee or tax	Energy-efficient buildings
	Low-carbon energy sources	Low-carbon products and green manufacturing
	Increased asset costs	Policy incentives
	International conventions/agreements	Green procurement
	Uncertainty of new legislation	Green supply chain
	Type	Purchase of renewable energy
	Legal	Resilience to natural disasters
	Technology	Participation in sustainability rating
	Market	



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Identification of risks and opportunities arising from climate change

★ Opportunities ▲ Risks

Risks/ Opportunities	Aspects	Scenario Status	Possible financial impact on the Company	Identification and Assessment				Risk Level	Respond actions
				Time of occurrence (Short, medium and long)	Severity (1-5)	Likelihood (1-5)	Risk Index (1-25)		
★	Energy-efficient buildings	The Company building adopts green building/ smart building design	The use of energy in buildings and the decline in building maintenance costs	Medium	2	3	6	Medium	The low-energy consumption design of green buildings is adopted in the planning of new factories to effectively reduce the use of energy resources and maintenance costs.
★	Low-carbon products and green manufacturing	Process improvement reduces overall carbon emissions	- Operating costs decreased - Increased revenue	Medium	3	3	9	Medium	- Carry out intelligent process upgrade - Add energy conservation function requirements for newly purchased equipment
★	Policy Incentives	Reducing overall carbon emissions	- Companies that have reached the target can enjoy specific preferential rates in order to encourage them to reduce emissions. - Apply for voluntary reduction projects so that the reduction credits obtained in the future can be put on the domestic carbon trading platform.	Medium	3	4	12	Medium	- Increasing the percentage of local procurement can help reduce transportation costs and carbon emissions. - During the annual supplier conference, CHPT announced and encouraged suppliers to participate in green procurement and strive for zero emissions. We also commended suppliers who actively collaborated with us.
★	Green procurement	Using recycled/green materials	- Enhance reputation and influence - Increase customers and revenue	Medium	1	1	1	Low	- Give priority to evaluating environmentally friendly materials when introducing new materials, and require suppliers to provide the same level of environmentally friendly materials for evaluation. - Predict material fluctuation trends, conduct market research and analysis, formulate purchase quantities, and set prices based on quantity.
★	Green supply chain	Jointly reduce carbon with suppliers, and use manufacturers with low- carbon products and services in the factory. These manufacturers effectively manage and meet RBA requirements	Improve the Company's image, increase popu- larity, so as to increase product orders, and reduce carbon emissions in the Company's production	Medium	2	3	6	Medium	- New suppliers conduct supplier social responsibility risk assessment - Regular evaluation: key/important manufacturers conduct supplier risk assessment, and high-risk manufacturers conduct on-site evaluation - Research and development assist manufacturers of low-carbon and green raw materials, and cooperate with manufacturers to jointly develop low-carbon products
★	Purchase of renewable energy	Adopt renewable energy	- Reduce purchased energy and lower costs - Expenses for purchasing green electricity increased by NT\$20 million	Medium	3	5	15	High	Build a renewable energy system (solar energy) in the design of new factories to increase the use of green electricity and reduce carbon emissions.
★	Resilience to natural disasters	Enhancing physical risk response-drought	Reduce outsourcing water resources and reduce costs	Medium	1	5	5	Medium	- Improve the efficiency and diversification of water resources use, where CHPT recycled 93.18 thousand tons of water in 2023. - Monitor water regime information to enhance resilience to natural disasters and ability to respond - Evaluate the use of low water consumption equipment.
★	Participation in sustainability rating	Participate in the sus- tainable evaluation and be selected for the rel- evant index	Through the ESG evaluation by an impartial organization, in order to meet the requirements of laws and regulations and the supply chain requirements of major international manufac- turers, investors and partners will have more trust in the Company's operating capabilities, and increase turnover and corporate popularity.	Short	2	3	6	Medium	Work in collaboration with government policies to develop and implement phased plans for supply chain management and human rights, with a view to improving the management of economic, environmental, and governance aspects, en-hancing energy conservation and carbon reduction, and strengthening sustainable operation and environmental protection strategies



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★ Opportunities ▲ Risks

Risks/ Opportunities	Aspects	Scenario Status	Possible financial impact on the Company	Identification and Assessment				Risk Level	Respond actions
				Time of occurrence (Short, medium and long)	Severity (1-5)	Likelihood (1-5)	Risk Index (1-25)		
▲	Carbon fee or tax	Greenhouse gas control and imposition of car- bon fee	Increase the cost of carbon fee. As operating costs is estimated to increase by 2030, the carbon fee will amount to NT\$3,000 per ton if the carbon fee limit is reduced to 10,000 tons; if carbon emissions from Plant 1 reaches 15,000 tons, which exceeds the limit by 5,000 tons, the carbon fee will amount to NT\$15 million per year (excess payment). Limiting the use of energy will lead to opera- tional impacts.	Medium	4	3	12	Medium	- Some company vehicles have been replaced with hybrid vehicles and electric scooters to reduce the use of fossil fuels and cut carbon emissions. - Reduce energy waste by conduct energy saving aware-ness programs and using high-efficiency LED lighting. - Evaluate the use of renewable energy.
▲	Low-carbon energy sources	The Company building adopts green building/ smart building design	The use of building materials and energy conservation equipment with green building materials labels has led to an increase in construction costs	Medium	4	3	12	Medium	- Use green building materials in the design of new factories to reduce environmental load. - Adopt a green building design with green energy conditions such as natural ventilation and lighting in new factories to reduce the use of building equipment.
▲	Increased asset costs	Increased equipment costs	Increase in fixed asset costs due to early re- placement of equipment to conserve energy.	Medium	4	2	8	Medium	- Evaluate the energy consumption of newly purchased equipment, amortization of equipment and resale of old equipment. - Carry out price inquiry, comparison or negotiation with various parties and conduct cost analysis to ensure price rationality.
▲	International conventions/ agreements	Uncertainty of new legislation	A globally agreed ban will lead to disruptions in the Company's key supply chain.	Long	2	2	4	Low	- The R&D Department actively seeks alternative materials and prioritizes green raw materials when selecting materials. - Verify the testing data of key materials when new suppliers are introduced. - Divide materials into GP and non-GP products in the materials area within factories.
▲	Uncertainty of new legislation	Uncertainty of new legislation	In light of the vague approaches to enforcing new legislation, the Company needs to invest more in environmental, equipment, and manpower improvements, which in turn leads to an increase of NT\$4 million in management costs each year.	Medium	2	2	4	Low	- Participate in seminars or presentations on laws and regulations organized by government agencies. - Join associations of similar companies in the industry to discuss the enforcement of new regulations
▲	Extreme climate disasters	Natural disasters caused by extreme weather conditions such as typhoons, rainstorms, floods, droughts, high temperatures, etc. Will result in power outages and traffic disruptions.	As suppliers face traffic disruptions caused by the concentration of rainfall in the same area, raw materials cannot be delivered to factories in time, thus resulting in loss of business and goodwill as a consequence of the failure to product and delivery goods.	Short	4	2	8	Medium	- Decentralize the production or purchase of key and important raw materials. - Reduce the proportion of raw materials from a single source to prevent material shortages. - Require key manufacturers to prepare backup plans and establish stock level requirements. - Conduct disaster and contingency investigations and regular audits of key factories and suppliers. - Adjust the inventory level as necessary to prevent material outages.



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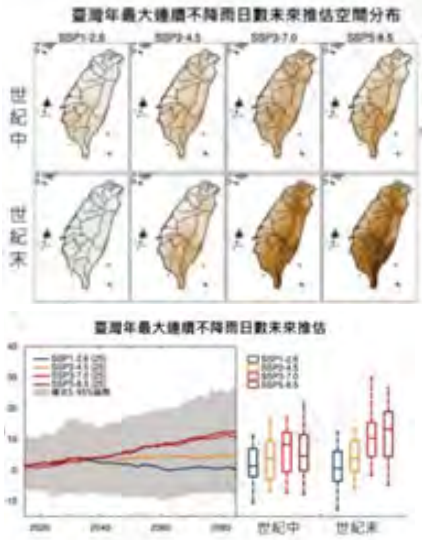
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Scenario analysis (including 2°C or harsher scenarios)

Climate change has affected the occurrence of many extreme weather and climate events around the world. It is expected that various regions will experience more frequent climate shocks and compound changes. In order to understand the impact on operations, according to the guidelines suggested by TCFD and three types of BAU, NDC, and 2°C scenarios, CHPT assess the impact of different greenhouse gas emission controls, and adopts the latest Taiwan climate change estimation results released by the Taiwan Adaptation Platform (TAP) for impact assessment, To understand the possible impact on the Company's operations in the future, and use appropriate mitigation and adaptation strategies to formulate countermeasures.

Risks		Transformation Risk – Solar energy	
		Evaluation data	Business as Usual (BAU)
Scenario			Assess the overall environment without actively taking climate change response measures, CHPT will face the impact of operational and other possible real risks.
			- Operating costs increased. - Greenhouse gas emissions increased. - Loss of assets due to damage to plant and equipment (increase in premium) - Extreme climate has increased the risk of supply chain disruption. - Production revenue decreased.
			Nationally Determined Contributions (NDC)
Scenario			CHPT has not yet been regulated by the Climate Change Response Act, but the impact of climate change and the risk of affecting the Company's operations are assessed in advance and response to the increasingly stringent regulations on greenhouse gas emissions in the future.
			- Operating costs increased due to law compliance. - Failure to meet legal compliance requirements will increase operating costs and risks. - Impact on corporate reputation.
			Active Mitigation Scenario (2°C Scenario)
Scenario			CHPT cooperates with national development policies and international trends, actively participates in greenhouse gas reduction activities, and evaluates the financial and non-financial impacts that will be faced if the global temperature rise does not exceed 2°C.
			- The investment cost of low-carbon and energy transformation has increased. - Enhancement, improvement or replacement of old and new equipment with optimal performance. - Save electricity and save costs. - Power consumption planning and efficiency management. - The new plant is designed with green building energy conservation design to reduce energy consumption.

Risks	Physical Risk - Drought / High Temperatures	
Scenario	Evaluation data	Business as Usual (BAU)
	 Estimated on the future climate trend of the Taiwan area, the maximum number of continuous rainless days in a year tends to increase in various regions. Under the worst scenario (SSP5-8.5), the average increase rate is about 5.5% and 12.4% in the middle and end of the 21st century; Under the scenario (SSP1-2.6), the reduction rate is about 1.8% and 0.4% in the middle and end of the 21st century.  There is a clear trend of increasing annual mean daily temperature across Taiwan. Under the worst case scenario (SSP5-8.5), the average daily temperature will increase by at least 1.5°C and at most 2°C throughout the 21st century, and areas with higher temperatures are mainly concentrated in the north of Miaoli. At the end of the century, the daily high temperature will increase by at least 3°C and at most 3.6°C, while areas with high temperatures will extend southward to the north of Changhua, Nantou, and the north of Hualien. Under the ideal mitigation scenario (SSP1-2.6), the annual average daily temperature across the whole of Taiwan also exhibits an upward trend.	Assess the overall environment without actively taking climate change response measures, CHPT will face the impact of operational and other possible real risks. - Greenhouse gas emissions increased as demand for electricity increased. - Extra load is exerted on the water system and power operation equipment, while maintenance cost increases. - The cooling capacity of air-conditioning equipment is reduced, which may affect the production process. - Extreme climate has increased the risk of supply chain disruption. - Operating costs increased. - Production revenue decreased. Nationally Determined Contributions (NDC) CHPT has not yet been regulated by the Climate Change Response Act, but the impact of climate change and the risk of affecting the Company's operations are assessed in advance and response to the increasingly stringent regulations on greenhouse gas emissions in the future. - Operating costs increased due to law compliance. - Failure to meet legal compliance requirements will increase operating costs and risks. - Impact on corporate reputation. Active Mitigation Scenario (2°C Scenario) CHPT cooperates with national development policies and international trends, actively participates in greenhouse gas reduction activities, and evaluates the financial and non-financial impacts that will be faced if the global temperature rise does not exceed 2°C. - The investment cost of low-carbon and energy transformation has increased. - Enhancement, improvement or replacement of old and new equipment with optimal performance. - Establish and improve the water regime monitoring mechanism and emergency response procedures. - Water consumption planning and efficiency management. - New factories are designed with a green building energy conservation design and incorporates the idea of water resource recycling and reuse.

Note Data source: Information from the Taiwan Adaptation Platform (TAP).



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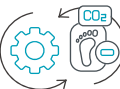
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Climate Risk Strategies

To assess the opportunities and risks that climate change may bring to the Company, timely incorporate climate change factors into the operational strategy planning and decision-making process to respond to the government and support the energy transformation of enterprises, and promote various environmental protection, energy conservation, and carbon reduction measures to reduce greenhouse gases emissions, promotion of green financial services, etc., to mitigate and adapt to the operational impact of climate change. Through the participation of various business units in the discussion and identification, CHPT assesses the impact of climate change-related projects on the Company's operations, and the relevant countermeasures are as follows:

Climate Change Risk Response

	Major Risks Arising From Climate Change	Potential Operational and Financial Impact	CHPT will continue to respond to the strategic direction in the future
 Extreme Climate Disaster	▪ Typhoons, heavy rains, flooding, and various extreme climates have affected the interruption of overall supply chain, raw materials cannot be shipped, or have an impact on the operation of the Company's semiconductor testing process, resulting in the Company's inability to operate normally or causing delays in delivery. ▪ The temperature keeps rising, causing power shortage in summer, and the Company cannot operate normally, affecting product production and increasing operating costs ▪ Drought and water shortage affect the unit cost of process water, and the cost of water resources management also increases relatively.	▪ Operational performance decreased ▪ Delays in delivery lead to decreased customer satisfaction ▪ Operating management costs increased (Electricity, water charges, etc.) ▪ Operational performance decreased ▪ Cost of preventing heavy rain and flooding damage increased	▪ Formulate disaster prevention and management measures, take preventive measures and restore operations ▪ Promote measures of energy conservation and carbon reduction ▪ Strengthen measures for recycling of water resources ▪ Diversified sources of raw materials to reduce risk
 Technology Risks	Carbon reduction issues and technologies are increasing day by day. Customers may request IC testing process improvement. Setting carbon reduction related goals and marking is the carbon footprint. If we cannot meet customers' requirements, related orders may be affected.	▪ Operating costs increased ▪ R&D costs increased ▪ Manufacturing costs increased	▪ Develop the concept technology of sustainable IC test process, meet the product technology related to carbon reduction, and drive the transformation ▪ Develop a sustainable supply chain through overall carbon reduction of raw materials
 Market Risks	Compared with the carbon reduction process, consumers have a stronger awareness of environmental protection. They pay attention to environmentally friendly materials and sustainable renewable manufacturing of related products. If they do not grasp the market trend and demand, they may miss business opportunities.	▪ Market trend change ▪ Material costs increased	▪ Observe market trends, continue to develop sustainable related technology products, and reduce the risk of market trend changes
 Policy and Legal Risk	National policies gradually limit greenhouse gas emissions. From 2023 onward, the Financial Supervisory Commission will gradually require all industries to check the relevant greenhouse gas emissions in the system, and then plan to formulate relevant carbon charging standards	▪ Operating costs increased	▪ Set annual greenhouse gas emission reduction goals and implement the plan according to the goals



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Response to Opportunities Arising from Climate Change

	Major Opportunities Arising from Climate Change	Challenges and Opportunities	CHPT's Response Strategy Directions
Changing Market Opportunities	Customers have great demand for products with low energy consumption and low environmental burden, and the development of low-carbon semiconductor test process meets market demand	- Increased revenue - Process innovation	Actively invest in the development of low-carbon IC testing
New Style Product	Changing customer needs and preferences	- New product line - Green sustainable semiconductor IC test process	- Monitor energy consumption of equipment and formulate plans for replacement - Formulate/implement an electricity saving plan
Changes in Policy and Legislation	Government incentives to promote the use of alternative energy sources or related transformation processes	Operating transformation costs subsidies	Participate in the government's green energy net zero emission policy incentive plan
Resource Utilization Efficiency	Replace energy-consuming equipment, improve resource utilization efficiency, and reduce environmental impact	- Establishment of corporate image - Product cost reduction	- Formulate a plan to replace old equipment with new ones - Formulate/execute electricity saving and carbon reduction related plans

Goals and Prospects

With the intention of responding to climate change challenges and transition opportunities arising from “climate emergency,” as well as realize and move towards sustainable development, CHPT has actively roll out and implement relevant measures, including building a maglev chiller to reduce energy use, adopting reusable aluminum boxes as a means of shipping packaging for certain customers, adjusting exhaust gas from manufacturing processes to enhance energy conservation, adjusting temperature settings in public areas, adding curtains to glass windows aimed at cutting energy consumption arising from air conditioning, improving process equipment, standby energy consumption, and other processes, as well as implementing waste management measures. In 2023, CHPT saved 982,227 kWh of electricity and reduced 581 metric tons of carbon dioxide (CO₂e), with a slight decline in total energy from the previous year. CHPT not only continues to promote water saving measures and remains committed to water recycling and reuse, as evidenced by a 56% reclaimed water use rate, but also formulates green management strategic goals, carries out various projects, as well as implements green management and benefit assessments, along with regular review of results and performance. In 2022, CHPT voluntarily participated in greenhouse gas inventory operations. Follow-up emission reduction and priority formulation were carried out based on the inventory results to reduce our climate impact and thus achieve the goal of protecting the earth's environment.



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1.6 Information security

Information Security Management

To build a safe and reliable information operation environment for CHPT, maintain business continuity, reduce information operation risks, protect the rights and interests of information service users, and establish an information security management system, the “Information Security Management Procedure” is especially standardized as the highest guidance policies to achieve the goals of information security management. Included items are: information computer room management, network security management, system development and program modification operations, data security management, information confidentiality principles, intellectual property rights principles, and information outsourcing principles to prevent information systems from being improperly used by internal and external personnel or being deliberate sabotage, or improper use and other emergencies, the Company can respond quickly and restore to normal operation in the shortest possible time, reducing the possible economic damage and operational interruption caused by the accident, and achieving the goal of information security management. In 2023, no information security-related incidents were reported at CHPT, along with no complaints lodged regarding violation of customer privacy or loss of customer data.

In addition, the Company introduced an information security management system and passed the ISO 27001 certification in August 2022, thereby strengthening risk evaluation, processing, security goals, and the planning and execution of their achievement.

No information security-related incidents were reported at CHPT in 2023

Specific Management Methods

In recent years, CHPT has been actively strengthening the Company’s overall information framework, imported ISO 27001 information security management system, formulated enterprise information security policies, and continuously implement a number of information security operations, including:



01 Strengthening intranet and extranet security

- Implement segment segregation and protection with the next-generation firewalls from first-line brands.
- Constant loophole surveillance with external information security monitoring systems.
- Strengthen external network device monitoring with the IP/MAC management system.
- Scan and patch intranet vulnerabilities every six months.
- Set the multi-factor authentication VPN to service to strengthen the security of work from anywhere.



02 Strengthening endpoint security

- Periodic update of Windows.
- Implement endpoint control system management.
- Deploy famous anti-virus software.



03 Data breach protection

- Establish the e-document encryption mechanism.
- Control USB storage devices.
- User privilege classification.
- Control personal mobile devices and cameras.
- In 2023, a total of 103 new recruits signed three documents on their first day of duty, the “Significant Information Confidentiality Agreement,” the “Use Of Electronic Devices Affidavit,” and the “Compliance with the CHPT Personal Computer Software Use Policy Statement,” representing a 100% signing rate.



04 Mail security

- Block spam, viruses, or phishing mails.
- Establish the mail backup mechanism.



05 Strengthening IT infrastructure

- Establish the offsite backup mechanism and conduct disaster recovery drills for critical systems every six months.
- Establish the server and network cluster architecture.



06 Enhancing employee security awareness

- Perform periodic social engineering drills quarterly.
- Periodically publicize information security policies at the employee portal.
- Discuss security incidents with IT staff every month.



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02 Surpassing Ourselves through Innovation and R&D

2.1 Technological Innovation

CHPT continues to actively invest in research and development, refine manufacturing processes and component technology, as well as develop new customers and plans to introduce more diversified product portfolios to meet customer needs and carries on maximizing shareholders' wealth while maintaining our efforts to invest in innovation and R&D as well as patent development and bolstering our intellectual property capacity. The Company's main product MEMS Probe Card, which is equipped with several advantages such as micro-contact, micro-pitch, high pin count, high current, easy maintenance, and mixable pins, when paired with smart manufacturing technology, will be able to meet the needs of customers' wafer engineering verification and mass production testing. This presents a successful breakthrough as it overcomes the bottleneck of the traditional probe card, which not only enables us to establish a high degree of reliability of the mass production capacity in the shortest possible time, but also allows it to become the mainstream of the wafer test probe card. In the future, CHPT will maintain constant R&D of visionary technologies and innovative applications and enforce product design, R&D, and system management, to continue to deepen.

