

Part3

Employee as Partners, A Happy Workplace



Key Performance

Taiwan RAFI EMP 99 Index

Selected as one of the constituents of the "Taiwan RAFI EMP 99 Index".

Launched the Company's Employee Stock Ownership Trust Program (ESOT)

Initiating an Employee Stock Ownership Trust Program, where employees have the opportunity to participate voluntarily. Participating employees contribute a fixed amount from their monthly salary, while the Company also matches with a 100% contribution, both deposited into a dedicated trust account, which aims to retain talent within the Company.

3.1 Employee Care Policy

Cheng Shin is a renowned global tire manufacturing company with flourishing overseas operations. While maintaining a strong presence in Taiwan, the Company employs nearly 4,800 employees and has been selected as a constituent of the "Taiwan RAFI EMP 99 Index" (Note). Moreover, Cheng Shin actively contributes to overseas expansion and promotes local talents.

For each employee, Cheng Shin not only ensures the protection of basic rights but also prioritizes their physical and mental well-being in the workplace. Through occupational safety training and specialized health check-ups, Cheng Shin guarantees the health of its employees in the work environment. In addition, Cheng Shin also provides professional training courses and a diversified welfare system for employees, expecting each employee to realize his or her potential in a perfect and friendly workplace and to ensure the continued success of the Company.

Note: The "TWSE RA Taiwan Employment Creation 99 Index" refers to the 99 constituent stocks of listed companies selected by the Taiwan Stock Exchange Corporation and its cooperative organizations from among the listed companies based in Taiwan that employs the largest number of employees. The constituent stocks are screened by the "number of employees" and the weight of the constituent stocks is determined accordingly. For further information, please refer to: <http://www.taiwanindex.com.tw/index/index/EMP99>.

Cheng Shin Partners

Cheng Shin recruits and hires talent regardless of race, gender, age, religion, nationality or political affiliations. By the end of 2022, the total number of employees in Cheng Shin's head office in Taiwan was 4,798 employees, with a female-to-male ratio of 1:5.4. In the Kunshan and Chongqing plants in Cheng Shin China, there were 3,203 employees, with a female-to-male ratio of 1:2.1; and 8,966 in Xiamen, China, with a female-to-male ratio of 1:2.0. Due to the characteristics of the industry, the proportion of female employees are relatively lower than male employees. The number of regular employees accounts for over 86% of the total workforce, while non-regular employees consist of dispatched workers or outsourced personnel (security guards). The impact of the global pandemic led to reduced workforce demands in the Mainland China region, resulting in a decrease in the required number of personnel. In Taiwan, a total of 58 employees with disabilities were employed, achieving an employment rate of 1.21%, which meets the legal requirements.

At Cheng Shin, all employees, including those in higher management positions, undergo a fair and rigorous performance evaluation mechanism, which serves as the basis for promotions and rewards. In terms of employment, the Company aims to recruit talents and create a multi-cultural environment, and takes local employment and feedback as the guiding principle.

Employee Overview 2022

The number of employees by employment contract, gender and region:

Category	Cheng Shin Taiwan		Cheng Shin China			
			Cheng Shin Kunshan, Cheng Shin Chongqing		Cheng Shin Xiamen	
	Male	Female	Male	Female	Male	Female
Regular Employees	4,043	755	2,101	1,102	5,998	2,968
Non-regular Employees (Note)	22	0	432	103	384	126
Non-regular Employees work hours (hours)	76,032	0	102,805	25,804	58,671	23,202
Subtotal	4,065	755	2,533	1,205	6,382	3,094
Total	4,820		3,738		9,476	

Note: Non-regular employees refer to dispatched workers or outsourced staff (security guards).

Members of the Organizational Governance Unit

Percentage of Members in the Organizational Governance Unit								
Cheng Shin Taiwan				Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	0	15	4	19	2.41%
			Male	28	602	138	768	97.59%
			Subtotal	28	617	142	787	100.00%
			%	3.56%	78.40%	18.04%	100.00%	
Cheng Shin China	Cheng Shin Kunshan			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	0	34	2	36	7.24%
			Male	18	420	23	461	92.76%
			Subtotal	18	454	25	497	100.00%
			%	3.62%	91.35%	5.03%	100.00%	
	Cheng Shin Chongqing			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	2	22	0	24	22.02%
			Male	6	78	1	85	77.98%
			Subtotal	8	100	1	109	100.00%
			%	7.34%	91.74%	0.92%	100.00%	
	Cheng Shin Xiamen			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	4	97	8	109	8.40%
			Male	31	1,005	152	1,188	91.60%
			Subtotal	35	1,102	160	1,297	100.00%
			%	2.70%	84.96%	12.34%	100.00%	

Number of Employees by Job Grade and Gender

Number of Employees by Job Grade and Gender Statistics							
Cheng Shin Taiwan				Supervisor	Non-supervisor	Subtotal	%
		Gender	Female	19	736	755	15.74%
			Male	768	3,275	4,043	84.26%
			Subtotal	787	4,011	4,798	100.00%
			%	16.40%	83.60%	100.00%	
Cheng Shin Kunshan				Supervisor	Non-supervisor	Subtotal	%
		Gender	Female	36	724	760	26.31%
			Male	461	1,668	2,129	73.69%
			Subtotal	497	2,392	2,889	100.00%
			%	17.20%	82.80%	100.00%	
Cheng Shin Chongqing				Supervisor	Non-supervisor	Subtotal	%
		Gender	Female	24	421	445	52.41%
			Male	85	319	404	47.59%
			Subtotal	109	740	849	100.00%
			%	12.84%	87.16%	100.00%	
Cheng Shin Xiamen				Supervisor	Non-supervisor	Subtotal	%
		Gender	Female	109	2,859	2,968	33.10%
			Male	1,188	4,810	5,998	66.90%
			Subtotal	1,297	7,669	8,966	100.00%
			%	14.47%	85.53%	100.00%	

Note: 'Supervisor' refers to personnel at the level of team leader or above.

Number of Employees by Job Grade and Age

Number of Employees by Job Grade and Age Statistics								
Cheng Shin Taiwan			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%	
	Job Grade	Supervisor	28	617	142	787	16.40%	
		Non-supervisor	815	2,807	389	4,011	71.36%	
		Subtotal	843	3,424	531	4,798	100.00%	
		%	17.57%	71.36%	11.07%	100.00%		
Cheng Shin China	Cheng Shin Kunshan			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Job Grade	Supervisor	18	454	25	497	17.20%
			Non-supervisor	774	1,581	37	2,392	82.80%
			Subtotal	792	2,035	62	2,889	100.00%
			%	27.41%	70.44%	2.15%	100.00%	
	Cheng Shin Chongqing			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Job Grade	Supervisor	8	100	1	109	12.84%
			Non-supervisor	157	582	1	740	87.16%
			Subtotal	165	682	2	849	100.00%
			%	19.43%	80.33%	0.24%	100.00%	
	Cheng Shin Xiamen			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Job Grade	Supervisor	35	1,102	161	1,298	14.48%
			Non-supervisor	1,275	5,918	475	7,668	85.52%
			Subtotal	1,310	7,020	636	8,966	100.00%
			%	14.61%	78.30%	7.09%	100.00%	

Statistics on Employment of Disadvantaged and Minority Groups by Cheng Shin Taiwan

Year	Number of Employees with Physical and Mental Disabilities	Number of Foreign Workers	Number of Employees from Ethnic Minorities
2022	58	865	9

Note: Ethnic minorities refer to the indigenous people of Taiwan.

