

CST ESG 2021

Sustainability Report

Cheng Shin Rubber Ind. Co., Ltd.



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— Letter from Chairman —

In 2021, the impact of COVID-19 continued to wreck havoc as it spread rapidly around the world. This is further exacerbated by the recent war between Russia and Ukraine, with the overall global macroeconomic environment set to continue facing more challenges. This includes labor shortages caused by the pandemic, supply chain disruptions, upswing of raw material costs and shipping costs, and rising inflation, which continue to affect global economic performance. In particular, the auto industry has seen a significant drop in new car sales due to a shortage of chips. In such a difficult environment, Cheng Shin remains customer oriented, and is maximizing production capacities to meet customer needs, create new opportunities, and enhance the added value of its products, while ensuring growth of revenue and profitability.



Cheng Shin continues to cultivate its business and enhance daily operations management. We follow a policy of sustainable development in environmental protection, energy use, talent cultivation, and charitable contributions to society. With the concerted collaboration and efforts of all Group entities, Cheng Shin has been selected as a member of the FTSE4Good TIP Taiwan ESG Index for four consecutive years, and its achievements in corporate governance and corporate social responsibility continues to be widely recognized.

In terms of environmental sustainability, by the end of 2021, Cheng Shin will have completed the construction of solar power generation systems at its Xizhou and Zhonghuang plants in Taiwan, which will be able to generate 2.1 million kilowatt-hours (kWh) of electricity per year, and establish environmental management systems at each plant. The Company promotes energy saving initiatives and set annual energy saving targets to reduce greenhouse gas emissions by 17,794.60 tons and water use by 57,265 tons in 2021. In order to improve the construction of the Company's occupational safety and health management system, we successively obtained ISO45001 & CNS45001 and ISO14001 certifications in Taiwan and ISO50001 external certification of energy management system in Mainland China in 2021 to implement environmental protection measures.

In addition, we are committed to providing our employees with a better working environment and our principle of safety first. A quality workplace environment and competency training for employees are also important goals for Cheng Shin. In 2021, we were awarded the "Gold Medal of Talent Quality-management System (TTQS)" by the Workforce Development Agency, Ministry of Labor, Executive Yuan, and were recognized again for providing the best sustainable working environment for our employees.

With the core values of "integrity and innovation" and "100% quality, 100% service, 100% trust" as the center of our culture, and with respect, care, and gratitude, we seek to continue building the "Maxxis" family together with all of our family partners, and will continue to make progress, fulfill our corporate responsibilities, and shape the sustainable growth of our business.

Chairman *Chen Yuh-Shwa*



About This Report

Content

Since 2014, Cheng Shin has published a Corporate Social Responsibility (CSR) report every year, and 7 prior reports have been published to date. In August 2020, the Financial Supervisory Commission (FSC) officially launched the "Corporate Governance 3.0 -Sustainable Development Roadmap", which has changed the name of "CSR Report" to "Sustainability Report". Therefore, this report will be issued under the name of "Sustainability Report" commencing from 2021 onwards.

This report covers all aspects such as economy, environment, society, and the Company's products, and also includes corporate ethical management, eco-friendly, employee care, supplier management, shareholder's equity, customer service and community participation, and explains to all stakeholders the efforts and achievements of Cheng Shin in implementing corporate social responsibility, demonstrating our commitment to corporate social responsibility and sustainable development, while also serving as a platform for communication and discussion to promote friendly communication between Cheng Shin and its stakeholders.

The contents of this report are based on the published GRI Standards 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 official Cheng Shin website. An index of the GRI indicators is attached at the end of the report for quick reference and inquiry.

The financial figures are calculated in New Taiwan Dollars (NT\$) and certified by the CPAs of Pricewaterhouse Coopers Taiwan (PwC). The relevant statistics are expressed and calculated on the basis of generally accepted international indicators. If the aforementioned quantitative indicators disclosed are of special significance, they will be further annotated.

Issue Date and Issue Cycle of the Report

Cheng Shin publishes the report on an annual basis. The 2021 Sustainability Report discloses our sustainability performance and responds to stakeholders' concerns for the year 2021 (from January 1, 2021 to December 31, 2021); for completeness, some information can be traced back to 2019.

Scope and Boundaries

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 certain segments of the sustainability information disclosed, the report does not include

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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Unit: Marketing and Planning Department

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



Part 1

Cheng Shin “Rolls” the World



1.1 About Us

Founded in 1967 by Mr. Luo Jye, Cheng Shin Rubber Industry Co. Ltd. (hereinafter referred to as "Cheng Shin" or the "Company"), now owns and operates 6 factory plants in Taiwan. The Company has established overseas production bases in Kunshan, Xiamen, Vietnam, Thailand, Chongqing, Indonesia, and India, and also operates R&D centers in Taiwan, Kunshan, Xiamen, the Netherlands, and the United States.

Since its founding, Cheng Shin has continued to develop and innovate and refine the tire industry based on the business philosophy of sincere management, honest work, quality first, world brand, and is committed to enhancing the well-being of the Company's employees, and contributing to humanity.