Following the development of high-frequency, high-speed chips for advanced semiconductor processes, CHPT continues to develop high-frequency, high-speed materials, high-layer count, high-aspect ratio production technology and product applications, high density connection (HDI) build-up material technology capabilities and product applications, high-speed PCB test interface embedded component technology development and product application as well as high-reliability process technology development and product application, as well as providing application processor (AP), Wi-Fi, memory, high-performance computing (HPC), artificial intelligence (AI), complementary metal oxide semiconductor image sensor (CIS), integrated touch and driver chip (TDDI), graphics processing unit (GPU), central processing unit (CPU), flash storage processor controller (SSD controller), network communication, radio frequency (RF), power management (PMIC), video processing chip (TV SoC), special application (ASIC) and other testing complete solutions.

The development of major innovative technologies is explained as follows:

Innovative technology	Technology description	Outcome benefits
Development of ceramic ST build-up technology	The core, which is made of ceramic material with build-up materials, possesses a laser processing hole with up to 15 um in diameter, and can also be applied to ST with a pitch of 35 um.	In addition to meeting fine pitch requirements, the technology can also improve stability for high and low temperature wafer testing.
Development of fine pitch PCB products	The build-up technology, rather than the traditional multi-pressure method, is adopted in the structure of this PCB product, which can be produced in large area with a pitch of up to 150 um.	This product is able to meet customers' needs for fine pitch product selection in a single PCB structure.
Widespread use of mixed pin architecture in probe card design	It can effectively solve customers' high-speed, high-frequency or high-current test requirements in the CP stage.	The chip design is more complex and requires multi-segment CP testing, and multiple probe cards are used. The mixed needle design probe card can integrate multiple functions to solve the shortcoming of the existing probe card with single function.
Development of a new PH thermal shunt architecture	This design, which consists of a PH heat dissipation structure developed by integrating existing technology, can reduce the risk of heat accumulation from probe power/GND, which not only significantly reduces the probe card burned pin maintenance cycle, but also effectively improves the quality of customer's products.	As the components in this architecture are all developed on our own, they can be combined with CHPT's self-developed smart design system to adjust the heat dissipation structure layout according to case requirements and maximize the benefits based on customer's actual use.



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Innovative technology	Technology description	Outcome benefits
Development of the Peripheral Probe Card Framework	Integrate the system with its own laser technology and testing interface, and develop peripheral probe cards to meet customer needs such as memory, CIS, and TDDI.	Successfully developed peripheral probe cards to increase the breadth of CHPT products and meet various testing needs.
Fine pitch probe card architecture development	The probe card architecture with a pitch below 40 um has challenged the material limit, and the existing PH configuration cannot meet the probe specifications. The intelligent mechanism design process of CHPT is used to calculate the configuration of each PH component and the size of the probe.	The design configuration has been calculated and the probe and PH specifications can be achieved in practice.
Establishment of high loss TRL design method for different materials	Digital transmission signals have distance requirements due to different test methods, so it is necessary to establish different transmission path lengths for different test environments	Shorten design time, which enables the prediction of transmission path length for different materials

Investment in R&D and innovation activities

CHPT gradually compiles the investing amount of research and development expenses according to the development progress of new products and new technologies. In 2023, CHPT's investment in research and development expenses amounted to NT\$965,095 thousand, accounting for 33% of our operating revenue, and we will increase year by year depending on our operating status. In addition, we will increase production capacity and continue research and development new technologies and new manufacturing processes. CHPT prepares an appropriate capital expenditure budget every year for the purchase of machinery and equipment to enhance the our market competitiveness.

Patent Accumulation

CHPT continuously encourages colleagues dare to innovate research and development, optimize product quality, and invest in patent layout to strengthen our intellectual property capabilities. We provide different proposal channels and attach importance to education and training related to colleagues' intellectual rights, so that colleagues can actively submit invention applications and ensure the competitive advantage of CHPT. The Company's patent deployment focuses on patent quality, mainly in Taiwan, the United States, China, etc. In 2023, CHPT had a total of 40 patents approved around the world. As of the end of 2023, we have accumulated up to 396 approved patents.

Performance in R&D and innovation activities

Patent title	Taiwan patent certificate number
Probe card structure and production method	1831501
Common ground chip test socket	1807918
Cantilever probe card device and spring-like probe	1792996
Multi-pin vertical probe card	1805298
Vertical probe head and fence-like probes	1802354
Probe card device and disposable adjustment film	1793607



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Intellectual Property Management Plan

CHPT attaches great importance to intellectual property rights, and spares no effort in protecting product patent rights to defend independent research and development intellectual property. Through the intellectual property management plan, enhance research and development capabilities, launch high value-added new products and technical services with innovative functions, improve manufacturing efficiency and quality, establish, accumulate, maintain and manage more perfect and future-oriented products and through risk control to empower the Company to build competitive strength and increase profitability. On the protection of trade secrets, each unit continues to carry out and improve its implementation on a daily basis, promotes its implementation, and conduct related education and training every year. CHPT organizes the “Intellectual Property Rights and Trade Secrets” training course, where one online course was held in 2023, with a total of 239 people completing the relevant training.



01 Enforcement of patents

- The Company organizes a dedicated unit responsible for patent-related matters.
- The Company has a patent incentive measure to encourage colleagues to work hard, devote themselves, and invest strongly in the research and development of patented technologies.
- Both the patent application and maintenance procedures are reviewed by a group of professional supervisors, seeking refinement rather than quantity, and focusing on quality rather than quantity.
- The market layout of each patent is based on the new technology itself as the benchmark for precise strikes.
- The content of the patent application has been brainstormed by the agent, the inventor, and the Company's undertaker. The inventor invented a single technology, and the protection degree is amplified through the rules of the patent game, and even multiple cases are derived to expand the coverage and prevent others from avoiding the patent.



02 Status of trademark implementation

- Trademarks are the characterization of the Company's image, goodwill and brand. For the trademarks mainly used by CHPT, we have applied for important countries or market regions in the world to properly layout trademarks.
- The customers of CHPT are not ordinary consumers, so the layout of the trademark focuses on the recognition of the Company's image.



03 Enforcement of copyright

- Copyrights are different from patents and trademarks, and do not obtain rights through the registration mechanism. Therefore, the Company has clearly stipulated in the labor contract that the copyrights of employees' works on duty belong to the Company.
- The Company's external press releases are all in charge of colleagues with senior news backgrounds, seeking accurate information expression.
- The Company has a special person responsible for external publicity, including written and film and television.



04 Enforcement of trade secrets

- The Company has established trade secret management measures. For many technical trade secrets that are more valuable than patents, measures are taken to only specific people know and protect and control.
- To comply with the Personal Data Protection Act at the same time, the Company controls personal information with economic value to avoid improper disclosure.
- All important meetings of the Company have limited participants, and unrelated people cannot participate in the meeting.
- The Company stipulates in the labor contract that colleagues are not allowed to bring other people's confidential information into the Company, and are not allowed to disclose Company secrets, including being bound after resignation. And we will promote once a quarter.
- Trade secrets such as the Company's finances, business, and personnel are also restricted from access and handling by specific people.



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2.2 Quality Management

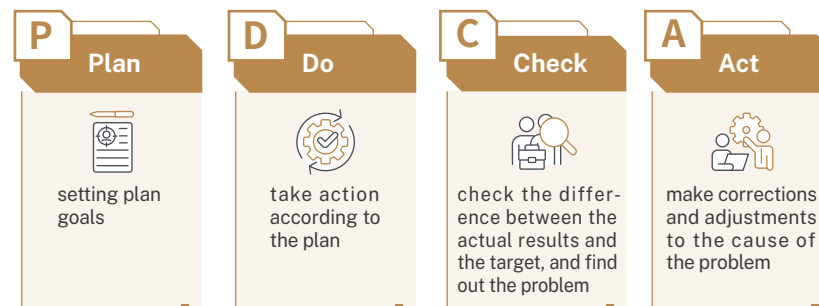
Since obtaining the ISO 9001 certification and other related certifications in January 2007, CHPT has established a comprehensive quality management system through a process-oriented approach, in combination with an intelligent production management model and continuous improvement. CHPT is committed to optimizing the quality of our products and is more comprehensive and prudent in setting our own quality standards based on risk considerations. We firmly believe that through these preventive measures, we can not only respond quickly to potential quality problems, but also build a solid quality foundation and ensure that our customers always enjoy quality products and services under a customer-oriented premise.

Quality Principles

01	This should meet the needs of the Company and customers.
02	There should be the spirit of pursuing continuous improvement and meeting various needs.
03	Can be expanded by quality objectives.
04	In line with continuous refinement and improvement.

Quality Management Recycle

CHPT attaches great importance to the quality of products and services provided to customers. It follows the basic framework of the ISO 9001 quality management system in the process of incoming material control, process management, finished product control and inspection. All maintenance activities or improvement activities must fully implement the PDCA cycle to achieve the purpose of preventing bad quality.



Quality Policy

CHPT has formulated the quality policy of “full participation, continuous improvement, and customer satisfaction.” Through education and training, the concept of quality management is deeply rooted in the foundation of our employees.



Full participation	Employees are the important core assets of the Company, and product quality is the lifeblood of the Company. Both are indispensable. Establish a complete education and training system, enable employees learn various types of courses, and incorporate the importance of quality management into employees' daily work.
Continuous improvement	Through the implementation of quality activities, intelligent production technology to improve and enhance product quality.
Satisfying customers	Guided by providing excellent product quality, and constantly improving and refining process technology to meet the different needs of customers.



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2.3 Customer Value

Maintaining Customer Relationships

CHPT attaches great importance to customer rights and feedback. We collect customer suggestions for the Company through various approaches, and internally optimize the opinions provided by customers. At the same time, we also maintain good interaction with customers, listen to customer needs, and optimize product quality. Continuously improve service quality and efficiency, improve communication with customers, get closer to the needs of customers, and regard customer needs as the driving force for the Company's progress.

Customer Satisfaction

In order to understand customers' evaluation of our various indicators and enhance the services provided to customers, CHPT has formulated the "Guidelines on Customer Satisfaction Survey." After analyzing the data from the survey, improvement strategies will be formulated to enhance customer satisfaction. CHPT conducts annual customer satisfaction surveys. In 2023, CHPT's customer satisfaction survey consisted of five key indicators, yielding an average satisfaction score of over 84.86%.

In the process of providing products and services, we understand the needs of customers through various communication methods and frequencies. Through the "Customer Satisfaction Survey Operation Measure," we conduct customer satisfaction questionnaire surveys every year, and continue to improve the relevant results, actively respond to customer needs to improve customer satisfaction.

Customer satisfaction score in the past three years:

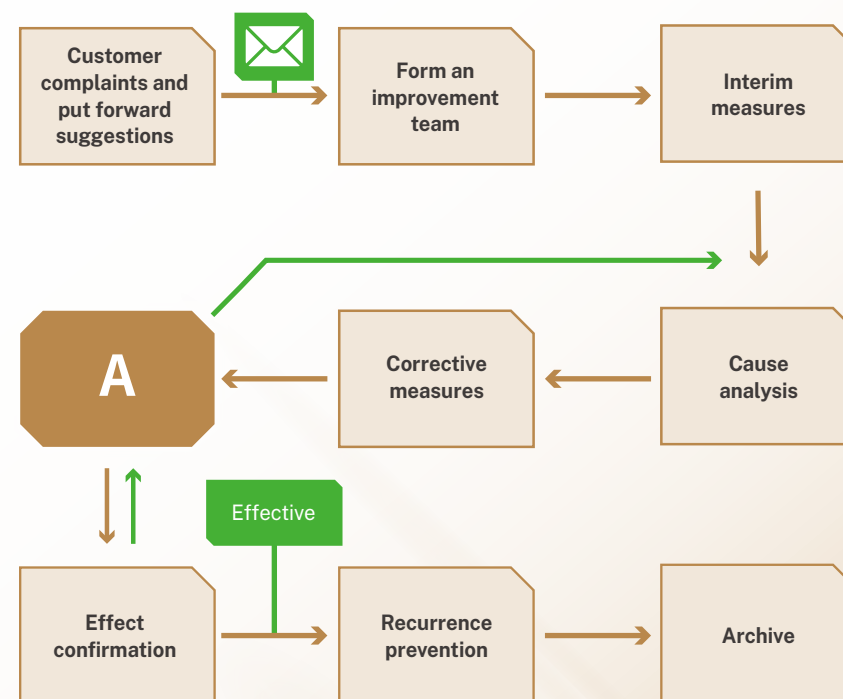
Category	2021	2022	2023
Customer Satisfaction (%)	86.61	85.27	84.86

Note There was a slight decline in customer satisfaction score in 2023 to geopolitical and competitive factors that have affected price-to-performance ratios.

Customers Appeal Handling

We attach great importance to customer feedback. When a customer complaint occurs, we will immediately start the customer complaint handling procedure. According to the prescribed processing schedule, we will establish a project review to analyze the cause, formulate corrective and preventive countermeasures, and confirm the effectiveness of the problem. Solve and give back to customers to meet customers' needs to understand customers' real needs and really listen to customers' voices, and strengthen management and control to achieve the highest customer satisfaction.

Flowchart for handling customer complaints and feedback





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2.4 Sustainable Supply Chain

Supplier Management

CHPT mainly provides solutions for semiconductor testing interfaces; from R&D, design, manufacturing, assembly, on-board verification, debugging and after-sales service, we are a comprehensive “highly integrated, deeply customized” and professional Company. Our supply chain includes raw materials, packaging materials, technologies, products, components and services from all over the world. Our goal is to promote the stability of the supply chain while providing our customers with high-quality products and services, with sustainable development as the core, and establish long-term partnerships with suppliers. At the same time, we also expect suppliers to follow the procurement principles and related policies, and encourage suppliers to require their downstream suppliers, contractors and service providers to recognize and abide by them.



Localized Procurement

Internally establish and improve the basic information system of suppliers, and conduct investigations on suppliers' supply sources. Based on the principle of local supply, actively develop local suppliers and implement localized procurement to achieve timely and appropriate procurement, reduce transportation costs and greenhouse gas emissions during transportation, to achieve sustainable development, and create local employment opportunities and economic development.

Procurement of equipment and raw materials in 2023

Equipment and raw materials	Domestic	Overseas	Total Amount
Amount	622,983,649	88,804,126	711,787,775
Percentage	87.52%	12.48%	100.0%

Green procurement

CHPT focuses on issues such as global warming, environmental pollution, and climate change, and actively promotes “Green Procurement.” The Company’s green procurement focuses on general hardware and 3C products, giving priority to products with energy conservation and environmental protection labels. In 2023, green procurement increased by 12.7% compared to 2022; moreover, CHPT was honored with the “Excellent Green Procurement Enterprise” award by the Taoyuan City Government for two years in a row.

Percentage of Green Procurement in 2023

Category	Green	Non Green	Total Amount
Amount	\$7,882,294	\$3,434,965	\$11,317,259
Percentage	69.6%	30.4%	100.0%

Electronic Invoice Promotion

Following the official introduction of electronic invoices in August 2020, we not only held a supplier conference at the beginning to encourage and educate suppliers on fulfilling the social responsibility of energy conservation and carbon reduction, but also continue to conduct awareness campaigns and encourage suppliers to join our effort to issue electronic invoices via supplier questionnaires and the 2023 supplier conference. In 2023, CHPT recorded a paper saving rate of 63.52%, up 1.52% from 2022.

	2020	2021	2022	2023
The number of suppliers who issued invoices in Formosa Technology Corporation e-Commerce/ involved in invoice exchange	170	264	300	298
Total number of payment invoices	8,557	9,957	8,990	7,140
Total number of invoices issued in Formosa Technology Corporation e-Commerce/ involved in invoice exchange	1,676	6,362	5,573	4,536
Proportion of invoices issued in Formosa Technology Corporation e-Commerce/ involved in invoice exchange to the total number of payment request invoices in the fiscal year.	19.58%	63.89%	62.00%	63.52%



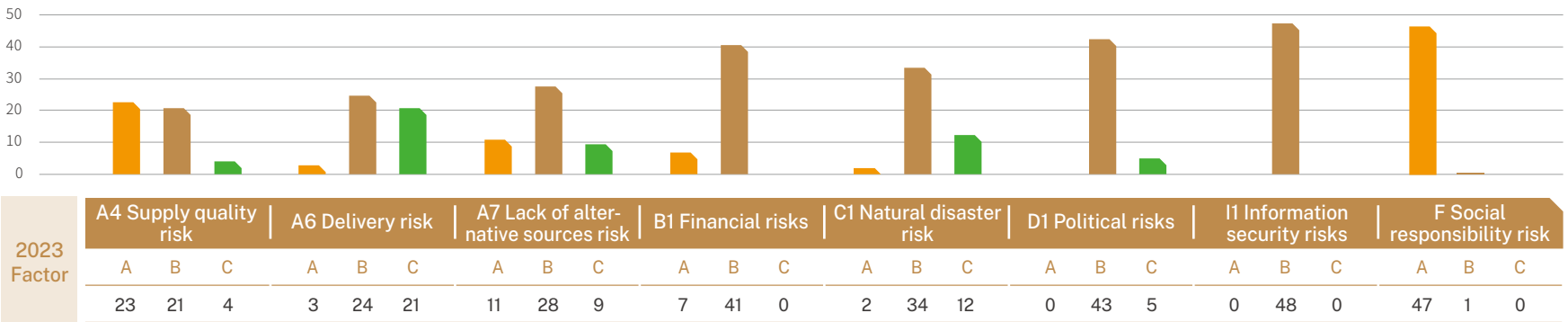
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Supplier Risk Identification

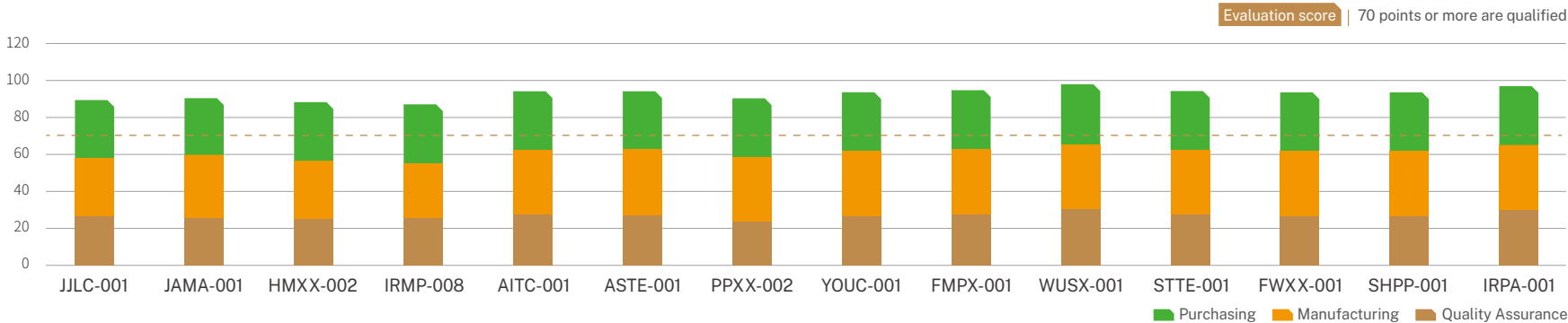
CHPT regularly conducts risk assessment on raw material suppliers every year to confirm the risk level of cooperative suppliers. In 2023, CHPT conducted risk identification on a total of 49 suppliers (including six critical suppliers and 43 important suppliers). The assessments include not only factors such as quality, delivery date, and information security, but also sustainability issues to assess the risk level of each supplier. If a supplier violates the commitments related to ethical management and corporate social responsibility, CHPT can check the government’s website or the record of manufacturers’ environmental violations published by the Green Citizens’ Action Alliance, and inquire whether the supplier has any major violations of the above clauses or news events. For major cases with significant impacts on the environment and society (such as malicious emissions and environmental violations), violations or missing items will be included in the risk assessment. If the supplier’s risk assessment level is D-level, it is listed as a “high-risk project,” and corresponding measures must be taken and tracked and controlled until the risk factor level falls to C-level acceptable risk. Suppliers with a risk assessment grade of E are listed as “key risk project,” and annual on-site evaluation or submissions to management review meetings are required for follow-up control and review. Suppliers with a risk assessment grade of E are listed as “key risk project,” and annual on-site evaluation or submissions to management review meetings are required for follow-up control and review. In 2023, no supplier were listed above the D and E high-risk levels



Evaluation Management

Introduce new suppliers

When developing new suppliers, new supplier surveys will be conducted, including review of written materials or on-site machine inspections, to understand the supplier’s operating conditions and compliance with “Environmental Standards” and “Social Standards”. In 2023, CHPT introduced a total of 14 new suppliers, all of which met the “Environmental Standards” and “Social Standards” upon review of written documents or on-site machine inspections.