Number of Employees by Educational Qualification and Gender

Number of Employees by Educational Qualification and Gender Statistics										
Cheng Shin Taiwan				Ph.D.	Master's Degree	Bachelor's Degree	High School	High School and Below	Subtotal	%
		Gender	Female	0	62	260	218	215	755	15.74%
			Male	6	423	1,405	1,161	1,048	4,043	84.26%
			Subtotal	6	485	1,665	1,379	1,263	4,798	100.00%
			%	0.13%	10.11%	34.70%	28.74%	26.32%	100.00%	
Cheng Shin Kunshan				Ph.D.	Master's Degree	Bachelor's Degree	High School	High School and Below	Subtotal	%
		Gender	Female	0	1	324	431	4	760	26.31%
			Male	0	0	906	1,194	29	2,129	73.69%
			Subtotal	0	1	1,230	1,625	33	2,889	100.00%
			%	0.00%	0.03%	42.58%	56.25%	1.14%	100.00%	
Cheng Shin Chongqing				Ph.D.	Master's Degree	Bachelor's Degree	High School	High School and Below	Subtotal	%
		Gender	Female	0	0	62	189	194	445	52.41%
			Male	0	0	147	161	96	404	47.59%
			Subtotal	0	0	209	350	290	849	100.00%
			%	0.00%	0.00%	24.62%	41.22%	34.16%	100.00%	
Cheng Shin Xiamen				Ph.D.	Master's Degree	Bachelor's Degree	High School	High School and Below	Subtotal	%
		Gender	Female	0	4	768	133	2,063	2,968	33.10%
			Male	1	7	1,728	442	3,820	5,998	66.90%
			Subtotal	1	11	2,496	575	5,883	8,966	100.00%
			%	0.01%	0.12%	27.84%	6.4%	65.61%	100.00%	

New Employees & Separated Employees

The percentage of new employees in Cheng Shin Taiwan was 10.9% and the percentage of separated employees was 20.6% based on the total number of employees at the end of 2022; in Mainland China, the percentage of new employees was 61.4% and the percentage of separated employees was 61.6% based on the total number of employees at the end of 2022. The relatively higher proportion of new employees and separated employees in Mainland China is due to changes in the local labor market and industry environment.

New Employees in 2022 (Number)

Number of new employees								
Cheng Shin Taiwan				Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	27	29	1	57	10.92%
			Male	261	199	5	465	89.08%
			Subtotal	288	228	6	522	100.00%
			%	55.17%	43.68%	1.15%	100.00%	
Cheng Shin China	Cheng Shin Kunshan			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	235	230	0	465	16.58%
			Male	1,279	1,061	0	2,340	83.42%
			Subtotal	1,514	1,291	0	2,805	100.00%
			%	53.98%	46.02%	0.00%	100.00%	
	Cheng Shin Chongqing			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	36	82	0	118	38.82%
			Male	120	66	0	186	61.18%
			Subtotal	156	148	0	304	100.00%
			%	51.32%	48.68%	0.00%	100.00%	
	Cheng Shin Xiamen			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	605	654	5	1,264	26.96%
			Male	1,640	1,772	12	3,424	73.03%
			Subtotal	2,245	2,426	17	4,688	100.00%
			%	47.89%	51.75%	0.36%	100.00%	

Number of separated employees in 2022 (people)

Statistics on the number of separated employees								
Cheng Shin Taiwan			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%	
	Gender	Female	50	68	13	131	13.23%	
		Male	216	585	58	859	86.77%	
		Subtotal	266	653	71	990	100.00%	
		%	26.87%	65.96%	7.17%	100.00%		
Cheng Shin China	Cheng Shin Kunshan			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	258	268	1	527	16.66%
			Male	1,452	1,184	0	2,636	83.34%
			Subtotal	1,710	1,452	1	3,163	100.00%
			%	54.06%	45.91%	0.03%	100.00%	
	Cheng Shin Chongqing			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	18	63	0	81	36.65%
			Male	79	61	0	140	63.35%
			Subtotal	97	124	0	221	100.00%
			%	43.89%	56.11%	0.00%	100.00%	
	Cheng Shin Xiamen			Under 30 years old	30-49 years old	50 and above (inclusive)	Subtotal	%
		Gender	Female	577	584	6	1,167	26.30%
			Male	1,619	1,635	16	3,270	73.70%
			Subtotal	2,196	2,219	22	4,437	100.00%
			%	49.49%	50.01%	0.5%	100.00%	

3.2 Human Rights Policy and Labor-Management Relations

Item	Management Approach
Materiality	<ul style="list-style-type: none"> Only through the establishment of good labor relations and the improvement of labor conditions while pursuing work efficiency can we create stable and sustainable growth in production capacity and brand value.
Policy/Commitment	<ul style="list-style-type: none"> Cheng Shin's working rules
Goals and Targets	<ul style="list-style-type: none"> Promote harmonious labor-management relations, and create a win-win situation.
Responsibility	<ul style="list-style-type: none"> Human resources departments, labor unions.
Resources	<ul style="list-style-type: none"> Organize labor-management meetings Employee benefits expenses
Communication Channels	<ul style="list-style-type: none"> Employee complaint mailbox/hotline
Action Plan	<ul style="list-style-type: none"> Establish work rules to protect employee rights and avoid forced labor Establish labor unions Labor-management meetings Provides employee benefits that are superior to those required by law
Effectiveness Assessment	<ul style="list-style-type: none"> Employee Satisfaction Survey Selection as one of the constituents of the "Taiwan RAFI EMP 99 Index".

Human Rights Policy

It is stipulated in the Working Rules of Cheng Shin that no one under the age of 15 shall be employed as Cheng Shin's employee. During the period from 2014 to 2022, Cheng Shin did not hire any child labor, nor has the Company been involved in any complaint case relating to the employment of child labor. Under the Labor Standards Act in Taiwan, forced labor is prohibited; the same applies to expatriate employees. In addition, in order to protect employees' rights and interests and provide a workplace environment free from sexual harassment, Cheng Shin has also established management mechanisms such as measures to prevent and control sexual harassment, complaints, and disciplinary measures. One of the items under our annual raw material supplier audit also prohibit suppliers from hiring child labor, and their employee recruiting and hiring process should comply with the Labor Standards Act. In 2022, there were no violations by our suppliers.

Labor Union Organization

To improve working efficiency and working conditions and promote the harmony between labor and management, Cheng Shin has established a labor union according to the local laws and regulations, and all employees are guaranteed by the collective agreement signed between Cheng Shin and the labor union.

Percentage of Unionized Employees by 2022

Region		Number of unionized employees	%
Cheng Shin Taiwan		2,400	50.02%
Mainland China	Cheng Shin Kunshan	2,351	81.38%
	Cheng Shin Chongqing	0	0.00%
	Cheng Shin Xiamen	8,078	90.10%

Note: The Chongqing plant does not have a labor union, but it still manages and establishes a complaint channel according to regulations to actively protect the rights and interests of employees.

Minimum Notice Period

Any adjustment of labor conditions and the annual leave plan of Cheng Shin shall be approved by the labor union. All business activities shall comply with local laws and regulations. Rules for major changes to employees' work are as follows:

At Cheng Shin Taiwan, the minimum notice period according to the Labor Standards Act is as follows:

For those who continue to work for more than three months and less than one year, the notice shall be given ten days in advance. For those who continue to work for more than one year and less than three years, the notice shall be given 20 days in advance. For those who continue to work for more than three years, the notice shall be given 30 days in advance.

For Cheng Shin China, in accordance with the local rules and regulations and the Labor Contract Law, under any of the following circumstances, if it is necessary to lay off more than 20 employees or less than 20 employees but accounting for more than 10% of the total number of employees of the enterprise, the employing unit may make the layoff only after it has explained the situation to the labor union or all the employees 30 days in advance and taken the opinions of the labor union or the staff and workers, and the layoff plan has been reported to the labor administrative department.

1. Reorganize in accordance with the provisions of the Enterprise Bankruptcy Law.
2. The enterprise has encountered serious difficulties occur in production and business operations.
3. The layoff is still necessary after adjustments to the labor contract due to the change of production, major technological innovation, or adjustment to business operations.
4. Other major changes in the objective economic conditions since when the labor contract was established, resulting in the impossible performance of the labor contract.