Company Profile

Cheng Shin Rubber Ind. Co., Ltd	
Date Established	January 1, 1967
Headquarters	No.215, Meigang Rd., Dacun Township, Changhua County, Taiwan.
Chairman	Chen, Yun-Hwa
President	Chen, Yun-Hwa
Paid-in Capital	NT\$32.414 billion
Total Employees	Taiwan 5,262 Global 25,599

Main products/services of Cheng Shin

Cheng Shin's main products range from gardening tires, industrial tires, bicycle tires, motorcycle tires, ATV tires, and tires and rubber products for cars, buses, light trucks, trucks, trailers, sports utility vehicles, etc.

Key Company Milestones

1967 Founded: 178 employees, a capital of NT\$6 million, specializing in the production of motorcycle and bicycle tires.



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.



2000 In October, the Company won the ROC National Quality Award.
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).



2010 Officially launched the new auto tire brand "PRESA", which are sold in parallel with MAXXIS through different channels to expand market share.

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

The Tire Business Magazine ranked Cheng Shin as the world's ninth-largest tire manufacturer by market share. On December 17, the MAXXIS brand was recognized as one of Taiwan's Top Ten International Brands for 12 consecutive years, with a brand value of about US\$367 million.

2015

MAXXIS was named the number one tire brand of the year 2015 in the latest 2015 readers' poll of Enduro Bike Magazine (UK).



2016

India Plant produced the first tire.

MAXXIS HP5 tire was rated the first by the Australian Driving Solutions and the third by Professional Driver, a leading 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 Motor Trend China, an authoritative car magazine in China.

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



2019

MAXXIS AT700 tire was ranked first in an evaluation conducted by the Australian 4X4 Magazine.

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

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



2020

A number of the Company' s products have won the "Taiwan Excellence Award".

Awarded Sustainable Supplier of the Year by Ford Motor Company.

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

MAXXIS HP5 was awarded the first and highly recommended honor by the German magazine ACE.



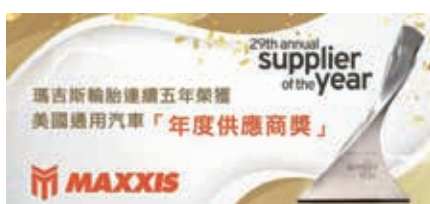
2021

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

A number of the Company' s products have won the "Taiwan Excellence Award".

Won the "Supplier of the Year Award" from General Motors for the fifth consecutive year.

Cheng Shin won Nissan Motor' s "Asia Pacific Supplier Quality Excellence Award"



Business Performance

Item	Management Approach
Materiality	In order to achieve Cheng Shin's goal of sustainable management and implement the business philosophy of "Quality First, Customer Satisfaction", we pursue business performance by strengthening our capabilities in innovation, process optimization, and brand strategy to expand global market share.
Policy/Commitment	Cheng Shin takes "Quality First, Customer Satisfaction" as its core business philosophy.
Goals and Targets	Set the goal with the customer as the center, and based on Cheng Shin's 321 Principle - 3 (100% quality, 100% service, 100% integrity), 2 (respect and care), 1 (gratitude), we seek to achieve our business objectives.
Responsibility	Company-wide
Communication Channels	Investor conferences, annual reports, and other investor communication channels
Action Plan	Customer-oriented, full production, full-capacity production, economy of scale, and avoiding 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 core business while creating new opportunities" as its core value and takes "100% quality, 100% service, 100% trust" as the core of culture. The Company continuously invests in research and development and innovation of products, puts tire testing sites into operation to shorten the product development cycle, 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 development of the MAXXIS brand, and becoming a member of the MAXXIS family.

Combining people, machines, materials, methods, and quality with SAP (speed, accountability, and performance), avoiding the waste of 3D (dull people, dull things, and dull objects) and implements energy saving and carbon reduction, developing a self-disciplined team with integrity and responsibility, and establishing a company growth engine to achieve business goals through a systematic approach. Together with all our family members and partners, we pursue sustainable growth, strengthen environmental, safety, health and energy management, and fulfill our responsibilities as good corporate citizens of the global village.

1. The largest tire manufacturer in Chinese-speaking regions.

Cheng Shin is the largest tire manufacturer in the Chinese-speaking world, and has consistently ranked first in Taiwan in terms of revenue. With the booming development of China's automobile market, Cheng Shin has also become a leading brand in China's tire market.

