

CST ESG 2023

Sustainability Report

Cheng Shin Rubber Ind. Co., Ltd.



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— About This Report —

Content

Since 2014, Cheng Shin has continued to issue a Corporate Social Responsibility (CSR) report on an annual basis. In accordance with policy requirements, Cheng Shin changed the name to "Sustainability Report" starting from 2021, and issued Cheng Shin's 10th Sustainability Report in 2024, hereinafter referred to as this Report.

This Report covers all aspects such as economy, environment, society, and the Company's products, and also includes corporate integrity management, eco-friendly, employee care, supplier management, shareholders' equity, customer service and community participation, and explains 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 an engagement platform for communication and discussion to promote friendly communication between Cheng Shin and its stakeholders.

The main content of this report is primarily based on the GRI Standards issued by the Global Reporting Initiative (GRI) as the compilation framework. It aligns with the Sustainability Accounting Standards Board (SASB) guidelines and the Task Force on Climate-related Financial Disclosures (TCFD) framework for climate-related financial disclosures. The information has been concurrently uploaded to both the Public Information Observation Platform and the official website of Cheng Shin. Additionally, the GRI Index is attached at the end of the report to facilitate quick referencing and inquiries for readers.

The financial figures are calculated in New Taiwan Dollars (NT\$) and certified by PricewaterhouseCoopers Taiwan (PwC Taiwan). 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.

Scope and Boundaries

This report covers the disclosure scope of the parent company, Cheng Shin Rubber Industry Co., Ltd. (hereinafter referred to as "Cheng Shin Taiwan"), and the following subsidiary companies: Cheng Shin Rubber (China) Co., Ltd., Cheng Shin Tire & Rubber (Chongqing) Co., Ltd., Cheng Shin Tire (Xiamen) Co., Ltd., Cheng Shin-Petrel Tire (Xiamen) Co., Ltd., Xiamen Cheng Shin Enterprise Co., Ltd., Cheng Shin Rubber (Zhangzhou) Ind. Co., Ltd (hereinafter referred to as "Cheng Shin China").

Among them, Cheng Shin Rubber (China) Co., Ltd. and Cheng Shin Tire & Rubber (Chongqing) Co., Ltd. are respectively referred to as "Cheng Shin Kunshan" and "Cheng Shin Chongqing" in the content of this Report. Cheng Shin Tire (Xiamen) Co., Ltd., Cheng Shin-Petrel Tire (Xiamen) Co., Ltd., Xiamen Cheng Shin Enterprise Co., Ltd., Cheng Shin Rubber (Zhangzhou) Ind. Co., Ltd are collectively be referred to as "Cheng Shin Xiamen" in the content of this Report.

The disclosed information in this Report is presented on a consolidated basis. It includes audited financial information, certain sustainability data, and financial statements that are consistent with the audited financial statements. However, it does not encompass the equity method investments as presented in the consolidated financial statements.

Review and Assurance

The Company's Sustainability Report was compiled by various departments which the Sustainable Development Steering Group was responsible for coordinating, in accordance with the framework under the Global Reporting Initiative (GRI) and Task Force on Climate-related Financial Disclosures (TCFD), and the standards and requirements of the Sustainability Accounting Standards Board (SASB). To ensure the quality of information disclosure, the Company engaged Deloitte & Touche to issued a limited assurance report according to Standard Assurance No. 3000. This report was issued after the board of directors resolved and approved it on August 12, 2024.

Contact Information

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

Sincerely,

Board of Directors of Cheng Shin Rubber Ind., Co., Ltd.. The report is as attached.

Address: No. 215, Meigang Rd., Dacun Township, Changhua County, Taiwan.

Telephone: (04)852-5151#729

Unit: ESG Steering Group

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

Report Issuance Date and Frequency: Cheng Shin publishes the report on an annual basis. The 2023 Sustainability Report discloses our sustainability performance and responds to stakeholders' concerns for the year 2023 (from January 1, 2023 to December 31, 2023); for completeness, some information can be traced back to 2021.

— Message from the Chairman —

2023 ushered in the post-pandemic era. As the supply problem eased and the global auto market resumed its growth momentum, under the influence of rising interest rates and inflation, Cheng Shin's annual revenue performance was slightly lower than that of the same period last year. However, under the management and leadership of Cheng Shin's management team, we have refined our product portfolio, reduced costs, and increased profits. The net profit for 2023 made a 44.18% growth compared to the same period last year. Cheng Shin partnered with suppliers and customers to form mutually-beneficial strategies based on past partnership experiences, thereby enhancing the scale and sales volume of our Group in spite of adversities.

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 six consecutive years, and our achievements in corporate governance and corporate social responsibility continue to be widely recognized.

In terms of environmental sustainability, the solar power systems of our factories in Cheng Shin Taiwan and Cheng Shin China generated a total of 47.65 million kWh of electricity in 2023. Furthermore, environmental management systems have been established across various factory plants, promoting energy-saving initiatives and setting annual energy-saving targets. In 2023, Cheng Shin reduced its greenhouse gas emissions by a total of 70,753.52 tCO₂e and decreased water resource consumption by 88.495 million liters. To enhance occupational health and safety management systems, Cheng Shin Taiwan continued to obtain ISO 45001, CNS 45001 and ISO 14001 certifications in 2023, while Cheng Shin China maintained their ISO 50001 energy management system external certifications. These efforts reflect the commitment to environmental protection and reinforce a comprehensive approach to occupational safety and health management.

In addition, providing colleagues with a better working environment and prioritizing safety are commitments that Cheng Shin consistently upholds. Employees are the most valuable assets of the Company, and ensuring their occupational health and safety is a fundamental cornerstone for Cheng Shin to achieve sustainable operations. 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.

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 affiliated brands and partners, and will continue to make progress, fulfill our corporate responsibilities, and shape the sustainable growth of our business



Chairman

Chen Yuhua



Part 1

Cheng Shin “Rolls” the World



1.1 2023 Sustainability Highlight Achievements

1. Cheng Shin's operations in Mainland China passed the external certification for the ISO50001 energy management system.
2. Greenhouse Gases Reduction
The energy saving programs promoted in Taiwan and China have reduced greenhouse gas emissions by a total of 70,753.52 tCO₂e.
3. Reducing the Use of Water Resources
A total of 88.495 million liters of water consumption was reduced in Cheng Shin Taiwan and Mainland China.
4. Use of Green Energy
Cheng Shin has installed solar photovoltaic systems that can generate 47.65 million kWh of electricity per year.
5. Selected as one of the constituents of the "Taiwan RAFI EMP 99 Index".
6. Continue to implement the Company's Employee Stock Ownership Program.

1.2 About Cheng Shin

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 (China), Xiamen (China), 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.

企業概況：

Cheng Shin Rubber Ind. Co., Ltd.	
Date Established	January 1, 1967
Headquarters	No. 215, Meigang Rd., Huangcuo Vil., Dacun Township, Changhua County, Taiwan.
Chairman	Chen, Yun-Hwa
President	Lee, Chin-Chang
Paid-in Capital	NT\$32.414 billion
Total number of full-time employees	Taiwan 4,406 Global 21,646 persons

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 2021-2023

2021

Cheng Shin was 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.



2022

A number of the Company's products have won the "Taiwan Excellence Award". Cheng Shin was listed as a constituent stock of the FTSE4Good TIP Taiwan ESG Index for the 5th consecutive year.

MAXXIS VS-EV Electric Vehicle Tire Wins "2022 SEMA New Products Award".



2023

Cheng Shin was listed as a constituent stock of the FTSE4Good TIP Taiwan ESG Index for the 6th consecutive year.

All eight MAXXIS products were recognized by the "Taiwan Excellence Award". The MAXXIS VS-EV electric tire won the Red Dot Award, the Paris DNA Design Award, and the U.S. IDEA International Design Award of Excellence. MAXXIS received the Yulon Nissan Design and Development Award.



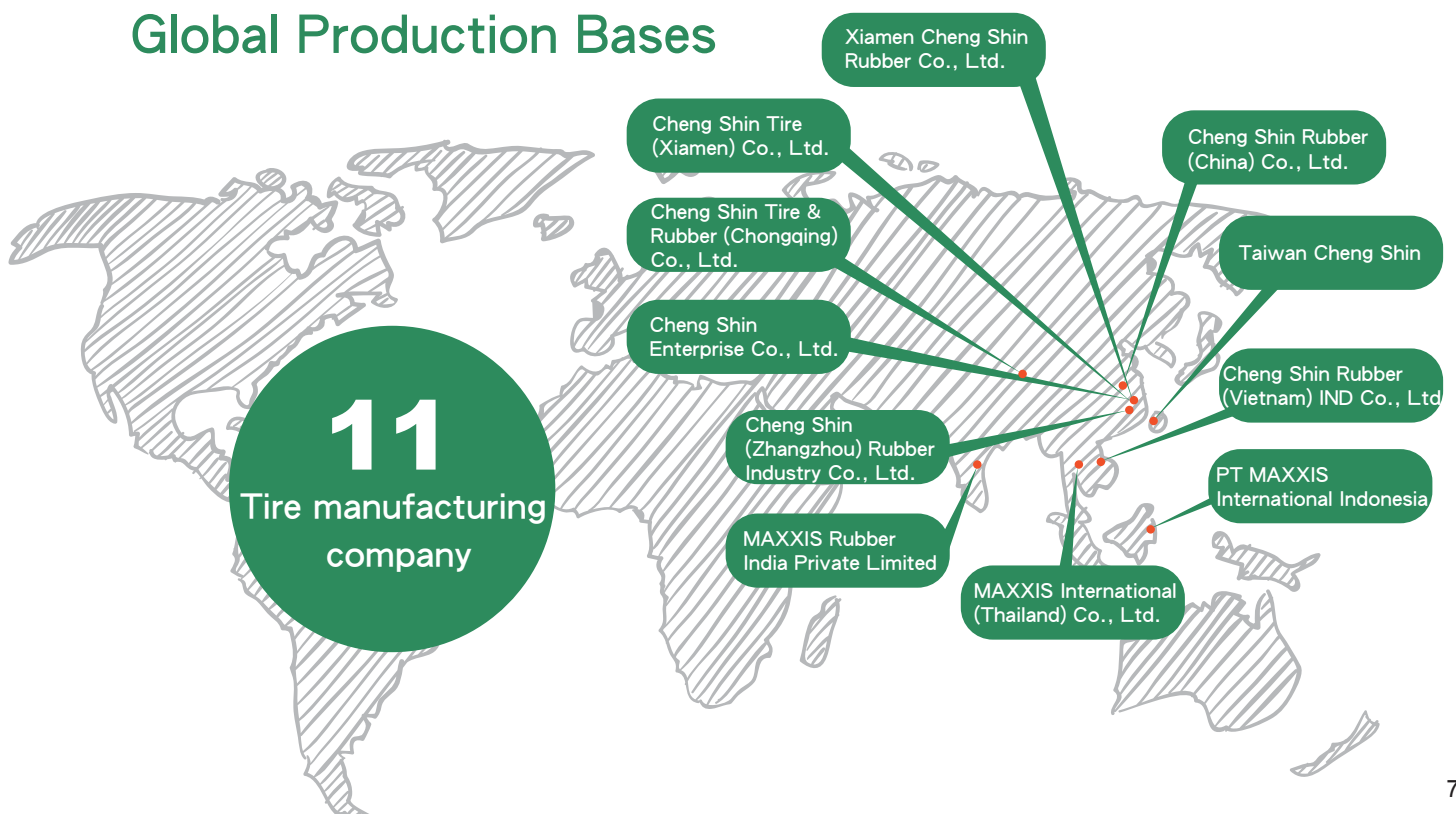
Operational Performance

Cheng Shin takes "adhering to integrity and innovation - adhering to the core business while creating new opportunities" as its core value, manifested in the corporate culture is the concept of "Three 100%'s - 100% Quality, 100% Service, 100% Trust". The Company continuously advances by enhancing research and development, fostering innovative products, investing in tire testing facilities to expedite product development, and complementing these efforts with a diverse brand marketing strategy. This is aimed at delivering superior products to customers with varying needs. Furthermore, the Company embraces a sense of respect, care, and gratitude, fostering a sense of belonging and participation among all. This collective effort helps shape the Cheng Shin and MAXXIS brands, making everyone a part of the family.