Labor-Management Meetings

In addition, in order to coordinate labor-management relations, promote labor-management cooperation and improve working efficiency, Cheng Shin holds labor-management meetings on a regular basis in accordance with the implementation rules of labor and management meetings and holds temporary meetings in case of major labor and management cases to ensure smooth and fair communication between labor and management. The frequency of labor-management meetings is four times a year, and a total of 28 meetings were held in Taiwan in 2022.

Employee Communication Channels

Cheng Shin requires that all operational activities shall be in compliance with relevant laws and regulations. If employees encounter any related issues, they can file a complaint with the Human Resources Department or apply for labor mediation with the local government. In 2022, there were no complaints related to freedom of association, discrimination, child labor, sexual harassment, or other labor conditions and human rights issues in Cheng Shin Taiwan, Kunshan, and Chongqing plants. The complaint channels and mediation events are described as follows:

Complaint Channels - Human Resources Department

Cheng Shin Taiwan:

Complaint hotline: (04)8525151#321

Complaint E-mail: cster@tw.maxxis.com@tw.maxxis.com

Physical complaint mailbox

Cheng Shin China (Cheng Shin Kunshan):

Complaint Tel: 0512-57673888-8102 (HR) /8119 (Labor Union)

Employee feedback platform: http://www.maxxis.cn/wechat/MxFeedback/auth_wechat.asp

Cheng Shin China (Cheng Shin Chongqing):

Chongqing Labor Dispute Arbitration Committee, Changshou District Labor Supervision Brigade, Chongqing Human Resources and Social Security Network (Mayor's mailbox, Dayu website), Changshou District Yanjia Sub-district Office People's Mediation Committee.

Cheng Shin China (Cheng Shin Xiamen):

Complaint letters can be mailed to: Audit Division, Xinglin Plant, Attention: Manager Chen.

Complaint E-mail: csttb3@mailil.xcs.com.cn

Local government mediation incidents

Region	Case Type	Case Volume	Description	Corrective Measures
Cheng Shin Taiwan	Penalty Fines	2	Attendance shift setting and wage payment issues	Completed software revision of the personnel information system
	Mediation	1	Employee's request for wage settlement upon termination of labor relationship	To optimize the communication channels between Cheng Shin and its employees, we will continue to promote employee care measures and strengthen the employee suggestion and feedback mechanism in order to create stable and harmonious labor relations.
ChengShinChina	None	0		

3.3 Safe and Healthy Workplace

Item	Cheng Shin Safe and Healthy Workplace Management Approach
Materiality	<ul style="list-style-type: none"> Employees are the most valuable assets of Cheng Shin, and the occupational health and safety of employees is a crucial foundation for the sustainable operation of the employer-employee relationship. The safety of Cheng Shin's employees is our top priority, and promoting employee health and well-being, as well as optimizing the work environment, are ongoing efforts that the Company is dedicated to.
Policy/Commitment	<ul style="list-style-type: none"> Union constitution: It is stipulated that the labor union shall promote labor safety and health and the benefits of its members. Occupational safety and health management plan, health management, and promotion plan.
Goals and Targets	<ul style="list-style-type: none"> Enhance employee occupational safety, reduce the frequency of occupational hazards, and actively promote employee health and wellbeing.
Responsibility	<ul style="list-style-type: none"> Establish the Occupational Safety and Health Committee (Taiwan). Establish the Occupational Safety and Health Committee (Cheng Shin China).
Resources	<ul style="list-style-type: none"> Education and training resources (including manpower, instructors, and training venues). Publicity (Awareness) label/signage printing. Implementation and establishment of management system. General and special health examination subsidies.
Communication Channels	<ul style="list-style-type: none"> Employee complaint box/hotline.
Action Plan	<ul style="list-style-type: none"> Education and training: General safety and health education for new employees, fire prevention and disaster prevention training, safety education for each unit, on-site hazard identification activities, etc. Promotion and awareness labels and signage: Enhanced Safety Month activities, hazard awareness promotion, occupational safety and health protective equipment application standards, etc. Management system: ISO45001 and CNS45001. General and special health examinations.
Effectiveness Assessment	<ul style="list-style-type: none"> On-site safety and health check. ISO45001 certification.

Occupational health and safety management system (OSHMS)

The implementation of the Occupational Health and Safety Management System ISO 45001 and CNS 45001 covers various domestic branches. In order to effectively establish and verify the implementation of the Occupational Health and Safety Management System, in October 2015, units were invited to participate in the organizational implementation. The President served as the presiding chair, and each department assigned responsible persons for implementation, forming a task force to collectively drive the initiative. Led by management representatives, the declaration of the establishment of the management system was made to demonstrate the commitment, and the system requirements were integrated into daily management practices to obtain the management system certification.

The management system is externally audited by a certification body (Metal Industries Research & Development Centre) every year, and the current version of the system is ISO 45001:2018, which is valid until May 2, 2025; the latest verification work was conducted on April 2022.



Occupational Safety and Health Committee

In order to promote the health and safety of employees, Cheng Shin's Taiwan operations stipulates in the labor union constitution that the labor union shall promote labor safety and health and member welfare matters, and establish an occupational safety and health management unit and an "Occupational Safety and Health Committee" (OSH Committee) in accordance with Article 23 of the Occupational Safety and Health Act and Article 10 of the Occupational Safety and Health Management Regulations to supervise and coordinate employee safety and health-related matters.

In accordance with the Occupational Safety and Health Act, the employer is an ex-officio member of the OSH Committee. In Cheng Shin Taiwan, the President designates a management representative to participate in the OSH Committee, and other committee members include occupational safety and health personnel, department heads, medical personnel engaged in labor health services, and labor representatives. The Company holds regular meetings to discuss and review the Company's occupational safety and health management plan, health management and promotion plan and occupational disease prevention. Cheng Shin China, we have set up an "Environmental Safety and Health Committee", which is similar to the one in Cheng Shin Taiwan, whereby the president appoints management representatives to participate. In accordance with the Work Safety Law of China, the Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, the Regulation on Work-Related Injury Insurance and other labor protection-related laws and regulations, we set up compliant labor safety and health facilities, establish a sound labor safety and health management system, develop safe operating procedures for each job position, and provide labor protection supplies (PPEs), etc., in order to ensure a safe and healthy working environment for workers.

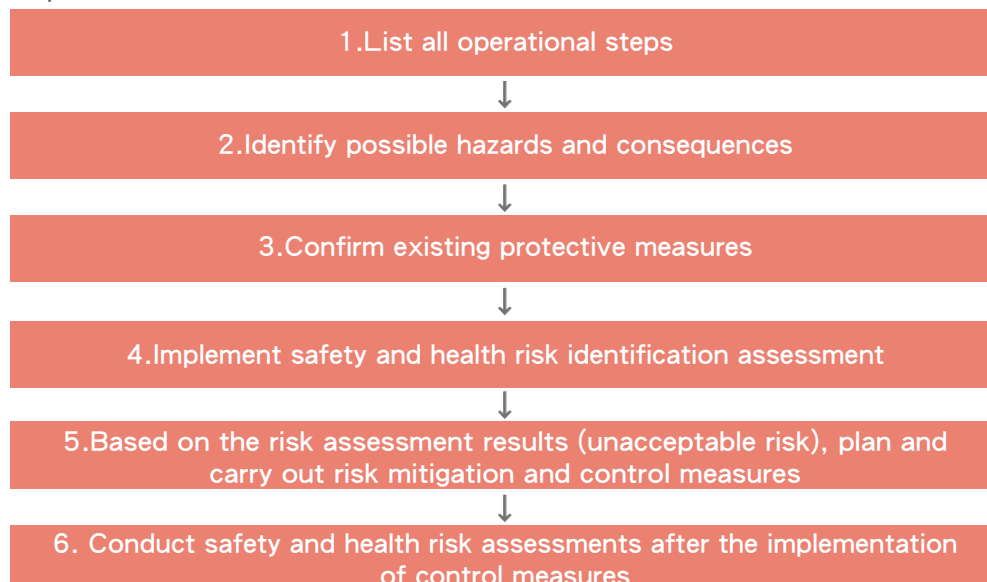
Region	Cheng Shin Taiwan	Cheng Shin China		
		Cheng Shin Kunshan	Cheng Shin Chongqing	Cheng Shin Xiamen
Name	Occupational Safety and Health Committee	Environmental Safety and Health Committee		
Committee members	30	27	44	288
Labor representatives (note)	21	21	24	167
Ratio of labor representatives	41%	77%	55%	58%

Note: Not including dispatched workers, part-time employees, or other non-regular employees.

