



ASSURANCE STATEMENT

SGS TAIWAN'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE CHUNG HWA PICTURE TUBES, LTD.'s CORPORATE SOCIAL RESPONSIBILITY REPORT FOR 2011

NATURE AND SCOPE THE ASSURANCE/VERIFICATION

SGS Taiwan was commissioned by Chung Hwa Picture Tubes, Ltd. to conduct an independent assurance of the Corporate Social Responsibility Report of 2011. The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and data in accompanying tables, contained in factories in Taiwan and China of this report.

The information in the Corporate Social Responsibility Report of 2011 of Chung Hwa Picture Tubes, Ltd. and its presentation are the responsibility of the superintendent, vice superintendents, CSR committee and the management of Chung Hwa Picture Tubes, Ltd. SGS Taiwan has not been involved in the preparation of any of the material included in the Corporate Social Responsibility Report of 2011. Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of verification set out below with the intention to inform all Chung Hwa Picture Tubes, Ltd.'s stakeholders.

The SGS Group has developed a set of protocols for the Assurance of Sustainability Reports based on current best practice guidance provided in the Global Reporting Initiative Sustainability Reporting Guidelines (2011) and the AA1000 Assurance Standard (2008). These protocols follow differing options for Assurance depending the reporting history and capabilities of the Reporting Organisation.

This report has been assured at Global Reporting Initiative G3.1 Application level A+ and AA1000 Assurance Standard (2008) type 1, high level of scrutiny using our protocols for:

- evaluation of content veracity;
- evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2008); and
- evaluation of the report against the Global Reporting Initiative Sustainability Reporting Guidelines (G3.1 2011).

The assurance comprised a combination of pre-assurance research, interviews with relevant employees at headquarter of Chung Hwa Picture Tubes in Bade City, Taoyuan County, Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant. Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS Taiwan affirms our independence from Chung Hwa Picture Tubes, Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with QMS, EMS, SMS, EnMS, GPMS, SA 8000, GHG Verification Lead Auditors and experience on the SRA Assurance service provisions.

VERIFICATION/ ASSURANCE OPINION

On the basis of the methodology described and the verification work performed, we are satisfied that the information and data contained within CSR Report of 2011 verified is accurate, reliable and provides a fair and balanced representation of Chung Hwa Picture Tubes, Ltd. sustainability activities from 01/01/2011 to 12/31/2011. Some statements and data within the scope were not assured due to lack of accessible records during the timescale allowed for assurance, and these are clearly marked throughout the text.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting. The report is the third to be assured by an independent assurance team and Chung Hwa Picture Tubes, Ltd. has taken a bold step by offering the report to evaluation against both GRI's G3.1 guidelines and the AA1000 Assurance standard. This shows a deserved confidence in their reporting process. In our opinion, the contents of the report meet the requirements of GRI G3.1 Application Level A+ and AA1000 Assurance Standard (2008) type 1, high level.

AA1000 ACCOUNTABILITY PRINCIPLES (2008) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity

Chung Hwa Picture Tubes, Ltd. has demonstrated a strong commitment to stakeholder inclusivity. A variety of engagement efforts underpin the organisation's understanding of stakeholder concerns, and its ability to integrate them into its decision making processes. This is demonstrated by the surveys of staff, consumers and suppliers, and also by engagements with other stakeholders. For future reporting, Chung Hwa Picture Tubes, Ltd. may consider further widening the scope of engagement and establishing ways for stakeholders to be directly involved in decisions which will improve sustainability performance.

Materiality

Chung Hwa Picture Tubes, Ltd. has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses these at an appropriate level to reflect their importance and priority to these stakeholders. It is recommended that process and criteria to determining materiality may be formally documented for consistency. In addition, Chung Hwa Picture Tubes, Ltd. may consider developing a means of addressing conflicts or dilemmas between different expectations regarding materiality.

Responsiveness

The report includes coverage given to stakeholder engagement and channels for stakeholder feedback. It is recommended to further respond on conflicts or dilemmas for better balance of responsiveness.

GLOBAL REPORTING INITIATIVE REPORTING GUIDELINES (2011) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Principles, Standard Disclosures and Indicators

The report is adequately in line with the GRI G3.1 Application level A+. The principle of balance and disclosure on management approach may be further enhanced in next report. Some performance indicators which were partially addressed in this report may be further strengthened in future reporting.

Signed:

For and on behalf of SGS Taiwan Ltd.



Dennis Yang, Chief Operating Officer
25th July, 2012



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Licensed Assurance Provider
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