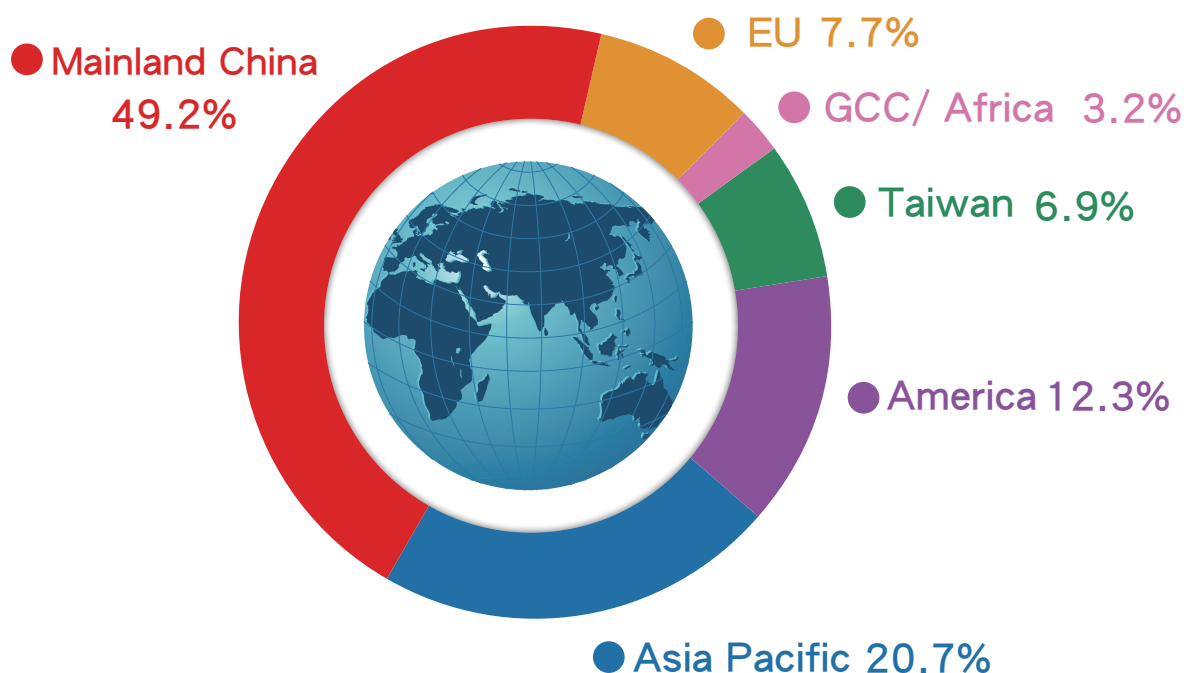
By integrating the elements of people, machinery, materials, methods, and quality with the principles of SAP (Speed, Accountability, Performance), Cheng Shin aims to avoid the wastefulness of 3D (Dullness, Delay, Defects) and promote energy conservation and carbon reduction. This approach nurtures a self-disciplined team that embodies integrity and responsibility. Furthermore, through a systematic approach, Cheng Shin aims to propel its growth engine and achieve its business objectives. 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.

- ◆ Cheng Shin is the largest tire manufacturing company in the Greater China region, consistently maintaining the top position in terms of revenue in Taiwan.
- ◆ The Company 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. In terms of marketing, Cheng Shin employs a multi-brand strategy, promoting MAXXIS, CST, PRESA, and other brands through various channels simultaneously to expand market share. Additionally, the Company enhances brand recognition and

Global Production Bases



Cheng Shin Group Sales Analysis - By Region



2023 ushered in the post-pandemic era. Under the influence of rising interest rates and inflation, the company's annual revenue performance was slightly lower than that of the same period last year. However, under the management and leadership of Cheng Shin's management team, we have refined our product portfolio, reduced costs, and increased profits. Net income for the full-year consolidated statement of 2023 increased by 44.18% compared to last year, with an EPS of NT\$2.22. In such a difficult environment, Cheng Shin has taken a customer-oriented approach to full production to satisfy customers' needs, to create new opportunities, to enhance the added value of products, while simultaneously striving to increase revenue and profitability. In FY2023, the parent company's only revenue reached NT\$17.4 billion, with an EPS of NT\$2.22. The gross margin reached 30%, and the brand value reached US\$253 million.

Unit: NT\$ thousand

	2021	2022	2023
Operating Income	20,707,983	20,409,294	17,446,799
Gross Operating Profit	5,517,645	5,972,778	5,186,846
Operating Profit or Loss	2,171,864	2,861,112	2,020,789
Non-operating Income and Expenses	4,134,631	3,486,130	7,144,346
Profit Before Income Tax	6,306,495	6,347,242	9,165,135
Net Profit for the Year	5,270,007	4,961,369	7,182,382

Government Subsidies

Cheng Shin actively responds to government policies, particularly in the areas of industry innovation, technological upgrades, and environmental protection. In 2023, Cheng Shin Taiwan received financial subsidies from the government for the following items: R&D investment credit for Profit-seeking Enterprise Income Tax recognized by the Industrial Development Bureau; credit for Profit-seeking Enterprise Income Tax for intelligent machinery and 5G Mobile Communication System, maternity leave, paternity leave and employer's salary subsidy for paternity leave, and subsidies for Stable Employment Program. Cheng Shin China mainly received grants from the Industrial Development Fund and for the purchase of R&D equipment.

Unit: NT\$ thousand

	2021	2022	2023
Cheng Shin Taiwan	33,776	37,776	51,357
Cheng Shin Kunshan	225,662	106,589	348,496
Cheng Shin Chongqing	53,165	40,113	34,218
Cheng Shin Xiamen	295,596	294,108	247,236

Participation in Public Association Organizations

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

Cheng Shin 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	China Rubber Industry Association Tyre Branch	China Rubber Industry Association Cycle Tyre Branch
	China Association of Enterprises with Foreign Investment	Xiamen Enterprises and Entrepreneurs Association	Xiamen High Technology Enterprise Association
	Xiamen Association of Enterprises with Foreign Investment	Xiamen Taiwan Business Association	Xiamen Modern Logistics Association
	China Bicycle Association		

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

Cheng Shin Taiwan	Changhua County Confederation of Trade Unions	Changhua County Industrial Federation Trade Union	Changhua County Labor and Industry Relations Association
	Changhua County Policemen Association	Yunlin County Industry Association	Yunlin Technology Industrial Park Association
	Changhua County Volunteer Firefighters Association	YMT Exchange	SAE Taipei Section
	Taiwan Transportation Vehicle Manufacturers Association	Taiwan Bicycle Association	Car Safety Association
	Chinese Excellent Management Association	Kuozui Automobile Association	Chinese Automobile Association
	Corporate Operating and Sustainable Development Association	Industrial Safety and Health Association	TWSAA TAIWAN STOCK AFFAIRS ASSOCIATION
	Taiwan Boiler Association	Sanyang Motor Industry Assistance Association	BAC Sustainability Alliance
	Accounting Research and Development Foundation	Taiwan Union of Nurses Association	Kymco Elites
Mainland China	Motorcycle Association		
	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 Correction: The currency value of Xiamen region in the 2022 ESG report was mistyped as RMB, but it has been converted into NTD. It is hereby corrected.

1.3 Stakeholder Engagement

Through various forms of management, Cheng Shin engages and responds to the concerns of stakeholders, and proposes solutions and related practices.

Types and Meaning of Stakeholders

To facilitate more effective communication with the stakeholders of Cheng Shin, the Company has established the "Sustainable Development Steering Group" as the organization responsible for planning and implementing the sustainable development strategy, as well as coordinating the implementation of the policies and goals of sustainable management among all departments. The Sustainable Development Steering Group is composed of heads of various departments, each year the Group submits a sustainability report to the Board of Directors and reports on the sustainable development strategies for the previous year. The Board of Directors supervises and implements the three 100% corporate cultures to practice the ESG spirit. The five principles of AA1000 Stakeholder Engagement Standard, including dependency, responsibility, tension, multiple perspectives, and influence, are referenced to identify and prioritize stakeholders. Through the internal discussions this time and with help from external experts, we have identified the following stakeholders: customers, shareholders, employees, government agencies, and suppliers as the five major groups of stakeholders. 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 2023 (number of sessions, attendance, discussion results)
Customers	Refers to major car manufacturers, dealers and general consumers.	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.	<ol style="list-style-type: none"> 1.Product Quality Management 2.Business Continuity Management 3.Product R&D and Technology Development 4.Supplier Sustainability Management 5.Compliance with laws and regulations 	<ol style="list-style-type: none"> 1. Visits to the Company website from time to time. 2. New product launch events from time to time. 3. Sales service mailbox and telephone. 	<ol style="list-style-type: none"> 1. 2023 Customer Satisfaction Survey, with satisfaction level maintained at high. 2. Held 5 new tire product launch events.
Shareholders	Refers to holders of shares issued by Cheng Shin.	The shareholders of Cheng Shin are important supporters of the Company's survival and continued development. The shareholders should have fair access to material information about the Company as their social evaluation of the Company will affect the change of stock price.	<ol style="list-style-type: none"> 1.Compliance with laws and regulations 2.Risk Management 3.Information Systems Security Management 4.Product Quality Management 5.Business Continuity Management 	<ol style="list-style-type: none"> 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. 	<ol style="list-style-type: none"> 1. Two investor conferences were held in 2023. 2. One shareholders' annual general meeting was held in 2023. 3. Update information on the MOPs in accordance with the regulations. 4. Updates of investor information on the Company's official website (as required). 5. Address shareholders' inquiries by phone and email. All inquiries were answered. 6. Annual corporate governance evaluation. The results of the evaluation in 2023 ranked Cheng Shin among 21%-35% of listed companies.
Employees	Refers to office and factory employees.	Employees are valued assets of the Company and are key stakeholders in the continued innovation and growth of the Company.	<ol style="list-style-type: none"> 1.Compliance with laws and regulations 2.Product Quality Management 3.Occupational Safety and Health 4.Human Rights Protection and Diversity and Inclusion 5.Labor Relations and Employee Benefits 	<ol style="list-style-type: none"> 1. Hold labor-management conferences and occupational safety and health committee meetings (on a quarterly basis). 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). 	<ol style="list-style-type: none"> 1. Organized a total of 28 labor-management meetings to report on labor dynamics, communicate and discuss labor activities, employee benefits, etc. 2. Monthly factory on-site medical service, interview employees on health checkups and health consultations.
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.	<ol style="list-style-type: none"> 1.Business Continuity Management 2.Sewage Discharge Management 3.Waste Management 4.Occupational Safety and Health 5.Labor Relations and Employee Benefit 	<ol style="list-style-type: none"> 1. Official documents (as required). 2. Facilitate communication between the labor union and competent authorities through regulatory explanation sessions 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 (as required). 	<ol style="list-style-type: none"> 1. Outreach 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 in compliance with applicable regulations.
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.	<ol style="list-style-type: none"> 1.Supplier Sustainability Management 2.Product Quality Management 	<ol style="list-style-type: none"> 1. On-site audits or self-assessments of new and existing suppliers (as required). 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). 	<ol style="list-style-type: none"> 1. A total of 16 suppliers implement self-assessments in accordance with the annual audit plan, of which 5 were rated A, 9 were rated B+, 2 were rated B. All suppliers passed Cheng Shin's assessments with an achievement rate of 100%.