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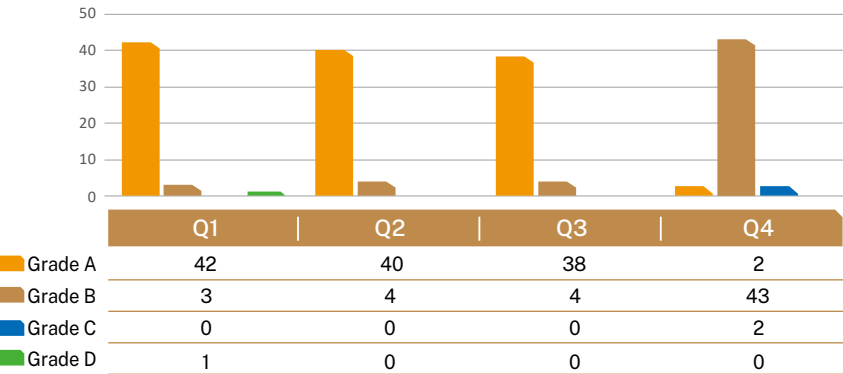
Periodic evaluation

Quality, cost, delivery, service, and management are evaluated quarterly for the main raw material suppliers to ensure that all items can meet the needs of the plant. In 2023, only one manufacturer was given Grade D upon evaluation in the first quarter of the year, where the products we required of the manufacturer was procured from a second source, and the manufacturer was approached and given appropriate guidance for subsequent improvement. In 2023, CHPT conducted on-site evaluation on eight manufacturers, all of which met the “Environmental Standards” and “Social Standards” upon review of written documents or on-site machine inspections.

Awards/Punishment

Suppliers with excellent performance will be publicly commended at the contractor meeting and listed as priority procurement targets. After regular evaluation and counseling, if they are still high-risk suppliers, and if they fail to improve within the time limit, the transaction frequency or amount will be reduced.

2023 Supplier Scoring Chart



Supplier Social Responsibility Requirements

All suppliers are required to sign the “Statement of the Code of Ethics and Business Conduct,” and investigate the manufacturers of 3TG (Tantalum, Tin, Tungsten and Gold) used in the raw materials and production process of the products, so as to prevent any unfairness, injustice, and acts of discrimination in the procurement activities. We conduct supplier policy promotion every six months to convey to suppliers our requirements related to the supply chain. The contents of the promotion include the need to comply with the Responsible Business Alliance (RBA) and require to ensure their labor, health and safety, environment, business ethics and management system and other aspects of business conduct, as well as the Company’s environmental and safety policies, Principles of Ethical Corporate

Management, Information Security Policy, related products comply with international environmental protection regulations, etc..

The Statement of the Code of Ethics and Business Conduct signing status

CHPT requires suppliers to meet sustainable standards through the “Statement of the Code of Ethics and Business Conduct,” which includes non-use of child labor, non-discrimination or non-forced labor, and ethical management. According to statistics in 2023, a total of 225 major raw material manufacturers signed the Statement of the Code of Ethics and Business Conduct, while a total of 70 major equipment suppliers signed the Statement of the Code of Ethics and Business Conduct.

Statistics on the Signing of the Statement of the Code of Ethics and Business Conduct in 2023

Supplier Category	Number of Suppliers	Number of Suppliers that Have Signed the Statement	Percentage of Suppliers that Have Signed the Statement
Raw Materials Suppliers	225	225	100%
Equipment Suppliers	70	70	100%

Conflict Minerals

In 2023, all the products provided by CHPT to customers were metal conflict-free products

CHPT will commit to a detailed investigation and promise not to directly or indirectly purchase “Conflict Minerals (3TG)” that bring benefits to armed groups in the Democratic Republic of Congo and adjacent areas. Only purchases from internationally recognized independent third-party audits or conform to the conflict-free smelter/refinery list announced by RMI/RJC/LBMA, to avoid direct or indirect funding of armed conflict groups or mining areas that violate human rights. In 2023, we confirmed that 21 raw materials containing gold, tin, or tantalum were used in manufacturing and production. We have conducted inquiries and investigations on the suppliers who provided these raw materials, and all suppliers have completed the CMRT questionnaire to prove that the gold, tin, and tantalum contained in the raw materials we purchase and use for production come from the list of conflict-free smelters/refineries that have passed the RMAP audit, and there were no suppliers who have violated and disqualified in 2023.

Enhancing Supply Chain Communication

Purchasing units carry out “Sustainable Procurement Policy,” “Supplier Code of Conduct,” “Principles of Ethical Corporate Management,” “Information Security Policy Publicity,” “Non-Use of Conflict Minerals,” “Compliance with International RoHS Environmental Protection Standards,” “About Reporting” and various international social responsibility standards through questionnaire surveys, Company official website or supplier meeting every six months.



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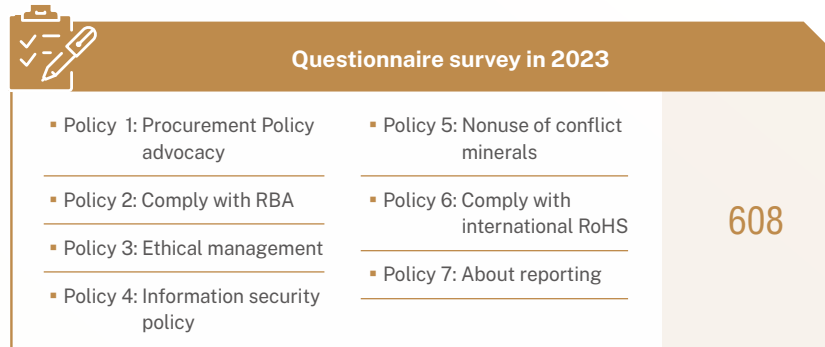
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Questionnaire survey in 2023

In 2023, CHPT collected a total of 608 questionnaires (representing a response rate of 80%) with policy promotion at a 100% rate.



2023 Supplier Conference

Placing an emphasis on maintaining long-term cooperation with suppliers, CHPT hosted the 2023 Supplier Conference, which saw the participation of 58 suppliers with nearly 100 people. During this event, we not only thanked our supply chain partners for their help over the years, but also advocated to the senior executives and corporate executives of our supplier partners that CHPT's supply chain policy and guidelines should be implemented to build a resilient and sustainable supply chain, thereby achieves the ESG goal.



Prohibited Substances

CHPT introduced halogen-free raw materials for customers to choose and use

Part of the raw materials of CHPT uses materials containing banned substances because the product characteristics still need to meet the needs of customers in the plant. However, due to the current environmental awareness and the global commitment to sustainable development, we are actively developing and researching raw materials that do not use banned substances. CHPT has introduced the SCM supplier basic information platform. When a new supplier enters the basic information, the purchasing unit must implement RoHS and Halogen Free (Halogen Free) hazardous substance management for direct raw materials, and require suppliers before placing an order. Provide the relevant test certificate report, and confirm that the content of the report and the validity period are verified to meet the requirements, and the relevant green product test report is included in the supplier's basic information platform system for management.



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3.1 Friendly Workplace

Employees are the most important assets of the Company. CHPT follows laws and policies and treats every employee fairly, regardless of race, gender, age, religion, nationality or political party. Talents are employed on a merit basis and there is no employment discrimination. The Company's promotion system is perfect, so that every employee can get professional promotion and salary in a good workplace environment, create a friendly workplace environment for employees, provide a safe and secure working environment, and construct a variety of training courses to work together with employees growing up.

3.1.1 Employee Structure

As of December 31, 2023, the total number of employees of CHPT was 1,220 people, including 176 managers and 1,044 regular rank employees; Based on the characteristics of science and technology industry and the employment market and other factors, most of the managerial, professional and technical personnel of CHPT are men. In terms of gender distribution, the proportion of men in management positions was 83%, and that of women was 17%; the proportion of men in regular rank employees was 66.3%, and that of women was 33.7%; In terms of age distribution, colleagues aged between 30 and 50 accounted for 74% of all employees.

CHPT is committed to creating a diverse and inclusive working environment, providing job opportunities for disadvantaged groups with physical and mental disabilities with practical actions. As of the end of 2023, CHPT has employed a total of 10 employees with disabilities, which complies the number of employees from these groups as required by law.

Note In addition, under the policy of globalization and transnational operation, foreign employees account for 12.7%, including 155 diverse employees from the United States, India, Malaysia, the Philippines, Vietnam, and Mainland China.

Gender ratio

As of December 31, 2023	Age	Gender	Number of People	Percentage
 Management-level employees	Under 30 years old	Male	5	2.8%
		Female	0	0.0%
		Subtotal	5	2.8%
	30-50	Male	125	71.0%
		Female	23	13.1%
		Subtotal	148	84.1%
	Over 50 years old	Male	16	9.1%
		Female	7	4.0%
		Subtotal	23	13.1%
 General employees	Under 30 years old	Male	197	18.9%
		Female	72	6.9%
		Subtotal	269	25.8%
	30-50	Male	484	46.4%
		Female	275	26.3%
		Subtotal	759	72.7%
	Over 50 years old	Male	11	1.1%
		Female	5	0.5%
		Subtotal	16	1.5%



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Employment distribution

 People with disabilities	Male	5
	Female	5
	Total	10
 Foreign personnel	Male	100
	Female	55
	Total	155

Workers not hired by the Company

Category	Service scope (Work type)	Number of People	Contract conditions
 Labor agency	Dormitory administrator	1	Signed by a labor agency
 Group meal	Headquarters and Plant 1 on-site catering	10	Group meal service contract
 Cleaning	Headquarters and Plant 1 environment cleaning	11	Cleaning service contract
 Security guard	Headquarters and Plant 1 resident security guard	7	Security guard service contract

Total number of employees classified by gender and nationality

Taiwan			
Category	Male	Female	Total
Total Number of Employees	738	327	1,065
Permanently Hired Employees	694	325	1,019
Temporary Employees	44	2	46
Employees Without Guaranteed Hours	0	0	0
Full-Time Employees	738	327	1,065
Part-time Employees	0	0	0

Note Definition of temporary employees: Those who sign immigrant labor contracts and school contracts are temporary employees

Overseas (Mainland China and other regions)			
Category	Male	Female	Total
Total Number of Employees	100	55	155
Permanently Hired Employees	25	19	44
Temporary Employees	75	36	111
Employees Without Guaranteed Hours	0	0	0
Full-Time Employees	25	19	44
Part-time Employees	0	0	0

Note Definition of temporary employees: Those who sign immigrant labor contracts and school contracts are temporary employees

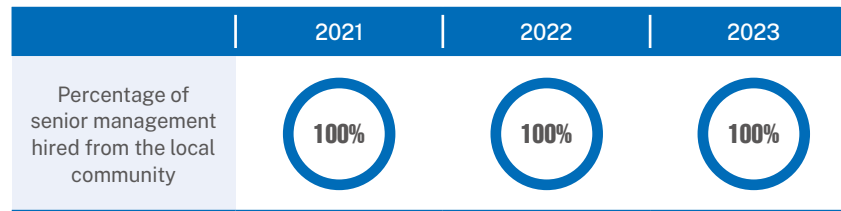


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Percentage of senior management hired from the local community



Note1 Definition of managerial supervisor: Same as the information disclosed in the 2023 Annual Report with respect to the supervisors of various departments and branches, including the President, Vice President, and Assistant Vice Presidents of Finance and Accounting, which amounts to five people in total.

Note2 All five senior executives have the nationality of the Republic of China

Note3 The report reveals that its important location of operations is mainly in Taiwan

3.1.2 Talent Recruitment

Recruiting talents

In addition to employees in Taiwan, CHPT mainly recruits foreign talents in various regions, and at the same time evaluates the possible risks of hiring foreign employees. In the Mainland, employment management measures that comply with local laws and regulations have been formulated, such as “Shanghai Taihua Electronics Recruitment Operation Management Measures,” “Shanghai Taihua Electronics Resignation Operation Management Measures,” “Suzhou Precision Test Recruitment Management Measures” and “Suzhou Precision Test Resignation Operation Management Measures,” etc. All related operations are in charge of special personnel. At the same time, a management and control mechanism is set up to pay attention to changes in various government policies and regulations, and update them at any time to ensure that the Company and employees comply with government regulations and avoid risks.

Diverse recruitment channels

As of 2023, CHPT’s diverse recruitment channels include 104 Job Bank, 1111 Job Bank, employee referrals, and industry-academia training. CHPT develops our talent program through various recruitment channels and business strategies. Furthermore, CHPT is committed to engaging in local campus programs and industry-academia cooperation while nurturing diverse talents and offering a variety of training and development opportunities, in order to meet the company’s future operational development needs for talent. As of the end of 2023, CHPT recruited a total of 103 new employees across the globe.

Number and percentage of new recruits in 2023

As of December 31, 2023	Age	Gender	Number of People	Percentage
 New recruits	Under 30 years old	Male	53	26.2%
		Female	7	9.7%
		Subtotal	60	21.9%
	30-50	Male	25	4.1%
		Female	16	5.4%
		Subtotal	41	4.5%
	Over 50 years old	Male	2	7.4%
		Female	0	0.0%
		Subtotal	2	5.1%

Note The percentages in the above table represent new recruits of different ages and genders as the numerator, while the current employees of different ages and genders serve as the denominator for calculating the proportion

Number and percentage of employee resignations (including transfers to affiliates) in 2023

As of December 31, 2023	Age	Gender	Number of People	Percentage
 Resignations	Under 30 years old	Male	28	13.9%
		Female	15	20.8%
		Subtotal	43	15.7%
	30-50	Male	95	15.6%
		Female	28	9.4%
		Subtotal	123	13.6%
	Over 50 years old	Male	2	7.4%
		Female	0	0.0%
		Subtotal	2	5.1%

Note The percentages in the above table represent employee turnover of different ages and genders as the numerator, while the current employees of different ages and genders serve as the denominator for calculating the proportion



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3.1.3 Remuneration and Benefits

Comparing salary with market standard

Attract outstanding talents to join the CHPT team and give them a stage to show their talents. At the same time, reward colleagues to continue to create performance. The Company measures the salary level and structure of the same industry through industry salary surveys every year and keeps an eye on the local economic development and price index to make appropriate adjustments. We strategically increase the proportion of fixed salary in its annual salary structure, making our salary structure more competitive to attract and retain relevant talents. In 2023, the average salary of non-management employees was NT\$901 thousand, down 11.2% (based on the average salary of non-management employees amounting to NT\$1,002 thousand in 2022). However, the average salary of non-management employees over the past four years was NT\$980 thousand, which is nearly NT\$1 million.

CHPT provides a salary level that is better than the industry standard, and the average basic salary of entry level employees (including foreigners) is better than the law. Among them, the entry-level salary of men is 1.15 times the basic salary, and the entry-level salary of women is 1.19 times the basic salary. CHPT offers 12 months of salary and festive bonuses, performance bonuses and employee remuneration, etc. The current salary ratio of entry-level employees between men and women is 1:1.03. The Company eliminates discrimination and unequal pay for equal work. There is no gender difference in personnel appraisal, and all employers are treated equally.

Salary System Planning

To recruit external talents and retain outstanding talents, and effectively motivate colleagues to improve work efficiency and performance, a competitive salary and bonus system is planned. In addition to the monthly fixed salary, performance bonuses, employee remuneration, and festive bonuses are also issued. Closely link the Company's bonus system with profit, encourage colleagues to focus on their jobs, and work hard to create a win-win advantage of Company profit and personal salary growth. The Company's entire remuneration structure for employees is based on the overall planning of employees' job duties, professional ability, knowledge, skills, and performance, and is not affected by gender or other discriminatory acts that impede human rights. And check the salary level irregularly to achieve the salary level of internal fairness and external competitiveness.

Male-to-female local basic salary ratio in 2023

Unit | NT\$

	Male	Female
Entry level basic salary	\$ 29,000	\$ 29,000
(Statutory) Minimum wage for entry level	\$ 26,400	\$ 26,400
More than a multiple of statutory minimum wage	1.10	1.10
Gender wage ratio	1	

	2021		2022		2023	
Rank	Male	Female	Male	Female	Male	Female
General employees	1	0.92	1	0.97	1	0.95
Entry-level supervisors	1	0.93	1	0.95	1	0.97
Middle-level managers	1	0.91	1	0.88	1	0.85
Top-level managers	1	0.87	1	0.87	1	0.89

Note1 Among entry-level supervisors, the salary ratio of women to men has been increasing year by year.

Note2 The Company hires based on talents and abilities, and gender does not affect their promotion and salary adjustments. However, among middle-level and managerial supervisors, the proportion of women is low, so the change in salary ratio tends to decline slightly.

Note3 Basic salary of entry-level employee: This is for local employees, excluding blue-collar foreign colleagues



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Average and median annual salary of non-management positions

Item	Unit NT\$ thousand		
	2021	2022	2023
Total salary of full-time non-managerial employees	1,004,424	1,053,752	975,684
Number of full-time non-managerial employees	998	1,052	1,083
"Average Salary" of full-time non-managerial employees	1,006	1,002	901
"Median Salary" of full-time non-managerial employees	934	917	838

3.1.4 Employee Benefits

While pursuing sustainable economic development, CHPT provides a happy, friendly and inclusive working environment, cares for employees' physical and mental health and quality of life, and enables employees to achieve a balance between work and life, which is our development goal of great importance.

In addition to providing statutory and basic benefits, CHPT has also formulates a number of employee welfare policies to meet the physical and mental health care of employees:

Statutory benefits items

01

Labor insurance, health insurance and 6% are allocated to the labor pension account on a monthly basis according to the contribution grade table

- Annual free professional health checkups for employees
- Types of leave in compliance with laws and regulations

Basic benefits items

02

- Marriage, childbirth, and funeral allowances for the Company and the Employee welfare committee
- Travel grant
- Birthday gift certificate
- Free employee relationship activities and annual plant celebration and family day activities
- Zero-burden group insurance, including life insurance, accident insurance, medical insurance and cancer insurance
- Optional family insurance
- Overseas travel insurance and local employee insurance
- Free varied premium meals
- Double benefits for meals and group wellness fee
- The year-end banquet and the lottery of high prizes
- Exclusive and comfortable employee rest space
- Hanging garden and green leisure garden
- Borrow books, newspapers, and magazines for free
- Professional plant medical consultation and assistance
- Free car and motorcycle parking spot (Pingjhen plant)
- Free uniform
- Chunghwa Telecom employee discount plan
- Specialized stores and discounted movie tickets
- Free consultation of financial and insurance companies on-site in the plant
- Mortgage and car discounts
- Retirement farewell party with selected souvenirs

Diverse benefits policies

03

- Provide regular health checkups and multiple legal leave types to protect the physical and mental health of employees, and further plan the pension system to protect the rights and interests of employees to claim pensions in the future, including the welfare plan stipulated in accordance with the "Labor Standards Act" and the pension allocation plan stipulated by "Labor Pension Act."
- Provide professional plant medical consultation and free group insurance, pension, emergency relief, marriage and childbirth gifts, funeral subsidies, special store discounts, etc., to motivate employees to go all out for the long-term development of the Company.
- The Outstanding Contribution Award is set up to encourage employees with excellent performance. Seniority service rewards are also offered and retirement farewell activities are held to thank employees for their long-term trust and contribution to the Company.
- Provide departmental public funds to each unit, hold meals, group wellness activities or order afternoon tea, gather the solidarity of employees, and boost the sense of happiness.
- Organize plant celebration and family day activities to promote the physical and mental health of employees.
- Plan a diverse bonus system, such as: the annual festive bonuses include Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival for a total of 2 months; allocate 20~30% of the earnings to distribute employee compensation and share the Company's operating results with employees.
- Irregularly distribute gifts or gift certificates on special festivals, such as Labor Day, Christmas, etc.

Annual total compensation ratio

The ratio of the annual total income of the highest-paid individual at CHPT to the median annual total income of other employees (excluding the highest-paid individual) (referred to as the median ratio) is 11.5:1.

The ratio of the percentage increase in the annual total income of the highest-paid individual in 2023 compared to the total income in 2022, to the median annual percentage increase in the total income of other employees (excluding the highest-paid individual) (referred to as the percentage increase in median) was 1.19:1.

