



Cheng Shin Rubber Industry Co. Ltd.
Corporate Social Responsibility Report

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Letter from Chairman

Looking back at 2020, the COVID-19 epidemic has spread around the world, forcing us all to accept and adapt to a new normal and a severely challenging external environment. Despite the advent of a vaccine, there is a high uncertainty for the future. Under the rapidly changing world environment, Cheng Shin has always been recognized by the industry with its technology and won the trust of customers by its quality. While continuing to develop in the industry, we also continue to improve our daily business management and energy utilization. We strive to achieve sustainability in accordance with the sustainable development policy and in response to the Sustainable Development Goals (SDGs) of the United Nations. With the dedication and partnership of all our staff, we have been selected as the "TSE4Good TIP-Taiwan ESG Index Series" for 3 consecutive years, which shows that Cheng Shin have been widely recognized for its sustainable work in corporate governance, social and environmental protection.



In terms of sustainable environmental protection, Cheng Shin has established environmental management systems in each plant, and is committed to promoting energy saving programs and setting annual energy saving targets. In 2020, greenhouse gas emissions were reduced by 4,861.74 tons, and water resource usage was reduced by 223,155 tons. To perfect the construction of occupational safety and health management system, Cheng Shin had obtained ISO45001 and CNS45001 certificates in Taiwan region in 2020 and continuously passed the ISO50001 energy management system external certification in mainland region. Implement environmental protection and bring our colleagues a better working environment is always Cheng Shin's commitment. Quality workplace environment and ability training for employees are also the goals Cheng Shin attaches great importance to. In 2020, Cheng Shin was awarded the "Talent Quality Management System (TTQS) - Gold" by the Workforce Development Agency, Ministry of Labor, Executive Yuan, which represents high recognition to the Cheng Shin's talent cultivation.

Cheng Shin will take "adhering to integrity and innovation" as its core value, and "adhering to the business and creating new opportunities" to practice and implement the corporate culture, and take "100% quality, 100% service, 100% trust" as the core of culture, actively invest in research and development and innovation, persist in the continuous production of high-quality tires, to provide better quality products for customers with different needs, to grow and thrive together with all the MAXXIS family and partners. Looking forward to the future, Cheng Shin will continue to focus on the tire industry, strengthen its organizational and management capabilities, attach great importance to talent cultivation, and fulfill its corporate social responsibility. Meanwhile, Cheng Shin will also balance the response to the development needs of all stakeholders, strive to create the sustainability goals of the economy, environment, and society, and foresee a better common future.

Chairman

Chen Yuhua



About the Report

Content of Report

Since 2014, Cheng Shin has published a Corporate Social Responsibility (CSR) report every year. The report, covering all aspects such as economy, environment, society, and product, and also including the corporate ethical management, eco-friendly, employee care, supplier management, shareholder equity, customer service and community participation, and explains to all stakeholders the efforts and achievements of Cheng Shin in implementing corporate social responsibility, explains to all stakeholders the efforts and achievements of Cheng Shin in implementing corporate social responsibility, demonstrating our commitment to corporate social responsibility and our commitment to sustainable development, and also serves as a platform for communication and discussion to promote friendly communication between stakeholders and Cheng Shin.

The contents of this report are based on the published GRI Standard of the Global Reporting Initiative (GRI), disclosed by selecting major topics in accordance with the "Core" Disclosure Principles, uploaded to the Market Observation Post System (MOPS) and posted on the Cheng Shin website. An index of GRI indicators is attached at the end of the report for quick retrieval and inquiry. The financial figures are calculated in New Taiwan Dollars (NT\$) and certified by the CPA (Pricewaterhouse Coopers (PwC) Taiwan). The relevant statistics are expressed and calculated on the basis of general international indicators. If the aforesaid quantitative indicators disclosed are of special significance, they will be annotated.

Issue Date and Issue Cycle of the Report

Cheng Shin publishes the report on an annual basis. This is the 7th Corporate Social Responsibility Report, the 2020 Corporate Social Responsibility Report, which discloses the sustainable development performance for the year 2020 (from January 1, 2020 to December 31, 2020) and responds to topics about the stakeholders' concerns. For completeness, some of the information will be dated back to 2018.

Scope

This report covers the Group's parent company Cheng Shin Rubber Industry Co., Ltd. (referred to as Taiwan region), and its subsidiaries, Cheng Shin Rubber (China) Co., Ltd. and Cheng Shin Rubber (Chongqing) Co., Ltd. (referred to as mainland region). Except for the financial information certified by the CPA and some of the sustainability information, it does not include the reinvestment business in the consolidated financial statements.