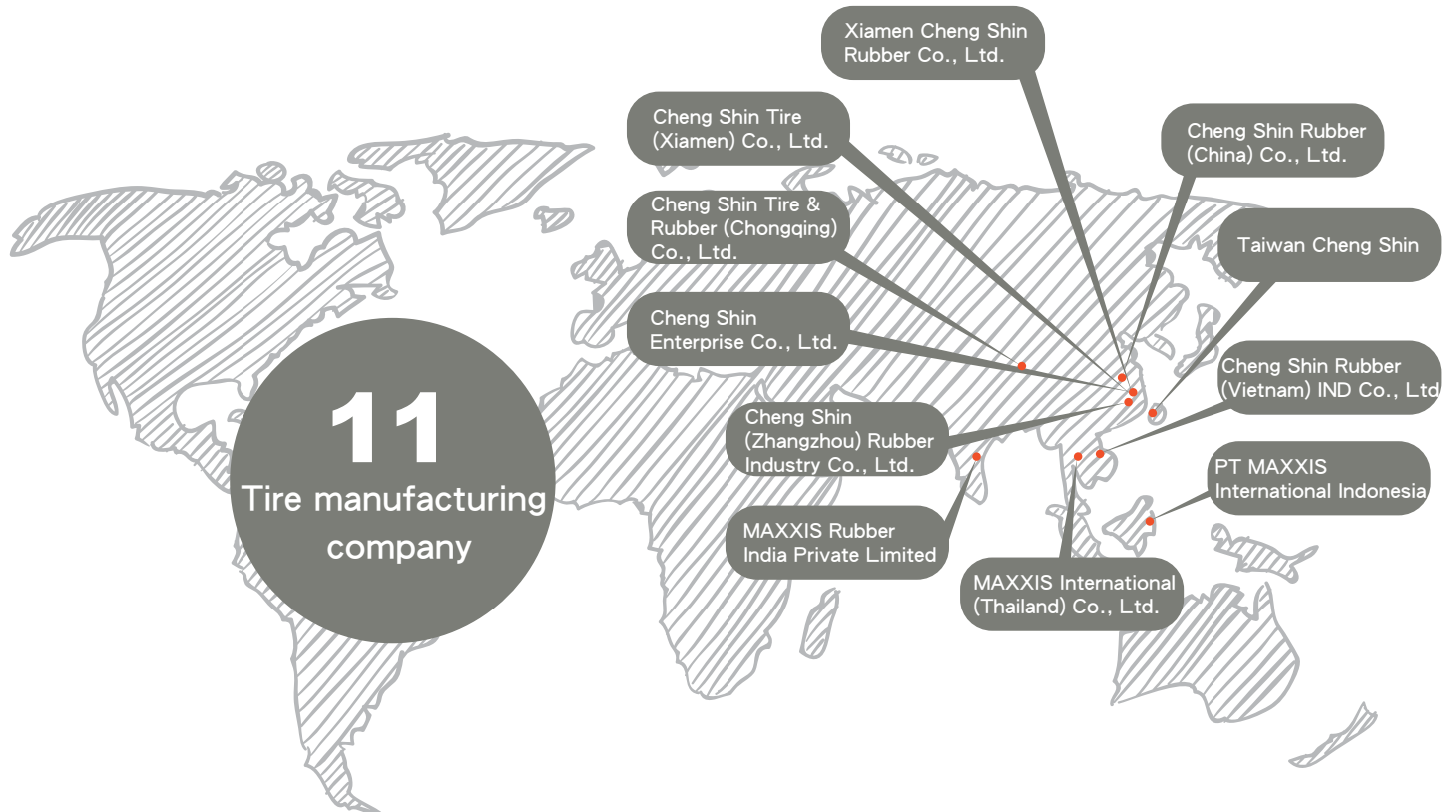
2. Actively expand into global markets

Cheng Shin has spared no effort in promoting 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 as consumer markets.