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Relevant welfare/subsidy achievements in 2023

Unit | NT\$

Amount of company benefits in 2023					
Benefits Item in 2023	Benefits provider	Subsidy amount	Benefits payment amount	Number of individuals	Proportion of project subsidy
 Childbirth allowance	Employee welfare committee	3,000	99,000	31	23.1%
	The Company	10,000	330,000	31	76.9%
 Funeral allowance	Employee welfare committee	2,100	27,300	13	29.6%
	The Company	5,000	71,000	15	70.4%
 Marriage allowance	Employee welfare committee	2,600	85,800	33	20.6%
	The Company	10,000	450,000	45	79.4%
 Injury condolences- Employee welfare committee	Employee welfare committee	1,000	11,000	11	100%
Total Amount		1,074,100	Number of applications		179

Employee and community events in 2023

Event	Number of employee participants	Number of family members of employee participants	Ministry of Labor's subsidy
Fluid Art Bear Event (Pingjhen)	43	66	NT\$30,000
Fluid Art Bear Event (Hsinchu)	22	31	NT\$15,000

Note These events were subsidized under the Ministry of Labor's 2023 Work-Life Balance Subsidy Program.

Fluid Art Bear Family Event (Pingjhen)



Event description

- **Date:** August 12 and September 9, 2023
- **Venue:** Golden Feather Fluid Art Experience Workshop
- **Target Group:** All employees
- **Benefit:** Promote a balanced family life among employees and communication and interaction with family members, so that they can enjoy parent-child fun and family leisure life outside of their busy work; effectively increase the sense of intimacy between family members while engaging in a common experience; as well as gain the support and recognition of family members, which will not only enable employees to achieve excellent performance at work, but also foster employees' sense of belonging towards the Company.



Number of participants, event duration, and beneficiaries

109 people (two sessions); 4 hours (two sessions); employees and their dependents



Resources invested

Funding and manpower



Activity Photos



Fluid Art Bear Family Event (Hsinchu)



Event
description

- **Date:** August 20, 2023
- **Venue:** Golden Feather Fluid Art Experience Workshop
- **Target Group:** All employees
- **Benefit:** Promote a balanced family life among employees and communication and interaction with family members, so that they can enjoy parent-child fun and family leisure life outside of their busy work; effectively increase the sense of intimacy between family members while engaging in a common experience; as well as gain the support and recognition of family members, which will not only enable employees to achieve excellent performance at work, but also foster employees' sense of belonging towards the Company.



Number of partic-
ants, event duration,
and beneficiaries

53 people (one session); 2 hours (one session); employees and their dependents

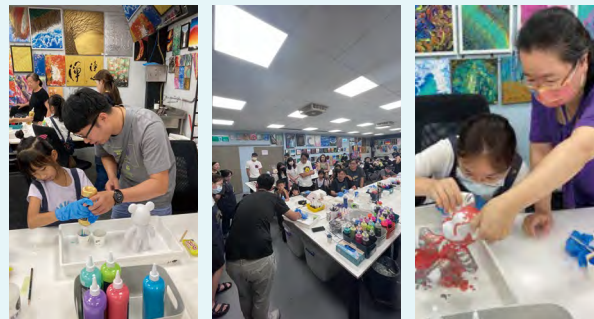


Resources
invested

Funding and manpower



Activity Photos



Let Love Live On with One Bag of Blood - CHPT Blood Donation Drive



Event
description

- **Date:** March 24 and December 15, 2023
- **Venue:** Next to the security guard room at CHPT headquarters
- **Target Group:** All employees
- **Benefit:** Send warmth in winter to spread the seeds of warm blood in the wind by organizing blood donation drives, where employees were called on to do their part in addressing blood shortages during winter.



Number of partic-
ants, event duration,
and beneficiaries

112 people and 105 people



Resources
invested

NT\$77,000 with 20 staff members



Activity Photos



Q1 CHPT Ball Games (Pingjhen)



Event description

- **Date:** -
- **Venue:** Sports Center
- **Target Group:** All employees
- **Benefit:** Enable employees to team up and compete with each other in a friendly manner, which not only enhances communication and exchanges between different departments but also fosters team cohesion while enhancing the team's sense of honor and competitiveness by distinguishing winners and losers in competitions.



Number of partici- pants, event duration, and beneficiaries

144 people



Resources invested

\$400,000



Activity Photos



Q2 New Experience with Old Attractions in Lanyang - Real-life Puzzle Solving in the One-day Tour of the National Center for Traditional Arts



Event description

- **Date:** -
- **Venue:** Yilan
- **Target Group:** All employees
- **Benefit:** A one-day tour was organized for employees and their dependents to reward employees for their diligence and dedication and foster their sense of belonging towards the Company. This tour not only comprised park attractions, but also included real-life puzzle solving so that the team can brainstorm and enjoy a different kind of fun in existing attractions.



Number of partici- pants, event duration, and beneficiaries

587 people



Resources invested

\$980,000



Activity Photos





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Q3 Movie Appreciation Event



Event description

Provide employees with an opportunity to enjoy a movie after work, so that our employees and their dependents can experience watching a movie in an undisturbed and comfortable environment, with hopes that this event enable our employees and their dependents to interact with each other and enjoy leisure time outside of their busy schedules while leaving behind a different memory in their lives.



Number of partici- pants, event duration, and beneficiaries

1,110 people

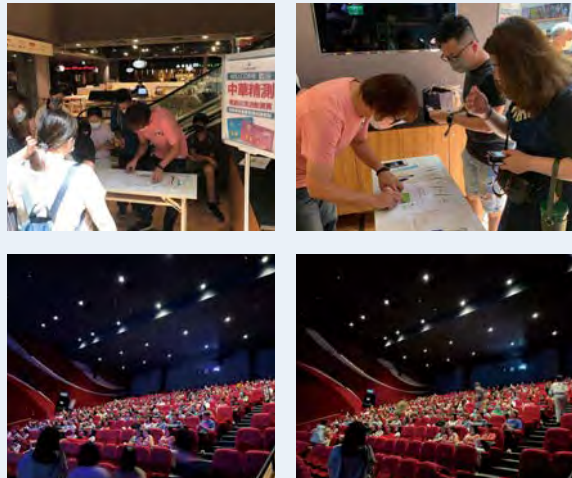


Resources invested

\$380,000



Activity Photos



Q4 Camping Fun



Event description

- **Venue:** Miaoli
- **Target Group:** All employees
- **Benefit:** Invite our employees to go outdoors for a hike and get away from the convenience of city life. In this event, participants will build a shelter for resting at night, make DIY interesting toys, sing with the performance team, experience a different kind of performance by the eye-catching fire dance group, and take part in a fun bubble show for children, while enjoying the outdoor life with insects and birds chirping and the lush greenery.



Number of partici- pants, event duration, and beneficiaries

379 people



Resources invested

\$1,600,000



Activity Photos





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Marriage and childbirth care

CHPT attaches great importance to the employee welfare system, and concerning and caring for employees is the Company's primary responsibility. To allow employees to live and work in peace and contentment while taking into account work development and quality of life, in addition to complying with the "Act of Gender Equality in Employment" by laws and regulations, Taiwanese employees who have worked for more than half a year, if they need to take care of their children under the age of 3, can apply for unpaid parental leave for raising children. The Employee welfare committee not only grants the right to unpaid parental leave for employees to raise their children but also establishes special contracts with childcare centers and kindergartens in the areas where the plants are located. Additionally, it implements a comprehensive leave management system that enables employees to use their leave flexibly for child-rearing and taking care of their children. In case of long-term leave due to military service or serious injury or illness, you can also apply for job-protected leave, and apply for reinstatement after the period expires. In addition, the Company has launched maternity protection management for pregnant employees, such as: providing complete prenatal education, adjusting shifts to avoid night work, and setting up exclusive parking spots and breastfeeding rooms. As regards parental leave, a total of 14 Taiwanese employees (including one male employee and 13 female employees) applied for unpaid parental leave in 2023. The actual number of reinstated employees in 2023 was eight people (including two male employees and six female employees), whereas the number of employees who should be reinstated was 11 people, representing a return-to-work rate of 73%.

Number of employees eligible to apply for parental leave and the number of people reinstatement over the years

Item	Gender	2021	2022	2023
Number of employees eligible to apply for parental leave	Male	30	25	22
	Female	11	15	10
	Total	41	40	32
Actual number of eligible applicants	Male	2	3	1
	Female	7	6	13
	Total	9	9	14
Number of employees to be reinstated	Male	3	2	2
	Female	4	6	9
	Total	7	8	11
Number of employees actually reinstated	Male	1	0	2
	Female	3	5	6
	Total	4	5	8
Reinstatement rate	Male	33%	0%	100%
	Female	75%	83%	67%
	Total	57%	63%	73%
Number of employees who have been reinstated for one year during the current year	Male	0	0	0
	Female	5	2	3
	Total	5	2	3
Retention rate	Male	0%	0%	0%
	Female	83%	67%	60%
	Total	83%	50%	60%

Note1 Reinstatement rate = actual number of reinstated people ÷ number of people to be reinstated × 100%

Note2 Retention rate = number of people who have been reinstated for one year during the current year ÷ number of people reinstated in the previous year × 100%

Employees on family care-related leave in 2023

Item	Family care leave/ number of individuals	Maternity (paternity) leave/number of individuals	Menstrual leave/ number of individuals
Male	133	22	0
Female	100	10	673

Pension planning

To ensure that colleagues have a long-term career, CHPT has designed a pension system for colleagues. Includes benefit plans established under the Labor Standards Act and allocation plans established under the Labor Pension Act.

In terms of the new labor retirement system, the Taiwan region will allocate 6% of employee's salary for retirement every month. The amount recognized as an expense in 2023 was NT\$42,164,079. The retirement pension system of overseas subsidiaries is in accordance with the regulations of the local government, and various social security funds, pensions and medical insurance funds are paid every month.

Retirement plan	New policy
Plan content (laws, systems, management guidelines)	According to the employee retirement measures stipulated in the "Labor Standards Act" and "Labor Pension Act" in Taiwan, the pension is allocated to the personal account of the Bureau of Labor Insurance
Percentage of employee participation	For employees in Taiwan, a contribution equivalent to 6% of each employee's monthly salary is made to the pension fund. The amount of contributions made to the pension fund recognized as expense in 2023 was NT\$42,164,079.



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3.2 Talent Development and Cultivation

3.2.1 Training and Continuation

Resource Integration, talent development and training

Through the integration and utilization of various resources, CHPT implements talent development and education and training, provides employees with a good learning environment, and allows each employee to have diverse development opportunities. Learning, growth and experience continuation cultivating outstanding talents in various fields is the core value that the Company attaches great importance to. In 2023, we continued to actively develop digital courses and resources as well as provided diverse learning channels for the team, so that learning can take place regardless of location and time. This year, we integrated online training and offline learning and development activities, with a total of more than 30,000 training hours, and an average of about 23.9 training hours per employee.

Cultivation of new employees and experience continuation

In 2023, the number of participants in new employees course training totaled 369 people, with a total of 1,251.5 hours and an average of 3.4 hours per person. These statistics shows that the Company attaches great importance to the basic training of new recruits, because a good training cornerstone for new recruits is regarded as the first step to cultivate talents.

Promotion of physical and digital learning courses and resources

CHPT's physical and digital learning courses are divided into six categories: general training (new employee training), regulatory training (external training), professional training, quality training, management training and other types. These courses have been participated by up to 24,827 people who underwent 32,599.32 hours of training in total. Specifically, CHPT has developed 51 items in nine categories of online courses and resources for three major types of courses (i.e., mandatory training, elective training, and learning resources), where 162 signed up for these courses while learning resources were viewed 2,159 times.

In 2023, the number of participants and hours of training increased significantly, where the number of course participants grew by 6,766 people, while the total training hours correspondingly rose by 1,975.8 hours.

Number of internal and external training courses for employees (quarterly)

200 to 230 times per quarter for internal and external employee training

Key training program

Taking continuation as the main axis, make good use of internal human capital to develop knowledge management expertise and share experience

01

Promoting design, undertaking projects, simulating manpower development, continuing and optimizing employment efficiency projects, digitizing teaching materials and designing communication-related operating software and professional knowledge courses.

02

Organize internal lecturer awarding activities to enable internal lecturers to understand the value of education and training, enhance their self-confidence and strengthen their sense of mission, and expect internal lecturers to maximize the benefits of experience continuation.

03

Continue to provide education and training for entry-level supervisors in 2023 as implemented throughout 2022, with the aim of improving the management skills of entry-level supervisors and enhance their understanding of the human resources system.

04

Add intermediate-level supervisor training in 2023, aimed at broadening their horizons, stimulating their potential and developing high-quality communication, and effectively bolstering their mastery of managerial responsibilities and tasks.



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CHPT complete training architecture

Physical + digital course training overview

Course type	Course item	Accumulated number personnel trained/ hours
Physical and digital courses	General category (new employee training)	Attended by 369 trainees for a total of 1,251 hours
	Law category (external training)	Attended by 285 trainees for a total of 1,617 hours
	Quality category	Attended by 1,896 trainees for a total of 2,316.5 hours
	Professional category	Attended by 7,162 trainees for a total of 11,009 hours
	Management category	Attended by 335 trainees for a total of 946.32 hours
	Others	Attended by 14,780 trainees for a total of 15,459.5 hours

Digital course training overview

Course type	Course item	Course category	Accumulated number of registrations/views
Digital courses	Optional courses	Professional category	A total of 162 people signed up for these courses
		Safety and health category	
		Management and general category	
	Learning resources	Insurance and financial management	2,159 views in total
		Experience sharing	
		Learning sharing	
		Operation manual	
		Occupational safety	
		Digital transformation and sustainable development	

Average hours of employee training in 2023

Rank	Average male training hours	Average female training hours	Total average training hours
Management roles	31.1	36.1	31.9
Non-management roles	23.1	21.4	22.5
Total	24.5	22.6	23.9

Note1 Management position: supervisor (including a proxy) at the group level (including) or above
Note2 Education and training hours include overseas regions, internal training, and external training

Training hours and trainees by category

Category	Item	2021	2022	2023
 General category (New employee training)	Total hours	2,741.3	3,354.5	1,251
	Number of trainees	785	993	369
	Average training hours	3.5	3.4	3.4
 Law category (external training)	Total hours	561.5	1,322	1,617
	Number of trainees	81	137	285
	Average training hours	6.9	9.6	5.7
 Quality category	Total hours	2,035.6	1,911.2	2,316.5
	Number of trainees	1,657	1,785	1,896
	Average training hours	1.2	1.1	1.2



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Category	Item	2021	2022	2023
 Professional category	Total hours	9,239.0	11,251	11,009
	Number of trainees	5,584	6,610	7,162
	Average training hours	1.7	1.7	1.5
 Management category	Total hours	-	-	946.32
	Number of trainees	-	-	335
	Average training hours	-	-	2.8
 Others	Total hours	6,115.46	12,784.8	15,459.5
	Number of trainees	4,561.00	8,536.0	14,780
	Average training hours	1.3	1.5	1

Note New employees training includes general occupational safety and health courses, new recruits hazard general education courses and new recruits training courses

Employee training amount and hours statistics

Training indicator	2021	2022	2023
Total employee training amount (NT\$)	414,864	663,130	672,346
Total employee training hours (hours)	20,692.9	30,623.5	32,599.3
Employee training amount/Total numbers of employees (NT\$/ person)	350.7	514.5	551.1

Note1 Number of employees in 2021: 1,183 person

Note2 Number of employees in 2022: 1,289 person

Note3 Number of employees in 2023: 1,220 person

3.2.2 Performance Assessment

CHPT provides a platform for employees to give full play to their professional functions, expecting to achieve the Company's strategic goals and further have a positive impact on social development. The Company's talent cultivation policy takes function as the training goal, follows the "Employee Performance Assessment Measures," and conducts annual performance assessment for all employees every year. In 2023, the completion rate of performance assessment was 100% among employees, including 759 males, accounting for 68.6% of the total number of employees assessed; 347 females, accounting for 31.4%; and 173 management employees, accounting for 15.6%; and 933 non-management employees, accounting for 84.4%. Every employee is a valuable asset and an indispensable member of CHPT. The assessment mechanism is not to evaluate the quality of employees, but through a diverse and multi-faceted evaluation mechanism, employees and managers at all levels can fully understand their own work goals and the blueprint for the future development of the organization, and serve as the basis for determining salary and bonuses, and position adjustments. If employees have doubts about the assessment results, they can file an appeal, and their line supervisor will respond to the appeal. At the same time, CHPT designed the "Employee Performance Coaching Improvement Plan" to assist supervisors to formulate coaching improvement countermeasures for employees with poor performance, so that these employees have the opportunity to increase their value.

Item	Total	Male		Female	
	Number of People	Number of People	Percentage	Number of People	Percentage
Management roles	173	145	83.8%	28	16.2%
Non-management roles	933	614	65.8%	319	34.2%
Subtotal	1,106	759	68.6%	347	31.4%

Note1 The number of inspections received does not include the Chairman, the President, migrant workers, and new recruits who have been employed for less than 3 months

Note2 Those who participated in one or more performance assessments will be included in the calculation of the number of persons subject to assessment



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3.3 Employee Communication

Communication Channel

CHPT attaches great importance to the opinions and ideas of employees, establishes a diverse and smooth channel for employees to express their opinions, and provides a two-way open communication environment to enhance the harmonious relationship between labor and management. Therefore, the Company established the Labor-Management Committee to hold a labor-management meeting every quarter, with the aim of providing a labor-management communication platform to coordinate labor-management relations and promote labor-management harmony. In addition, it also protects the rights and interests of labors to speak out, formulates a labor appeal mechanism, and has put in place an employee suggestion mailbox, an employee complaint mailbox (free_talk_hq@chpt.com), and an employee complaint hotline. If employees find violations, illegal situations, unfair treatment, etc., they can communicate and appeal to the Company.

All reported cases are promptly and appropriately handled by the relevant units with the highest confidentiality principle. The channels for filing complaints are explained and promoted on the Company's internal website and in the new employee training materials, ensuring that all employees are aware.

Actual effectiveness of communication in 2023

- A total of 4 labor-management meetings were held, with 7 representatives from both sides, including other participants, about 18 people attended each time.
- A total of 6 echelons of monthly foreign employee meetings were held, with a total of 677 participants
- In 2023, no major labor disputes were reported at CHPT, nor were there any violation of employee rights.

Collective Bargaining

Despite not being a member of a trade union, the Company attaches great importance to the rights and interests of employees and respects the rights of employees to collective bargaining and assembly. Aside from signing labor contracts with all our employees, the Company also regularly holds labor-management meetings, reports the Company's operations to employees in accordance with laws and regulations, and invites employees to participate in discussions on issues such as labor conditions and benefits. The Company has formulated a series of internal management rules and regulations, including "Work Rules," "Resignation Operation Management Measures," "Employee Retirement Operation Management Measures," and "Employee Severance Operation Management Measures." These management measures clearly stipulate the notice period in case of employee resignation, severance and retirement, etc., which are adjusted according to the employee's seniority. The Company also attaches great importance to the results of the negotiation between the two parties. If there are special circumstances, it will be implemented after negotiation. In addition, if changes in the Company's operations or working conditions affect the rights and interests of employees, the Company will hold labor-management meetings for negotiation and communication, and notify employees of a notice period in accordance with the regulations of the competent authority to ensure that the rights and interests of employees will not be damaged.

The content of the group agreement covers a variety of issues, such as wages, working hours, allowances, bonuses, transfers, severance, retirement, occupational accident compensation and indemnity, and other labor-related matters, and can also include other issues of the Company such as safety and health, workplace environment optimization, employee welfare systems, etc., as matters to be negotiated collectively between labor and management, the two parties. Collective bargaining helps to protect the labor rights and interests of employees, improve working conditions, and also facilitates maintain stable labor-management relations. It can be regarded as a benign system that creates a win-win situation for labor and management.

Notice period





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3.4 Workplace Safety

3.4.1 Safe Workplace

In accordance with the ISO 45001 occupational health and safety management system, CHPT has set up a Safety and Health Committee and established a “safety and health policy” to maintain the work safety and health of employees, suppliers, contractors and other employees in the plant, and continuously improve the working environment, enhance the awareness of safety culture, strengthen self-inspection, and aim at zero workplace safety incidents and zero injuries.

CHPT attaches great importance to the safety of employees’ workplaces. In order to create a safe workplace environment, it has been committed to safety and health related issues for a long time, and insists on regarding safety and health as equally important issues as industrial development. Since 2018, CHPT has established an ISO 45001 system and passed the system verification in 2019. The system covers all personnel within the plant, such as suppliers and contractors, in addition to the internal employees of CHPT. In response to matters such as the expansion of production lines and the establishment of the headquarters, as many as 377 contractors have cooperated with CHPT. The Company has established a professional and dedicated executive unit and implemented the Company’s safety and health management mechanism through an institutionalized, systematic, and top-down approach to ensure the safety of products, employees, contractors, plants, and communities. Maintaining employee health and safety and community safety is a corporate social responsibility and an important indicator of corporate competitiveness.