Contact Information

If you have any suggestions or questions about this report, please feel free to contact us by the following means:

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Company Website: <http://www.maxxis.com.tw/>





Part 1

Cheng Shin in the Rolling World

1.1 About Us

Founded in 1967 by Mr. Luo Jye, Cheng Shin Rubber Industry Co. Ltd., now owns 5 factories in Changhua County and Douliu Factory in Yunlin County. It has established overseas production bases in Kunshan, Xiamen, Vietnam, Thailand, Chongqing, Indonesia, and India, and set up its R&D centers in Taiwan, Kunshan, Xiamen, the Netherlands, and the United States, with nearly 30,000 employees worldwide.

Company Profile

CHENG SHIN RUBBER INDUSTRY CO. LTD.	
DATE ESTABLISHED	January 1, 1967
HEADQUARTER LOCATION	No.215, Meigang Rd., Huangcuo Village, Dacun Township, Changhua County
CHAIRMAN	Chen, Yun-Hwa
GENERAL MANAGER	Chen, Yun-Hwa
PAID-IN CAPITAL	NT\$32.414 billion
TOTAL EMPLOYEES	Taiwan: 5,904 employees; Group: 28,596 employees

Main commodities/services of Cheng Shin

Our main products include gardening tires, industrial tires, bicycle tires, motorcycle tires, ATV tires, and tires and rubber products for cars, buses, light trucks, trucks, trailers, sports, etc.

Events:

1967

Founded: 178 employees, a capital of NT\$6 million, specializing in the production of motorcycle and bicycle tires.

All products were approved to use domestic CNS positive marking.



1993

In December, we received the international standard quality assurance system ISO 9001 certification in December as the first company in the tire industry to obtain this qualification in Taiwan.



1994

In November, Cheng Shin was awarded a medal with a flag-raising ceremony by Ford Motor Company.

1997

On May 29, the QS9000 quality certification was obtained.



In October, the Company won the ROC National Quality Award.

2000

In November, the Company received the National Industrial Waste Reduction Award from the Industrial Development Bureau, Ministry of Economic Affairs. In December, the Company was awarded the group gold medal by the ROC Proposal Association.

NATIONAL QUALITY AWARD



2002

MAXXIS tires won the Forbes Magazine 2002 Global Award for enterprise excellence.

2003

On September 23, the MAXXIS brand was ranked fifth among Taiwan's Top Ten International Brands, with a brand value of about US\$256 million.

2006

In March, Cheng Shin passed the SGS audit and awarded the certificate of ISO/TS16949 Technical Specification for Automobile Industry (Design and Manufacture of Radial-ply and Bias Automobile Tires).



2011

Cheng Shin was awarded the TOYOTA Outstanding Overseas Contribution Award.

2012

China Kunshan MAXXIS Tire Test Site was officially put into operation at the end of the year.

Cheng Shin was awarded as one of the Top 50 Asia Companies by Forbes Magazine.

2014

Tire Business magazine announced that Cheng Shin ranked the world's ninth-largest tire manufacturer by market share.

On December 17, the MAXXIS brand has been one of Taiwan's Top Ten International Brands for 12 consecutive years, with a brand value of about US\$367 million.

2015

MAXXIS has been named the number one tire brand of the year 2015 in the latest readers' poll of UK Enduro Bike magazine.

2016

India Plant produced the first tire.

MAXXIS HP5 tire was rated the first by the Australian Driving Solutions and the third by the Pro-Fessional Driver, an authoritative European magazine.



2017

MAXXIS MS1 won the 2017 China Wheel of the Year Award by Motor Trend China magazine.

2018

MAXXIS VS5 tire was awarded the "China Controlling tire of the Year" award by the authoritative car magazine in China, Motor Trend China.

Cheng Shin was listed as a constituent stock of the FTSE4Good TIP Taiwan ESG Index.



2019

MAXXIS AT700 tire won the championship evaluated by the Australian 4X4 Magazine.

MAXXIS HP5 won the recommendation evaluated by the German AUTO ZEITUNG, with its ultimate performance being deeply recognized by all walks of life.

The Company was successively included in the component stocks of the FTSE4Good TIP Taiwan ESG Index.



2020

The Company was successively included in the component stocks of the FTSE4Good TIP Taiwan ESG Index.

A number of products won the "Taiwan Excellence Award".