1.4 Sustainable Cheng Shin

1.4.1 Strategies for Sustainable Development

Commitment to Sustainability

Running on the faith of founder Chairman Luo Jye when he founded the business, Cheng Shin persists in the concepts of Honesty and Integrity, which are the most fundamental precepts for Cheng Shin and the highest guiding principles in the pursuit of sustainable operations. In addition, Cheng Shin also pursues 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.

◆ **Implement ESG spirit:** We will hold fast to the philosophy of Integrity & Innovation, focus on the principal operation to embrace new opportunities and practice the corporate culture of honesty, integrity, and continuous innovation as one of the critical factors staking sustainable and sound development of Cheng Shin. Moreover, we will also urge related members of Cheng Shin to follow the good tradition of honesty and integrity and should the principal operation when they perform duties.

◆ **Reduce greenhouse gas emissions:** harness clean energy and plan energy-saving measures to reduce greenhouse gas emissions. Align with targets set out in the national Carbon Reduction Roadmap, and strive to continue efforts for the earth.

◆ **Participate in social philanthropy:** Continue to care for the underprivileged and work together with the entire Maxxis family to spread the positive energy of society.



◆ **Enhance energy efficiency:** Proactively conduct greenhouse gas emissions inventory and disclosures, grasp the carbon emission situation of each plant, and optimize the production process to improve energy efficiency.

◆ **Talent attraction and cultivation:** establish a friendly and diversified quality workplace, create a fair learning environment, and enhance the concept of sustainable development of employees.

◆ **Safeguarding employee rights:** Cheng Shin is committed to protecting labor rights and employee welfare, and creating a healthy and safe work environment.

1.4.2 Sustainable Development Steering Group

In 2015, Cheng Shin started to promote and set up a CSR Steering Group, with the Marketing Planning Department as the convener. The Company publishes a sustainability report every year and converges the strengths of our operations in Taiwan and China 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 order to align with international development trends and achieve the goal of sustainable development, and to strengthen the implementation of sustainability by Cheng Shin, the Board of Directors resolved in January 2022 to rename the "Corporate Social Responsibility Steering Group" to "Sustainable Development Steering Group" (hereinafter referred to as the ESG Steering Group). The Board of Directors authorized former Director Huang, Chung-Jen (currently a consultant) to serve as the convener to establish four major groups: Corporate Governance, Society, Environment, and Products. Finance, human resource, marketing and planning, management, R&D and other department heads serve as members of the organization, responsible for formulating corporate sustainability strategies, performance monitoring, social responsibility and risk management work, and working on issuing sustainability reports every year.




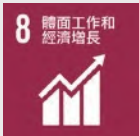
A report was presented during a Board meeting on August 12, 2024 outlining the content and plans of the Sustainability Report of the previous fiscal year, as well as the implementation of improvement measures and medium to long-term policy goals. The Board of Directors also supervised the efforts of the ESG Group to uphold the ESG spirit and implement a corporate culture centered on 100% quality, service, and trust, with a focus on preserving core values and embodying ESG principles.










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 direction for sustainable development. It also lists 17 Goals of the UN's Sustainable Development Goals (SDGs) as its sustainable development guide and has identified and evaluated 11 of the 17 Goals as its focus. In terms of sustainable corporate development and community engagement strategy, Cheng Shin integrates the SDGs as key reference information for corporate evaluation of social engagement, follows the five steps of the SDG Compass - Understanding the SDGs, defining priorities, setting goals, integrating, and reporting and communication, thereby establishing action plans and reviewing them to shape the future sustainable business development.

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
	1.1.By the year 2030, ensure that all employees, regardless of gender or social status, especially those who are impoverished or from disadvantaged groups, have equitable rights and access to economic resources, basic services, land and other forms of property, inheritance, natural resources, new technologies, and financial services (including microfinance).	●Since 2012, we have been sponsoring scholarships for low-income students at elementary schools around the country for many years, with a total of NTD 3,010,000 sponsored.	4.3.3Educational Support
	2.1.By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. 2.2.By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons.	●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 and adequate care for the elderly.	4.3.4Giving Back to the Community
	3.8.Achieve universal health coverage (UHC), including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	●The Company provides special health checkups for workers involved with special health hazards at work. ●The Company provides health consultation services by doctors on-site at the Company's plants. ●Special health examinations were conducted for personnel in special workplaces in 2023, totaling 597 employees, with follow-up for 17 employees.	3.3.Safe and Healthy Workplace
	4.A.Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all.	●Provide multiple learning channels for our employees to balance work and physical/mental health. ●In 2023, we held 1 lifestyle seminars and 2 occupational safety seminars, and the total number of participants reached 163 persons.	3.5.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, including persons with disabilities, indigenous peoples and children in vulnerable situations.	●Since 2012, we have been sponsoring scholarships for low-income students at elementary schools around the country for many years, with a total of NTD 3,010,000 sponsored.	4.3.3Educational Support

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
 <p>5 性別平等</p>	<p>5.1.Achieve gender equality and empower all women and girls</p> <p>5.A.Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.</p>	<ul style="list-style-type: none"> ●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. 	<p>3.4.Employee Benefits and Care</p>
 <p>6 清潔飲水和衛生設施</p>	<p>6.3.By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.</p> <p>6.4.By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p> <p>6.5.By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.</p>	<ul style="list-style-type: none"> ●The Company continues to implement water resource management and recycling of process wastewater. ●The amount of effluent discharged in Cheng Shin Taiwan has decreased by 12.78% compared to 2022. 	<p>2.4.Water Resources Management</p>
 <p>7 經濟適用的清潔能源</p>	<p>7.3.By 2030, double the global rate of improvement in energy efficiency.</p>	<ul style="list-style-type: none"> ●The Company has been involved in voluntary reduction of greenhouse gases. ●Enhance efficiency of the Company's equipment. ●Reduce greenhouse gas emissions by 70,753.52 tCO₂e in 2023 by promoting energy saving programs in our operations in Cheng Shin Taiwan and Mainland China. ●The 2023 annual business policy clearly stipulated the item "Reduction of Energy Intensity and Implementation of Energy Saving Improvement Plans (Steam, Electricity)" for each unit to undertake actions based on the policy. 	<p>2.3.2 Energy Management</p>
 <p>8 體面工作和經濟增長</p>	<p>8.1.Sustain per capita economic growth in accordance with national circumstances, and in particular at least 7% per annum GDP growth in the least-developed countries.</p> <p>8.7.Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms.</p> <p>8.8.Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<ul style="list-style-type: none"> ●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 2023, parent company only revenue reached NT\$17.4 billion, earnings per share was NT\$2.22, gross margin of sales reached 30%, and brand value reached US\$253 million. ●Cheng Shin's "Work Rules" stipulate that no one under the age of 15 shall be employed as a regular new employee. ●The hiring process is rigorous, and the age is verified to ensure compliance with the local labor-related laws and regulations of the operating regions. Between 2014 and 2023, no child labor was used, and no child labor-related complaints were received. ●Review new suppliers and their annual audit plans based on supplier evaluations and the contents of annual audit clauses. The review items should include ensuring the safety of workers' working environment. ●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. ●The 2023 annual business policy clearly stipulated the item "implementation of safety audits, improvements, and avoidance of major environmental safety incidents", and each unit undertook actions based on the policy. 	<p>1.2.About Cheng Shin</p> <p>3.2.Human Rights Policy and Labor-Management Relations</p> <p>3.3.Safe and Healthy Workplace</p>

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
 <p>11 永續發展的市鎮規劃</p>	<p>11.6.By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.those in precarious employment.</p>	<ul style="list-style-type: none"> ●Maintain the normal operations of air pollution control equipment in factory plants. ●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 2023 clearly defines the project of "creating a sustainable environment and reducing waste", and each unit will take action in accordance with the 	<p>2.5.Waste Management, Recycling and Reuse 2.6.Air Pollution Prevention and Control</p>
 <p>12 確保永續消費和生產模式</p>	<p>12.2.By 2030, achieve the sustainable management and efficient use of natural resources.</p>	<ul style="list-style-type: none"> ●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. 	<p>2.3.1 Resource Management 2.3.2 Energy Management 2.3.3 Energy Conservation and Carbon Reduction Measures.</p>
 <p>12 確保永續消費和生產模式</p>	<p>12.4.By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment.</p>	<ul style="list-style-type: none"> ●In order to ensure the normal operation of the air and water pollution prevention equipment, Cheng Shin's plants are equipped with drug addiction prevention 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 2023 is 2.05% less than that in 2022. 	<p>2.5.Waste Management, Recycling and Reuse</p>
 <p>12 確保永續消費和生產模式</p>	<p>12.5.By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p>	<ul style="list-style-type: none"> ●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 optimal use of water resources. ●The Company's annual management policy for 2023 clearly defines the project of "creating a sustainable environment and reducing waste", and each unit will take action in accordance with the policy. 	<p>2.4.Water Resources Management</p>
 <p>12 確保永續消費和生產模式</p>	<p>12.6.Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>	<ul style="list-style-type: none"> ●Publish annual sustainability reports and utilize the accessibility, transparency, timeliness, comprehensiveness, and interactivity of websites to conduct sustainable reporting. ●Cheng Shin issues one sustainability report per year. 	<p>About This Report</p>
 <p>16 和平、正義與健全的司法</p>	<p>16.5.Substantially reduce corruption and bribery in all its forms</p>	<ul style="list-style-type: none"> ●Formulation of integrity management rules and regulations and promotion work. ●Integrity management education and training. ●No violation of the laws and regulations or internal regulations for integrity management occurred in 2023. 	<p>1.6.2Integrity and Anti-Corruption</p>
 <p>16 和平、正義與健全的司法</p>	<p>16.6.The Company has developed an effective, responsible and transparent system at all levels.</p>	<ul style="list-style-type: none"> ●Procedures for Preventing Insider Trading. ●Work Regulations. ●Establishment of regulations for Related-Party Transactions. ●Suppliers - Establishment of Commercial Contracts ●No incidences of insider trading or corruption cases occurred in 2023. 	

1.5 Identification of Material Topics

1.5.1 Procedures for the Identification of Material Topics

With reference to the GRI Standards, material topics and development trends of the same industry, we have selected 20 sustainable issues. Cheng Shin's responsible departments distributed questionnaires for stakeholders to fill out, in order to understand the degree of concern of stakeholders about the sustainability issues of Cheng Shin.