CHPT will formulate contractor management system standards and systematization, establish contractor management procedures, carry out hazard identification and risk assessment for operation projects undertaken by professionals, formulate corresponding safety management projects, and work with contractors to control predictable risks and reduce the possibility of disasters. At the same time, the Company also standardizes the automatic inspection of machinery and equipment and develops the habit of employees to conduct self-inspection before operation, to prevent occupational accidents caused by abnormal machinery and equipment.



Environmental Safety and Health Policy

CHPT’s environmental safety and health policy emphasizes the appeal of safety with the participation of all employees, actively establishes good interactions with stakeholders, and is committed to achieving the goal of “zero accidents in safety and sustainable environmental development,” and promises to continue to carry out various improvements of environmental safety and health. We promise to:

- 1 Comply with local safety, health and environmental protection regulations, and continue to pay attention to international safety, health and environmental issues.
- 2 Promote occupational safety, health, and environmental management systems, implement relevant risk assessments, review improvement results, and continually improve management performance.
- 3 Actively improve the manufacturing process, control pollution sources, promote waste reduction and energy conservation in the manufacturing process, and reduce environmental impact and risks.
- 4 Implement safety, health and environmental protection education, establish employee prevention concepts, and avoid disasters and pollution.
- 5 Establish a safe and healthy workplace environment, implement health management and promotion activities, and improve the physical and mental health of employees.
- 6 Support employees to consult and participate in safety, health, environmental protection and other related issues, and encourage all employees to discover hazards, risks and improvement opportunities, and receive appropriate responses and protections.
- 7 Establish good communication between suppliers, outsourced vendors and other stakeholders, and communicate company policies for the purpose of sustainable operation.

Identify operating environment risks and preventive actions

Each plant area has set up a workplace safety and health organization to coordinate the management and promotion of the environmental safety and health work at the plant [Note 1], and abide by relevant laws and regulations on workplace safety, fire protection, and health. To prevent mechanical equipment from causing harm to personnel, the Company standardizes automatic inspection and fosters employees’ habit of self-inspection before operation, to prevent occupational disasters caused by abnormal mechanical equipment.

Note Coverage: Taiwan Taoyuan plants area (excluding the Subsidiaries)





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Hazard identification and risk assessment

1. The personnel who perform hazard identification must first complete the hazard identification risk assessment training before they can operate, and the personnel who perform hazard identification are all the entry-level supervisors in the Company (the section manager or the proxy). When identifying hazards, it is necessary to identify potential or past hazards from various operating behaviors, working environments, machinery, tools, and chemical substances in the unit, and classify the hazard items in terms of severity, operation time, and hazard occurrence possibility. The possibility of risk is calculated by multiplying the product, and the score will have five intervals (1~100), which are divided into risk levels of A~E according to the interval from high to low. Internally, the Company lists hazards with risk scores higher than 46 points as items that must

be improved (according to the resolution of the Occupational Safety, Health and Environmental Protection Committee, it may be listed as an annual target), and after the improvement is completed, re-evaluation is required to reduce the hazards to below 46 points. For hazards with a score lower than 46 points, it is necessary to propose improvement suggestions for safety optimization as much as possible.

2. In 2023, a total of 2,405 hazard identifications were completed, including 0 necessary improvement items and 50 safety optimization improvement items.
3. According to the degree of risk, in 2023, there were high-risk hazard items: 0%, medium-risk hazard items: 0.5%, and low-risk hazard items: 99.5%.

Risk Level	Score	Explanation of Risks		Countermeasures	Opportunity planning for control measures or improvements
E	1~15	Acceptable risks	Light risks	Improving is not currently being considered, maintaining existing measures	1. Suggestions for control measures or improvement opportunities should be put forward when the risk level is A or B 2. Suggestions on control measures or improvement opportunities may be proposed when there are different and better solutions than existing measures
D	16~30		Low risks	Adding additional control measures is not currently being considered, but under the condition of not increasing the cost, it is advisable to consider the improvement method that can boost the control effect	
C	31~45		Moderate risks	There is no need to add additional control measures currently, but after weighing the required cost and technology-related factors, control measures to reduce risks can be adopted	
B	46~70	Unacceptable risks	High risk	Listed as an improvement item, control measures to reduce risks should be taken within a certain period of time	Suggestions for control measures or opportunities for improvement to be proposed
A	71~100		Significant risks	Before the risk is reduced, it cannot be operated, and it is listed as the primary improvement item, and risk reduction measures should be carried out as soon as possible	



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Work environment and employee safety



Factory security

The plant has access control set up at all entrances and exits. The gate has add more security guards stationed 24 hours a day and the entire plant area is covered by a surveillance system. The stationed guards patrol the plant site every 2 hours at night. A 24-hour emergency reporting hotline - 1999 - has been set up to prevent failure and delay in reporting emergency events.



Emergency response training

The Company hires external professional instructors to conduct fire safety training and drills every six months. Based on risk assessments, the Company has highlighted ten major emergency responses and designed drills for different floors and areas within the plant, which are conducted every two months to improve employees' responses and reduce the risk of hazards.



Establish occupational safety and health management system

a. Establish occupational safety and health management system. The Safety and Health Center has been assigned to perform daily inspections of the workplace, and conduct inspections on contractors' safety and health, the standard manufacturing procedures, equipment operation/maintenance policy, and chemicals management, and other related operations, and make timely improvements.
b. Each year, the System Audit Department conducts 1 to 2 audits on the workplace safety and health system. In doing so, we hope to develop a habit of ongoing improvement and self-management among employees, and raise their awareness towards safety and health that would lead to the creation of a safe and comfortable work environment.

Safety and health education and training and promotion item

01

General labor safety and health on-the-job training

According to the Company's regulations, all employees of CHPT are required to receive training for one hour every year. However, we were subject to the impact of the epidemic in 2021, no class has been held, and the one-hour course is listed as 1.5 hours each in 2022 and 2023. In 2023, seven batches of general labor safety and health on-the-job education and training courses have been completed, and a total of 906 participants have completed the training.

02

Hazardous chemicals training

Employees of units that use chemicals must receive at least one hour of chemical hazard knowledge training every year.

03

Production mechanical equipment safety training

For employees of units that operate or introduce new mechanical equipment, receive at least one hour of hazard knowledge training on mechanical equipment operations every year.

04

Radiation protection personnel training

For personnel who operate radiation equipment in the Company, external training is arranged according to the validity period of the operating certificate.

05

Emergency response training

Arrange training related to emergency response tasks for personnel in the Company who have a response task group.

06

Fire safety and response team training

For the fire brigade personnel in the Company, the training is arranged, which is divided into the first and second half of each year.

07

First-aiders training (including internal training - AED operation training)

For the first-aid personnel in the Company, in addition to arranging external training according to the validity period of the certificate, AED operation training and other relevant first-aid knowledge training are added internally.

08

Hazardous operation supervisor training

For units in the Company that perform or are likely to perform hazardous operations, the hazardous work supervisors set up external training shall be arranged according to the validity period of the certificate.

09

Hazard identification risk assessment training

For executives and reviewers in the Company, conduct and review training at least once a year.

10

Personnel from the Safety and Health Center apply for external training (including retraining and new training hours)

For the personnel of the safety and health management unit in the Company, external training shall be arranged according to the requirements of laws and regulations.



5.2 Magnitude Earthquake - "Drop, Cover, Hold On"



Personnel Evacuation Assembly



ERT Personnel Assembly



ERT-Chemical spill deal



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Hours of safety education and training categories statistics

Training type	Shift	Number of trainees	Total training hours
General employees and supervisors safety and health training	7	906	1,359.0
Production mechanical equipment safety training	291	2,718	4,328.5
Radiation protection personnel training (including retraining)	44	64	477.0
Emergency response training	18	211	304.5
Fire safety and response team training	9	318	1,247.0
First-aiders training (including internal training - AED operation training)	18	180	182.5
Hazardous operation supervisor training (organic solvents, specific chemical substances, lead operation, dust operation, rooftop operation, high-pressure gas supply and consumption operation, oxygen-deficient operation supervisor, and aerial work platform operation)	39	40	297.0
Hazard identification risk assessment training	5	176	175.0
External education and training (including retraining and new training hours) for personnel of the Safety and Health Center	10	10	34.0

Security protection



01 Provision of personal protective equipment

According to the hazard level of the on-site operation environment, provide the required safety protective equipment, such as activated carbon masks, N95 masks, soundproof protective equipment (earplugs or earmuffs), etc.

02 Right to refuse unsafe work

Provide and ensure a safe working environment through the regular patrols of the guards, irregular inspections of the Safety and Health Center, and the implementation of illegal environmental assessments.

03 Arranging regular Physical Examinations for labors

Special Physical Examinations: every year. In 2023 number of special health checkups: 355; Check-up rate: 100%. General Physical Examinations: every two years, managerial supervisors health checkups: every three years

04 Clear health and safety goals

Relevant management procedures are clearly stipulated, and health grading management is carried out according to the health checkups results of employees in the plant, to identify personnel with high-risk hazards, carry out risk hazard notification, improve the working environment, limit working hours, and use protective equipment.

05 Comply with the International Labor Organization

Comply with the regulations of the International Labor Organization, prohibit child labor, avoid overtime work, eliminate discrimination and forced labor.



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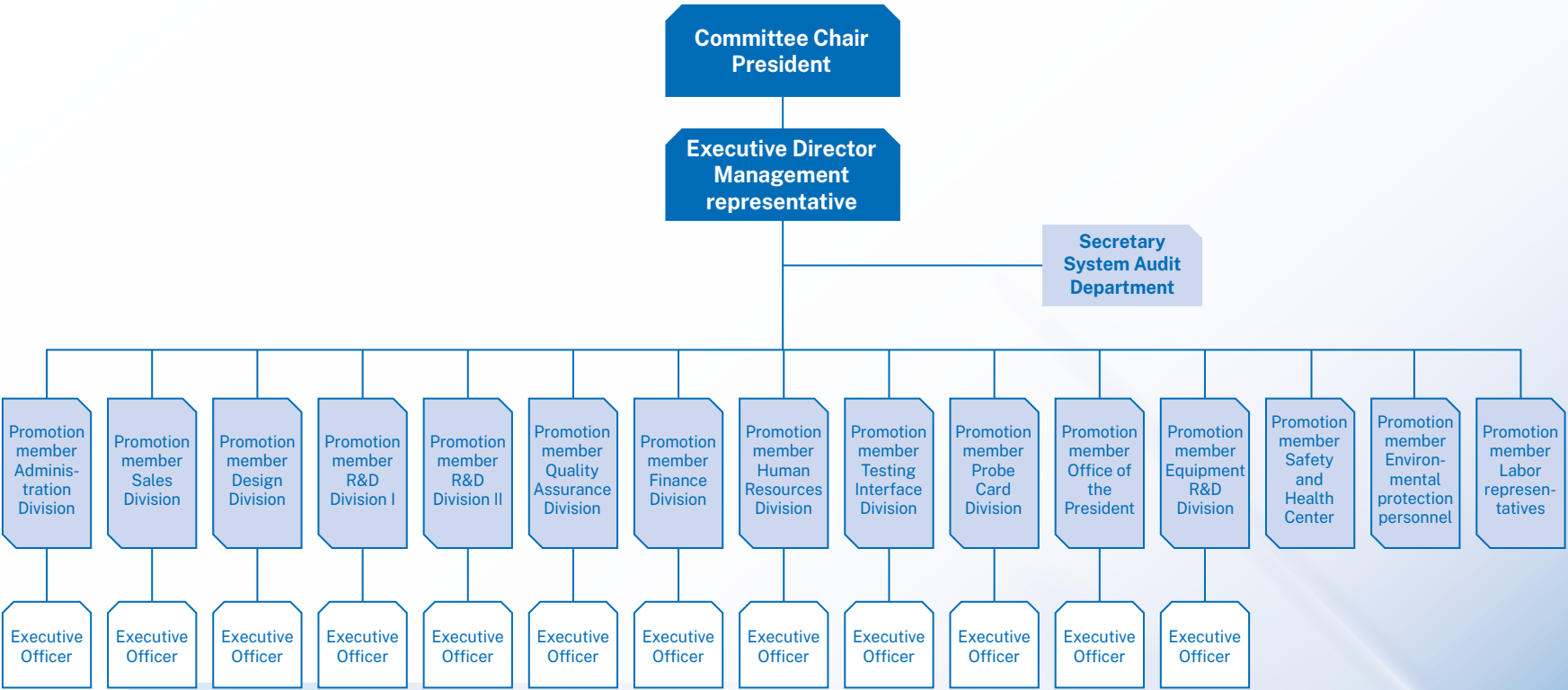
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Worker participation, consultation, and communication on occupational health and safety

A meeting of the Occupational Safety, Health and Environmental Protection Committee is held every quarter, and is convened by the plant's top supervisor. The committee members are composed of head of division, safety and health management personnel, medical staff and labor representatives, and labor representatives must account for more than one-third of the total number of members in the meeting. During the meeting, the committee members will discuss all safety and health activities in the plant area and make recommendations on the plans and implementation results. If there is a disaster of personnel or equipment, the unit supervisor needs to explain and propose improvement measures to achieve the goal of review and improvement and prevent the problem from happening again. In addition, internal employees of the Company can provide occupational safety and health related suggestions to safety and health personnel or labor representatives through telephone, email, etc. at any time, and relevant safety and health personnel will communicate and discuss immediately. The Safety and Health Center or labor representatives will also bring up the situation or discuss unresolved occupational safety and health recommendations in the committee.

1. Occupational Safety and Health and Environmental Protection Committee Organization





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2. Occupational Safety and Health and Environmental Protection Committee responsibility

Committee organization	Responsibility
 Committee (labor representatives account for more than one-third of the members)	1. Responsible for the promotion of environmental safety and health policy. 2. Coordinate and recommend occupational safety and health management plan. 3. Review occupational safety and health education training and implementation plan. 4. Discuss the resolution of occupational safety and health, environmental protection and other requirements management, and conduct a review of implementation deviations. 5. Assess the audit items of the management system and implement performance tracking. 6. Review hazard identification and risk assessment, identification results of environmental factors. 7. Review management of occupational safety and health, environmental protection and other requirements, proposal planning, implementation and tracking. 8. Review the planning and promotion of the Company's internal/external emergency response plan. 9. Review various sources of pollution, operation environment inspection plans, results, and measures adopted. 10. Review the investigation report on occupational safety and health and environmental incidents. 11. Analysis and tracking of employee health protection and promotion implementation results and monitoring results. 12. Other improvement suggestions or extempore motions.
 Committee Chair	1. Approve policies, goals and objectives. 2. Supervise management system operation. 3. Review management system promotion performance 4. Require managers at all levels and management, command, and supervision related personnel to implement relevant occupational safety and health, environmental protection, and other requirements.
 Executive director	1. Confirm that the requirements of the management system are established, implemented and maintained in accordance with this standard. 2. Report the performance of the management system to managerial supervisor for review and as a basis for system improvement. 3. Responsible for convening meetings and supervising the implementation of resolutions and evaluating the effectiveness of resolutions.
 Promotion member	1. Responsible for the implementation of the work assigned by each unit and the confirmation of the effect. 2. Responsible for reporting the work implementation status and performance of the unit at the committee meeting. 3. Responsible for supervising subordinate personnel to promote various improvement work.

Number of work-related injuries over the years

Item	2021	2022	2023
Number of work hours	3,139,936	3,187,640	3,009,631
Number of fatalities as a result of work-related injury	0	0	0
Ratio of fatalities as a result of work-related injury	0	0	0
Number of high-consequence work-related injury	0	0	0
Ratio of high-consequence work-related injury	0	0	0
Number of recordable work-related injury	3	4	2
Ratio of recordable work-related injury	0.95	1.25	0.66

Note1 When calculating the number and ratio of high-consequence work-related injuries, exclude the number of deaths

Note2 When calculating the number and rate of recordable work-related injuries, include the number of deaths caused by work-related injury and calculate the rate in millions of hours worked

Note3 Main types of recordable work-related injury in 2022: 1 injury from cutting, 1 injury from handling materials, 2 injuries from falls

Note4 Main types of recordable work-related injury in 2023: 1 injury sustained when lifting materials and 1 injury due to a cut when operating equipment.

Note5 High-consequence work-related injury means failure to return to pre-injury health over six months

Note6 Only injuries caused by commuting accidents, which occur while using transportation arranged by the organization, can be counted as work-related injuries, and employee commuting to and from work is not included

Note7 Calculation of total working hours: employee swiping card data (including overtime hours) + contractor's monthly swiping card entry times * 8 hours
Calculation of total working hours from 2021 to 2023: employee card information (including overtime hours) + contractors entering the plant * 120 days * 8 hours (the construction personnel entering the plant will enter the plant for 10 days in a month, 12 months a year, so calculated for 10 * 12=120 working days)



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Disabling severity rate calculation

	2021	2022	2023
Total number of injuries and losses	3	4	2
Total number of work days lost	28	174	12
Disabling Injury Frequency Rate	0.95	1.25	0.66
Disabling Injury Severity Rate	8	54	3

Note1 Disabling frequency rate: (total number of injuries and losses*10^6)/total working hours

Note2 Calculate disabling severity rate = (total number of work days lost *10^6)/total working hours

Note3 The type of injury in 2022 was post surgical rehabilitation or fall fracture, which will require longer days of recuperation and rehabilitation, resulting in a much higher value in 2022 than in previous years.

3.4.2 Employee Health Management

Maintaining the Concept of Employee Health

We care about the health of our employees, promote their physical and mental health, provide employees with a safe, healthy and friendly working environment, promote health promotion activities and employee assistance programs, encourage employees to participate, and create a shared goal of a healthy workplace. We set up full-time occupational health nurses and hire qualified occupational medicine specialists and trained labor health service physicians to serve at the plant to ensure that every employee can work in a workplace environment under the utmost care.

Work-related injuries accident improvement response plan in 2023

Commuting to and from work

12 incidents

Improvement methods
We launched commuter accident incidence and severity reduction programs to strengthen employees' understanding of the concepts and behaviors of safe and defensive driving through professional safe and defensive driving training and hands-on demonstration courses.

Injury caused by handling raw materials

1 incident

Improvement methods
As regards personnel behavior, the correct posture when moving objects and the use of protective gears were promoted during moving operations. On the working environment part, gentle slopes were set up at the spillway to facilitate trolley entry and exit aimed at preventing manual transportation, while cleaning platforms were set up to keep the personnel in an upright standing position during cleaning operations.

Cutting injury during equipment operation

1 incident

Improvement methods
We immediately reviewed equipment operating procedures and added the use of hand tools to prevent workpieces from falling off.

Note Commuting to and from work is not included in the calculation of work-related injuries in the plant



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Actions related to physical and mental health promotion and disease prevention

Implementation Item	Implementation Outcome
Arranging regular physical examinations for labors	a. Provide health care that is superior to the laws and regulations while employees' family members can participate in physical examinations activities according to the employee's physical examinations items and amount, as well as offer employees advanced physical examinations solutions at their own expense b. Publish health education, epidemic prevention information and other information every month, and publish them simultaneously in the "EIP Safety and Health Bulletin" so that personnel in all districts can know the latest safety and health issues, correct health care and disease prevention concepts in the first place. c. Special physical examinations: every year, general physical examinations: every two years, managerial supervisors physical examinations: every three years. d. Number of special physical examinations in 2023: 355, with a check-up rate of 100%. e. Analyze, evaluate and manage employee health checkups and special health checkups records, and take the initiative to care for them according to their graded management. When necessary, arrange doctors to conduct interviews and provide health guidance and care.
For employees working in special places, special operation health checkups are provided	For employees working in special places, provide corresponding health checkups for special operations (such as noise, dust, ionizing radiation inspections, etc.). Work especially hazardous to health: superior to full-frequency audiometry: 149 people; ionizing radiation: 129 people; lead: 87 people; n-hexane: 12 people; manganese and its compounds: 142 people; dust: 129 people; chromic acid and its salts or dichromic acid and its salts: 8 people; nickel and its compounds operation: 187 people; formaldehyde operation: 91 people; and mercury and its inorganic compounds: 3 people.
Improve work environment	a. Operating environment related to chemical factors: According to the results of operating environment monitoring, when the exposure concentration is higher than 1/2 of the allowable concentration, the process improvement will be implemented; the monitoring results in 2023 was lower than 1/2. b. Operating environment (noise) related to physical factors: According to the results of the monitoring of the operating environment, when the number of decibels is higher than the statutory requirements, the process improvement will be implemented; the monitoring results in 2023 were all lower than the statutory requirements.
Promoting smoke-free workplaces or tobacco hazard prevention actions	Comply with the regulations on smoking prevention and control, and smoking is prohibited in the Company.
Arrange stress relief lectures, health lectures, human hazard prevention lectures or on-site guidance	a. In response to the gradual easing of COVID-19 restrictions, three CPR and AED training courses were conducted in 2023, in addition to an online course specifically tailored for employees overseas. b. During on-site medical services, we assess individual health issues. This includes conducting physiological assessments, providing health education related to cardiovascular disease, performing postoperative return-to-work assessments and care, offering care for pregnant colleagues, and evaluating the working environment for colleagues who need to wear full-face or half-face masks. Furthermore, we record a health lecture on cardiovascular disease to help colleagues understand the early signs, emergency measures, and prevention of cardiovascular disease.
Advocating for health promotion activities	a. As the COVID-19 outbreak eased, CHPT organized two blood donation drives in 2023, which saw the participation of 207 employees donating 229 bags of blood. b. In the fourth quarter of 2023, CHPT employed visually impaired masseurs to provide massage services to our factory staff. A total of 226 employees enjoyed massage service from these visually impaired masseurs. c. CHPT issued health education leaflets via online announcements to raise health awareness. In 2023, CHPT issued a total of 104 leaflets, including 17 on health awareness, 2 on epidemic prevention, 79 on COVID-19 situation across our factories, and 6 on safety and hygiene awareness.