MAXXIS tires won the International Design Award - 2020 Italy A' Design Award



Business Performance

Project	Management policy
Importance	In order to achieve Cheng Shin's goal of sustainable management and implement the business philosophy of "Quality First, Customer Satisfaction", we pursue the progress of business performance by strengthening the innovation ability, process optimization, and brand strategy to expand global market share.
Policy/Commitment	Cheng Shin takes "Quality First, Customer Satisfaction" as its business philosophy
Goals and Targets	Set the goal with the customer as the center, and based on Cheng Shin 321 principle - 3(100% quality, 100% service, 100% integrity), 2 (respect, care), 1 (gratitude), effectively achieve the business objectives.
Responsibility	All departments of Cheng Shin
Communication Channels	Investor conference, annual report, and other investor communication channels
Action Plan	Customer-oriented, full production, full-capacity production, and taking effect of scale economy, avoid unnecessary waste of raw materials to reduce costs.
Effectiveness Assessment	Business objectives and KPI of each department

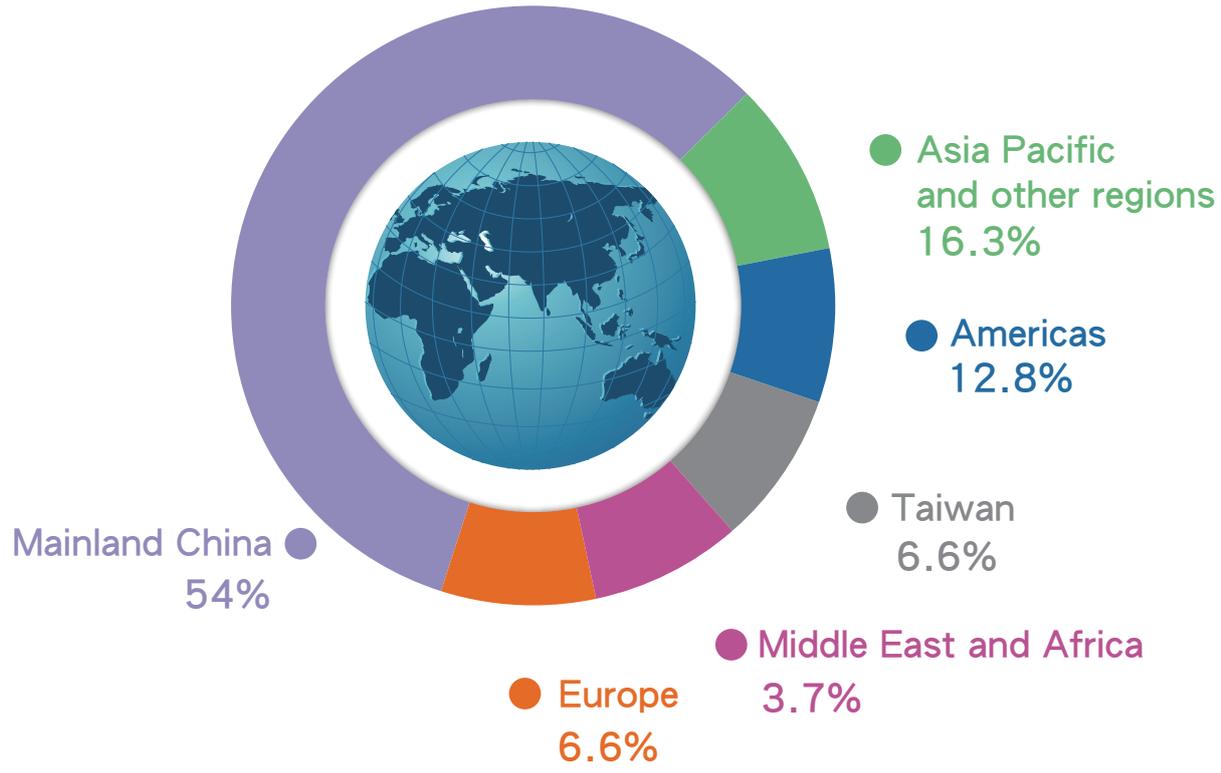
Cheng Shin takes "adhering to integrity and innovation - adhering to the business and creating new opportunities" as its core value and takes "100% quality, 100% service, 100% trust" as the core of culture, continuously strengthen research and development and innovation of products, puts the tire testing site into operation to shorten the product development cycle, to provide better products for customers with different needs with multi-brand marketing strategy, upholds the heart of respect, care and gratitude, and promotes the recognition of everyone to participate in the joint building of the MAXXIS brand, becoming a member of the MAXXIS family. In 2020, Cheng Shin achieved 3B (better, faster, and more economical) in terms of man, machine, material, method, and quality, to avoid resource waste, and implemented the business objectives of full production and cost reduction, and kept the turnover growing. Together with all our family partners, we seek win-win and sustainable growth, strengthen environmental, safety, health, and energy management, and fulfill our role as good corporate citizens in the global village.