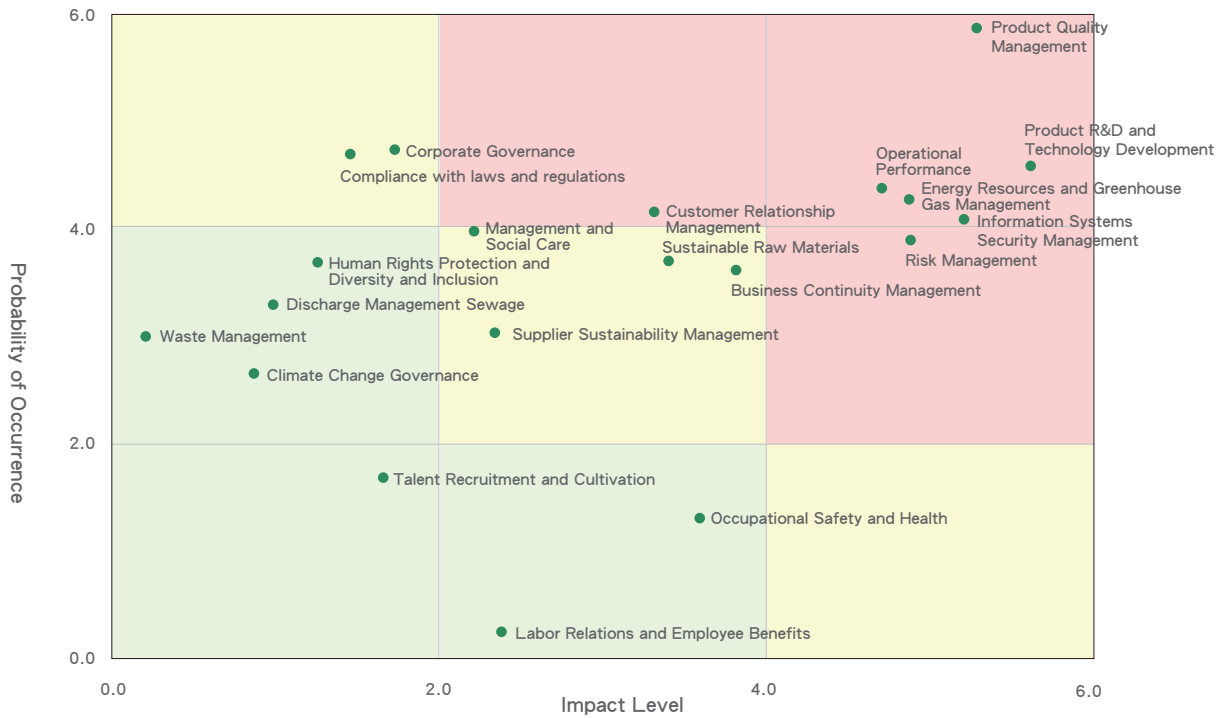
203 questionnaires were distributed in 2023, and the response rate reached 100%. After statistics and analysis, the sustainability issues were ranked in accordance with the degree of concern. Additionally, 21 senior executives within Cheng Shin completed questionnaires to assess the impact of these sustainability issues, their actual and potential, and negative and positive impacts, on the environmental, social, and governance aspects (E, S, G). All 21 questionnaires were collected with a response rate of 100%. After analyzing the internal assessment questionnaires for positive and negative impacts, we compiled the top five sustainability issues that emerged from both positive and negative impact assessments.

After analyzing the internal positive and negative impact assessment questionnaires, the following eight internal sustainability issues were identified by aggregating the five major sustainability issues prior to the positive and negative impacts: Product Quality Management, Customer Relationship Management, Operational Performance, Talent Recruitment and Cultivation, Occupational Safety and Health, Energy and Greenhouse Gas Management, Information Security Management, Product R&D and Technology Development.

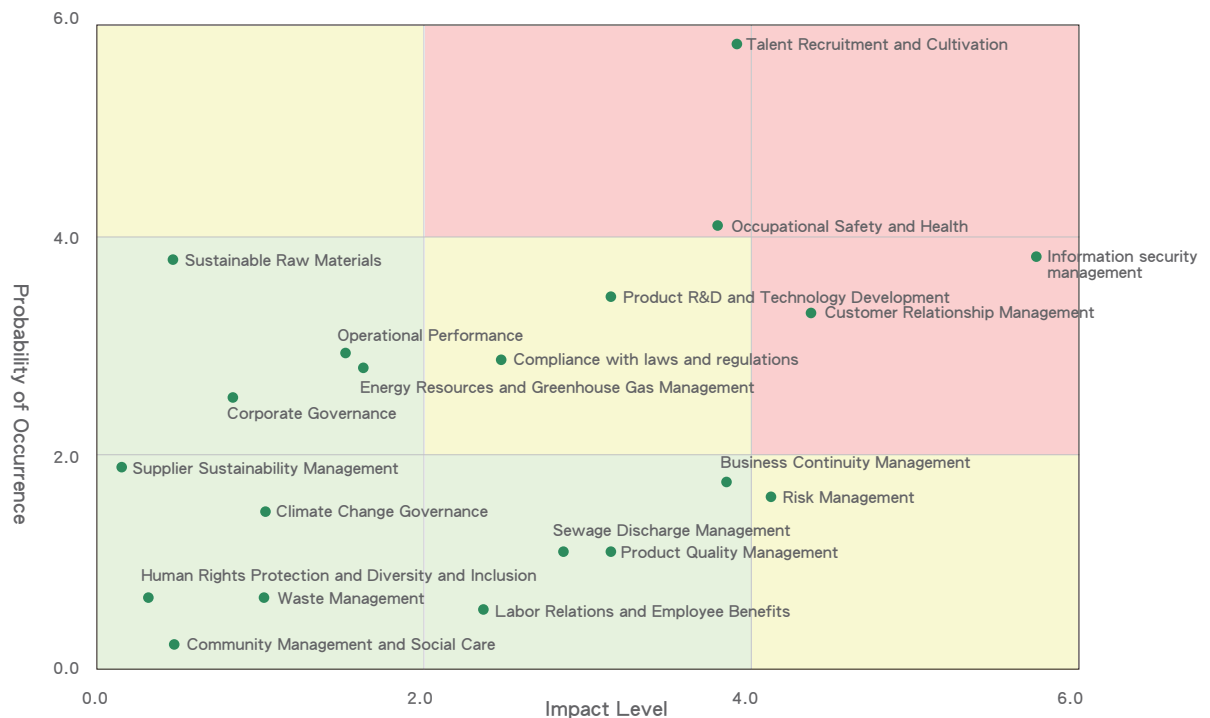
Changes in 2023 material topics

Material Topics	Compared to 2022	Description
Product R&D and Technology Development	Newly added	Through continuous innovation, Cheng Shin highlights brand value, enhances the Company's profitability and competitiveness, and assists customers in enhancing their brand value. Materiality is highly elevated.
Information security management		Cheng Shin continues to improve information protection and implement relevant risk management processes to maintain operational sustainability. Materiality is highly elevated.
Business Continuity Management		
Corporate Governance	Decrease	With reference to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies", Cheng Shin has established an effective corporate governance framework for compliance. The relevant systems are sound and continuously in operation, and the materiality is relatively low.

Positive Impact Material Topics Matrix



Negative Impact Material Topics Matrix



By analyzing the External Stakeholder Concerns Questionnaire, the top 3 topics were: Compliance with laws and regulations, Business Continuity Management, Product Quality Management.

After combining internal and external concerns on material topics, ten major material topics were identified: Product Quality Management, Compliance with laws and regulations, Customer Relationship Management, Operational Performance, Talent Recruitment and Cultivation, Occupational Safety and Health, Energy and Greenhouse Gas Management, Business Continuity Management, Information Security Management, Product R&D and Technology Development.

1.5.2 Management of Material Topics

Management Approach of Material Topics

Material Topics: Product quality management	
Material Topics: Self-defined topic - Product Quality Management	
Items	2023 Management Approach
Policies	“Quality First and Customer Satisfaction”
Commitments	No production of defective products, no leakage of defective products, no acceptance of defective products
Goals and Targets	Innovative research and development technology to enhance product performance is expected to improve product identification, significantly expand and capture global markets, and enhance corporate development.
Responsibility	Ensure that the products developed and produced by the parent and subsidiary comply with customer, market and regulatory requirements.
Resources	In-house laboratories and outsourced laboratories
Grievance mechanism	Customer service hotline and mailbox.
Specific actions	Continuous research and development of various high-performance tires, including fuel-saving and environmental protection tires, low rolling resistance tires, etc., to enhance product safety and energy efficiency. Pass relevant certification tests around the world to obtain the guarantee of product safety, and ensure the most stringent gatekeeping for consumer safety.
Mechanisms for evaluating the management approach	Product quality management is carried out based on product performance indicators (wet grip, rolling resistance, noise), as well as marketing, labeling, and other product-related laws and regulations.
Results of the management approach evaluation	In 2023, the product performance indicators were certified. In 2023, there were no major violations of laws and regulations related to marketing and labeling of products.

Material Topics: Product R&D and technology development	
Material Topics: Self-defined Topic - Product R&D and Technology Development	
Items	2023 Management Approach
Policies	Follow the Company’s policy to make continuous improvements, honor our commitments, improve quality, satisfy customers, and provide customers with the highest quality products.
Commitments	Cheng Shin is committed to providing customers with high-quality products and becoming their trustworthy partner for mutual growth.
Goals and Targets	Continue to develop high-performance, lightweight, low rolling resistance, safety, and smart tires.
Responsibility	Act in compliance with laws and perform regular audits to ensure that no major violations have occurred.
Resources	Strengthen technical cooperation with multiple suppliers to innovate tire design technology.
Grievance mechanism	There is a contact section on the Company’s official website, where stakeholders can make complaints by phone and email.
Specific actions	Focusing on sustainable development, we develop green materials to reduce carbon emissions and resource consumption.
Mechanisms for evaluating the management approach	Continuous research and development of sustainable, environmentally friendly or waste recycling product technologies; lighter weight, low rolling resistance, wear resistance, durable tires and other product development, in line with the sustainable business environment, to facilitate sustainable development.
Results of the management approach evaluation	In 2023, the development of five low-energy consumption projects for electric vehicles was completed. In 2023, one sustainable material recycling and reuse project was developed.

Material Topics: Information Security Management

Material Topics: GRI 418 Customer Privacy

Items	2023 Management Approach
Policies	Formulate an information security policy in the spirit of an information security management system (ISO27001), specify the implementation of various security measures, and strengthen the audit management.
Commitments	Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.
Goals and Targets	We strive for "data protection without any leaks" so that our customers and suppliers can be assured that their data is in good hands when dealing with Cheng Shin.
Responsibility	The IT Service Department is responsible for formulating information security policies, planning and executing information security operations, and the promotion and implementation of information security policies.
Resources	Provide information security-related education and training to strengthen the information security awareness of employees.
Grievance mechanism	Toll-free service hotline and customer service center mailbox.
Specific actions	Implement information security drills.
Mechanisms for evaluating the management approach	Correct and improve the deficiencies discovered through regular audit operations.
Results of the management approach evaluation	Report and review the progress of routine operations and projects.

Material Topics: Energy Resources and Greenhouse Gas Management

Material Topics: GRI 302 Energy, GRI 305 Emissions

Items	2023 Management Approach
Policies	Conducted a plant-wide GHG inventory and implemented energy-saving and carbon reduction measures.
Commitments	Towards net zero emissions.
Goals and Targets	Improve energy efficiency and reduce greenhouse gas emissions.
Responsibility	We are committed to conducting greenhouse gas inventories to grasp the exact status of greenhouse gas emissions and, based on the results of these inventories, to further promote voluntary greenhouse gas reduction programs and implement energy-saving improvements to reduce energy consumption and greenhouse gas emissions.
Resources	Implement ISO 14064-1:2018 to perform inventory checks.
Grievance mechanism	There is a grievance mailbox on the Company's official website.
Specific actions	Plan the Group's greenhouse gas inventory and verification schedule in accordance with the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies" , perform greenhouse gas inventory at all sites, and advance the carbon reduction baseline year to 2019.
Mechanisms for evaluating the management approach	Conduct a thorough inventory of GHG emissions and emission status, and propose carbon reduction measures for areas with higher emissions.
Results of the management approach evaluation	Continue to make energy-saving improvements to the operating machinery and equipment required for the manufacturing process.

Material Topics: Operational performance

Material Topics: GRI 201 Economic Performance

Items	2023 Management Approach
Policies	Adjust operating strategies in real-time in response to market changes, and monitor risks such as interest rate and exchange rate changes to implement Compliance with laws and regulations.
Commitments	Cheng Shin takes "Quality First, Customer Satisfaction" as its core business philosophy.
Goals and Targets	Pursue good operational performance while keeping sustainable development in mind.
Responsibility	Committed to the development of innovative sustainable material tires to enhance market competitiveness.
Resources	Maintain good interaction with external financial institutions, monitor interest rate and exchange rate changes, in order to adjust operating strategies in a timely manner and reduce risks.
Grievance mechanism	Communication and discussion are conducted through corporate investor conferences. There is a dedicated section for investors on the Company's official website for download of relevant information.
Specific actions	Keep abreast of market changes, strengthen technical cooperation with suppliers, and increase the market value of the Company's products.
Mechanisms for evaluating the management approach	Regularly conduct financial analysis, grasp the current production capacity, financial structure, financial costs, gains and losses, compare with peers, and make adjustments to improve financial health.
Results of the management approach evaluation	Strengthen the performance management to strengthen the connection between personal performance and the Company's operational performance.