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Prevention of occupational diseases and related hazards

By using relevant assessment tools such as Framingham risk score and overload questionnaire, musculoskeletal questionnaire, job site hazard identification, environmental risk assessment, etc., to carry out related assessments such as overload, musculoskeletal, and illegal infringement workplace. No cases of occupational illness were reported at CHPT in 2023.

3.4.3 Contracting manufacturer safety and health management

CHPT has long regarded contractors and collaborative partners as part of ourselves. CHPT attaches great importance to the safety and health of contractors and collaborative partner, so we strictly implement relevant management regulations. To effectively implement the safety and health management work, CHPT has formulated a safety and health policy. Convey or announce policies to employees, contractors, customers, suppliers, and other stakeholders publicly(e.g., community residents). The headquarters, as the general supervisor of the implementation outcome of each plant, regularly report the implementation outcome of the safety and health improvement plans of each plant, including the follow-up and preventive measures for accidents and violations, to review the status and continue to improve, to achieve the goal of creating the best health workplace.

In order to prevent disasters or work-related injuries incidents, we will assess the risk comprehensively of the operating environment in the construction area before contracting. When signing the contract, we require contractors and collaborative partners to abide by the current laws and regulations related to safety, health and environmental protection. At present, we are cooperating with 377 contractors. The Company has standardized and systematized the contractor management system and established contractor management procedures. Professionals conduct risk assessments on contract operations, identify potential dangers, and formulate corresponding safety management projects. Work with contractors to control predictable risks and reduce the possibility of disasters, implement contractor safety and health management, and ensure that all personnel entering the plant can work safely.

Safety management criteria for undertaking safety and health construction

- 01

Before the construction of the contracted project, the undertaker of the project contracting must hold a “job safety analysis meeting” together with the contractor’s project leader and security personnel. The contractor will propose various possible hazards one by one for the various operations of the project, and propose preventive measures for these hazards.
- 02

At the beginning of the project, a “toolbox meeting” must be held every day, and the possible hazards caused by the operations performed on that day must be explained to the construction personnel one by one.

In 2023, there were 629 projects and 3,074 construction applications, among which the applications for special operations are as follows:





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3.5 Diversity and Inclusion

“Treating everyone with heart in a people-oriented spirit” is CHPT’s promise to each employee. We are committed to providing every employee with a dignified, safe and healthy working environment. We abide by the local laws and regulations of each location of operations around the world, and refer to the International Labor Office Tripartite Declaration of Principles, the UN Universal Declaration of Human Rights, and the UN Global Compact and other related conventions to promote internal human rights policies and measures, and create a friendly, equal, and free workplace on an ongoing basis.

CHPT is highly concerned about the following human rights in accordance with our operational programs and characteristics, and proposes strategies to facilitate the implementation of relevant internal action plans, which are integrated into the company’s culture and value chain:

- ✓ We attach great importance to the promotion of labor and business ethics policies, which are promoted through work rules, document management systems and bulletin systems. At the same time, we regularly review and optimize the relevant systems to protect the rights of workers and ensure that every employee is treated with respect and fairness and humanity. Through various preventive measures and protective equipment, we continue to improve the safety and hygiene conditions of the work environment, strive to reduce the risk of occupational accidents, and set up complaint and handling procedures for incidents of unlawful assault and sexual harassment to protect the rights and interests of all employees and create a friendly workplace environment. In 2023, the Company took part in a total of four RBA audit or questionnaire surveys from our customers, all of which showed our compliance with the regulations. No cases of sexual harassment, bullying, or other workplace misconduct were reported at CHPT in 2023.
- ✓ The labor contract signed between CHPT and each employee complies with Taiwan’s labor and human rights laws and regulations. The contract states that the employment relationship is established based on mutual agreement. When adjusting the positions of employees in response to the Company’s business needs, we will also seek their consent before proceeding with the operation. We prohibit any form of forced labor and any practice that may result in the employment of child labor.
- ✓ Employees are paid in accordance with all relevant wage and salary-related laws and regulations, including the minimum wage, overtime and statutory benefits, while

overtime pay is paid in a manner that exceeds the legal requirements. The Company clearly stipulates in the Work Rules that the daily working hours shall not exceed 12 hours, and the weekly working hours shall not exceed seven days. The monthly overtime limit is 46 hours, and the relevant norms are regularly promoted in labor-management meetings. We attach great importance to equal pay for equal work and regularly review our payroll system to ensure internal fairness and external competitiveness.

- ✓ CHPT’s Work Rules set out a series of measures for protecting female employees, especially those who are pregnant, including not working at night and not engaging in dangerous work, etc., and protecting the safety of female workers working at night. We also strictly prohibit inhumane treatment of employees and any form of sexual harassment, violence, corporal punishment, mental or physical oppression, or verbal insults and discrimination
- ✓ We respect employee and customer data privacy, and our collection and use of data comply with regulatory requirements.
- ✓ CHPT has the responsibility to spread awareness of respecting human rights to its supply chains and partners. We expect suppliers and partners to hold themselves to the same high standards concerning human rights issues, such as labor conditions and conditions, occupational safety and health, etc., as well as evaluate measures to reduce potential human rights risks along the value chain, in hopes that our value chain partners can work together with us to implement human rights management.

Relevant Approach

Description



**Sexual Harassment
Prevention and
Related Practices**

1. Establishing norms: CHPT absolutely attaches great importance to the equal rights of men and women, and has established “Sexual Harassment Prevention Operation Management Measures,” and regularly review the measures to comply with legal norms. There were no sexual harassment complaints in 2023.
2. Complaint channel: The Company has a dedicated complaint line and employee suggestion boxes (1st, 2nd, 3rd, 4th, 8th, 9th, and 10th floors of the headquarters, 2nd and 5th floors of Plant 1; Hsinchu office). Employee complaint mailbox (free_talk_hq@chpt.com)
3. Tracking and managing: The feedback channel accepts anonymous and named complaints from colleagues to the employee suggestion mailbox, and absolutely attaches importance to the employee’s response to the problem. The suggestions through the response will be tracked and managed by the “special case team” until the cases are closed.
4. To prevent sexual harassment and illegal infringement in the workplace, in addition to formulating management measures in accordance with laws and regulations, we also set up sexual harassment complaint hotlines and mailboxes, organize illegal infringement in the workplace and sexual harassment prevention education and training, and formulated handling and investigation procedures for illegal infringement in the performance of duties to create a friendly workplace.



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Relevant Approach	Description
 Diverse appointments, non-discrimination, anti-bullying	1. Diverse appointments and non-discrimination. In order to prevent the occurrence of discrimination cases, the Company clearly stipulates the “Prohibition of Discrimination Policy” in the Recruitment and Appointment Management Measures, including age, gender, religion, blood type, constellation, sexual orientation, etc., and promotes the diverse employment of people from different ethnic groups in each unit. Provide equal job opportunities. 2. Pay attention to equal pay for equal work, and regularly review the salary system to ensure internal fairness and external competitiveness. 3. The “Employee Recruitment Operation Management Measures” clearly stipulates that the Company shall appoint employees without differences due to race, place of birth, or religious belief. 4. The Company has employed a total of 10 employees with disabilities, which is more than that required by law. In addition to enjoying relevant rights and interests according to law, the Company has set up special elevators and parking spots for people without disabilities to protect the rights and needs of employees with disabilities. 5. Indigenous Peoples Protection: The Company complies with the Labor Standards Act. If an employee is indigenous people and needs to ask for leave and it meets the facts, the Company may give the indigenous people a leave of absence for festivals and ceremonies.
 Prohibition of child labor	Through the “Responsible Business Alliance Code of Conduct,” CHPT requires suppliers to meet sustainable standards, including the issue of not using child labor, and the signed back rate of the affidavit is 100%. The Company’s “Employee Recruitment Operation Management Measures” stipulate that any behavior that may cause the employment of child labor is not allowed. In case of misuse of child labor and young workers in the future, they should be immediately stopped from working, and verification should be carried out by the Human Resources Department. If the facts are correct, we will settle their wages and help arrange for a medical examination. We will also take various countermeasures. Furthermore, we care for and respect all employees, protect the legitimate rights and interests of employees in accordance with the “Code of Ethical Conduct,” thereby stimulating employees’ creativity and enthusiasm towards the Company.
 Prohibition of forced labor	1. When the employment relationship is established, the labor contract is signed according to the law. The contract states that the employment relationship is established based on mutual agreement. When adjusting the positions of colleagues in response to the Company’s business needs, we also follow the “Employee Job Transfer Operation Management Measures” to seek employees’ consent before proceeding with the operation. 2. During the period of employment (including the probation), employees who feel that they are not suitable for the position or have incompatible interests may ask for resignation and will not be forced to work. 3. In accordance with the “Guidelines for the Adoption of Codes of Ethical Conduct,” the Company cares for and respects all employees, and protects the legitimate rights and interests of employees, to enhance employees’ sense of identity and solidarity with the Company. 4. Standardize the protection measures for female workers in accordance with the “Work Rules,” especially the protection measures for pregnant female workers: including not working at night and not engaging in dangerous work, etc., and protecting the safety of female workers working at night. 5. We have formulated the “Employee Overtime Operation Management Measures” in compliance with the law, which stipulate that the extension of working hours requires the unanimous consent of both the supervisor and the employee, while employees can choose to apply for overtime pay or compensatory leave based on their preferences. 6. The Company clearly stipulates in the “Work Rules” that the daily working hours shall not exceed 12 hours, and the weekly working hours shall not exceed seven days. The monthly overtime limit is 46 hours, and the relevant norms are regularly promoted in labor-management meetings. In addition, an overtime reminder function has been set up in the attendance system to review and remind our employees to avoid overtime work on a monthly basis.
 Education and Training on Human Rights Policies and Procedures	1. New employee training covers legal knowledge (personal confidentiality obligations, personal data protection, insider trading, technical protection, honesty, and integrity), human resources system, and sexual harassment prevention, among other categories. 2. In 2023, we conducted a series of occupational safety training courses, featuring 570 classes attended by a total of 5,800 trainees. 3. Every year, CHPT organizes online courses [Note 1] of compulsory training “Preventing Insider Trading” and “Confidentiality, Honesty and Integrity” for all employees. Each course study includes a test for about 1 hour, (0.5 hours of course hours and 0.5 hours of test hours), where 100 marks is the passing score. Note 1: The content of the course includes explaining the constituent elements of insider trading, the penalties for violating insider trading, how to avoid false insider trading, and the promotion of confidentiality, honesty and integrity, and so on. ▪ “Prevention of Insider Trading” online course: 1,130 trainees completed the training, which involved a total of 565 hours. ▪ “Confidentiality, Honesty and Integrity” online course: 1,127 trainees completed the training, which involved a total of 563.5 hours.



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Overview of human rights issues assessment and mitigation measures

Target Group	Affected Group	Human Rights Issue	Assessment/Communication Channel	Mitigation Measures
Employee	All employees	Anti-discrimination, child labor, working hours and salaries, prohibition of forced labor, freedom of expression, religion, and association.	- Labor-management meeting - Complaint hotline - Employee suggestion mailbox - Employee complaint mailbox	- Work rules - Recruitment and Appointment Management Measures - Employee Overtime Operation Management Measures
Employee	Indigenous people	Protection of indigenous people		In accordance with the Labor Standard Act, the indigenous peoples are entitled to seasonal ritual leave.
Employee	People with disabilities	Work environment safety		There are special elevators and special parking spots for the disabled employees
Employee	Pregnancy and breastfeeding colleagues	Health (pregnancy and breastfeeding)	Pregnancy and one year after pregnancy	Planning and execution of maternity health protection program
Employee	All employees	Health	Poor health checkup results	- Manage regular health checkups - Health checkups reminder and promotion - Manage health promotion movement - On-site doctor's health consultation clinic
Suppliers / contractors	Contractors' employees	Privacy rights (Supply chain management)	- Supplier meetings - Manufacturer self-evaluation - Plant visit audit	Supplier management procedure
Clients	Owner's employees	Privacy rights	Owners meeting	Confidentiality commitment

External initiatives

CHPT follows the RBA Code of Conduct in four categories of requirements and guidelines, including labor rights, occupational safety, environmental protection, and business ethics, to ensure that all rights and interests of stakeholders such as colleagues, customers, suppliers, and contractors will not be damaged, and CHPT requires all relevant suppliers/contractors to sign the "Statement of the Code of Ethics and Business Conduct" and "Declaration of Non-Use of Conflict Minerals" in the process of providing CHPT products or services and other related contracts, to eliminate any unfair, unjust and discriminatory behaviors in procurement activities. In 2023, CHPT had no human rights issues, including discrimination, child labor, forced labor, and violation of freedom of assembly and association.



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4.1 Energy Resource Management

Environmental target KPI implementation in the past three years

Year	Goals	Description	Implementation Plan	Resources Invested	Achievement
2021	Reuse reclaimed water	Expanded reclaimed water collection and use unit	Assess the water quality status and needs of each unit	NT\$1.462 million	Water conservation increased from 72,682 tons per year to 96,651 tons per year
2022	System energy conservation	Building a magnetic levitation chiller to reduce energy consumption	Install 300RT chiller to replace the existing 2 sets of 200RT chiller, and install energy conservation magnetic levitation chiller	NT\$7.07 million	From August to December in 2022, electricity consumption was saved by 338,000 kWh compared with 2021, and carbon emissions were reduced by 172 tons CO ₂ e.
2023	System energy conservation	Building a magnetic levitation chiller to reduce energy consumption	Install 200RT maglev chillers, which run in parallel with existing 200RT chillers	NT\$4.25 million	In 2023, we saved 61,000 kWh of electricity and reduced carbon emissions by 36.13 tons CO ₂ e compared to the same period in the previous year.

4.1.1 Raw Material Management

The top five raw materials used in the production of CHPT are substrates, adhesive films, potassium gold cyanide, sodium sulfite gold, and sealing adhesive. All of them are 100% virgin materials, and no renewable materials are used. At the same time, for some customers, the packaging is changed to aluminum boxes, and the aluminum boxes can be reused by customers after they are shipped to the client.

Weight of raw materials (non-renewable) used in 2023

Item	Unit	Quantity
CCL copper foil substrate	sheet	22,709
	pcs	49,282
Adhesive films	roll	79
	pcs	62,069
Potassium gold cyanide	g	13,300
Sodium gold sulfite	lit	150
Sealing adhesive	kg	350



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4.1.2 Energy Management

The main energy sources used by CHPT are purchased electricity, natural gas and gasoline. In 2023, the scope of energy use inventory included CHPT's Taiwan plant, representing a 100% coverage.

Unit GJ			
Item	2021	2022	2023
Gasoline	481	487	510
Diesel	0	40	25.14
Natural gas	767	584	844
Purchased electricity	97,028	107,905	106,876
Total energy use	98,276	109,016	108,255.14
Total energy use intensity (GJ/million revenue)	23.17	24.84	37.53

	Electricity consumption in 2023: 29,687,645.76 kWh of electricity x 3.6 million joules x 10 ⁻⁹ (GJ) = 106,876 (GJ) of energy
	8000kcal/m ³ ÷ 1kcal = 4.1868 x 10 ⁻⁶ Natural gas consumption in 2023: 25,209m ³ x 8,000kcal x 4.1868 x 10 ⁻⁶ = 844 (GJ)
	7800kcal/L ÷ 1kcal = 4.1868 x 10 ⁻⁶ Gasoline consumption in 2023: 15,621.98 L x 7,800kcal x 4.1868 x 10 ⁻⁶ = 510 (GJ)
	8400kcal/L ÷ 1kcal = 4.1868 x 10 ⁻⁶ Diesel consumption in 2023: 715L x 8,400kcal x 4.1868 x 10 ⁻⁶ = 25.14 (GJ)

Note1 1 kWh = 3.6 million joules (J) of energy consumed

Note2 The Company has yet to use renewable energy.

Note3 The Company's products have no external energy consumption.

Electricity Saving Management

Energy management has been carried out since 2015, and the electricity saving and average electricity saving rate in the past three years are as follows:

Year	2021	2022	2023
Electricity saving (kWh)	438,542	484,511.8	982,227.36

Statistical year (Headquarters)	2018-2021	2018-2022	2019-2023
Average electricity saving rate	0.76 %	0.7 %	1.1%

Year (Plant 1)	2016-2021	2016-2022	2016-2023
Average electricity saving rate	1.16 %	1.31%	1.66%

Practical electricity savings actions in 2023

Energy-saving action	Headquarters	Plant 1
Energy conservation and carbon emissions reduction measures	- Adjust process exhaust in the 4F manufacturing process at CHPT headquarters to improve energy saving - Adjust temperature settings in public areas. - Add curtains to glass windows with the intention of reducing energy consumption in air-conditioning systems. - Improve standby power saving in process equipment such as Sputter.	- Implement the RF ice water system energy conservation improvement project. - Install pressure-compatible cooling water towers to improve energy saving. - Add RF 300RT maglev chillers. - Modify the cooling water system piping for sputtering machines. - Install 200RT maglev chillers on 1F. - Install air-handling units on 6F. - Implement super roughening and AMLO pre-processing on process equipment to improve standby power saving.
	Energy saving performance (Unit: kWh)	982,227.36
Carbon reduction performance (Unit: tons CO ₂ e)	581.77	

Note1 Energy conservation performance: Improvement benefit of each measure for the year (kilowatt-hour) * Proportion of recognized months = Amount of energy saved (kilowatt-hour).

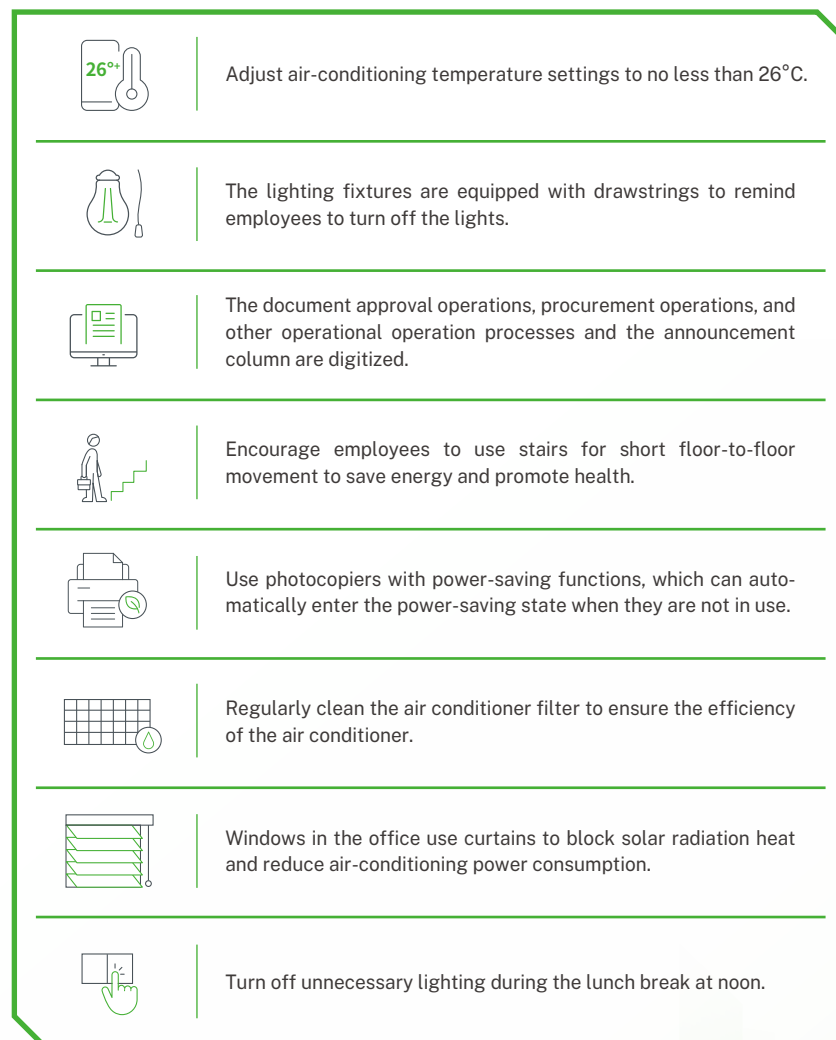
Note2 Source of formula: Conservation audit technology information service provided by the Bureau of Energy, Ministry of Economic Affairs

Note3 Carbon reduction performance: Electricity saving * Electricity carbon emission coefficient in 2023 (0.495) * Indirect electricity carbon emission factor (0.0973)

Note4 Sources of electricity carbon emission coefficient: Ministry of Economic Affairs website and Carbon Footprint Information Platform website.