- 1.As the largest tire manufacturer in the Chinese region, Cheng Shin has consistently ranked first in Taiwan in terms of turnover. With the booming development of China's automobile market, Cheng Shin has become the leading brand in China's tire market.
- 2.Cheng Shin has spared no effort in promoting the overseas tire market sales, with export sales accounting for 73% of the total sales. At present, Cheng Shin has expanded its sales to more than 180 countries in the world, covering five continents. The rise of emerging markets has boosted demand for automobile tires. The recent investments in India and Indonesia, which are the second and fourth most populous countries in the world respectively, represent huge potential for future consumption.
- 3.Cheng Shin adopts global marketing. In 2010, Cheng Shin officially launched a new automobile tire brand, "PRESA", which will be developed in parallel with MAXXIS through differential sales channels to expand its market share. At the same time, Cheng Shin will accelerate its improvement of brand recognition and reputation and promote the brand and products among consumers through diversified platforms.

Global Production Base



Group Sales Analysis



In 2020, impacted by the COVID-19 epidemic, many countries took lockdown and restriction actions one after another. In spite of such a challenging environment, Cheng Shin's management team has exerted its leadership and management skills to achieve the growth of net profit in the consolidated statement of the year 2020 by 70.7% compared with last year, and a new high of the earnings per share of NT\$1.85 in nearly four years, which is really not easy. In the future, Cheng Shin will make greater efforts to achieve better performance.

In 2020, Cheng Shin's revenue reached NT\$19 billion, with earnings per share of NT\$1.85, gross margin on sales up to 25%, and brand value up to US\$285 million. Unit: 1000 NT\$

	2018	2019	2020
OPERATING INCOME	19,374,623	19,497,888	18,926,294
GROSS OPERATING PROFIT	4,487,262	3,692,021	4,697,691
OPERATING PROFIT AND/OR LOSS	648,205	(56,880)	953,296
NON-OPERATING INCOME AND EXPENSES	4,238,255	4,555,370	5,792,738
PROFIT BEFORE INCOME TAX	4,886,460	4,498,490	6,746,034
PROFIT FOR THE YEAR	3,520,320	3,466,827	5,988,702

Government Subsidy

Cheng Shin actively responds to government policies, especially in the aspects of industrial innovation, technological upgrading, and environmental protection. In 2020, the financial subsidies received from the government by Taiwan region included: R&D investment credit for profit-seeking business income tax recognized by the Industrial Development Bureau, MOEA as a result of active investment in R&D, subsidy for youth employment flagship scheme and charging scheme, and the COVID-19 outbreak bailout subsidy as well. In the mainland region, the government subsidies received are mainly industrial development funds and subsidies for the purchase of R&D equipment. There were great changes in the government subsidies received by the Chongqing plant, which was mainly due to the fact that the industrial development fund from the competent authority in 2019 has not been distributed, and the industrial development fund of NT\$24.12 million due to be returned in 2017 and NT\$26.8762 million due to be returned in 2018 have not been received until 2020, which is a total of NT\$50.9962 million.

REGION (CURRENCY)	2018	2019	2020
TAIWAN REGION (NTD)	33,431,892	36,350,841	82,680,249
KUNSHAN, CHINA (CNY)	69,024,315	66,835,305	66,655,552
CHONGQING, CHINA (CNY)	41,225,351	24,125,026	71,139,809

1.2 Sustainable Cheng Shin

Commitment to Sustainable Development

Sustainability Commitment

Running on the faith of founder Chairman Luo Jye when he started his business, Cheng Shin persists in the concepts of Honesty and Integrity, which are the most basic and important one for Cheng Shin and the highest guiding principles in the pursuit of sustainable operation. In addition, we will also pursue the vision of a sustainable development oriented to three elements, including economy, environment, and society, with the center of the Maxxis Family and the foundation of safety first.

Sustainable Policy

- ◆ **Implement corporate governance:** Innovation by adhering to integrity, adhering to the business, and create new opportunities to practice the corporate culture of integrity and continuous innovation, are some of the key factors for the sustainable and sound development of Cheng Shin. Urge all the relevant members of Cheng Shin to uphold the fine tradition of integrity when performing their duties and take responsibility for their own business.
- ◆ **Develop a sustainable environment:** Actively respond to the tide of environmental protection, develop and design “green and environment-friendly tires” and pursue “Safety, Oil Economy, Quietness and Environmental Performance” . Additionally, the Company has strived to realize energy saving and carbon emission reduction in the workshop and manufacturing process to contribute our wisdom and force to the earth’s environment.
- ◆ **Safeguard employees’ rights:** We have built a learning environment with heart and enhanced the concept of corporate ethics among employees.
- ◆ **Participate in social philanthropy:** We are dedicated to enhancing the social responsibility performance and realizing common harmony and prosperity with the society together with suppliers.