Hazard Risk Assessment

Cheng Shin has established the "Hazard Identification and Risk Assessment Management Regulations" at its factory plants to conduct comprehensive hazard identification and risk assessment for machinery, equipment or operations that may cause injuries or accidents to personnel, and to review the performance of occupational safety and health management and evaluate its control effects in order to formulate policies and objectives as the basis for planning the Occupational health and safety management system.

Risk assessment procedures are as follows



Occupational Accidents Management

In 2022, 7 occupational accidents occurred in Cheng Shin's Taiwan operations and 34 in Cheng Shin China's operations, and the main types of occupational accidents were clamping and roll injuries.

According to the Occupational Safety and Health Administration's statistical data on total injury index for all industries from 2019 to 2021, the Disabling Injury Frequency Rate (FR) for the rubber manufacturing industry is 2.73, 270 for the Disabling Injury Severity Rate (SR), and 0.86 for the Total Injury Index. Cheng Shin's 2022 Disabling Injury Frequency Rate (FR):0.73, Disabling Injury Severity Rate (SR):29, Total Injury Index (TII):0.15, which is far lower than the average. The occupational accident investigation form must be completed by the unit where the occupational disaster occurred according to Cheng Shin's factory regulations. Investigation is to be conducted on the root causes and proposed improvement measures, and then submitted for approval, review and follow-up. Improvement measures for all occupational accident cases have been completed.

Statistics on Occupational Accidents in 2022

2022	Cheng Shin Taiwan		Cheng Shin China					
			Cheng Shin Kunshan		Cheng Shin Chongqing		Cheng Shin Xiamen	
Total Work Hours	9,701,249.5		9,649,688.4		1,691,933.5		29,411,244.0	
Gender	Male	Female	Male	Female	Male	Female	Male	Female
Number of Occupational Accidents Resulting in Work Suspension	6	1	8	2	0	1	19	4
Total	7		10		1		23	
Death	0		0		0		0	
Mortality rate	0		0		0		0	
Recordable	106		25		1		27	
Total Recordable Injury Frequency Rate (TRIFR)	10.92		2.59		0.59		0.92	
Lost Days	341	112	138.79	5.08	0	41	1,570	406.50
Disabling Injury Frequency Rate (FR)	0.73		1.00		0.59		0.78	
Disabling Injury Severity Rate (SR)	29.00		14.90		14.23		67.20	

Note: Work suspension disaster: rest for more than 1 day (in 8 hours) due to occupational accidents
FR: The number of disabling injuries per million hours of exposure. $FR = \frac{\text{number of disabling injuries} \times 1,000,000}{\text{total exposed working hours}}$

SR: The number of disabling lost days per million hours of exposure. $SR = \frac{\text{Total number of days lost} \times 1,000,000}{\text{total exposed working hours}}$

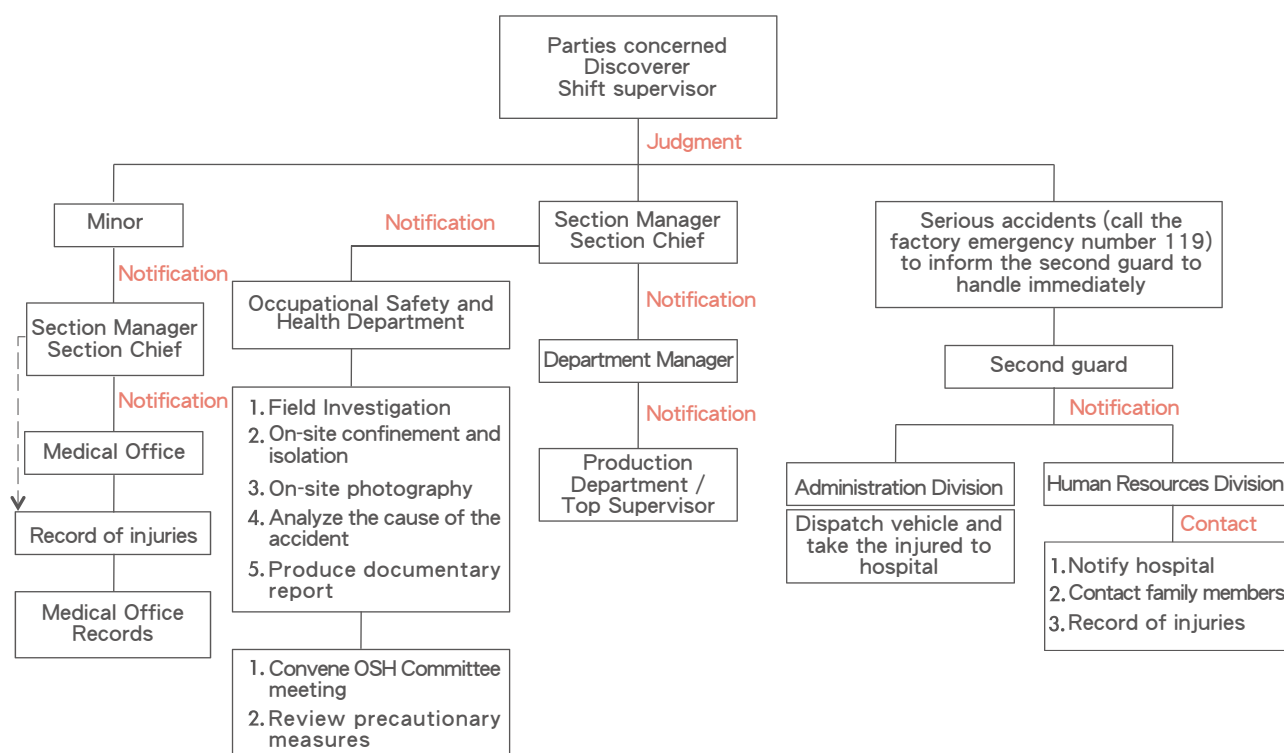
Types of occupational disasters in 2022

Classification	Cheng Shin Taiwan	Cheng Shin China		
		Cheng Shin Kunshan	Cheng Shin Chongqing	Cheng Shin Xiamen
Clipping, rolling injury	2	4	1	10
Collision/bump injuries	0	1	0	5
Exposure to high and low temperatures	0	0	0	3
Cuts and scrapes	0	0	0	0
Falls	1	2	0	2
Falling objects	1	1	0	1
Flying objects	2	2	0	1
Others	1	0	0	1

Cheng Shin collects data and reports occupational injuries on a monthly basis in accordance with the Occupational Safety and Health Act. The main types of occupational accidents are the same as those in the general manufacturing industry, with "clamping, rolling injuries" and "cuts, scrapes, or bruises" as the main types of occupational accidents. In 2022, 7 work suspension occupational injuries were recorded in Cheng Shin Taiwan and 34 in Cheng Shin China. In 2022, there were no cases of occupational diseases in Cheng Shin Taiwan and Cheng Shin China.