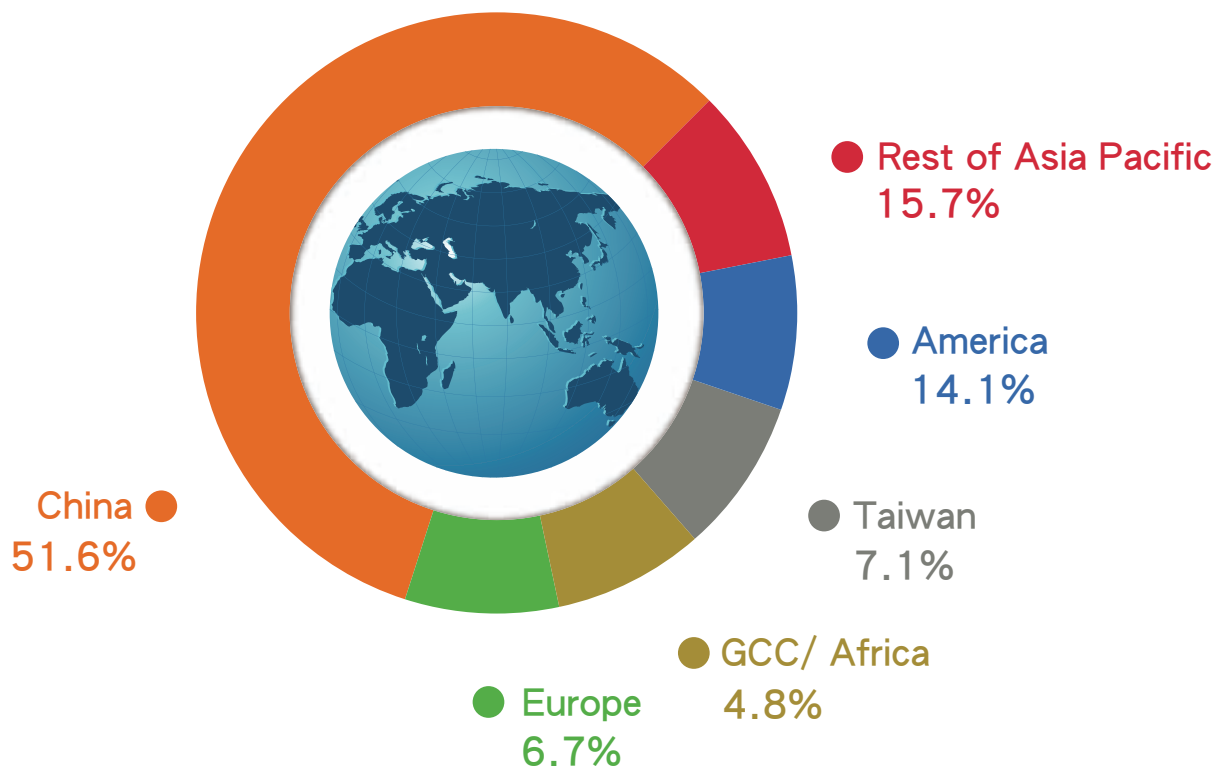
3. Globalized marketing

In terms of marketing, Cheng Shin has adopted a global marketing approach, leveraging the brand "PRESA" and MAXXIS to expand its market share through parallel sales in different channels; at the same time, the company has accelerated the enhancement of brand recognition and reputation, and promoted its brand and products on various platforms to penetrate into consumers' hearts.

Global Production Bases



Group Sales Analysis - By Region



The impact of the COVID-19 pandemic remained strong in 2021, and the rapid spread of virus variants around the world pose further challenges to the world. Labor shortages, supply chain disruptions, rising raw material costs and prohibitive ocean freight rates caused by the pandemic, coupled with rising inflation, continue to affect the performance of the global economy. The impact on the automotive industry is particularly severe, as global chip shortages have led to the scaling down of OEMs, a significant drop in new vehicle sales, and a recession in the overall industry due to production constraints. Cheng Shin's net income decreased 11.77% from last year to NT\$1.63 per share in the consolidated financial statements for FY 2021. In such a difficult environment, Cheng Shin remains customer oriented, and is maximizing production capacities to meet customer needs, create new opportunities, and enhance the added value of its products, while ensuring growth of revenue and profitability. In fiscal 2021, the Company's standalone revenue reached NT\$20.7 billion, earnings per share reached NT\$1.63, gross margin on sales reached 27%, while the brand value reached US\$264 million.

Unit: NT\$ thousand

	2019年	2020年	2021年
Operating Income	19,497,888	18,926,294	20,707,983
Gross Operating Profit	3,692,021	4,697,691	5,517,645
Operating Profit or Loss	(56,880)	953,296	2,171,864
Non-operating Income and Expenses	4,555,370	5,792,738	4,134,631
Profit Before Income Tax	4,498,490	6,746,034	6,306,495
Profit for the Year	3,466,827	5,988,702	5,270,007

Government Subsidies

Cheng Shin actively responds to government policies, especially in the aspects of industrial innovation, technological upgrading, and environmental protection. In 2021, 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; subsidies for the Enterprise Human Resources Enhancement Program, the Employment Stability Program, the Employment Stabilization Training Subsidy Program for middle-aged and elderly workers, and subsidies for anti-dumping investigation and tariffs by the U.S. government on Taiwan for passenger car and light truck tires. In addition, due to the COVID-19 epidemic, the Company also received COVID-19 relief grants; in Mainland China, subsidies and grants were mostly from the Industrial Development Fund and grants for the purchase of research and development equipment.

Region (Currency)	2019年	2020年	2021年
Taiwan (NT\$)	36,350,841	82,680,249	33,775,932
Kunshan, China (CNY)	66,835,305	66,655,552	52,218,274
Chongqing, China (CNY)	24,125,026	71,139,809	12,302,288

1.2 Sustainable Cheng Shin

Strategies for Sustainable Development

Commitment to Sustainability

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

Sustainability Policies

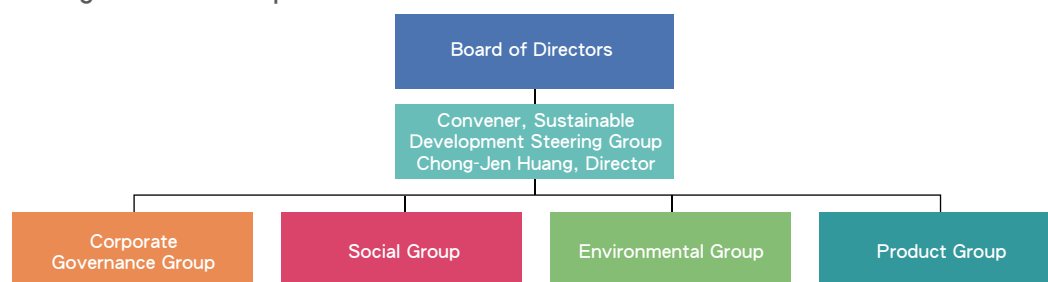


Sustainable Development Steering Group (ESG Group)

In 2015, Cheng Shin started to promote and set up a CSR Steering Group, with the Marketing Planning Department as the convener. We publish a sustainability report every year and gather the strengths of our operations in Taiwan and China (Kunshan and Chongqing plants) to actively promote the implementation of sustainable development practices in the economic, social and environmental aspects of the Company and to collect and disclose the relevant information required for this report.