Material Topics: Talent recruitment and cultivation

Material Topics: GRI 404 Training and Education

Items	2023 Management Approach
Policies	Cheng Shin supports and respects the "United Nations Universal Declaration of Human Rights" and the "United Nations Global Compact" (please refer to the UN Global Compact comparison table in the appendix); we strictly abide by the laws and regulations of the countries where the business is located, and regularly review the implementation of the human rights policy of the company, to ensure human rights Implementation of safeguards.
Commitments	Establishing a friendly and diversified quality environment, creating a fair learning environment, and enhancing employees' concept of sustainable development.
Goals and Targets	Provide professional learning and growth opportunities to motivate employees and enhance the talent pool.
Responsibility	Improve the efficiency of human resources.
Resources	Diverse talent recruitment channels, encourage employees to develop new skills and obtain diverse professional qualifications and licenses in order to enhance the Company's overall capabilities and flexibility in management.
Grievance mechanism	Establish communication channels with employees.
Specific actions	Cultivate potential mid-to-high-level talents through systematic training. We accelerate the training time for mid- and senior-level executives to implement the Company's Talent Pool Program.
Mechanisms for evaluating the management approach	Correct deficiencies and establish preventive mechanisms through tracking and management.
Results of the management approach evaluation	Ensure that labor conditions comply with regulatory requirements, promote human rights protection, and promote ethical corporate management.

Material Topics: Occupational safety and health
Material Topics: GRI 403 Occupational Health and Safety

Items	2023 Management Approach
Policies	Implement safety audits and improvements to prevent major environmental safety accidents.
Commitments	Enhance employee occupational safety, reduce the frequency of occupational hazards, and actively promote employee health and wellbeing.
Goals and Targets	No occupational accidents were reported.
Responsibility	Employees are the most important asset of Cheng Shin. We must ensure that every employee has a safe and sound working environment and conditions.
Resources	The supervisor of the Ministry of Occupational Safety and Health and the supervisor of the field unit.
Grievance mechanism	There is a grievance mailbox on Cheng Shin’s official website.
Specific actions	Conduct focused inspections (including SOP, equipment safety, and ergonomic engineering) for units with frequent occupational accidents to ensure intrinsic safety.
Mechanisms for evaluating the management approach	Each business unit shall report the occurrence of an occupational disaster to the Occupational Safety Center.
Results of the management approach evaluation	Number of high-consequence occupational accidents in Taiwan: 3 cases Number of high-consequence occupational accidents in China: 43 cases

Material Topics: Customer Relationship Management
Material Topics: GRI 416 Customer Health and Safety, GRI 417 Marketing and Labeling

Items	2023 Management Approach
Policies	Conduct market development and maintain good interactive relationship with customers through visits and business promotion.
Commitments	Provide customers with high-quality products and solve customer feedback problems in a timely manner.
Goals and Targets	Maintain market share, conduct market development at home and abroad, and continue to develop new products for customers.
Responsibility	Set performance targets for review and conduct regular reviews.
Resources	The customer is one of Cheng Shin’s stakeholders, and on-time production delivery, high-quality management, and risk control are all provided by Cheng Shin.
Grievance mechanism	There is a contact section on the Company’s official website, where customers can obtain relevant information and services by phone or email.
Specific actions	In response to the different needs of customers, we provide diversified products.
Mechanisms for evaluating the management approach	Conduct the customer satisfaction survey on an annual basis.
Results of the management approach evaluation	Summarize the results of customer satisfaction surveys, and hold review meetings to put forward relevant improvement suggestions and track the follow-up results.

Material Topics: Business Continuity Management

Material Topics: Self-defined Topic - Operational Continuity Management

Items	2023 Management Approach
Policies	Implement operational risk management, identify actual and potential risks, and assess the impact.
Commitments	Ensure the continuity of operations without compromising the Company's operating performance and customer needs.
Goals and Targets	Continue to pay attention to operational-related issues and take early risk precautions.
Responsibility	Propose corresponding control and preventive measures for the ongoing operational risks identified.
Resources	Cheng Shin has a well-rounded risk management mechanism in place.
Grievance mechanism	There is a grievance mailbox on the Company's official website.
Specific actions	Regularly report the results of operational risk identification to the Board of Directors, hoping to minimize operational uncertainties.
Mechanisms for evaluating the management approach	Execute control self-assessment and risk identification, and draw up audit plan.
Results of the management approach evaluation	Based on the audit plan results, the Company continues to track down any outstanding items for improvement to ensure the continuity of operations.

Material Topics: Compliance with laws and regulations

Material Topics: GRI 2-27 Compliance with laws and regulations

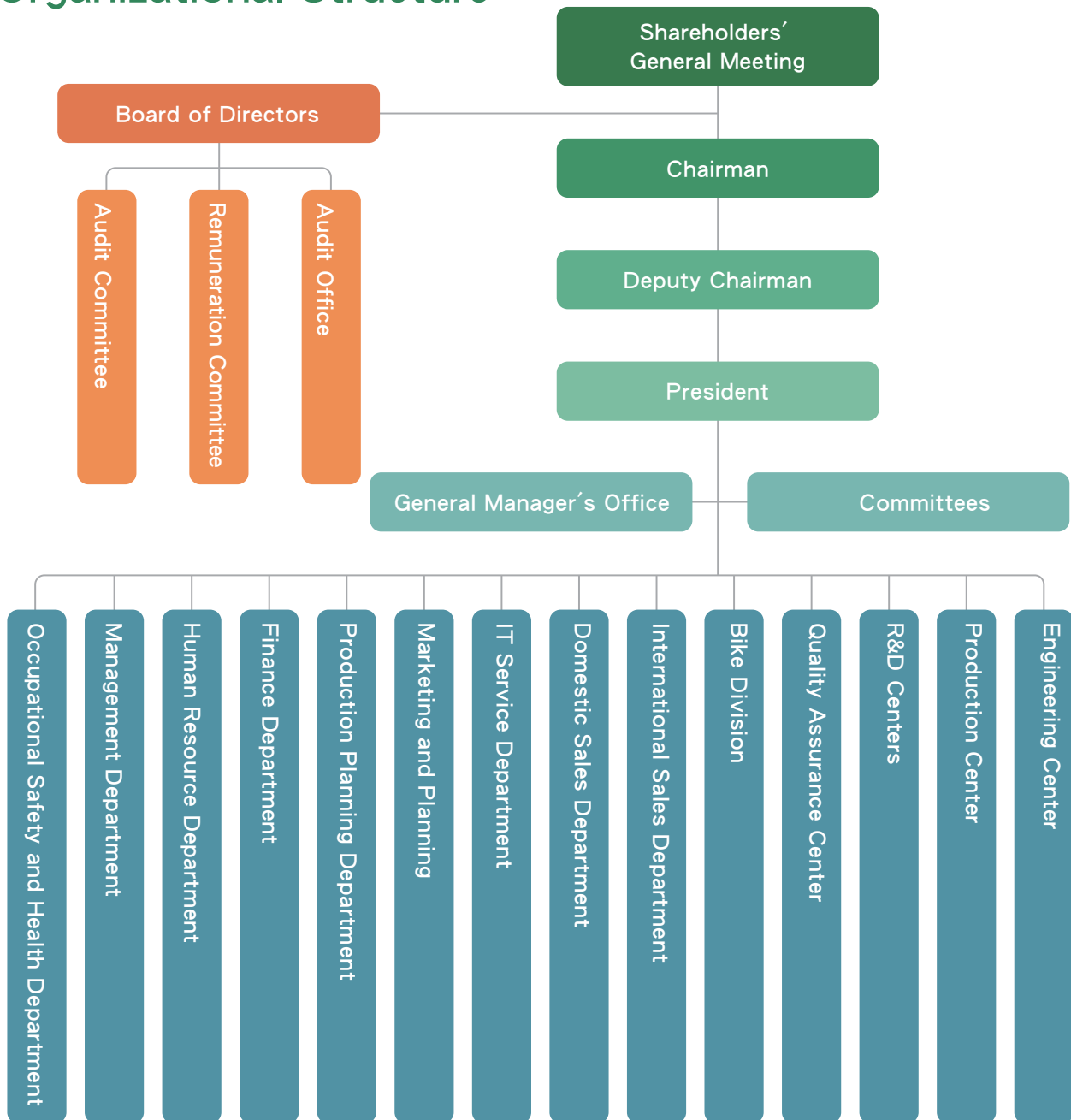
Items	2023 Management Approach
Policies	Regularly collecting laws and regulations related to products, markets, society, environment, and human rights to cope with the operational changes caused by the amendment of laws and regulations.
Commitments	Comply with relevant laws and regulations and operate in accordance with the principle of legal compliance.
Goals and Targets	Ensure that Cheng Shin is not penalized by the competent authorities for violating laws and regulations during the operation process.
Responsibility	All operating units of Cheng Shin must uphold the spirit of legal compliance.
Resources	The Legal Department regularly compiles the regulations and amendments announced by the government for the responsible units' reference.
Grievance mechanism	There is a grievance mailbox on the Company's official website.
Specific actions	In response to the government's announcement of amended regulations, we will systematically compile the latest regulations issued within the month. The responsible teams will assess the compliance of these regulations to ensure that subsequent actions align with legal requirements. This process aims to guarantee that our operations adhere to legal standards and allows for the necessary adjustments to internal guidelines as needed.
Mechanisms for evaluating the management approach	Each business unit regularly reports whether it violates the relevant laws and regulations, and supervises it.
Results of the management approach evaluation	Strive to comply with the relevant laws and regulations to ensure that all business operations of Cheng Shin are legal and compliant.

1.6 Corporate Governance

1.6.1 Corporate Governance Framework

The Board of Directors is the highest governance body of Cheng Shin and is responsible for overseeing the quality and integrity of the Company’s accounting, auditing, financial reporting processes and financial controls. The Audit Office, Audit Committee, and Remuneration Committee are established under the Board of Directors to assist the Board in fulfilling its supervisory responsibilities.

Organizational Structure



The main functions and activities of each department: Please refer to Cheng Shin’s 2023 Annual Report. The Annual Report is available for download from MOPS and Cheng Shin’s official website (http://www.cst.com.tw/shareholder_7.php).

Operation of the Board of Directors

In accordance with Article 10 of the Rules of Procedure for Board of Directors Meetings, the board of directors of Cheng Shin shall be convened by the chairman of the board, who shall serve as the chairman of the meeting. According to Article 10 of the Rules of Procedure for the Board of Directors Meetings, the board of directors of Cheng Shin shall be convened and chaired by the chairman. However, the first board meeting shall be convened and chaired by the director with the most voting rights obtained in the shareholders' meeting. When there are two or more such convening parties, they shall mutually select a chairman from among themselves.

According to the Articles of Incorporation, the Board of Directors of Cheng Shin has a total of 11 directors (including 3 independent directors), whose term of office is 3 years. The board of directors of Cheng Shin was fully re-elected on May 31, 2023. For information about directors, please refer to the 2023 Annual Report of the Shareholders' Meeting and the website of Cheng Shin (http://www.cst.com.tw/shareholder_9.php).

Board Diversity and Independence

The composition of the 12th board of directors abides by Cheng Shin's "Corporate Governance Best-Practice Principles", which emphasizes gender equality and the general knowledge, skills and qualities necessary for the discharge of duties; out of the current 11 directors, there are 3 independent directors and over half of the total number of independent directors are not employees of Cheng Shin. There are two directors who are employees of the company accounting for 18% of the board and one female director accounting for 9% of the board. Among the directors, there are 3 independent directors, accounting for 27% of the total. The tenure of independent directors is within 9 years. Among the directors, 3 are aged 71 and above, 5 are aged between 61 and 70, and 3 are aged below 60. There are 5 directors with spousal or immediate family relationships within the 2nd degree of kinship, constituting 45% of all directors. With no violation of the provisions of Article 26-3, paragraph 3 of the Securities and Exchange Act, the directors meet the qualification of independence.