Corporate Social Responsibility Working Group

The CSR team of Cheng Shin consists of four groups: corporate governance, society, environment, and product, with the Marketing and Planning Department of the head office as the convening department, which is responsible for the promotion of CSR practice and concept, mobilizing the strength of Taiwan region and China region (Kunshan and Chongqing) to actively promote the implementation of corporate social responsibility in economic, social, environmental and other aspects of Cheng Shin, and collecting and disclosing relevant information required for CSR reports.

Cheng Shin started to set up and promote a dedicated unit - Marketing and Planning Department, for corporate social responsibility in 2015, which is responsible for issuing the CSR report every year. The unit has presented the report at the board meeting on May 12, 2020, to report the content and plan of the 2019 CSR report and the future planning projects in 2020.

Participate in Public Association Organizations

The public association organizations that Cheng Shin acts as directors/supervisors or consultants are as follows:

- ◆ **Taiwan region:** Taiwan Rubber & Elastomer Industries Association, Taiwan Bicycle Association.
- ◆ **Mainland region:** Kunshan Taiwan Compatriots Investment Enterprise Association, Kunshan Human Resources Association, Jiangsu Provincial Association of Enterprises with Foreign Investment, Jiangsu Entry-Exit Inspection and Quarantine Association, Kunshan Association of Enterprises with Foreign Investment, Suzhou Association of Enterprises with Foreign Investment, Kunshan Safety Production Industry Association.

In addition to participating as supervisors and consultants as mentioned above, Cheng Shin also participates actively in the following public associations as members:

- ◆ **Taiwan region:** Manufacturers Association of Yunlin Industrial Zone, Car Safety Association, Motor R&D Safety Promotion Association, SAE Taipei Section, Kuozui Automobile Association, Yulon-Nissan Automobile Association, Commodity Information Network, Changhua County Industrial Federation Trade Union, Changhua County General Trade Union, Computer Audit Association, Taiwan Transportation Vehicle Manufacturers Association, China Association for Cooperation, YMT Exchange, Corporate Operation Association, Changhua County Policemen Association, Taiwan Stock Affairs Association, The Institute of Internal Auditors-Chinese Taiwan, EUROPEAN TYRE AND RIM (ETRTO), Yunlin County Industry Association, Changhua County Industry Association, Changhua County Labor and Industrial Relations Association, Taiwan Boiler Association, Industrial Safety and Health Association, Sanyang Industry Assistance Association, Chinese Excellent Management Association, Taiwan Bicycle Association, Changhua County Industry Federation Trade Union.
- ◆ **Mainland region:** Kunshan Environmental Science Association, Kunshan Special Equipment Association, Jiangsu Customs Brokers Association, Suzhou CCPIT Suzhou Chamber of Commerce, Chongqing Taiwan Association, China Environmental Culture Promotion Association.

1.3 Stakeholders' Communication and Identification of Major Topics

Negotiation Methods for Stakeholders

For the purpose of more effective communication with the stakeholders of Cheng Shin, the CSR team of Cheng Shin identified seven groups as the stakeholders of Cheng Shin, including customers, shareholders, employees, communities, government agencies, suppliers, and banks, by convening various departments and units for internal discussion and with the assistance of external experts. At the same time, in the daily operation, Cheng Shin carries out consultation and communication with the above stakeholders through different communication channels and platforms, expects to facilitate a better understanding of all stakeholders through this CSR report, and responds to the topics and themes of their concern.



Customer

Stakeholders	Topics Concerned about	Consultation Method
Refers to the major car manufacturers, dealers, and general customers	Economic performance Occupational health and safety Market position	Business visit Company website New product release meeting Sales service mailbox and telephone

Shareholder

Stakeholders	Topics Concerned about	Consultation Method
Refers to holders of shares issued by Cheng Shin Rubber Industry Co. Ltd.	Anti-corruption Labor and employment relations Socio-economic compliance	Shareholders' Meeting Investor conference MOPS Company website setting



Employee

Stakeholders	Topics Concerned about	Consultation Method
Refers to office and factory employees	Labor and employment relations Employee diversity and equal opportunity Training and education	Labor-management meeting Enterprise trade union meeting Employee welfare committee meeting Safety and health committee meeting Human resources committee meeting Company website & E-mail address New employee symposium Employee interview Internal announcement



Community

Stakeholders	Topics Concerned about	Consultation Method
Refers to the community residents /organizations, public welfare, and charities around the operation location	Wastewater and garbage Environmental compliance Customer health and safety Local community	Company website E-mail address Public response system



Government Agency

Stakeholders	Topics Concerned about	Consultation Method
Refers to the Environmental Protection Administration, Occupational Safety and Health Administration, FSC & TWSE, and other competent authorities	Anti-corruption Compliance with environmental protection Customer health and safety	Official document Communication regulatory briefings or public hearings through trade unions with competent authorities Check and visit the competent authority of the declaration system on the competent authority's website