Office energy conservation measures

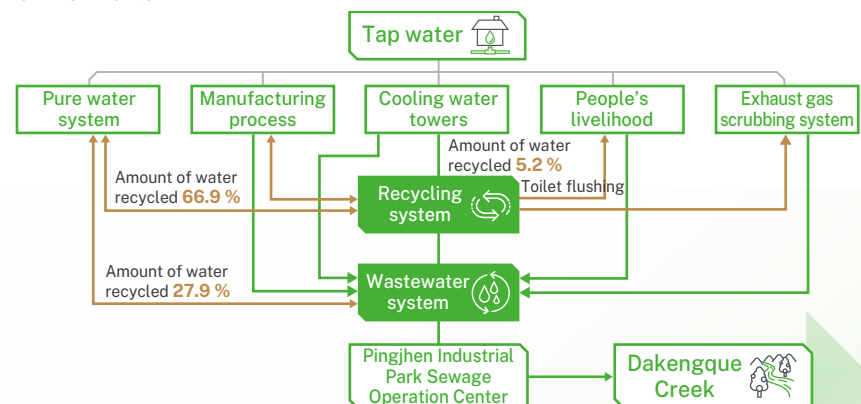
CHPT promotes the implementation of office energy conservation measures and plans. Through the promotion of energy conservation methods, office colleagues can cultivate good habits of energy conservation. Sustainable goals. Through the cultivation of the habit of energy conservation at work on weekdays, the efficiency of energy use is improved, environmental pollution is reduced, and the goal of environmental sustainability is achieved.



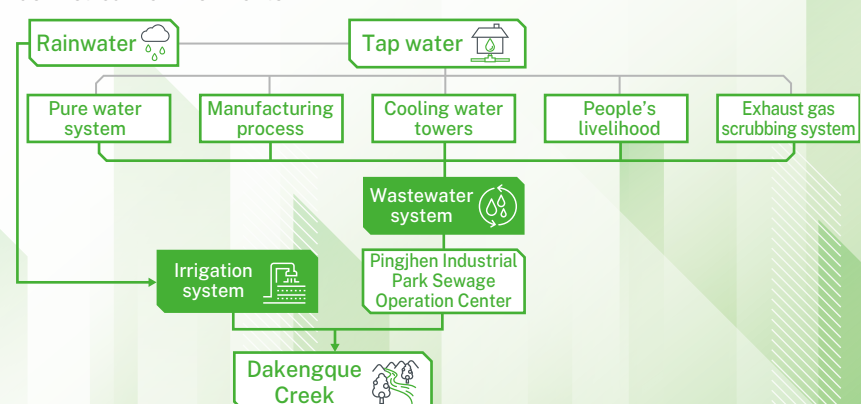
4.1.3 Water Management

As regards water consumption, CHPT primarily uses tap water and recycled rainwater, but does not use other water sources such as well water and seawater. In the use of water resources, due to the nature of the business of CHPT, the plant is not a water-intensive industry, and the rest of the locations of operations are mainly office-type, and they are not large water users. Considering that the distribution of rainfall in Taiwan is extremely uneven in regions and seasons, it is easy to cause regional and seasonal droughts. To avoid the risk of water shortage, the Company installed 1.2 million liters of underground water tanks when the headquarters was built. The Company continues to promote water-saving measures and is committed to reusing reclaimed water.

Relationship between water use at Plant 1 and the upstream and downstream environments



Relationship between water use at CHPT headquarters and the upstream and downstream environments





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Water withdrawal unit | megaliters

Tap water volume	2021	2022	2023
Headquarters	37	44	47.279
Plant 1	181.5	179.1	165.803
Hsinchu Office	-	1.5	1.877
Taichung Office	0	-	-
Kaohsiung Office	0.127	0.206	0.253
Total	219.99	224.8	215.212

Note1 The amount of tap water is calculated based on the information provided on the water bill issued by the water company.

Note2 Since the Hsinchu office has no water meter statistics, the water withdrawal, discharge, and water consumption of the plant are amortized based on the plant area; the Taichung office has no water-related documents because the water fee is included in the rent.

Reclaimed water unit | megaliters

	2021	2022	2023
Volume of reused reclaimed water	96.7	115.1	93.18

Water discharge unit | megaliters

Water discharge	2021	2022	2023
Headquarters	14.3	17.8	15.68
Plant 1	114.4	137.3	124.66
Total	129.8	155.1	140.34

Water consumption unit | megaliters

Water discharge	2021	2022	2023
Headquarters	22.7	26.1	31.6
Plant 1	67.1	41.9	41.14
Total	129.8	68	71.74

Note1 Water consumption is water withdrawal minus discharge

Water recycling process

- 1 Process reclaimed water recycling: In 2016, a process reclaimed water recycling system was established, and the best operating conditions of the system were continuously optimized to manage process wastewater at different levels. Low-pollution wastewater was incorporated into the reclaimed water recycling system to produce primary process and secondary systems water.
- 2 Recycling of process wastewater: Process wastewater is classified and managed, and a filtration system is built to use it as secondary systems water.
- 3 Cooling water systems: We recycle wastewater from cooling water systems for use in third-level systems and domestic use (i.e., toilet flushing).
- 4 Pure water systems: We collect wastewater from pure water systems and build a ROR system to purify such wastewater into RO-grade primary process water and channel it back into the process for reuse. Concentrated discharged wastewater is used as secondary systems water.

The recycling status of the wastewater reuse system is as follows:

Unit | megaliters

Year	2021	2022	2023
Tap water consumption	181.5	179.1	165.80
Reclaimed water consumption	96.7	115.1	93.18
Reuse rate	54%	64%	56.2%

Note1 Reuse rate: (Reclaimed water consumption/Tap water consumption) * 100%. Calculations are only made on the plant side.





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4.1.4 Greenhouse Gas Management

CHPT has always been committed to practicing the concept of sustainable development and incorporating it into the Company's business strategy. To promote sustainable development more effectively, CHPT follows the "Sustainable Development Roadmap for TWSE/TPEX Listed Companies" formulated by the competent authority, and voluntarily plans to carry out the work of greenhouse gas inventory. Inspection of greenhouse gas emissions in the plant area and verification-related operations by CHPT are carried out in accordance with the specifications of ISO 14064-1. In March 2024, CHPT passed the greenhouse gas inventory verification process conducted by third-party verification organization Afnor Asia Ltd. and obtained the ISO 14064-1:2018 verification report opinion.

CHPT's greenhouse gas emissions in 2023 are detailed as follows:

Greenhouse gas emissions statistics of plant areas							
Emission equivalent (tons CO ₂ e /Year)	Taoyuan	Hsinchu	Taichung	Kaohsiung	Regardless of area	Total	Percentage
Category 1	1,872.5524	15.4663	0.193	2.2258	-	1,890.4375	8.82%
Category 2	14,610.4074	71.5419	1.2763	12.1592	-	14,695.3848	68.53%
Category 3	-	-	-	-	129.3893	129.3893	0.60%
Category 4	3,091.8181	14.7113	0.2509	2.449	1,619.8692	4,729.0985	22.05%
Total	19,574.7779	101.7195	1.7202	16.834	1,749.2585	21,444.310	-
Percentage	91.28%	0.47%	0.01%	0.08%	8.16%	-	100%

Note1 The Company's types of greenhouse gases inventory include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), nitrogen trifluoride (NF₃), sulfur hexafluoride (SF₆) and other appropriate groups of greenhouse gases [hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), etc.]

- Category 1 direct greenhouse gas emissions: including direct emissions from stationary combustion sources (natural gas, diesel), direct emissions from mobile combustion sources (gasoline), direct emissions from manufacturing processes (acetylene, carbon tetrafluoride, and carbon dioxide), direct emissions from direct fugitive emissions (refrigerants and methane).
- Category 2 Indirect greenhouse gas emissions from input energy sources: purchased electricity
- Category 3 indirect greenhouse gas emissions from transportation: including upstream and downstream transportation and distribution of goods and employee travel
- Category 4 indirect greenhouse gas emissions from products used by the organization: including indirect emissions from purchased goods (main materials), energy use, water, wastewater, and waste

Note2 Global Warming Potential (GWP) refers to the Global Warming Potential value of the IPCC 2021 Sixth Assessment Report.

Note3 Category 1 direct greenhouse gas emissions: Management Table 6.0.4 of Greenhouse Gas Emission Coefficients of the Environmental Protection Agency, Executive Yuan.

Note4 Category 2 electricity carbon emission factor based on the electricity carbon emission factors announced by the Bureau of Energy, Ministry of Economic Affairs in 2023: 0.495 kg of carbon dioxide equivalents.

Note5 The category 3 upstream and downstream transportation and distribution of goods (transportation and distribution of materials, auxiliary materials, and energy) coefficient are selected from the Carbon Footprint Database of the Environmental Protection Administration's Carbon Footprint Information Platform according to the vehicle.

Note6 Category 4 purchases transportation of goods, waste disposal and waste (sewage) water treatment services and vehicle emission coefficients are all adopted from the Carbon Footprint Database of the Environmental Protection Administration's Carbon Footprint Information Platform.



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4.2 Pollution Prevention

4.2.1 Treatment of Wastewater

The Company's water is divided into three major areas: process water, public water and employee domestic water. After the domestic sewage is treated by the sewage facilities, the process wastewater and public water are treated by the waste water plant, and are treated legally through the sewage system, and the discharged water is regularly tested to ensure that the water quality meets the standards. There was no illegal pollution in 2023, and there was no significant impact on environmental water sources. The wastewater in the plant is mainly classified into general washing, acid-base waste liquid, nickel-containing waste liquid, chelated copper waste liquid, and outsourced treatment waste liquid. To enhance the

Pollutants	Unit	Quality of water released from Plant 1	Quality of water released from the Headquarters	Pingjhen Sewage Operation Center management limit	Surface water discharge standards
Water temperature	°C	23.9	21.3	<45	<35
Hydrogen ion concentration	Unitless	7.5	7.8	5~9	6~9
Biochemical oxygen demand	mg/L	72.1	24.1	240	15
Chemical oxygen demand	mg/L	124	44.7	400	80
Suspended solids	mg/L	5.5	19.8	160	25
Cyanide	mg/L	<0.01	<0.01	1	1
Cadmium	mg/L	ND	ND	0.02	0.02
Lead	mg/L	ND	ND	0.5	0.5
HG	mg/L	ND	ND	0.005	0.005
Hexavalent chromium	mg/L	ND	ND	0.35	0.35
Arsenic	mg/L	ND	0.0005	0.35	0.35

Note1 Except for the biochemical oxygen demand and chemical oxygen demand of the Taoyuan plant area which is higher than the surface water discharge standards, the rest are lower than the surface water standard.

Note2 Taoyuan Area Effluent Standard according to the Pingjhen Industrial Park waste (sewage) water discharge into the sewage treatment plant limit table, which is released in 2019. Surface water discharge standards are in accordance with Effluent Standards Table 10: Water Quality Items and Limits for Water Discharged from Dedicated Sewerage Systems in Other Industrial Areas.

Note3 The Hsinchu office is located in the joint office of Hsinchu Science Park Si-Soft. The domestic sewage is treated by the Si-Soft and then discharged. The Taichung and Kaohsiung offices are general residential areas, which are collected and treated by the public sewage system before being discharged.

wastewater treatment efficiency, the high-concentration waste liquid is treated by the wastewater pre-treatment system, and then the supernatant liquid is collected into the wastewater post-treatment system for further treatment. The wastewater system will be introduced into the plant monitoring system to ensure that the water quality meets the discharge standards and finally be brought into the Pingjhen Sewage Operation Center. To maintain the best treatment status of the equipment for regular maintenance and inspection, the external inspection data of the discharge water in 2023 are as follows:

Pollutants	Unit	Quality of water released from Plant 1	Quality of water released from the Headquarters	Pingjhen Sewage Operation Center management limit	Surface water discharge standards
Nickel	mg/L	0.189	0.008	0.7	0.7
Copper	mg/L	0.667	0.019	1.5	1.5
Total chromium	mg/L	0.008	0.002	1.5	1.5
Zinc	mg/L	0.036	0.022	3.5	3.5
Nitrate nitrogen	mg/L	7.66	0.29	50	50
Ammonia nitrogen	mg/L	-	6.01	30	20
Fluoride	mg/L	0.26	0.14	15	15
Boron	mg/L	0.31	0.1	5	5
Tin	mg/L	0.015	ND	2	2
Molybdenum	mg/L	0.001	0.001	0.6	0.6



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4.2.2 Waste Management Measure

CHPT promotes waste management measures, strengthens waste management, increases the proportion of resource recycling and resource sharing. Reduce the waste generated during the operation process from the source, and use recycled materials in the product packaging process to achieve waste reduction and recycling use. In accordance with the circular economy model, wastes are effectively reused and wastes are turned into resources.

Waste discharge and disposal

Waste discharge and disposal					Unit tons
Plant	Waste Category	Waste Disposal	2021	2022	2023
Taoyuan Plant	Domestic waste	Incineration	128.98	140.154	122.871
		Recycle	61.6	83.58	51.99
	General industrial waste	Incineration	45	57.62	63.33
		Regenerate	49.97	57.24	37.178
		Reuse	10.24	6.21	6.92
		Auxiliary fuels	25.76	26.05	20.56
	Hazardous industrial waste	Incineration	2.85	4.28	6.92
		Regenerate	54.01	37.2552	190.979
		Reuse	357.1	419.97	286.731
	Subtotal		735.51	832.3592	787.479
Percentage of waste disposal methods (%)	Incineration		24.1%	24.3%	24.5%
	Regenerate		14.1%	11.4%	29%
	Reuse		58.3%	61.2%	43.9%
	Auxiliary fuels		3.5%	3.1%	2.6%
Waste recycling rate (%)			76%	75.7%	75.5%

Note This only includes calculations on the plant side.

Disposal of Waste

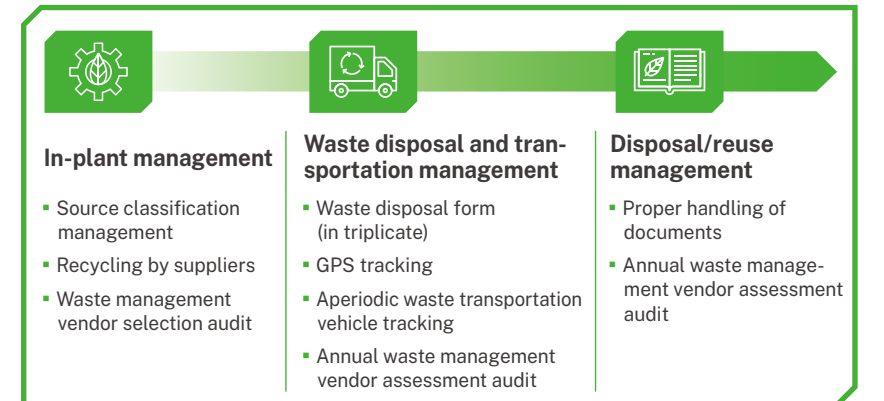
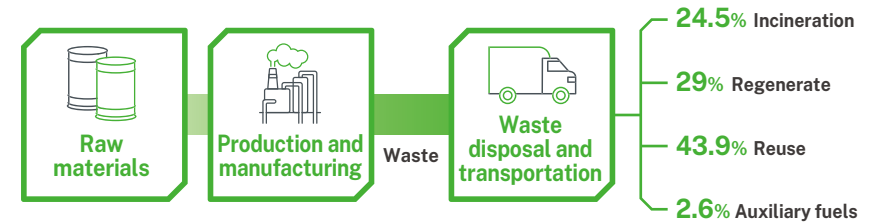
The output department temporarily stores and classifies the waste according to the waste list and regularly moves the waste to the waste storage area for centralized management, and audits the waste cleaner irregularly [Note 1, Note 2] whether the waste cleanup operation is carried out in accordance with the relevant laws and regulations on waste cleanup to ensure its legality and properly handle the waste produced in the plant to avoid impact on the environment. We engage all our hazardous industrial waste produced were entrusted to qualified waste management vendors in Taiwan to deal with all the hazardous industrial waste we produce, 75.5% of which is recycled and reused at the end of the day. We have achieved a waste recycling rate of 75% for three years in a row.

Note1 Before signing the contract with the manufacturer, the Company will conduct an audit and evaluation operation of waste cleaners to ensure that the manufacturer complies with the requirements of environmental protection laws and regulations.

Note2 Audit and evaluation operations of waste cleaners, the Global Positioning System (GPS) tracking, proper handling of documents

Note3 Priority is given to reuse of Company waste

Waste disposal process





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Air pollution management

The main air pollutants in the plant are acid, alkali, Particulate matter and VOCs.. All air pollutants are treated with air pollution prevention equipment that meets legal standards, including acid and alkali waste gas scrubbers, activated carbon adsorption towers, and dust collectors. Tests have proved that the discharged pollutants are in compliance with the pollutant discharge standards stipulated in environmental protection laws. To maintain the best processing capacity of the treatment equipment, all equipment are regularly maintained and inspected to maintain normal system parameters to ensure that the gas emissions will not cause environmental pollution.

Air pollution emissions

Plant	Type of pollutant	2021	2022	2023	Types of prevention equipment
Plant 1	VOC	0.04	0.04	0.02	Activated carbon adsorption tower
	Particulate matter	0.05	0.05	0.03	Dust collector and Scrubber
	Total	0.09	0.09	0.05	-





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Statement of use | CHPT has followed the GRI Standard to report the content from January 1 to December 31, 2023.