All members of the Board of Directors are R.O.C. nationals. All directors have professional backgrounds in business, finance, and accounting. Cheng Shin places a strong emphasis on diversifying the composition of its board of directors. For the upcoming term, the Company intends to further enhance diversity by appointing directors with expertise beyond the mentioned professional backgrounds, as well as aiming to increase the representation of female directors.

The main function of the Board of Directors is to appoint and supervise the management team of Cheng Shin so as to ensure the rights and interests of stakeholders and create maximum benefit for shareholders. It is stipulated in Cheng Shin's Rules of Procedure for Board of Directors Meetings that integrity management shall be implemented, and the directors shall adhere to the principle of a high degree of self-discipline and shall not vote on the motions listed by the board of directors that is detrimental to the interests to any stakeholder and Cheng Shin, so as to avoid conflicts of interest.

Cheng Shin values the stakeholders' right to "know", strictly abides by the relevant regulations on the disclosure of information, and discloses the Company's financial, business, and corporate governance information through the Company's website, the Market Observation Post System, the Company's Annual Report, and the Sustainability Report, investor conferences, annual shareholder meetings, and other multiple channels to release the aforementioned types of information. Regular and timely provision of information is helpful for the establishment of smooth and effective communication channels and through stakeholder feedback to better understand the market, economy, and society and environmental changes. The Rules of Procedure for Board of Directors Meetings is available for downloading from Cheng Shin's website (http://www.cst.com.tw/shareholder_9.php).

In 2023, a total of 8 board meetings were held, with directors' (including independent directors) attendance rate of 98%. For further detailed background information on the Board members, please refer to our Annual Report for the Shareholders' Meeting in 2023.

According to the 2023 material topics, the total number of key material incidents that have been communicated with the highest governance unit is 17 cases (Compliance with laws and regulations, operational performance, energy and greenhouse gas management, operational continuity management, and information security management).

The Annual Report is available for download from MOPs and Cheng Shin's official website (http://www.cst.com.tw/shareholder_7.php).

Remuneration Committee

Cheng Shin established the Remuneration Committee in 2011. It has been re-elected to its fifth term, with each term lasting 3 years. The members of the fifth term are composed of 3 independent members appointed by the Board of Directors, including 2 independent directors and 1 independent external expert. The function of the Remuneration Committee is to evaluate, in a professional and objective manner, Cheng Shin's remuneration policies and systems for directors and managers of Cheng Shin and make recommendations to the Board of Directors for their reference in making decisions. As of current, the opinions of the stakeholders and salary consultants are not referenced. In 2023, a total of 4 meetings were held with an attendance rate of 100%. For other detailed background information of the Remuneration Committee, please refer to the 2023 Shareholders' Meeting Annual Report and Cheng Shin website. (http://www.cst.com.tw/shareholder_9.php)

Audit Committee

The Audit Committee was established in 2017 to replace the supervisor system and is composed of all independent directors serving a three-year term. The Audit Committee convened 4 times in 2023 with 100% attendance rate. For other detailed background information of the Audit Committee, please refer to the 2023 Cheng Shin Annual Report of the Shareholders' Meeting and Cheng Shin website (http://www.cst.com.tw/shareholder_9.php).



1.6.2 Governance Level Performance Evaluation and Remuneration System

Senior Executive Remuneration Linked to Sustainability Performance

The remuneration policy for executive management at Cheng Shin is determined by the Remuneration Committee, taking into consideration factors such as the position, qualifications, experience relative to industry benchmarks, scope of responsibilities within the Company, and contribution to the Company's operational objectives, and pensions may be paid at retirement upon the approval of the Remuneration Committee. Besides taking the overall operating performance of the Company into consideration, personal achievements and contributions made to business operations, which includes achievement status of the Group's management performance, internationalization and Group-centered performance, talent development, achievement of strategic and target objectives, whether the person serves in concurrent positions, are also evaluated during the remuneration determination process. Also, the impact of the individual contribution to the Company's economic, environmental, and human rights aspects are also considered. The Audit Committee and the Board of Directors would then approve a remuneration that is fair and reasonable.

Remuneration System for the Board of Directors

If Cheng Shin makes a profit in a year, no less than 2% shall be set aside as compensation to employees and no more than 3% shall be set aside as compensation to directors. However, if the Company has accumulated losses, such losses shall be first compensated for. The independent directors of Cheng Shin shall not be allowed to participate in the distribution of director's compensation, and shall only be paid a fixed amount of compensation and meeting attendance fees. The policy for director's remuneration at Cheng Shin is based on the "Regulations Governing the Performance Evaluation of the Board of Directors and its Functional Committees," and includes such criteria as being able to highlight the Company's problems or provide constructive suggestions, assisting the Company in solving its problems through concrete actions, supporting and approving the proposals of the Board of Directors, achieving significant results based on the approved proposals, and the attendance rate of the directors, etc., which are reviewed by the Remuneration Committee and approved by the Board of Directors, and then awarded with a reasonable amount of compensation.

Note: Cheng Shin does not have a remuneration claim mechanism, severance pay, signing bonus, or recruitment incentive.

The link to the "Regulations Governing the Performance Evaluation of the Board of Directors and its Functional Committees" is available at <https://reurl.cc/51onR7>.



Performance Evaluation of the Board of Directors and Functional Committees

In accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors and its Functional Committees" established by Cheng Shin, an internal self-evaluation is conducted once a year and completed by the end of December of the current year. The scope of the evaluation includes the performance of the entire Board, individual directors, and the functional committee in the form of self-evaluation.

The results of the 2023 evaluation were presented to the Remuneration Committee on January 29, 2024 and discussed at the Board of Directors' meeting on January 30, 2024. The overall evaluation result was that "the Board of Directors and its Functional Committees are operating in a sound and professional manner", and will be used as a reference for the selection of directors to be nominated for reappointment in the future. Please refer to page 32 of the Annual Report for the results of the evaluation of the performance of the Board of Directors and its functional committees.

The Annual Report is available for download from MOPs and Cheng Shin's official website (http://www.cst.com.tw/shareholder_7.php).



Enhancing Information Transparency

Completed directors' enrollment in insurance for FY2023 and reported the fact to the Board of Directors.

Intellectual Property Management Plan

The Intellectual Property Management Plan for FY2023 and its implementation status was reported to the Board of Directors on March 13, 2024.

Directors' Continuing Education

In 2023, the Company planned a total of 57 hours of courses related to environmental sustainability (green electricity trading system, net zero sustainability, sustainable finance and climate change, IFRS sustainability standards) and 48 training hours for management and taxation courses for a total of training hours of 105 hours. Relevant training certificates are obtained to meet the requirement of 12 hours of continuing education for new directors and 6 hours for continuing directors each year. Promoting insiders' compliance to directors on a quarterly basis, and notifying irregularities of relevant laws and regulations from time to time.

1.6.3 Integrity and Anti-Corruption

Integrity Management and Anti-corruption Regulations

In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, Cheng Shin has formulated Integrity Management Procedures and Code of Conduct, Rules of Procedure for Board of Directors Meetings, Procedures for Preventing Insider Trading, Regulations Governing the Handling of Material Non-Public Information, Employee Work Regulations, Related Party Transactions, Establishment of Commercial Contracts, Internal Control Systems, etc. These measures are in place to ensure the implementation of ethical business practices. There were no violations of ethical business regulations or internal regulations in the year 2023.

Directors - Rules of Procedure for Board of Directors Meetings

An interest avoidance system has been provided for. When the director has a stake in a matter at the meeting, that director shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of Cheng Shin would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as a proxy on behalf of another director. Where the spouse or a blood relative within the second degree of kinship of a director, or a company which has a controlling or subordinate relationship with a director, is an interested party with respect to an agenda item as described in the preceding paragraph, such director shall be deemed to be an interested party with respect to that agenda item.

Employees - Procedures for Preventing Insider Trading

Company insiders are explicitly prohibited from trading marketable securities using information not disclosed to the market.

Work Regulations

Elaborates on Code of Conduct for directors, managers and employees of Cheng Shin aims to ensure that all members of Cheng Shin uphold honesty and integrity in the execution of their duties.

Related Parties - Related Party Transactions

The management responsibilities of personnel, assets, and finance are clearly separated between Cheng Shin and affiliate enterprises. In addition to the supervision of subsidiary companies, auditors also supervise relevant implementation on an annual basis.

Suppliers - Establishment of Commercial Contracts

It has been specified in the contracts between Cheng Shin and its main suppliers that, if the supplier violates required social responsibility and integrity management standards, it shall be liable for damages, the contract shall be terminated, and the supplier shall be rejected for business permanently.

In addition to following the above rules, Cheng Shing's Mainland China operations have also formulated the internal Human Resources Management Rules to regulate the behavior of anti-bribery and accepting gifts from suppliers and customers, and specify that the procurement and engineering staff shall sign the "Letter of Commitment for Integrity" regularly to avoid any violation of integrity management. In order to better understand the needs and voices of Cheng Shin's employees and other internal and external stakeholders, a communication mailbox has been set up in Taiwan, with the human resources and audit units serving as the dedicated departments responsible for addressing concerns raised. The human resources unit is primarily responsible for communicating the integrity management value of Cheng Shin, while the auditing unit is responsible for handling violations. In the event of a reported violation involving a director or a senior executive, the independent director will be the unit for follow-up communication and handling. No apparent breach was identified in the foregoing communication pipeline in 2023.

Education and Training

Currently, for newly hired employees on their first day of joining, Cheng Shin Taiwan provides integrity and ethics training. Ethical and responsible code of conduct is included in the annual education and training for incumbent employees. The employee service rules also include explanations and promotion of behaviors to adhere to and avoid, and so on related contents. Training in Mainland China is conducted separately for each new employee and current employee, so the number of education and training covers all employees and the percentage of education and training is 100%.

In 2023, all directors attended 2 to 7 courses for a total of 105 hours, which met the requirement of 6 hours of study per year.

Training hours for integrity management (Anti-corruption, Anti-bribery, and Employee Code of Conduct) over the years Unit: Hour

Region \ Year		2021	2022	2023
Cheng Shin Taiwan		474.0	370.0	2,741.2
Cheng Shin China	Cheng Shin Kunshan	5,516.5	7,433.5	8,220.0
	Cheng Shin Chongqing	2,186.0	1,886.0	856.0
	Cheng Shin Xiamen	8,865.0	10,007.0	8619.0
Total		19,800.5	16,937.5	20,436.2

Business Integrity Operations and Implementation

Education and Training	<ol style="list-style-type: none"> 1. Arrange 0.5 hour of ethical business education and training for new employees. 2. In 2023, the total number of hours of education and training on ethical corporate management (anti-corruption, anti-bribery, and employee code of conduct) was 2,741 hours.
Commitments	<ol style="list-style-type: none"> 1. All personnel involved in procurement, quotation, inquiry and contact with suppliers, sales personnel, personnel at the managerial level (including director) and above, and personnel stationed in overseas plants shall sign the "Letter of Commitment for the Code of Ethical Conduct for Employees" and submit the same to the Human Resources Department. The same procedure applies to new employees and staff who are transferred. 2. The "Letter of Commitment for Integrity and Confidentiality" signed by the contractors are reviewed along with the contracts by the legal affairs unit. The same procedure applies to new partners. 3. On April 1, 2023, the 9 new managers completed the signing of the Managers' Declaration. 4. On May 31, 2023, the 11 new directors completed the signing of the directors' declaration.
Promotion	<ol style="list-style-type: none"> 1. E-mails are delivered to directors and managers on "Reducing Violations in Insider Share Transfer", "Insider Trading Prevention Regulations" on a quarterly basis. 2. The Company informs directors, via email, that they may not trade shares during the book-closure period before the date of the announcement (30th/15th day) of the financial report. 3. Ethical corporate management and various important operating regulations are posted on the Company intranet for employees to query and understand.
Violations of law	No violation as of December 31, 2023.