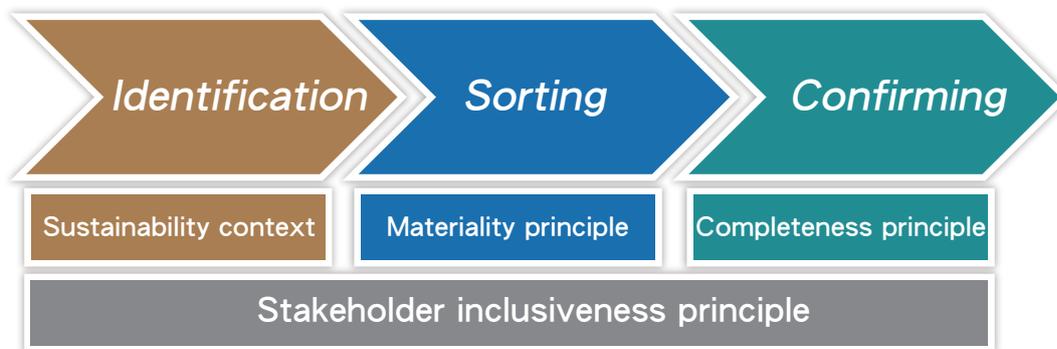
Supplier

Stakeholders	Topics Concerned about	Consultation Method
Refers to suppliers of raw materials, equipment and molds	Supplier environmental assessment Customer health and safety purchasing practices	Irregular phone calls, emails, or meetings Major suppliers report on product process stability on a monthly basis Supplier audit and manufacturer presentation meeting Company website & E-mail address

 **Bank**

Stakeholders	Topics Concerned about	Consultation Method
Refers to financial institutions that lend capital to Cheng Shin Rubber Industry Co. Ltd.	Anti-competitive practice Sewage and waste Compliance with environmental protection	Annual quota review Provide reviewed financial reports Regular business contact telephone, email or visit

Significant Topic Identification Procedure



Identification

First, based on the GRI standard, include the international concerns and standards, and then compile them into a list of topics of concern, which is selected into a preliminary list of concerns by a representative group of stakeholders.

Sorting

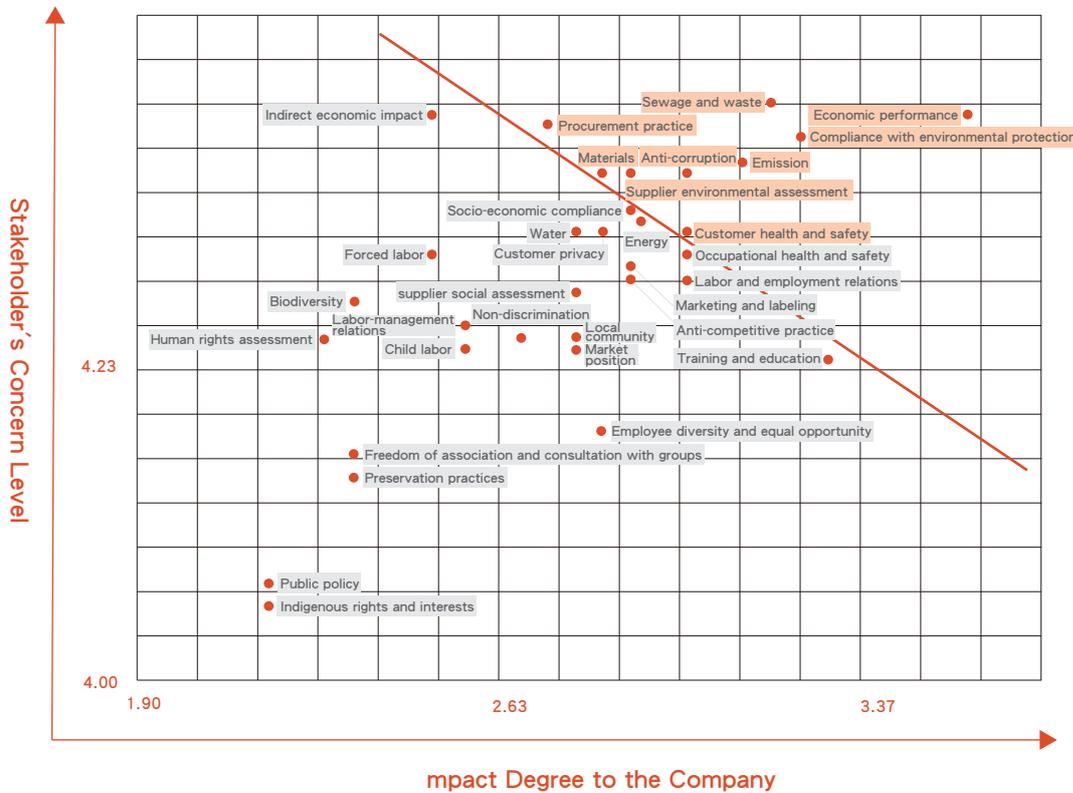
Conduct statistical screening based on the characteristics of the tire industry and peer reports, and rank the topics accordingly for the analysis of "impact on stakeholder evaluation and decision making" and "significance of economic, environmental and social impacts".