In January 2022, the Board of Directors resolved to change the name of the Corporate Social Responsibility Steering Group to the Sustainable Development Steering Group (hereinafter referred to as the "ESG Group"). The ESG Group's organizational structure is divided into four working groups: corporate governance, social, environmental and product, and the Board of Directors has authorized Director Chong-Jen Huang to be the convener, responsible for corporate sustainability strategy development, performance monitoring, social responsibility and risk management.

The ESG Group reported to the Board of Directors on the contents and plans of the 2021 Sustainability Report, the improvement measures to be implemented in 2022, and the medium- and long-term policy goals at the 2022 Board Meeting. The Board of Directors shall also supervise the team to implement sound corporate governance, environmental protection and energy conservation, and strengthen overall management in the spirit of ESG.



Participation in Public Association Organizations

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

Taiwan	Taiwan Rubber & Elastomer Industries Association	Taiwan Bicycle Association	
Mainland China	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	Changhua County General Trade Union	Changhua County Industrial Federation Trade Union	Changhua County Industrial Association
	Changhua County Labor and Industrial Relations Association	Changhua County Industry Association	Manufacturers Association of Yunlin Industrial Zone
	Changhua County Policemen Association	Car Safety Association	Motor R&D Safety Promotion Association
	Taiwan Transportation Vehicle Manufacturers Association	Taiwan Bicycle Association	Corporate Operating and Sustainable Development Association
	Yulon-Nissan Automobile Association	Kuozei Automobile Association	KYMC Industry Assistance Association
	SAE Taipei Section	Industrial Safety and Health Association	Taiwan Boiler Association
	Taiwan Stock Affairs Association	Chinese Excellent Management Association	YMT Exchange
	Accounting Research and Development Foundation	Taiwan Union of Nurses Association	Institute of Internal Auditors
Mainland China	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 Stakeholder Communication and Identification of Significant Topics

Stakeholder Communication and Identification of Significant Topics

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



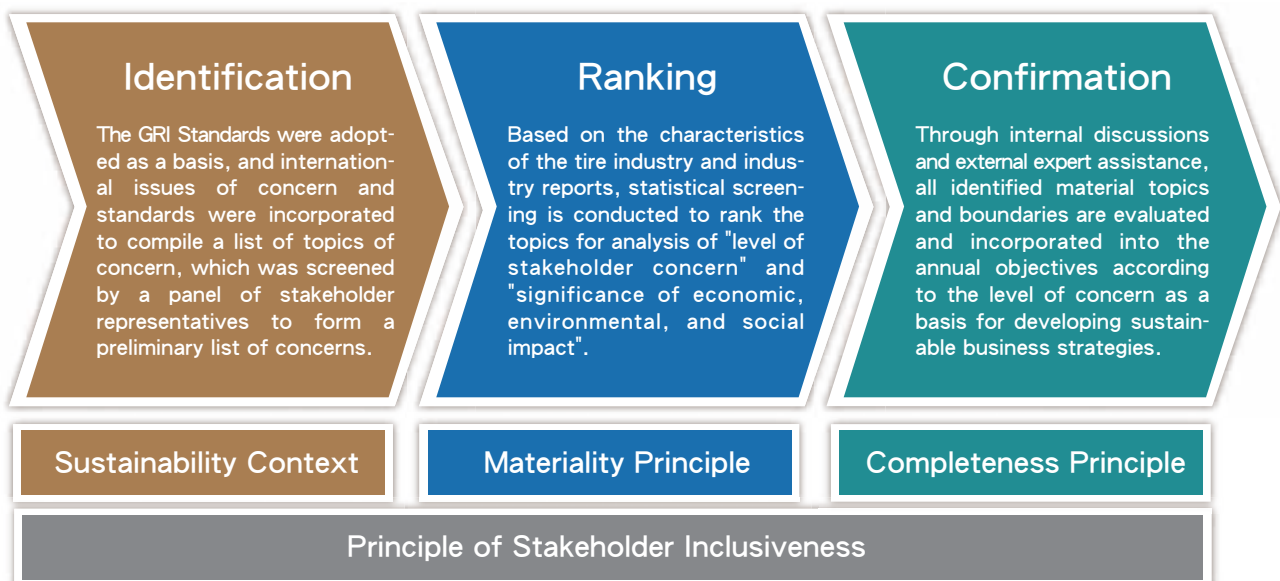
Group	Description	The significance of stakeholders to Cheng Shin	Topics of Concern	Communication method and frequency (irregular or regular (weekly, monthly, quarterly, semi-annually, etc.))	Communication performance in 2021 (number of sessions, attendance, discussion results)
Customers	Refers to major car manufacturers, dealers and general customers	Stakeholders who are concerned about the quality of Cheng Shin's products and services, and who are concerned about Cheng Shin's operations, legal compliance and environmental protection	1. Economic performance 2. Occupational health and safety 3. Market presence	1. Occasional visits to the company website 2. New product launch events from time to time 3. Sales service mailbox and telephone	1. 2021 Customer Satisfaction Survey, with satisfaction level maintained at high. 2. Held 5 new tire product launch events