1.6.4 Information security management

Information security management framework

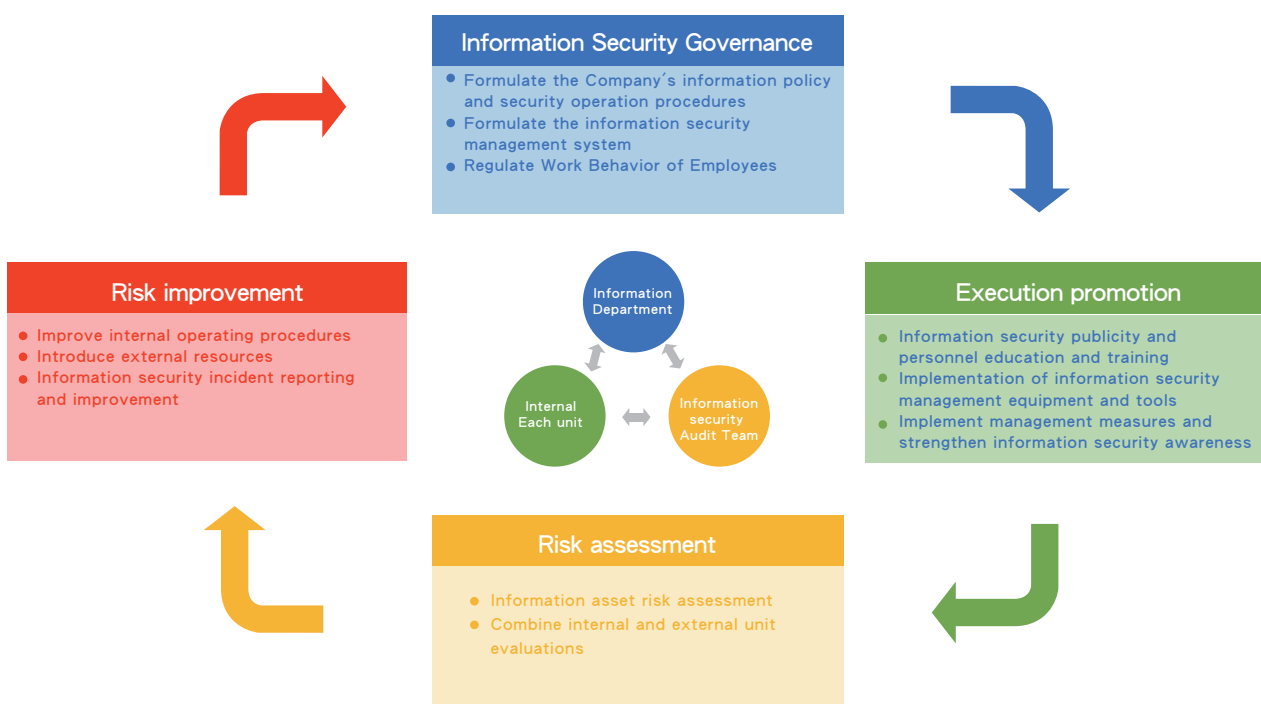
On November 10, 2022, Cheng Shin’s Board of Directors approved the establishment of the Information Security Team under the Information Service Department as the dedicated unit. Its organizational members are Chief Information Security Officer, Information Security Officer and 3 information security personnel. The main duties and responsibilities include information security maintenance and operation, information security policy promotion, information security response, information security audits, and information security education and drills. The annual audit plan includes information and information communication security management operation review, and the Information Security Group reports to the Board of Directors at least once a year, in order to implement the effectiveness of information security management measures. The implementation of information security was reported to the Board of Directors on November 9, 2023.

Cheng Shin’s information system is structured with two highly reliable host computers, remote backup, and a data backup mechanism based on its risk level to ensure continuous service. In addition, the backup data are stored and saved at another location and the drill of mock tests and emergency responses is regularly performed to ensure the normal operation and safeguards of the information system. The risk of system crash due to unpredictable natural disasters and personal negligence is also lowered to ensure that the expected system recovery timeline is met.

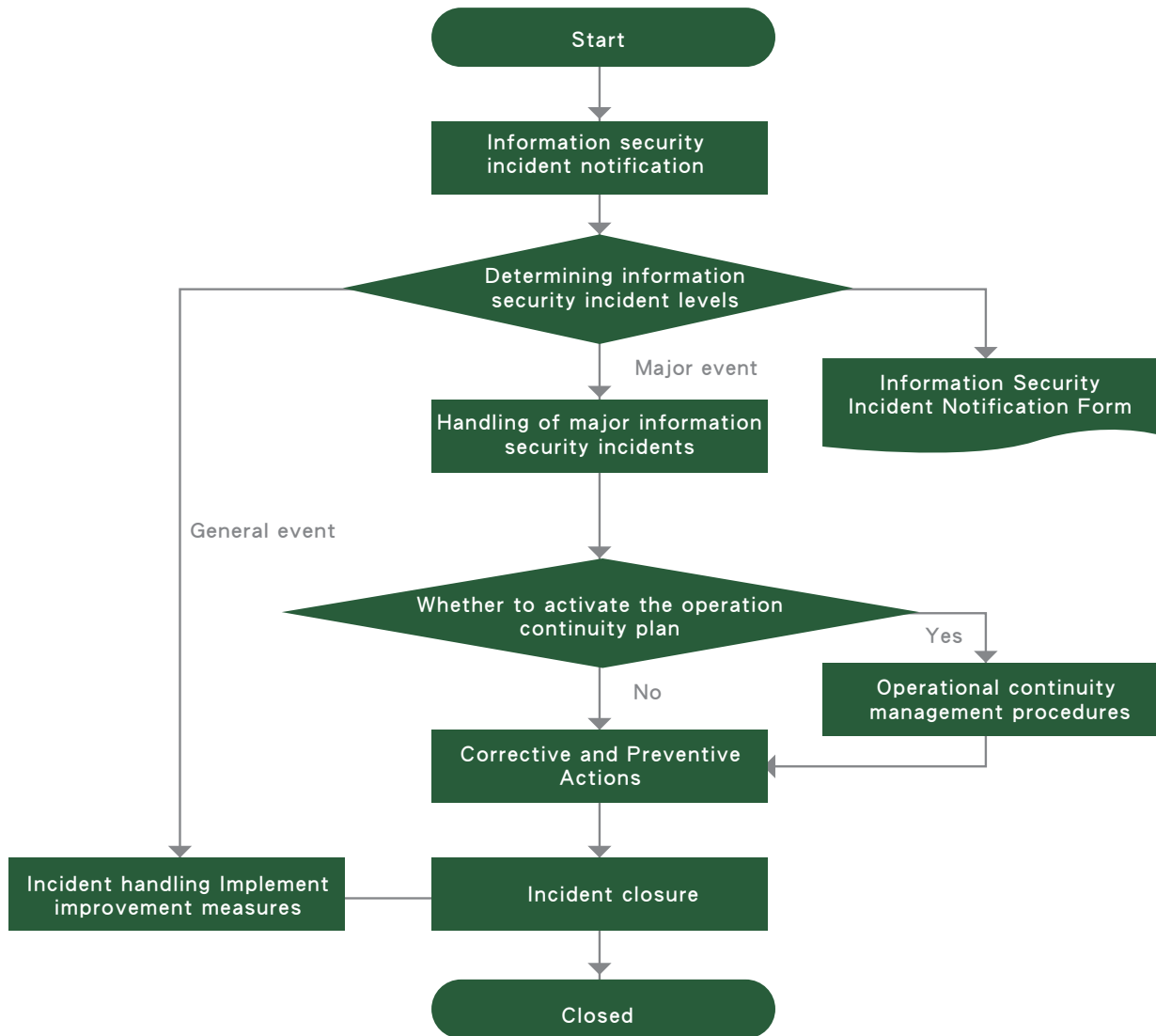
Information and communications security policy

Formulation of information security policy and vision in the spirit of ISO 27001: ” Strengthen personnel awareness, prevent data leakage, implement daily maintenance operations, and ensure service availability, list the implementation of various information security measures and strengthen audit management. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats.

Information management process chart



Procedures for Information Security Incident Reporting and Response



Information security certification

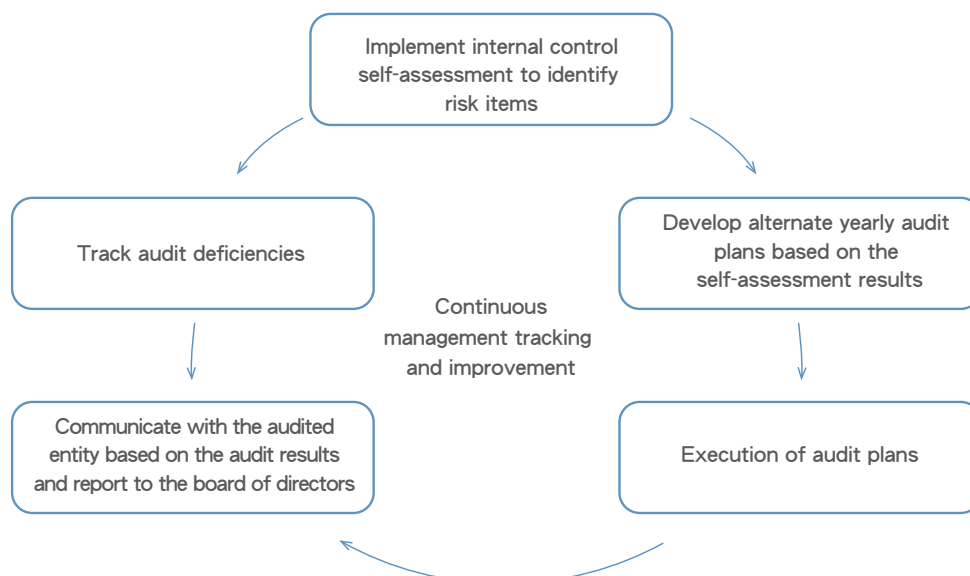
In 2023, Cheng Shin entrusted an external consultant to provide guidance to implement information security management and optimize risk control. It is expected to obtain the ISO 27001:2022 international certification and the TISAX (Trusted Information Security Assessment Exchange) accreditation mark in 2024.

1.7 Risk Management

We have implemented corporate governance and operational management in accordance with this philosophy, as well as a sound risk management mechanism to actively face and control the risks that should be considered in the operation process in order to create sustainable corporate development.

Unit management functions and operation mechanisms

Unit	Responsibility	Frequency	Mechanism
Board of Directors	Cheng Shin's Board of Directors is the highest unit for risk management of the Company and is responsible for approving, reviewing and monitoring the Company's risk management policies in accordance with the "Guidelines for Handling the Internal Control System" to comply with laws and regulations, ensure the effectiveness of risk management, and promote and implement overall risk management as an objective.	Convene at least once every quarter	<ol style="list-style-type: none"> 1. The internal audit unit establishes an annual audit plan based on risk assessment results. 2. Supervise and manage the operation and management of subsidiaries in accordance with the "Regulations Governing the Supervision of Subsidiaries". 3. When significant and abnormal risk events occur. 4. The operation of the ESG Group. 5. The state of operation of cyber security management. 6. The above-mentioned reports are submitted to the Board of Directors for discussion and review of implementation status.
Audit Office	An independent department under the Board of Directors. In accordance with the rules and regulations and the Company's internal control system, the Audit Office schedules an annual audit plan to verify the implementation of the relevant units and, based on the results, communicates with the units under investigation to prepare an audit report for submission to the Board of Directors as well as for subsequent follow-up monitoring.	Monthly Audit Report	<ol style="list-style-type: none"> 1. Monthly audit results are presented to the independent directors for their reference. 2. The independent directors are aware of the improvement of the quarterly audit results. 3. Report to the Board of Directors on a quarterly basis on the status of audit execution.
President's Office	Execute risk management decisions and coordinate cross-departmental risk management interaction and communication.	Monthly meetings	Integrate functional groups and make decisions and track progress.
Functional Groups	Integrate functional groups and make decisions and track progress.	Monthly functional meetings	Each functional group conducts cross-departmental reviews and executes regular reviews of the plan.