Cheng Shin has formulated provisions for handling disasters and accidents. In case of occupational accidents, except for first aid, the site supervisor shall report the accident to the plant in accordance with the regulations and carry out the investigation, improvement, and other operations of occupational accidents. The reporting procedures are shown in the figure below.

Reporting Procedures of Occupational Accident in Plant



The increase of occupational accidents in Taiwan in 2022 was mainly due to the lack of safety awareness of operators, most of which were caused by the failure to comply with the standard operating procedures when eliminating abnormalities for the sake of speed, resulting in occupational accidents. At present, Cheng Shin is carrying out the "Zero Danger Zone Campaign" actively promoting on-site hazard identification activities. Supervisors, with a caring attitude, pinpoint problematic areas, and those reminded approach the issues with a sense of gratitude, working together to prevent accidents and disasters.

Occupational Safety Education and Training

New employees receive general safety and health education (3 hours) upon completion of their onboarding procedures.

Region	Percentage of completion of general safety and health education for new employees
Cheng Shin Taiwan	100%
Cheng Shin China	100%

Cheng Shin's efforts to reduce the occurrence of occupational accidents are as follows:



Fire Fighting and Disaster Prevention Training

New employees are required to receive fire fighting and disaster prevention training after entering the factory plant to obtain fire fighting skills.



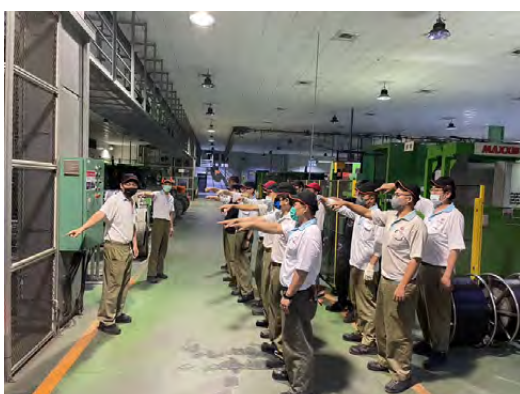
Safety Education in Each Unit

After new employees arrive at their units, they are required to receive safety and health education training appropriate to their work.



Training Grounds and Venues

Training venues have been set up for new employees to receive occupational training and to validate their skills and competencies before they are allowed to work on machinery equipment.



On-site Hazard Identification Activities

In order to improve workplace safety, through the participation of all employees, Cheng Shin raises the safety awareness of all employees through false alarm proposals and 30-minute safety observation of the duty system, identify and propose improvements to the potential hazards of personnel, environment, machinery and equipment on site, and create a more comfortable and safe working environment through the PDCA model cycle to prevent disasters before they happen and ensure the safety of workers.

Note: "Duty system" in Japanese means taking charge of the site operation area, that is, the site operation supervisor.

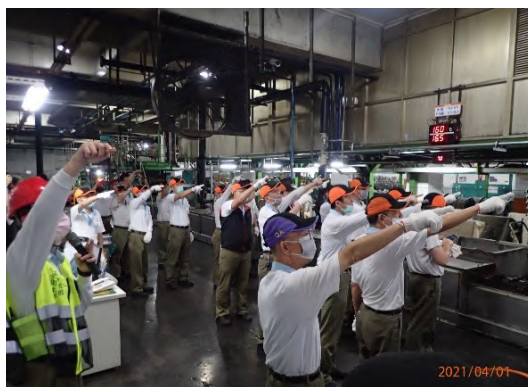
1. Identification call implementation

Every day before work, the supervisor shall lead the staff to point out the dangerous spots, identify the dangerous areas, and remind the staff of the safe operation.

2.30 minutes safety observation of the duty system. The site supervisor shall conduct safety observation 30 minutes before daily operation, inspect the working environment and personnel conditions, detect the potential risk factors such as unsafe behavior or environment as early as possible, and take effective improvement countermeasures and corrective measures according to the observation results.

3. False alarm proposal

Effectively collect false alarms in the work area with the participation of all employees, identify them and propose corrective measures to prevent disasters and create a comfortable and safe workplace. If the proposal is approved, the proposer will be rewarded with points.



False Alarm Proposal Form					
Factory Plant:	Department:	Section (Unit):	Time of Occurrence: Year Month Day		
Employee ID:	Name:	Place of Occurrence:			
STOP-6: <input type="checkbox"/> Pinch or roll injury <input type="checkbox"/> Heavy Object Crushing Injury <input type="checkbox"/> Vehicle Collision <input type="checkbox"/> Falling <input type="checkbox"/> Electric Shock <input type="checkbox"/> Contact with High Temperature <input type="checkbox"/> Others					
Cause and Process of False Alarm Incident (Filled according to the SWTH Principle)					
Disposal and improvement: (to be filled in by the responsible supervisor to investigate and improve the root cause)					
Improvement tracking confirmation: (to be filled in by the OSH Department)			Immediate improvement was made on: Month (Date)		
Risk Assessment:			<input type="checkbox"/> To be improved, through: <input type="checkbox"/> Improvement Plan <input type="checkbox"/> Project Improvement		
<input type="checkbox"/> Required			<input type="checkbox"/> Improvement Proposal <input type="checkbox"/> Contact Form <input type="checkbox"/> Repair Form No.		
<input type="checkbox"/> Not Required			<input type="checkbox"/> Others		
Occupational Safety and Health Department			Reward Points	Manager	Section Chief
			<input type="checkbox"/> Recognized		
			<input type="checkbox"/> Not Recognized		
Data Retention Period: 1 year					
6159_20201111_2 Cheng Shin Rubber Ind. Co., Ltd. A5 NO.6159					

Department/Unit Safety and Health Inspection Activities

To ensure occupational safety and health, on-site safety and health inspections are led by department managers (or assistant managers) along with section chiefs and designated supervisors. From the perspective of senior management, these inspections identify areas where improvements are needed in on-site safety and health, emphasizing the commitment to enhancing overall safety conditions.



Hazards Awareness

Set up safety billboards in obvious places on-site to publicize safety-related information for employees. Update hazard publicity materials in the cultural corridor at any time to enhance employees' safety awareness.



"Enhanced Safety Month" Activities

Hold "Safety Production Month/Enhancement Month" activities every year, organize a number of safety activities to enhance employees' safety awareness. Propose various activities and publicity to enhance staff safety awareness

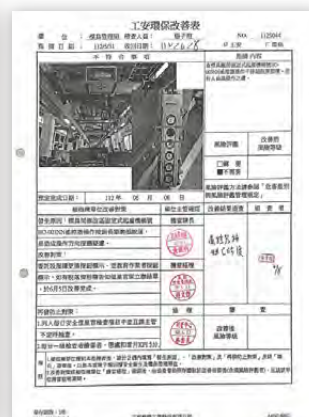


Safety and Health Protective Equipment Standards

According to different projects, the safety and health protective gears are labeled and posted in the operation area, and foreign language translations are added to ensure the safety of all operators.

On-site Safety and Health Inspection Activities

If a violation of occupational safety and health issues is found by the staff of the Occupational Safety and Health Department during the inspections and spot checks, an occupational safety and environmental improvement form will be issued to reprimand the violating unit. The offending unit shall report the cause, improvement measures, and recurrence prevention 82 measures to the Security and Health Department within one week. The case will be closed after reexamination and confirmation by the Security and Health Department.