Group	Description	The significance of stakeholders to Cheng Shin	Topics of Concern	Communication method and frequency (irregular or regular (weekly, monthly, quarterly, semi-annually, etc.))	Communication performance in 2021 (number of sessions, attendance, discussion results)
Shareholders	Refers to holders of shares issued by Cheng Shin	The shareholders of Cheng Shin are important supporters of the Company's survival and development. They should have fair access to material information about the company as their social evaluation of the Company will affect the change of stock price.	1.Anti-corruption 2.Employment relationship 3.Socioeconomic compliance	1.Investor conferences during the shareholders' annual meeting (per annum) 2.Update of the MOPs (regularly) 3.Establishment of a shareholders' area and a shareholders' hotline on the company's website	1.2 investor conferences were held in 2021 2.1 shareholders' annual general meeting was held in 2021 3.Update information on the MOPs in accordance with the regulations. 4.Update investor information on the Company's website from time to time 5.Address shareholders' inquiries by phone and email. All inquiries were answered. 6.Annual corporate governance evaluation. The results of the evaluation in 2021 ranked Cheng Shin among 36%-50% of listed companies.
Employees	Refers to office and factory employees	Employees are valuable assets of the company and are key stakeholders in the continued innovation and growth of the Company.	1.Employment relationship 2.Employee diversity and equal opportunity 3.Training and education	1.Hold labor-management conferences and occupational safety and health committee meetings (quarterly) 2.Holding corporate labor union meetings, Employee Welfare Committee meetings, and Human Resources Committee meetings (as required) 3.Conduct new employee seminars, employee interviews, and internal company announcements (as required)	1.Organize a total of 28 labor-management meetings to report on labor dynamics, communicate and discuss labor activities, benefits, etc. 2. Monthly factory on-site medical service, interview employees on health checkups and health consultations.
Communities	The residents/organizations and charitable organizations near the Company's base of operations	The residents living adjacent to the Company's operations are directly affected by the Company's operations and are close stakeholders.	1.Waste water and waste 2.Compliance with environmental regulations 3.Customer health and safety	1.Company website (at any time) 2.E-mail (at any time) 3.Public reporting system (company switchboard and security guards/anytime)	1.3 cases of air pollution and odor problems, but no such problems were found after investigation. 2.1 case of uncovered gutter nearby, confirmed not to be the property of Cheng Shin.
Government Agencies	Environmental Protection Administration, Occupational Safety and Health Administration, FSC, TWSE, and other competent authorities	Concerns about the results of Cheng Shin's compliance with economic, environmental and social laws and regulations, as well as the important stakeholders that affect industry development and policy promotion.	1.Anti-corruption 2.Compliance with laws and regulations regarding environmental protection, Occupational Safety and Health Administration, FSC, TWSE, and other competent authorities 3.Customer health and safety	1.Official documents (as required) 2.Communicating with the competent authority through the labor union to explain the regulations or public hearings (as required) 3.Reporting on the website of the competent authority (depending on the required reporting cycle) 4.Inspections and visits by the competent authorities (from time to time)	1.Publicity meetings held by environmental protection and occupational health related authorities: more than 30 meetings 2.Government agencies' promotion seminars and public hearings: occasional participation 3.MOPs: Disclosures made according to regulations

Group	Description	The significance of stakeholders to Cheng Shin	Topics of Concern	Communication method and frequency (irregular or regular (weekly, monthly, quarterly, semi-annually, etc.))	Communication performance in 2021 (number of sessions, attendance, discussion results)
Suppliers	Suppliers of raw materials, equipment and tooling	Stakeholders who are concerned about and willing to work together with Cheng Shin to establish a sustainable supply chain and to follow social corporate responsibility	1. Supplier Environmental Assessment compliance and promotion (e.g. G P S N R compliance) 2. Customer health and safety 3. Procurement Practices to promote sustainable supply chain management	1. On-site audits or self-assessments of new and existing suppliers (from time to time) 2. Collecting and conducting statistical analysis of suppliers' delivery performance, major suppliers' quarterly reports on product process capability and phone calls and emails to notify suppliers who have not achieved performance in the month as required and sign back the contact letter for raw material abnormalities, and convene meetings to review where necessary (monthly)	A total of 13 suppliers implement self-assessments (due to the COVID-19 epidemic) in accordance with the annual audit plan, of which 11 were rated A and 2 were rated B. All suppliers passed our assessments with an achievement rate of 100%.
Banks	Financial institutions that lend to Cheng Shin	Stakeholders who are concerned about the operational performance and sustainable development of Cheng Shin	1. Anti-competitive behavior 2. Waste water and waste 3. Environmental compliance	1. Organize seminars (as required) 2. Regular business communication by telephone, e-mail or visit (as required)	1. Held one bank meeting 2. Complete the credit line with the bank.