GRI 1 in use | GRI 1: Foundation 2021

Applicable GRI Industry Standard | None

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2-18 Evaluating the highest governance body's performance	1.2 Board Governance	27	
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2-20 Process for determining remuneration	1.2 Board Governance	27	
2-21 Annual total compensation ratio	3.1.3 Remuneration and Benefits	60	
2-22 Statement of Sustainability Development Strategy	Message from the President	4	
2-23 Policy Commitment	3.5 Diversity and Inclusion	80	
2-24 Incorporate policy commitments	3.5 Diversity and Inclusion	80	
2-25 Procedures for remedying negative impacts	1.3 Ethical Management 3.3 Employee Communication 2.4 Sustainable Supply Chain	33 70 52	
2-26 Mechanisms for seeking advice and raising concerns	1.3 Ethical Management 3.3 Employee Communication 3.5 Diversity and Inclusion	33 70 80	
2-27 Legal Compliance	3.3 Employee Communication	70	
2-28 Membership of associations	1.1 Organizational Profile	20	
2-29 Stakeholder engagement guidelines	Stakeholder identification and communication channels	11	
2-30 Collective bargaining	3.3 Employee Communication	70	
GRI 3: Material Topics 2021			
3-1 Process for determining material topics	Analysis and Management of Material Topics	13	
3-2 List of Material Topics		14	
3-3 Material Topic Management		16	



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GRI Standard Corresponding to Material Topic

GRI Standard	Material Topic	Corresponding Subchapter	Page Number	Description of Omission
GRI 3: Material Topics 2021				
3-3 Management of material topics	Corporate Governance	Analysis and Management of Material Topics	13	
	Innovation and R&D	Analysis and Management of Material Topics	13	
	Quality Management	Analysis and Management of Material Topics	13	
	Customer Relationship	Analysis and Management of Material Topics	13	
	Information Security	Analysis and Management of Material Topics	13	

Material Topic: Operational Performance

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
201 Economic Performance 2016			
201-1 Direct economic value generated and distributed	1.1 Organizational Profile	20	
201-2 Financial implications and other risks and opportunities due to climate change	1.5 Climate Risk Management	38	
201-3 Defined benefit plan obligations and other retirement plans	3.1.4 Employee Benefits	61	
201-4 Financial assistance received from government	1.1 Organizational Profile	20	

Material Topic: Ethical Management

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
205 Anti-corruption 2016			
205-1 Operations assessed for risks related to corruption	1.3 Ethical Management	33	
205-2 Communication and training about anti-corruption policies and procedures	1.3 Ethical Management	33	
205-3 Confirmed incidents of corruption and actions taken	1.3 Ethical Management	33	



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Material Topic: Energy Management

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
302 Energy 2016			
302-1 Energy consumption within the organization	4.1.2 Energy Management	85	
302-2 Energy consumption outside of the organization	4.1.2 Energy Management	85	The amount of energy used is estimated based on external organizations' mileage and load data.
302-3 Energy intensity	4.1.2 Energy Management	85	
302-4 Reduction of energy consumption	4.1.2 Energy Management	85	
302-5 Reductions in energy requirements of products and services	4.1.2 Energy Management	85	

Material Topic: Water Resource Cycle

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
303 Water and Effluents 2018			
303-1 Interactions with water as a shared resource	4.1.3 Water Resource Management	86	
303-2 Management of water discharge-related impacts	4.2.1 Treatment of Wastewater	89	
303-3 Water withdrawal	4.1.3 Water Resource Management	86	
303-4 Water discharge	4.1.3 Water Resource Management	86	
303-5 Water consumption	4.1.3 Water Resource Management	86	



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Material Topic: Supplier Management

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
308 Supplier Environmental Assessment 2016			
308-1 New suppliers screened based on environmental criteria	2.4 Sustainable Supply Chain	52	
308-2 Negative environmental impacts in the supply chain and actions taken	2.4 Sustainable Supply Chain	52	
414 Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria	2.4 Sustainable Supply Chain	52	
414-2 Negative social impacts in the supply chain and actions taken	2.4 Sustainable Supply Chain	52	

Material Topic: Employee Rights and Interests

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
402 Labor/Management Relations 2016			
402-1 Minimum notice periods regarding operational changes	3.3 Employee Communication	70	
405 Employee Diversity and Equal Opportunity 2016			
405-1 Diversity of governance bodies and employees	3.1.1 Employee Structure	57	
405-2 Ratio of basic salary and remuneration of women to men	3.1.3 Remuneration and Benefits	60	



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Material Topic: Occupational Safety

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
403 Occupational Health and Safety 2018			
403-1 Occupational health and safety management system	3.4.1 Safe Workplace	71	
403-2 Hazard identification, risk assessment, and incident investigation	3.4.1 Safe Workplace	71	
403-3 Occupational health services	3.4.2 Employee Health Management	77	
403-4 Worker participation, consultation, and communication on occupational health and safety	3.4.1 Safe Workplace	71	
403-5 Worker training on occupational health and safety	3.4.1 Safe Workplace	71	
403-6 Promotion of worker health	3.4.2 Employee Health Management	77	
403-7 Prevention and mitigation of occupational health and safety impacts directly associated with business relationships	3.4.3 Contractor Safety and Health Management	79	
403-8 Workers covered by an occupational health and safety management system	3.4.1 Safe Workplace	71	
403-9 Work-related injuries	3.4.1 Safe Workplace	71	
403-10 Work-related ill health	3.4.2 Employee Health Management	77	

Material Topic: Talent Development

Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
GRI 3: Material Topics 2021			
3-3 Management of material topics	Management Approach to Material Topics	16	
401 Employment 2016			
401-1 New employee hires and employee turnover	3.1.2 Talent Recruitment	59	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.1.4 Employee Benefits	61	
401-3 Parental leave	3.1.4 Employee Benefits	61	



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Corresponding GRI Standard and Disclosure Content	Corresponding Subchapter	Page Number	Description of Omission/ Supplementary Explanation
404 Training and Education 2016			
404-1 Average hours of training per year per employee	3.2.1 Training and Continuation	67	
404-2 Programs for upgrading employee skills and transition assistance programs	3.2.1 Training and Continuation	67	
404-3 Percentage of employees receiving regular performance and career development reviews	3.2.2 Performance Assessment	69	

Appendix - Sustainability Accounting Standards Board (SASB) Comparison Table

Indicator Code	Metric	Corresponding Subchapter or Description			
Disclosure Topic: Product Safety					
TC-HW-230a.1	Explain the risk identification and management methods of product information security	2.1 Technological Innovation 2.2 Quality Management			
Disclosure Topic: Employee Diverse and Inclusion					
TC-HW-330a.1	Gender Percentage of Global Employees (1) Management (2) Technicians (3) All employees	3.1.1 Employee Structure			
Disclosure Topic: Product Lifecycle Management					
TC-HW-410a.1	The annual revenue percentage of products that comply with IEC62474 declarable controlled substances	0%			
TC-HW-410a.2	Percentage of annual revenue from products that meet the EPEAT label or equivalent	0%			
TC-HW-410a.3	Percentage of annual revenue for products that qualify for Energy Star or equivalent	0%			
TC-HW-410a.4	Weight of end-of-life products and e-waste recovered, percentage recycled	CHPT products belong to the B2B category, and there is no recall of sold products, so this indicator is not applicable; 0%			
Disclosure Topic: Supply Chain Management					
TC-HW-430a.1	Percentage of supplier categories with the first-tier suppliers performing RBA VAP (Validated Audit Process) or equivalent audits (a) All suppliers (b) High-risk suppliers	Statistics on the signing of the Statement of the Code of Ethics and Business Conduct in 2023			
		Supplier Category	Total Number of Companies	Number of Companies That Have Signed the Statement	Percentage of Companies That Have Signed the Statement
		Raw materials suppliers	225	225	100%
		Equipment suppliers	70	70	100%



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Indicator Code	Metric	Corresponding Subchapter or Description
TC-HW-430a.2	First-tier suppliers (1) Percentage of audited manufacturers that failed the RBA VAP or equivalent audit, and (2) improvement rate of audit results for (a) major deficiencies and (b) other deficiencies	100% of our main suppliers signed the Statement of the Code of Ethics and Business Conduct
Disclosure Topic: Material Procurement		
TC-HW-440a.1	Explain the risk management of using critical materials	1.4 Internal Risk Control 2.4 Sustainable Supply Chain
Disclosure Topic: Activity Indicators		
TC-HW-000.A	Output by product category	Please refer to the market, production, and sales information provided in the annual report.
TC-HW-000.B	Plant acreage	Plant 1: 8,182m2 Headquarters: 15,287m2
TC-HW-000.C	Percentage of production in own facilities	100%

Appendix - TCFD Recommendation Disclosure Comparison Table

Aspects	TCFD Recommendation Disclosure Items	Corresponding Chapters	Page Number
Governance	Describe the Board of Directors' oversight of climate-related risks and opportunities.	1.2 Board Governance 1.5 Climate Risk Management	27 38
	Describe management's role in assessing and managing climate-related risks and opportunities.	1.2 Board Governance 1.5 Climate Risk Management	27 38
Strategy	Describe the short-, medium-and long-term climate-related risks and opportunities identified by the organization.	1.5 Climate Risk Management	38
	Describe the impact of climate-related risks and opportunities on an organization's business, strategy, and financial planning.	1.5 Climate Risk Management	38
	Describe the organization's strategic resilience, taking into account different climate-related scenarios (including 2°C or harsher scenarios).	1.5 Climate Risk Management	38
Risk Management	Describe the organization's process for identifying and assessing climate-related risks.	1.5 Climate Risk Management	38
	Describe the organization's processes for managing climate-related risks.	1.5 Climate Risk Management	38
	Describe how the process of identifying, assessing and managing climate-related risks is integrated into the organization's overall risk management system.	1.5 Climate Risk Management	38
Indicators and Goals	Disclose the indicators that organizations use to assess climate-related risks and opportunities, following their strategy and risk management processes.	1.5 Climate Risk Management	38
	Disclose Scope 1, Scope 2 and Scope 3 (if applicable) greenhouse gas emissions and associated risks.	4.1.4 Greenhouse Gas Management	88
	Describe the goals used by the organization to manage climate-related risks and opportunities, and the performance against those goals.	1.5 Climate Risk Management	38



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Appendix - Sustainability Report Assurance Statement



Independent Assurance Statement

CHUNGHWA PRECISION TEST TECH. CO., LTD.'s 2023 SUSTAINABILITY REPORT

AFNOR GROUP was established in 1926. We are the National Standardization Body of France, a permanent council member in ISO and one of the leading certification bodies in the world. This verification work was carried out by AFNOR ASIA LTD., a subsidiary of AFNOR GROUP. All the members of the verification team have professional backgrounds and have accepted AA1000 AS, AFAQ 26000, ISO 9001, ISO 14001, ISO 14064, ISO 45001, ISO 50001, and other sustainability-related international standard trainings. All assigned verifiers have been approved as the lead auditors or verifiers. AFNOR GROUP hereby provides a summary of CHUNGHWA PRECISION TEST TECH. CO., LTD.'s Sustainability Report of 2023 (hereinafter referred to as "the Report") but was not involved in any way in its preparation.

AFNOR GROUP and CHUNGHWA PRECISION TEST TECH. CO., LTD. (hereinafter referred to as "CHPT") are independent entities. AFNOR ASIA LTD., was commissioned by CHPT to conduct the assessment and assure the Sustainability Report of 2023 was in accordance with AA1000 Assurance Standard (v3) and the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards).

SCOPE

CHUNGHWA PRECISION TEST TECH. CO., LTD. is responsible for reporting fairly on the economic, environmental and social aspects of operating activities and performance of Taiwan and overseas operating sites in sustainability reports in accordance with the declared sustainability reporting standards.

AFNOR Asia is responsible for:

1. Evaluating the accordance of the Report with the Type 1 of AA1000 Assurance Standard (v3) based on the AA1000 Accountability Principles (2018). The reliability verification of the revealed sustainability performance information and data was not included. The verification scopes include sustainability issues, response mechanism, performance information, management systems of information, and the processes of materiality evaluation and stakeholder participation.
2. In accordance with the GRI Standards, we verified the statement options and material topics disclosed in the report compiled by CHPT.



REFERENCES

The scope of the assurance includes an assessment of the source adequacy of specific performance information and an assessment of adherence to the following reporting criteria :

- AA1000 Accountability Principles (2018)
- GRI Standards
- Task Force on Climate-related Financial Disclosures
- Sustainability Accounting Standards Board Standards

METHODOLOGY

- The inclusivity, materiality, responsiveness, and impact in the Report were assessed according to the principles of management process against AA1000 Assurance Standard (v3).
- The report is reported in accordance with the GRI Standards, and the content of the report is reviewed for general disclosures and specific topic disclosures that comply with the GRI Standards.
- The mechanism of communication and response to the interest of stakeholders was verified through discussion and interview with the management team, however, the assessment team did not make any direct contact with external stakeholders.
- The qualitative and quantitative information produced, collected, and disclosed by the Report was reviewed through a validated sampling plan.
- The documents, materials and information related to the report were examined and reviewed by interviewing the responsible persons of each group of CHPT.
- Interviews with members of the organization related to sustainable development management and report writing, including representatives of all levels and departments.
- All documents, data and information related to the preparation of this report were checked by the verification team through interviews with relevant personnel.
- Check the sufficiency and completeness of supporting materials and evidence for the content of the report.

CONCLUSION

◆ AA1000 Accountability Principles

Inclusivity

CHPT has identified stakeholders and maintained communication channels for stakeholders to participate in different important topics to understand the important information that stakeholders





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are concerned about and to solicit feedback from all parties regarding the company's sustainable development. The report has reported and disclosed economic, environmental, social, and governance information that is sufficient to support the company's strategies, goals, standards, and performance.

Materiality

CHPT has published relevant information so that stakeholders can judge the company's governance and performance, and plan to develop and implement a decision-making mechanism for materiality issues to focus on materiality issues related to the company's sustainable development.

Responsiveness

CHPT has develops and implements a stakeholder response mechanism through communication channels, clearly announces various relevant policies, norms, codes, evaluation objectives, etc., and regularly communicates and discusses with stakeholders, and strives to implement and monitor management policies and performance targets that meet the expectations of stakeholders.

Impact

CHPT has adopted the monitoring and measurement of risks and opportunities in response to the major impacts of various sustainable development actions taken; identified various risks and opportunities to formulate action plans to effectively manage, continuously improve, and communicate responsibility and demonstrate sustainable performance.

◆ Global Reporting Initiative Sustainability Reporting Standards

Based on the results of the review, we confirmed that the general disclosure and specific disclosure content of the report and the necessary management policy disclosure of major topics have complied with the requirements of GRI Standards. In the future, the organization will continue to follow the requirements of the reporting standards, compile major theme management content and relevant operational performance of each base, and provide reporting content that is sufficient and demonstrates the sustainable development of the organization.

◆ Task Force on Climate-related Financial Disclosures

Based on the results of the review, CHPT has disclosed the impact of climate change on the company's operations, as well as measures to deal with risks and opportunities. In the future, the organization can strengthen the setting of different climate scenarios and develop the resilience of operating strategies to continuously evaluate the financial performance impact of measures corresponding to the risks and opportunities of the scenarios.



◆ Sustainability Accounting Standards Board Standards

Based on the results of the review, CHPT has made disclosures with reference to the sustainable accounting indicators and activity indicators of the SASB standards. Future reports will continue to be collected and reported in accordance with disclosure standards and integrated into the organization's information collection, monitoring and analysis processes.

ASSURANCE OPINION

AFNOR GROUP has developed a complete sustainability reporting assurance standard based on the verification guidelines of the AA1000 Assurance Standard (v3) and the GRI Standards. Based on the sufficient evidence provided by CHPT and the facts seen during on-site verification, we adhere to the principle of fairness and issue a statement on the global sustainability reporting standards followed by the organization.

In our opinion, the information and data presented in the Report by CHPT provides a fair and balanced representation. We believe the focuses on economic, social, and environmental matters in CHPT in 2023 are well represented.

ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (v3), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this statement.

LIABILITY

This assurance statement is intended for the use of CHUNGHWA PRECISION TEST TECH. CO., LTD. only. AFNOR is not responsible for any other uses. Our responsibility is only based on the scope and methodology described, and to provide stakeholders an independent assurance statement.

For and on behalf of AFNOR :

Patrick Ni

Patrick Ni
The Director for Certification and Assessment
May.27.2024

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Appendix - ISO 14064-1 Greenhouse Gas Inventory Statement



Certificate

Certificat

Report no. : (TH06-162 / version 1)

Greenhouse Gas Verification Report Opinion THGHG06162-00

Verification scope: Chunghwa Precision Test Tech. Co., Ltd.
No.12, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City 324, Taiwan, R.O.C.
☒ The information of other sites are listed on the subsequent page.

Verification criteria: ISO 14064-1 : 2018

Verification Objectives : AFNOR Asia, Ltd. (AFNOR ASIA) confirms that the GHG statement (GHG inventory report) of the above-mentioned organization(s) is reported in accordance with the verification criteria agreed by both parties. AFNOR performs the verification with an objective and fair position and principle (relevant, complete, consistent, accurate, and transparent).

Data period : 2023/01/01~2023/12/31

Verification data : Direct GHG emissions (category 1): 1,890.4375 tons CO₂e
Energy indirect GHG emissions (category 2): 14,695.3848 tons CO₂e
Indirect GHG emissions (category 3~6): 4,858.4878 tons CO₂e

Global warming potential (GWP) : refer to IPCC 2021 Year, the 6 assessment report

Statement basis : This statement must be interpreted as a whole with the following.
GHG Inventory report (version : A ; Date : 04 27, 2024)
GHG Inventory (version : NA ; Date : 04 27, 2024)

Materiality : 5% (category 1 and category 2)

Type of opinion : ☒ unqualified ☐ qualified (see the subsequent page) ☐ disclaim the issuance
Confirm that the organization submits a GHG statement in accordance with the requirements of the verification criteria agreed by the two parties, and fairly presents the GHG data and related information, which is consistent with the verification scope, objectives and criteria agreed by the two parties.

Verification conclusion: Declares that the reasonable assurance level of the inventory data is category 1 for Taoyuan and Hsinchu, and category 2 for Taoyuan and Hsinchu, the limited assurance level of the inventory data is category 1 for Taichung and Kaohsiung, category 2 for Taichung and Kaohsiung, category 3 to 6 for all.

Date of issuance: 05 16, 2024

APPROVED BY

Patrick NI

Patrick NI
Director for Certification
ON BEHALF OF
AFNOR ASIA

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Certificate

Certificat

Report no. : (TH06-162 / version 1)

The geographical location of multiple sites :

site	Address
Taoyuan(Head Office& plant 1)	No.12, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City 324, Taiwan, R.O.C. No.15, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City 324, Taiwan, R.O.C.
Hsinchu(Office)	Rm. C8 , 3F., No.1, Lixing 1st Rd., Hsinchu City 300, Taiwan, R.O.C.
Taichung(Office)	1F., No. 356, Fuya Rd., Xitun Dist., Taichung City 407 , Taiwan (R.O.C.)
Kaohsiung(Office)	No. 195, Tuku 1st Rd., Nanzi Dist., Kaohsiung City 811, Taiwan (R.O.C.) 1F.,No. 189, Tuku 1st Rd., Nanzi Dist., Kaohsiung City 811, Taiwan (R.O.C.)

Emissions data for each category :

Category	Description of content	GHG emissions (tons CO ₂ e)	Note
(Category 1) Direct GHG emissions	Stationary combustion sources, Mobile combustion sources , Process-related emissions sources, Fugitive emissions sources	1,890.4375	
(Category 2) Indirect GHG emissions from imported energy	Purchased electricity	14,695.3848	Location-base
(Category 3) Indirect GHG emissions from transportation	Upstream transportation, Downstream transportation , Business travel	129.3893	
(Category 4) Indirect GHG emissions from products used by organization	Purchased goods, Waste treatment, Use of assets	4,729.0885	
(Category 5) Indirect GHG emissions associated with the use of products from the organization	NS	-	
(Category 6) Indirect GHG emissions from other sources	NS	-	

Biomass burning emission : 0.0000 tons CO₂e

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Never-ending Cycle

05 Appendix

GRI Content Index
Sustainability Accounting
Standards Board (SASB)
Comparison Table
TCFD Recommendation
Disclosure Comparison Table
Sustainability Report
Assurance Statement

ISO 14064-1 Greenhouse
Gas Inventory Statement



Certificate

Certificat

Report no. : (TH06-162 / version 1)

Other related verification information

Organization boundaries :	operational control
GHG type :	Carbon dioxide (CO2), Methane (CH4), Nitrous oxide (N2O), Hydrofluorocarbon (HFCs), Perfluorocarbon (PFCs), Sulfur hexafluoride (SF6), Nitrogen trifluoride (NF3)
Purpose of intended use:	Understanding voluntarily the status of GHG emissions as a basis for developing reduction strategies. (This statement of responsibility applies only to the purpose of intended use mentioned above and not to any other purpose.)
Significance criteria of Indirect emission :	- Identified stakeholder requirements: ☐ Yes ☒ No - Identified regulation requirements : ☐ Yes ☒ No - Identified magnitude of emissions : ☐ Yes ☒ No - Others :
Power factor:	Refer to the 2022 annual power factor announced by the Bureau of Energy, Ministry of Economic Affairs on 06 21, 2023.
Data Sources :	☒ The primary data is collected from on-site operation activities. ☒ Category 3~6 emissions are calculated with estimated data. The secondary data sources are: Taiwan EPA Carbon footprint information platform ☐ others :
Verification method:	☒ On-site
Qualified opinion :	NO
Others :	NO
Verification date :	03 21, 2024 03 22, 2024 03 28, 2024
Report date :	04 22, 2024

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Report no. : (TH06-162 / version 1)

Verification team and technical review

Lead verifier : Nancy Chen

簽名 : Nancy Chen

Verifier : Lu,Mu-Cheng

簽名 : Lu,Mu-Cheng

Verifier : Chun-Fang Chang

簽名 : Chun-Fang Chang

Independent review : Shih-Ting Tseng

簽名 : Shih-Ting Tseng

Verification processes

AFNOR is based on risk assessment methods and controls and processes of evidences collection are including pre-assessment, on-site visits, interviews with site personnel, confirmation of documented evidence provided, sampling of emission data, evaluation of data management systems, confirming the collection and aggregation of emission data, analysis between production and energy consumption, and confirmation of whether the terms of the agreement referred to are properly applied.

Roles and Responsibilities

The responsible party, the organization, is responsible for preparing and submitting a GHG statement in accordance with the verification criteria. This responsibility includes the planning, implementation and maintenance of data management systems related to GHG declarations, GHG inventory and GHG inventory reports.

AFNOR provides independent third-party verification of the reported GHG emissions and issues verification opinions for the organizational GHG emissions. The verification team is independent and impartial, and there is no conflict of interest.

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