Employee Health Service

In accordance with labor health protection regulations, Cheng Shin has set up occupational health service nurse practitioners and engages specialized doctors on an ad-hoc basis based on the number of employees in each plant. The on-site medical service situation for each plant in 2022 was as follows:

On-site clinical service status by plant in 2022

Factory Plant	Frequency of doctor's clinical services	Total number of consultation sessions	Number of Consultations (persons)
Main Plant	9 times each month, 3 hours per session	108	406
Changhua Zhongzhuang Plant	1 time each month, 3 hours per session	12	52
Plant 3	1 time each quarter, 2 hours per session	4	8
Changhua Xizhou Plant	3 times each month, 3 hours per session	36	336
Douliou Plant 1	1 time each quarter, 2 hours per session	4	28
Douliou Plant 2	1 time each month, 3 hours per session	12	114

Continuous Health Monitoring

In accordance with the Labor Health Protection Rules and Regulations, Cheng Shin arranges for a nearby hospital for each plant to conduct on-site health checkups for its employees at the Company's premises every July. The health checkups are divided into general health checkups (for general employees) and special health checkups (for workers with special health hazards). In 2022, a total of 651 employees working at Cheng Shin Taiwan received special health examinations. Among them, those with abnormal chest X-ray results or significantly elevated indicators for Three Highs (hypertension, hyperglycemia, and hyperlipidemia) were notified for further re-examination. Furthermore, for logistics drivers, Cheng Shin conducts additional annual health checks that include night vision, visual acuity, electrocardiogram, and heart-related functions. This is done to prevent driving accidents caused by health factors. Local regulations in China do not require a general health check for employees, but Cheng Shin still provides a special health check for employees in the high-risk working environment. The Kunshan Plant has also introduced automated logistics and actively improved the working environment to enhance the health and safety management of employees. The number of employees receiving special health examinations in 2022 is shown in the table below. The employees checked with an abnormal result have been notified for re-examination. After the re-examination, the case can only be closed by handing in the medical certificate or receipt to the resident nurse. The hospital in charge of health examination can only issue the grading report of special health examination results after the completion of the re-examination.

Special Health Screening Items:

Noise	High temperature	Dust	N-Hexane (organic solvent) (provided by Cheng Shin Taiwan)	Ionizing Radiation
-------	------------------	------	---------------------------------------------------------------	--------------------

Number of special health checkups in 2022

Region/number of employees		Number of employees receiving health checkups	Number of employees tracked
Cheng Shin Taiwan		651	24
Cheng Shin China	Cheng Shin Kunshan	338	9
	Cheng Shin Chongqing	251	15
	Cheng Shin Xiamen	3,992	148
Total		5,232	196

3.4 Employee Benefits and Care

Remuneration and Benefits

Cheng Shin does not carry out differentiated management on the salary of employees by gender, race, religion, political stand, marital status, but adopts a fair and consistent approach, referencing the labor market supply and demand as well as regional compensation trends. Factors such as job position, education, work experience, seniority, and professional capabilities are taken into consideration for salary adjustments. A reasonable remuneration policy is established, aligned with annual business performance. Additionally, individual performance achievement rates and contributions to the Company's performance are evaluated to determine salary adjustments. Employee salary adjustments and promotions at Cheng Shin are primarily based on job capabilities and performance. Gender does not play a role in determining work bonuses, and there are no gender-based differences. Furthermore, to enhance employee well-being, in addition to regular salaries, the Employee Stock Trust Program was officially launched in October 2022.

The Company continues the practice of recognizing high-performing employees from the previous year and has implemented a comprehensive salary increase for employees. This adjustment has led to an increase of NT\$8 thousand per year in the median salary for employees. Additionally, the average salary saw an increase due to an accounting adjustment related to the recognition system in 2021, accounting for an additional 0.6 months of salary. Excluding this impact, the actual average salary increase for 2022 is around NT\$5,000 dollars per year, aligning with the annual trend observed in the median salary.

The number of full-time employees in non-supervisory positions and the average salary in Cheng Shin Taiwan are disclosed as follows:

	Employee Headcount Annualized Average(person)	Employee Salary - Average (NT\$ thousand/person)	Salary - Median (NT\$ thousand/person)
2020	5,861	663	624
2021	5,415	718	650
2022	4,699	696	658

Note: The ratio of the annual total compensation of the highest paid employee salary in 2021 and 2022 to the median annual total compensation of other employees in the organization is 5.73; after adjustment, the ratio is 6.27. The higher increase in the compensation amount for the highest-paid employee in 2022 is due to their separation settlement bonus, which led to a higher growth rate compared to 2021.

In order to enhance employee wellbeing, in addition to the general salary, we also provide employee benefits superior to those stipulated by the government. According to nature, Cheng Shin's welfare can be divided into four categories: statutory benefits, welfare benefits, festival activities, and employee assistance as follows:

Benefits: social insurance, statutory holidays, regular annual health checkups, medical consultation with resident doctors, pensions, employee stock trust dividends, etc.

Employee support: Medical benefits, pension, bereavement allowance, marriage/burial/disability benefits, and education incentives for children of employees.



Life benefits: employee meals, uniforms, dormitories, parking lots, discount partner stores, and employee activity recreation areas.

Festivals: cash prizes or coupons for Spring Festival, Dragon Boat Festival, and Mid-Autumn Festival, year-end bonus, year-end dinner subsidies, self-improvement activity subsidies, etc.

Parental Leave Without Pay

In order to provide employees with peace of mind, Cheng Shin provides employees with the right to apply for parental leave without pay. In the event of an injury or illness that requires a long leave of absence, employees can also apply for leave without pay and then apply for reinstatement after the period expires, so as to better take care of both personal and family care needs. Taking parental leave without pay as an example, in 2022, a total of 79 colleagues from Cheng Shin Taiwan applied for parental leave without pay. The rate of returning to work after the leave was 66.7%. For those who took parental leave in 2021 and returned to work, the retention rate after completing one year of service was 70.4%. The above information demonstrates that Cheng Shin is able to provide assistance to its employees to facilitate their return to work. Cheng Shin provides employees with the option to apply for parental leave without pay. The number of employees who applied for said leave in 2022 was as follows:

Cheng Shin Taiwan

Item	Number of male employees	Number of female employees	Total
The number of eligible employees for parental leave in 2022	325	99	424
The number of employees who applied for unpaid parental leave in 2022	38	41	79
The number of employees expected to return to work after conclusion of unpaid parental leave in 2022 (A)	21	24	45
The number of employees expected to return to work after conclusion of unpaid parental leave and were actually reinstated in 2022 (B)	15	15	30
The number of employees who actually returned to work after unpaid parental leave in 2021 (C)	12	15	27
The number of employees who returned to work after unpaid parental leave in 2021 and remained in the Company's employment after one year in 2022 (D)	9	10	19
Reinstatement from unpaid parental leave%=B/A	71.4%	62.5%	66.7%
Retention rate upon reinstatement from unpaid parental leave%=D/C	75.0%	66.7%	70.4%

Mainland China

Item	Number of male employees			Number of female employees			Total
	Cheng Shin Kunshan	Cheng Shin Chongqing	Cheng Shin Xiamen	Cheng Shin Kunshan	Cheng Shin Chongqing	Cheng Shin Xiamen	
The number of eligible employees for parental leave in 2022	36	15	0	46	13	74	184
The number of employees who applied for unpaid parental leave in 2022	36	15	0	46	13	74	184
The number of employees expected to return to work after conclusion of unpaid parental leave in 2022 (A)	36	15	0	28	13	72	164
The number of employees expected to return to work after conclusion of unpaid parental leave and were actually reinstated in 2022 (B)	36	14	0	25	9	61	145
The number of employees who actually returned to work after unpaid parental leave in 2021 (C)	47	13	0	36	10	62	106
The number of employees who returned to work after unpaid parental leave in 2021 and remained in the Company's employment after one year in 2022 (D)	37	11	0	25	7	50	80
Reinstatement from unpaid parental leave%=B/A	100.00%	93.33%	0.00%	89.29%	69.23%	84.72%	91.30%
Retention rate upon reinstatement from unpaid parental leave%=D/C	78.72%	84.62%	0.00%	69.44%	70.00%	80.65%	75.47%

Employee Satisfaction

Cheng Shin regards employee satisfaction surveys as one of the channels for receiving feedback from employees. Regular employee satisfaction surveys are conducted, covering topics such as corporate policies and culture, working environment, education and training, compensation and benefits, and more. In 2022, the questionnaire design in Taiwan continued to focus on identifying areas for improvement. Overall satisfaction has improved by 15.71% compared to last year. According to the survey results, employees generally have a clear understanding of their job scope and responsibilities. They believe that their work contributes to the Company's operations and they have a good understanding of the Company's corporate culture. In 2022, the average employee satisfaction score of Cheng Shin China was 86.0 points. The highest score was in "Company Satisfaction" with a score of 87.5 points. The lowest score was in the area of employee meal improvements, which has been identified as a priority area for improvement and adjustment.