Confirming

Evaluate all identified major topics and scope through internal discussions and with the assistance of external experts and prioritize them into the annual goals as a basis for developing a sustainable business strategy.

Analysis Results of Major Topics

Through the above procedures, the analysis results of major topics of Cheng Shin are as follows:

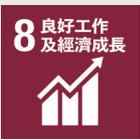


In the matrix, where "the significance of economic, environmental and social impacts" and "the concern degree of stakeholders" of a topic are at a high level, it shall be listed as major. There are nine major topics this year, and the corresponding sections and reporting scope in this CSR report are as follows:

Contents of Major Topics	Corresponding Section	Reporting Scope						
		Within the Organization	Outside the Organization					
		Cheng Shin Rubber Industry Co., Ltd.	Shareholder	Government Agency	Employee	Community	Supplier	Customer
Anti-corruption	2.2 Integrity and Anti-corruption	●	●	●				●
Economic performance	1.1 About Us	●	●				●	●
Compliance with environmental protection	4.7 Environmental Compliance	●	●	●		●		●
Sewage and waste	4.4 Water Resources Management 4.5 Waste and recycling	●		●		●		●
Supplier environmental assessment	3.3 Supply Partner, Making Joint Efforts with Cheng Shin	●		●			●	
Emission	4.3 Energy Resources and Greenhouse Gas Management	●		●		●	●	●
Customer health and safety	3.1 Safe and Reliable Cheng Shin	●		●		●	●	●
Materials	4.3.1 Resource Management	●		●		●	●	●
Procurement practice	3.3 Supply Partner, Making Joint Efforts with Cheng Shin	●					●	

1.4 Response to the Sustainable Development Goals (SDGs) of the United Nations

Cheng Shin regards Honesty and Integrity as the highest guiding principle in its sustainable operation and takes economic growth, social progress, and environmental protection as its sustainable development direction. It also lists 17 Goals of the UN's Sustainable Development Goals (SDGs) as its sustainable development goals and has identified and evaluated 9 of the 17 Goals as its focus. In terms of sustainable corporate development and community involvement strategy, Cheng Shin integrates the SDGs of the United Nations into the important reference information for corporate evaluation of social engagement, follows the five steps of the SDG Compass - Understanding, Priorities, Goal Setting, Integration, Reporting, and Communication, sets up action plans and reviews them to shape the future sustainable business development.

SDGs	United Nations' Targets	Contribution Summary ▲Plan ●Achievement	Corresponding Section
	3.8 Achieve the Target of Global Health Care	<p>▲Special health examination has been carried out for workers who work with materials particularly hazardous to their health. In case of abnormal lung X-rays or abnormal "three highs", workers have been informed of re-examination.</p> <p>▲Provide colleagues with health consultation service by the physician on-site health service.</p> <p>●In 2020, 1,226 people working in special workplaces were given special health examinations, and 88 people were tracked.</p>	5.3 Safe and Healthy Workplace - Employee Health Management
	4.A Establish educational facilities and provide a learning environment	<p>▲Provide multiple learning channels for colleagues in the factory, and balance the work and health of employees.</p> <p>●In 2020, 1 life lecture and 3 work safety lectures were held, with a total number of participants reaching 236.</p>	5.5 Career Development and Assessment
	5.1 Elimination of Discrimination Against Women	<p>●Cheng Shin does carry out differentiated management on the salary of employees by gender, race, religion, political stand, marital status, but adopts a fair and consistent attitude. And the salary is based on the labor market and regional salary situation, with the employee's position, education, work experience, seniority, and professional ability being taken into consideration.</p>	5.4 Employee Benefit and Care - Remuneration and Benefits
	5.A Gender Equality		
	6.3、6.4、6.5 Sustainable Water Management	<p>▲Implement water resources management, and continue to promote the recycling of wastewater generated from the process.</p> <p>●Taiwan region reclaimed 17.02 million cubic meters of process water.</p> <p>●In Taiwan region, the improvement plan effectively reduced wastewater (sewage) discharge by 15.6% by fully checking the discharge lines in the plant, diverting the flow direction of wastewater and rainwater, integrating major pipelines, and eliminating leaky, damaged, and infrequently used pipelines.</p> <p>●The Mainland factory realized 100% wastewater recovery application as a result of the strengthening treatment of high-concentration and low-concentration wastewater, reducing wastewater discharge by 34.7%.</p>	4.4 Water Resource Management
	7.3 Improve Energy Efficiency	<p>▲Continue to participate in the voluntary reduction of greenhouse gases.</p> <p>▲Enhance equipment efficiency</p> <p>●In 2020, CO₂e emission can be reduced by 1,703.74 tons in Taiwan and 3,988 tons in mainland region, respectively</p>	4.3 Energy Resources and Greenhouse Gas Management
	8.1 Sustainable Economic Growth	<p>▲Cheng Shin takes "Quality First, Customer Satisfaction" as its business philosophy, focuses on the tire industry, and breaks through the boom restriction with its action and execution power, achieving the continued growth of turnover and profit.</p> <p>●In 2020, Cheng Shin's revenue reached NT\$19 billion, with earnings per share of NT\$1.85, gross margin on sales up to 25%, and brand value up to US\$285 million.</p>	1.1 About Us - Economic Performance