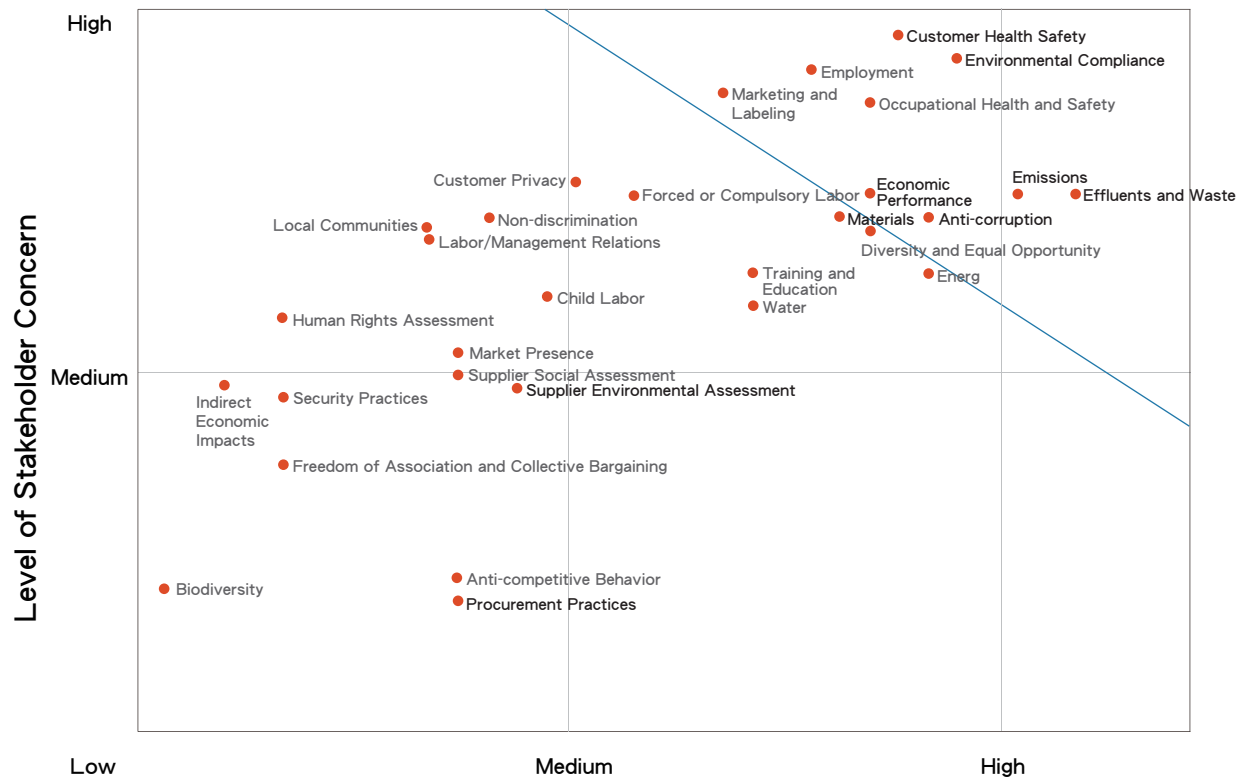
Identification Process for Material Topics

Cheng Shin identifies material topics through the following processes:



Results of Material Issues Analysis

As a result of the above procedures, the results of the analysis of material issues are as follows:










Significance of economic, environmental and social impacts





"Significant Economic, Environmental and Social Impacts" and "Stakeholder Concerns" in the matrix are classified as material issues. There are 9 major issues identified in this report, and their corresponding chapters and report boundaries are as follows:

Material Issues	Corresponding Chapter	Report Boundary							
		Within the organization	Outside the organization						
		Cheng Shin	Shareholders	Government Agencies	Employees	Communities	Suppliers	Customers	Banks
Environmental Compliance	4.7 Compliance with environmental regulations	●	●	●		●			●
Customer Health and Safety	3.1 Safe and Reliable Cheng Shin Tire	●		●		●	●	●	
Waste water and waste	4.4 Water Resources Management and Waste Recycling and Reuse	●		●		●	●		●
Emissions	4.3 Energy Resources and Greenhouse Gas Management	●		●		●	●	●	
Occupational Safety and Health	5.3 Safe and Healthy Workplace	●			●				
Employment Relationship	5.1 Employee Care Policy 5.4 Employee Welfare and Care	●			●				
Anti-Corruption	2.2 Integrity and Anti-Corruption	●	●	●					●
Economic Performance	1.1 About Cheng Shin	●	●					●	●
Marketing and Labeling	3.1 Safe and Reliable Cheng Shin Tire	●						●	