Care for Foreign Migrant Workers

There are 865 migrant workers from Vietnam, Thailand, Indonesia, and other places in the Company's Taiwan operations. In addition to providing local meals in the dormitory, Cheng Shin also provides fitness facilities, cooking areas, and leisure areas to relieve the pressure of work and provides bus transportation to and from plants that are further away from the dormitory. In addition, Cheng Shin has also hired dormitory managers who are responsible for counseling foreign migrant workers. The Company holds regular meetings with dormitory managers to solve problems in life management.



Migrant Worker Dormitory



Bicycle Parking Area



Dormitory Administration Center



Migrant Worker Dormitory Fitness Area

3.5 Career Development and Evaluation

Item	Management Approach
Materiality	<ul style="list-style-type: none"> Cheng Shin actively enhances employees' professional skills and managerial competencies through education, training, and resource development. This is done to consistently embody the spirit of corporate culture, strengthen employee competitiveness, and subsequently pursue a leading position for Cheng Shin in the market and sustainable sectors.
Policy/Commitment	<ul style="list-style-type: none"> Cultivate excellent professional and technical personnel and management personnel who can create maximum value for Cheng Shin.
Goals and Targets	<ul style="list-style-type: none"> Enhance staff competencies and their management capabilities.
Responsibility	<ul style="list-style-type: none"> Human Resources Department
Resources	<ul style="list-style-type: none"> Cheng Shin Taiwan - Continued investment of NT\$630,000 per year. Cheng Shin China - Continued investment of CNY 1.73 million per year.
Communication Channels	<ul style="list-style-type: none"> Employee complaint box/hotline.
Action Plan	<ul style="list-style-type: none"> Training Programs: Orientation Training for New Employees / Job-specific Training / Hierarchy-Based Management Training / Project-based Courses / Self-Development Programs / Educational Advancement. Learning Channels: Lecture Hall-style Learning, Digital Learning, Project Assignments, Interactive Learning, On-the-job Training, and other diverse learning channels. In the Mainland China region, Maxxis University has been established, along with collaborations with nearby higher education institutions. Each year, a program for educational advancement is organized to ensure that employees can grow and learn in a supportive environment. Retiree advisory team
Effectiveness Assessment	<ul style="list-style-type: none"> Based on the various training courses, there are certification systems such as competency certification, vocational qualification examination and even academic qualifications.

Education, Training and Career Development

The Company plans training courses for professional and technical skills in various departments. These courses are tailored to different levels of staff to boost their expertise and improve management capabilities. This approach aligns with the company's corporate culture and aims to strengthen employee competitiveness.

(Cheng Shin Taiwan) In 2022, the Company offered 1,954 job-specific courses and 107 routine and project-based courses, totaling 2,061 courses and 37,158 training hours, with an average of 7.75 hours per employee.

(Cheng Shin China) In 2022, a total of 18,942 training sessions were conducted, including 3,116 pre-employment training courses, 4,409 courses based on specific job roles, 10,948 routine courses, 173 courses for different hierarchical levels, and 296 courses in other categories. The total training hours cumulatively amounted to 808,190.7 hours, with an average of 100.18 hours of training per employee.



Training and Education Hours - by Gender

Category	Cheng Shin Taiwan		Cheng Shin China (except for Cheng Shin Xiamen)	
	Male	Female	Male	Female
Total hours of training	26,798	10,360	565,005.9	272,753.5
Average number of hours of training per employee	6.6	13.7	106.1	97.96

Training and Education Hours - by Employee Type

Category	Cheng Shin Taiwan		Cheng Shin China (except for Cheng Shin Xiamen)	
	Supervisor	Non-supervisor	Supervisor	Non-supervisor
Total hours of training	5,415	31,743	108,719.1	729,040.3
Average number of hours of training per employee	6.9	7.9	91.38	105.69

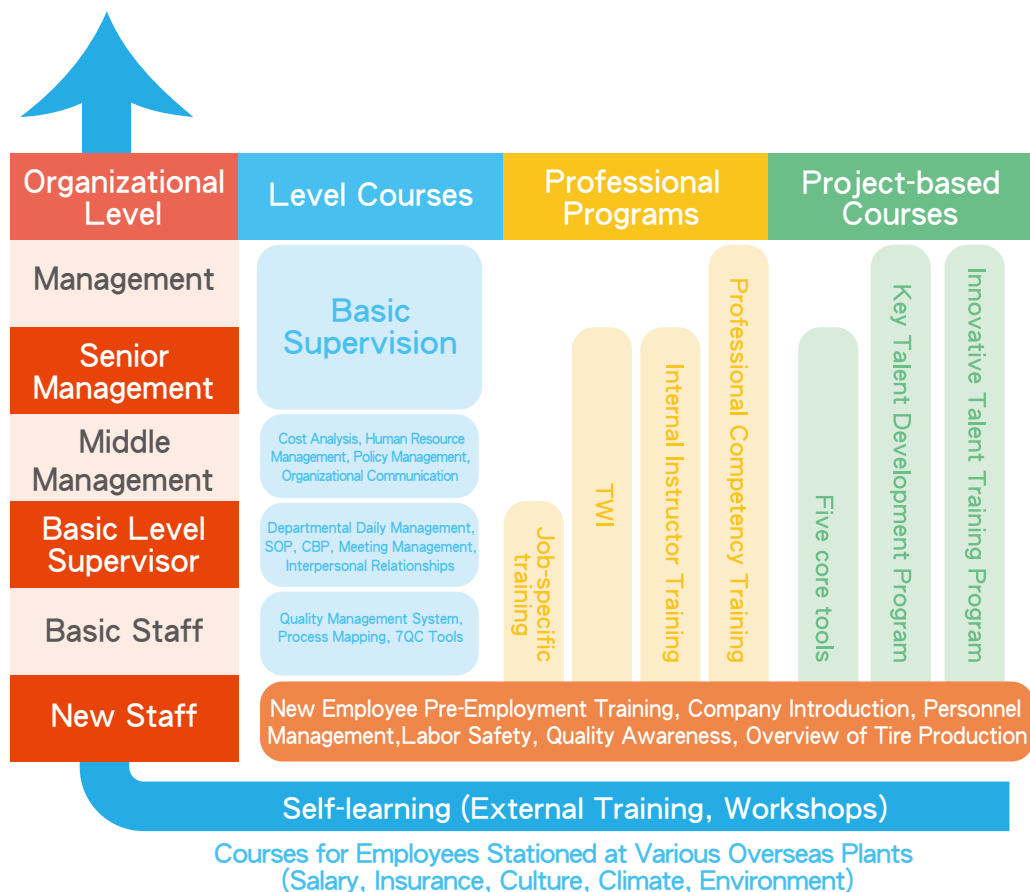
• **New Employee Training** : We provide comprehensive pre-employment training courses for new employees, covering various aspects such as corporate culture, ethical business practices, safety education, quality concepts, and company policies and regulations. These courses enhance employees' understanding of Cheng Shin and help instill a strong sense of quality and safety awareness. After completing training, employees are required to participate in on-the-job education and training. Through pre and post training, internship and competency certification, we ensure that new employees are familiar with the working environment, master job knowledge and skills, and are familiar with the operational requirements of their positions under the guidance of their mentors and pass the certification before they can officially start their work duties.