SDGs	United Nations' Targets	Contribution Summary ▲Plan ●Achievement	Corresponding Section
 <p>8 良好工作及經濟成長</p>	8.7 Human Rights Management	<p>▲Cheng Shin's Work Rules stipulate that no one under the age of 15 shall be employed as a regular new employee.</p> <p>Cheng Shin has not hired any child labor between 2014 and 2020 and has not involved any appeal case relating to the employment of child labor.</p>	5.2 Human Rights Policy and Labor-Management Relations
	8.8 Promote Safety in the Working	<p>In accordance with the new supplier evaluation and annual audit provisions - process audit inspection for a new supplier and supplier annual audit plan shall be carried out, with the auditing items of the protection of labor working environment safety.</p> <p>●Implement the ISO45001 management system to maintain the safety and health of the working environment.</p> <p>●Implement the women labor health protection program to ensure the safety of female workers at work.</p>	3.3.2 Supply Chain Management Policies of Cheng Shin 5.3 Safe and Healthy Workplace
 <p>11 永續城鄉和社會</p>	11.6 Reduce the Harmful Impact of Cities on the Environment	<p>▲Maintain normal operation of air pollution control equipment in the plant</p> <p>▲Implement waste reduction projects</p> <p>●Equip prevention and control equipment to each fixed pollution source process, and ensure that Cheng Shin's process meets the air pollution prevention and control permit</p> <p>●The implementation of a reduction project in 2020: reduce domestic garbage, reduce defective rate, and reduce waste.</p>	4.5 Waste and Recycling 4.6 Air Pollution Prevention and Control
 <p>12 負責任消費與生產</p>	12.2 Efficient Utilization of Energy Resources	<p>▲In response to the concept of global environmental protection, Cheng Shin has established an enterprise environmental management system, committed to product design in line with the concept of environmental protection and improve the equipment and operating environment, has reduced the waste gas, wastewater, noise, and waste from the process and saved energy, achieved proper recycling of resources.</p>	4.2 Environmental Management
	12.4 Proper Waste Management	<p>▲In order to ensure the normal operation of air and water pollution prevention and control equipment, pharmaceutical addition equipment has been equipped. However, the plant can effectively adjust the control equipment to the best operating state without the requirement for drugs so as to reduce unnecessary drug addition.</p> <p>●In 2020, the waste output of factories in Taiwan and the mainland region was reduced by 10.7% and 21.4%, respectively.</p>	4.5 Waste and Recycling
	12.5 Substantially reduce waste generation by 2030 through prevention, reduction, recycling, and reuse.	<p>▲Reduce wastewater discharge by continuously promoting waste (sewage) water reduction and recycling and integrate the production planning of each plant to ensure the optimum utilization of water.</p>	
	12.6 Sustainability Report	<p>▲Publish annual CSR reports and make use of web accessibility, transparency, timeliness, integrity, and interactivity for sustainable reporting.</p> <p>●Publish 1 CSR report every year</p>	About this report: 4.3 Energy Resources and Greenhouse Gas Management; 4.4 Water Resources Management
 <p>16 公平、正義與健全制度</p>	16.5 Eliminate all forms of corruption and bribery	<p>▲Establishment and promotion of ethical management rules</p> <p>▲Ethical management education and training</p> <p>●No violation of laws and regulations or internal rules on ethical management in 2020</p>	2.2 Integrity and Anti-corruption
	16.6 Develop effective, accountable, and transparent systems at all levels	<p>▲Procedures for Preventing Insider Trading</p> <p>▲Working Regulation</p> <p>▲Establishment of Rules for Related-Party Transactions</p> <p>▲Establishment of Supplier-Commercial Contracts</p> <p>●No insider trading and corruption in 2020</p>	