1.4 Responding to the United Nations Sustainable Development Goals (SDGs)

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	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
	1.4 By 2030, ensure that all men and women have equal rights to resources	<ul style="list-style-type: none"> ● Since 2012, we have been sponsoring scholarships for national elementary schools around the country for many years. ● Participated in the charity one-day donation event and donated CNY 500,000 to the Kunshan Charity Society. 	6.3.3 Education support
	2.1, 2.2 Ensure adequate nutrition and access to learning environments for disadvantaged groups and the elderly	<ul style="list-style-type: none"> ● Provided more than 100 lunch boxes daily for the elderly living alone, the mobility impaired, and low- and middle-income households. ● Sponsor the Douliou City Office to promote the Elderly-Friendly Cafeteria to enhance proper care for the elderly. 	6.3.4 Giving back to the community
	3.8 Achieve universal health coverage	<ul style="list-style-type: none"> ▲ The Company provides special health checkups for workers with special health hazards at work. ▲ We will provide the health consultation service by doctors on-site at the Company's factory plants. ● Provided 1,524 special health checkups for workers in special workplaces in 2021 and tracked 64 employees. 	5.3 Safe and Healthy Workplace - Employee Health Management
	4. Establish educational facilities and provide for learning environment management	<ul style="list-style-type: none"> ▲ We provide multiple learning channels for our employees to balance work and physical/mental health. ● In 2021, we held 2 lifestyle seminars and 3 occupational safety seminars, and the total number of participants reached 399. 	5.5 Career Development and Evaluation
	4.5 by 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable	<ul style="list-style-type: none"> ● Since 2012, we have been sponsoring scholarships for national elementary schools around the country for many years. 	6.3.3 Education support
	5.1 End all forms of discrimination against all women and girls everywhere	Cheng Shin employees are paid fairly and consistently without regard to gender, race, religion, political affiliation, or marital status. We also take into account the labor supply and demand market and regional salary quotations, as well as the positions held by employees, their education, work experience and years of experience, and their professional abilities.	5.4 Employee Welfare and Care - Compensation and Benefits
	5.A Gender Equality		
	6.3, 6.4, 6.5 Sustainable Management of Water	<ul style="list-style-type: none"> ▲ The Company will continue to implement water resource management and recycling of process wastewater. ● The Company's wastewater emissions in Mainland China decreased by 2.8% compared to the previous year. 	4.4 Water Resources Management
	7.3 Improve energy efficiency	<ul style="list-style-type: none"> ▲ The Company has been involved in voluntary reduction of greenhouse gases. ▲ The Company's main goal is to improve the efficiency of its equipment. ● Reduce greenhouse gas emissions by 18,654.16 tons of CO₂e in 2021 by promoting energy saving programs in Taiwan and Mainland China. 	4.3 Energy Resources and Greenhouse Gas Management

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
	8.1 Sustainable Economic Growth	▲ Cheng Shin's business philosophy is "Quality First, Customer Satisfaction". By focusing on the tire industry, Cheng Shin has been able to break through the constraints of the economic downturn with its driving force and execution, resulting in continuous growth in revenue and profit. ● In FY2021, standalone revenue reached NT\$20.7 billion, earnings per share was NT\$.63, gross margin of sales reached 27%, and brand value reached US\$264 million.	1.1 About Cheng Shin - Economic Performance
	8.7 Human Rights Management	▲ Cheng Shin's Work Rules stipulate that no one under the age of 15 shall be employed as a regular new employee. ● Cheng Shin has not hired any child labor between 2014 and 2021 and was not involved in any legal proceedings related to the employment of child labor.	5.2 Human Rights Policy and Labor-Management Relations
	8.8 Promoting a Safe Working Environment	● 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. ● Implement the ISO45001 management system to maintain the occupational safety and health of the work environment. ● Implement the maternal labor health protection program to ensure the safety of female workers at work.	3.3.2 Supply Chain Management Policies of Cheng Shin 5.3 Safe and Healthy Workplace
	11.6 Reduce the Harmful Impact of Cities on the Environment	▲ Maintain the normal operations of air pollution control equipment in factory plants. ▲ Implement waste reduction projects. ● Install prevention and control equipment in each stationary source process and ensure that the Company's processes comply with permitted air pollution control standards. ● The Company's annual management policy for 2021 clearly defines the project of "creating a sustainable environment and reducing waste", and each unit will take action in accordance with the policy.	4.5 Waste and Recycling 4.6 Air Pollution Prevention and Control
	12.2 Effective Use of Energy Resources	▲ 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 manufacturing processed and energy conservation, as well as the proper recycling of resources.	4.2 Environmental Management
	12.4 Proper Waste Management	▲ In order to ensure the normal operation of the air and water pollution prevention equipment, Cheng Shin's plants are equipped with drug addition equipment. But the plant effectively adjusts prevention equipment to achieve the best operating conditions so that it does not need to add drugs to reduce the amount of unnecessary drug additions. ● The number of waste generated in the Company's Taiwan plants in 2021 is 32.9% less than that in 2020.	4.5 Waste and Recycling
	12.5 Substantially reduce waste generation by 2030 through prevention, reduction, recycling, and reuse.	▲ By continuously promoting waste (sewage) water reduction and recycling to facilitate the reduction of waste water discharge, and integrating the production planning of each plant to ensure the best use of water resources.	4.4 Water Resources Management
	12.6 Sustainability Reporting	▲ Report on sustainability by publishing an annual sustainability report and using the accessibility, transparency, timeliness, completeness, and interactivity of the website. ● The Company issues one sustainability report per year.	About This Report
	16.5 Reduce all forms of corruption and bribery	▲ The Company has established and promoted integrity management standards. ▲ Education and training for integrity management ● No violation of the laws and regulations of integrity management or internal regulations occurred in 2021	2.2 Integrity and Anti-Corruption
	16.6 The Company has developed an effective, responsible and transparent system at all levels.	▲ Management Procedures to Prevent Insider Trading ▲ Working Regulations ▲ Establishment of Rules for Related-Party Transactions ▲ Establishment of Supplier-Commercial Contracts ▲ No incidences of insider trading or corruption cases occurred in 2021.	