• **Training by job level** : A series of topical courses designed for different job levels to improve employees' management skills and efficiency. For example, we offer a series of courses on presentation skills and report writing for trainee-level staff to help them integrate into the work environment and master the work pace and efficiency; courses on interpersonal communication, daily management, and problem solving steps for junior staff to improve their work efficiency; and courses on direction management and leadership case studies for supervisors to enhance their leadership and management skills. In recent years, we have optimized the learning map by incorporating the previous project-based courses to enhance the functions of middle and senior executives into the annual routine training at the hierarchical level to cultivate a growth and learning mindset among middle and senior executives; we have also added conceptual courses on work safety and corporate culture as well as professional courses on risk prevention and cost management to the training; and we have started to develop management skills at an earlier stage in non-management positions to improve the hierarchical training system.

• **Professional courses** : We have tailored specialized courses for different job positions, ensuring that our colleagues receive comprehensive training at every stage of their career. During the initial stages of joining the company, we offer position-specific training based on the knowledge and skills required for each role. Additionally, in fields such as production management, research and development, and quality assurance, we provide professional training to enhance colleagues' expertise, guiding them to focus on their roles, realize their potential, and excel. For employees in specialized technical positions such as maintenance electricians, welders, CNC lathe operators, and others, we have designed special training programs to help them obtain professional certifications, thus ensuring that employees possess the necessary professional skills for their roles. Through internal instructor training and the Training Within Industry for Supervisors (TWI) Program, we cultivate internal instructors who can deliver unit-specific and cross-unit professional courses. This facilitates the transfer and inheritance of intellectual capital within the organization, making them pivotal in the dissemination of knowledge and best practices across the organization.

• **Project-based courses** : Cheng Shin develops annual education and training objectives according to its strategies and guidelines, plans a variety of project-based programs to meet the learning needs of staff at all levels in different areas, such as conducting regular courses on five core tools to enhance quality awareness, key talent development programs to train reserve managers and strengthen management capabilities, innovative talents training of R&D units and other courses.

• **Personal development** : We offer external training subsidies and organize knowledge and lifestyle seminars to provide our colleagues with opportunities to learn diverse subjects beyond their work responsibilities. These initiatives allow our employees to absorb new knowledge while balancing their work commitments. The aim is to encourage self-discovery and personal growth. For instance, we conduct seminars on financial management, stress relief, and practical tax declaration to empower our employees with practical skills and insights.



Professional Training Framework

Cheng Shin provides diverse learning channels and opportunities for employees, emphasizing integration with work assignments in addition to practical and case studies.



• **Educational Enhancement** : In Cheng Shin China, both Cheng ShinKunshan and Cheng Shin Chongqing have collaborated with external professional training institutions to provide employees with opportunities to enhance their knowledge and academic abilities while working. They organize two rounds of educational advancement enrollment activities each year. From 2013 to 2022, a total of 18 sessions of junior college and undergraduate programs have been conducted, offering professional guidance to assist employees in successfully attaining their educational degrees. In Cheng Shin Xiamen, to encourage employees to enhance their overall competency and skills and elevate the educational levels and structure of Cheng Shin's various plants to meet the long-term development needs of the Company, collaborations with nearby higher education institutions have been established. Each year, a program for academic advancement is organized. From 2006 to 2022, this initiative has led to the Company cultivating 1,281 employees with junior college degrees and 686 employees with bachelor's degrees and above.

Maxxis University (Cheng Shin China)

Maxxis University is a training center eponymously named after Cheng Shin's main product brand, aiming to train outstanding technical and management professionals who can create the most value for the Company. It was founded in 2006 with CNY 17 million, with a total indoor area of more than 1,600 square meters. The complete educational facilities and wide and comfortable learning space ensure that employees can grow and learn in a sound environment. In terms of software, the company continues to invest about CNY 4 million in education every year. Through a systematic training system and rank-based training courses, supplemented by lectures, seminars, discussions, simulations and other rich teaching modes, employees can continue to improve their professional abilities and personal development.

Foreign Consultants and TWI Instructor Training for Overseas Plants

Since the introduction of the TWI instructor system in Cheng Shin Taiwan and Cheng Shin China, multiple training courses have been conducted to date. Through the integration of theoretical and practical learning, participants are able to internalize their knowledge and apply it effectively in the field when instructing others. In the Mainland China region, around 24 TWI (Training Within Industry for Supervisors) instructors have been trained and deployed within the factory's production lines to ensure consistent quality standards. The introduction of foreign consultants will also be combined with the TWI system to assist in improving production efficiency and reducing the probability of defective quality with the technique of observation and action analysis during operation.

Overseas Expatriation Experience Exchange

Developing toward international management and in line with the world, we have established production bases in India and Southeast Asia. To enhance the international skills and outlook of our staff, we provide overseas expatriation applications and short-term training opportunities for outstanding staff. We also organize overseas expatriation experience sharing to pass on overseas expatriation experience and understand the cultural differences.

Launched the Company's Employee Stock Ownership Trust Program (ESOT)

In order to take care of employee welfare, incentivize exceptional talents, and assist colleagues in achieving long-term savings to ensure stable post-retirement or post-employment life while enhancing employee engagement with the company, on May 11, 2022, the establishment of the "Cheng Shin Rubber Industry Co., Ltd. and Its Subsidiaries Employee Stock Ownership Association" was approved by the Board of Directors. The employee stock ownership program was officially launched in October 2022. Under this plan, employees allocate a fixed amount from their monthly salary, while Cheng Shin also contributes an equivalent amount as a 100% matching contribution. These funds are collectively deposited into a dedicated trust account. The purpose of this initiative is to retain talent, assist employees in accumulating wealth, and plan for their future retirement.

As of December 2022, the number of employees who have joined this ESOT program stood at 50.82%.

Rehiring after Retirement

In accordance with the pension system of the "Labor Pension Act" and the "Labor Standards Act", retirees are provided with monthly contributions to the labor pension and provision for the labor retirement reserves, as well as retirement souvenirs when the employee meets the statutory retirement conditions.

Retiree Advisory Team

Cheng Shin regards employees as talents, and colleagues with extensive experience are valuable assets. The regular employees of Cheng Shin include those "rehired after retirement". These are employees qualified for retirement under the Labor Standards Act and rehired by Cheng Shin. This practice leverages the practical experience of seasoned colleagues to promote a culture of internal knowledge transfer, preventing a significant loss of experienced personnel and enhancing the capabilities of the middle-aged and senior workforce. Under the policy of actively promoting retired employees to be rehired as specialized technicians and consultants, the internal knowledge management of Cheng Shin will continue to circulate and pass down. By the end of 2022, the total number of retired employees who were rehired in Cheng Shin Taiwan, Cheng Shin Kunshan and Cheng Shin Chongqing were 251.

Performance Evaluation System

Performance Management and Competency Enhancement

In 2022, 100% of employees in Taiwan and China were subject to performance evaluations.

In order to achieve the objectives of Cheng Shin's annual business policy and to understand employees' individual performance, Cheng Shin carries out the performance evaluations of all employees on a regular basis. The focus of the performance evaluation is to measure the performance of past tasks and the setting of future work goals, which is used as the basis for employee salary, evaluation, and career development planning, and each year, the results of the previous year's performance evaluation are referred to for employee promotion to ensure fair and complete promotion channels.

Cheng Shin is committed to building a sound education and training system for the continuous improvement of employees' abilities so as to stimulate their potential for future development. Each month, performance evaluations are conducted by the supervisors of each unit based on the performance of employees' work assignments and responsibilities. If the employee's performance does not meet the expected standards, in addition to engaging in communication and care for the employee, appropriate education and training courses will be arranged to enhance the underperforming employee's skills.