Cheng Shin has established various internal regulations to address different categories of risk factors. Each responsible unit within Cheng Shin is tasked with implementing risk control measures at different levels and conducting assessments and planning for risk management activities. These measures are executed based on the established plans and are reported regularly to the Board of Directors for their awareness. The goal is to minimize uncertainties in business operations to the fullest extent possible. At the same time, Cheng Shin is focusing on environmental, energy and resource issues, setting goals and regularly reviewing results.

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Responsible Unit
Corporate Governance and Operations Management	Financial Risk	Exchange rate risk	<ul style="list-style-type: none"> As the interest rate cut is yet to be confirmed, the US dollar index remains strong and non-US currencies are relatively weak. The market expects that the US dollar will not be able to maintain its strong position in 2024 as inflation in the U.S. declines. As a multinational operating company, the financial reports of our overseas subsidiaries are denominated in the currency of the countries where they are located. Therefore, we are exposed to exchange rate risks arising from different currencies. The Group keeps close attention to the factors affecting the exchange rates and their changes of the countries in which it invests. However, changes in the political and economic situation of the host country may also affect the exchange rate fluctuations of the subsidiary's reported currency against the New Taiwan dollar. In terms of sales and procurement, Cheng Shin deals with major currencies such as the Chinese Renminbi (CNY), US Dollar, New Taiwan Dollar, and Thai Baht. Due to their relatively similar proportions in the business operations, these currency exposures have helped offset the risks associated with currency exchange rate fluctuations. The exchange rate risks arising from overseas investment mainly come from RMB, USD, THB, VND, INR, and IDR. Cheng Shin continuously observes the trend of the foreign exchange market, records and makes appropriate currency adjustments according to the capital situation to reduce the exchange rate loss or reduce the risk to an tolerable range. 	Finance Department
		Interest rate risk	<ul style="list-style-type: none"> In July 2023, Fed announced another 100% life rate, raising the benchmark interest rate to 5.25%-5.5%, the highest level in the past 22 years. The timing of the rate cut in 2024 is yet to be determined, but the most important consideration is whether the inflation will move toward the 2% target. The market expects interest rate to remain high for a while. Cheng Shin stays on its toes and keeps close attention to the policies of central banks and the latest market conditions, and the allocation of funds within the group is adjusted to reduce exposure to external liabilities. 	Finance Department
		Inflation	In the face of the uncertainty of the global economic outlook, Cheng Shin is unable to predict whether there will be significant changes in inflation or deflation in the future. Since the tire products of the Company are consumer products whose raw material prices and market demands are moderately or highly volatile to inflation or contraction, the global economic environment will have an impact on the Company's sales. Nonetheless, no material adverse impact is expected for the overall operation.	

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Responsible Unit
Corporate Governance and Operations Management	Business Continuity Risk	Raw material prices and raw materials supply Risks	<ul style="list-style-type: none"> Raw material price alert: Cheng Shin has established a dedicated team to monitor international commodity exchange prices and other relevant sources to provide real-time surveillance of major raw material markets. The information gathered is input into the system, and any abnormal signals are immediately reported to senior executives, allowing for close observation and understanding of market trends. Additionally, the Company continues to mitigate procurement risks by engaging in global sourcing, exploring alternative materials (including recycled and recyclable options), and developing potential suppliers. 	President's Office
		Product Research Research and Development Management	<ul style="list-style-type: none"> Regularly collect market information, plan product generations, and update safety, environmental, and other related laws and regulations. Continue to investigate the market demand, establish R&D technology to facilitate the development of new products; also, comply with laws and regulations, and various customer quality and performance requirements. 	R&D Centers
		Transportation risk	<ul style="list-style-type: none"> For both road and maritime transportation needs, Cheng Shin collaborates with multiple large-scale logistics providers and establishes long-term relationships to avoid potential export operation disruptions caused by surges in current market demand. This strategy helps us fill temporary gaps and maintain smooth operations. Stabilizing the transportation prices: Inland transportation and manufacturers set rolling mechanisms of oil prices and adopt reasonable long-term freight prices; In order to stabilize the transportation cost under the current situation of the sharp rise of market price, the freight rate contract is signed by sea transportation. 	Production Planning Department
		Prevention of Infectious Diseases	<ul style="list-style-type: none"> The prevention and control of infectious diseases are handled in accordance with the notices issued by the Taiwan Centers for Disease Control of the Ministry of Health and Welfare. From time to time, we distribute health education information or coordinate with the resident doctors to hold health seminars to enhance employees' knowledge of self-protection. 	Occupational Safety and Health Department
		Energy Supply	<ul style="list-style-type: none"> Implementation of energy equipment management, regular inspections of Level 1, 2, and 3 equipment and predictive inspections by thermal imaging device, as well as the formulation of energy management methods to enhance energy use efficiency and set annual energy saving targets for the plant. Through effective improvement measures, Cheng Shin seeks to reduce the risk of energy supply. 	Engineering Center
	Intellectual Property Management	Intellectual Property Risk	<ul style="list-style-type: none"> Cheng Shin products are sold in more than 180 countries around the world, and the following measures are taken to prevent infringement: <ul style="list-style-type: none"> A.Preventing infringements by other companies on Cheng Shin: In addition to continuous monitoring of the patent landscape by the Company's Intellectual Property unit, related departments also monitor external products to identify any similarities with our own products. If any potentially infringing or overly similar products are identified, they are promptly reported to the Intellectual Property unit for verification of possible infringement. B.Preventing infringement by Cheng Shin on other companies: Prior to launching a new product, Cheng Shin's patent engineers conduct a global patent search specific to the product to ensure that there are no concerns of potential infringement. Once confirmed, the R&D engineers proceed with patent applications according to the guidelines outlined in the "Invention/New Utility Patent Management Procedures" and "Design Patent Management Procedure." This ensures that all Cheng Shin products have patent protection and adhere to the overarching principle of not infringing upon the patents of other companies. ※In case of patent infringement, Cheng Shin activates its internal management regulations, conducts patent comparison analysis, and confirms the status of patent infringement. Once confirmed, legal measures are pursued to ensure the protection of Cheng Shin's patent rights. ※Cheng Shin consolidates its trademark rights based on different product categories and proceeds with trademark registrations in required regions. Before applying for trademark registrations, a global name search and risk assessment will be conducted to ensure no conflicts, thus safeguarding the global sales of Cheng Shin products. Regular monitoring for counterfeiting activities are implemented to track whether other companies are attempting to register or imitate Cheng Shin's trademarks. In such cases, proactive actions such as filing for trademark cancellations or sending cease and desist letters will be deployed to ensure the legitimate use of Cheng Shin's trademarks. Cheng Shin has developed comprehensive internal guidelines for managing trade secrets. These guidelines encompass regular dissemination of the significance of protecting confidential information and maintaining its secrecy classification. Collaboration between the information security team and relevant departments will ensure effective control measures to mitigate the risks of data leakage or unauthorized access. 	Intellectual Property Management

ESG	風險類別	潛在風險	管理策略及作法	負責單位
Corporate Governance and Operations Management	Digital Information Security Risks	Confidential Information Protection	<ul style="list-style-type: none"> ◆ Formulation of information security policy and vision in the spirit of ISO 27001: "Strengthen personnel awareness, prevent data leakage, implement daily maintenance operations, and ensure service availability, list the implementation of various information security measures and strengthen audit management. Strengthen information security management, ensure the availability, integrity and confidentiality of the information system, and comply with the requirements of relevant laws and regulations, in order to protect them from internal and external deliberate or accidental threats. 	IT Service Department
Workplace Safety and Health	Safety risk management	Material Disaster	<ul style="list-style-type: none"> ◆ Formulate "Disaster Incident Management Regulations" for the plants: Specify emergency response measures, emergency contact systems, and disaster countermeasures. ◆ Formulate "Comprehensive Contingency Measures" : In China, we have stipulated the Comprehensive Contingency Measures for accidents such as fire explosion, poisoning, machinery harm, vehicle harm, dust explosion, electric shock, and suffocation, detailing the emergency team organization and the major responsibilities of each team, and emergency handling procedures to conform to the Defense Production Act, the Safety and Health Regulations for Manufacturing Procedures, and the Manufacturing Safety Accident Countermeasure Guidelines for the Manufacturing Department. 	Occupational Safety and Health Department
	Environment Risk	Environment Control Ability	<ul style="list-style-type: none"> ◆ Implement the environmental management system (ISO14001), and through annual external and internal audits, formulate environmental policies, set targets, implement, audit and review them to achieve continuous improvement of environmental performance. 	Occupational Safety and Health Department
		Greenhouse Gas Emissions	<ul style="list-style-type: none"> ◆ In response to the energy saving target of the Bureau of Energy, MOEA to reduce energy consumption by 1% per year, we have set out the energy saving target for next year and the performance of this year's implementation in order to explore the benefits of energy saving measures each year. ◆ In response to the government's "Climate Change Response Act," the "Energy Conservation and Carbon Reduction Committee" was established to formulate greenhouse gas emission reduction strategies and goals, and review them on a regular basis. ◆ In accordance with the "Climate Change Response Act and the Regulations Governing the Inventory, Registration and Verification of Greenhouse Gas Emissions", inventory and registration are conducted on an annual basis for plants with annual direct and indirect emissions greater than 25,000 metric tons of carbon dioxide equivalent. ◆ In accordance with the "Sustainable Development Guidemap for TWSE- and TPEX-Listed Companies" issued by the Financial Supervisory Commission, Cheng Shin has sequentially conducted greenhouse gas inventories at each of its manufacturing plants. 	Occupational Safety and Health Department
		Environmental Management	<ul style="list-style-type: none"> ◆ The Company has obtained the ISO14001 environmental management system certification. The validity of the certificate is maintained continuously from the daily management implementation to ensure that the air pollution control, water pollution control, and waste management meet the legal requirements. ◆ In line with the Environmental Protection Bureau's implementation of multiple environmental permits, Cheng Shin actively accepts counseling to integrate the various certificates to comply with subsequent regulations. ◆ Each unit carries out the President's policy to create a sustainable environment and reduce waste. Reduce the amount of air pressure energy consumption and sewage discharge. 	Occupational Safety and Health Department
		Risk of Infectious Diseases	<ul style="list-style-type: none"> ◆ The prevention and control of infectious diseases are handled in accordance with the notices issued by the Taiwan Centers for Disease Control of the Ministry of Health and Welfare. ◆ Regularly distribute health education information or coordinate with resident doctors to organize health seminars to enhance employees' knowledge of self-protection. 	Occupational Safety and Health Department
Society	Human Resources Risk	Human Capital	<ul style="list-style-type: none"> ◆ To accelerate the development of managerial talent, we implement systematic training programs to nurture potential middle and senior-level executives. We accelerate the training time for mid- and senior-level executives to implement the Company's Talent Pool Program. ◆ By offering specialized learning and growth opportunities, we motivate employees and enhance the capabilities of our talent pool. This approach not only meets the learning needs of our employees but also ensures that they acquire crucial skills, thereby implementing our talent development plan effectively. 	Human Resources Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Responsible Unit
Society	Human Resources Risk	Human Resource Management	<ul style="list-style-type: none"> ◆ Diversified talent recruitment channels. ◆ Strengthen employee care and promote employee retention. ◆ Encourage employees to seek new skills and obtain qualifications to perform a variety of jobs to enhance overall competence and increase management flexibility. 	Human Resources Department
	Occupational Safety Risk	Safety and health standard operation management	<ul style="list-style-type: none"> ◆ In order to ensure the safety and health of the working environment, reduce the cost of accidents and reduce the loss of man-hours, we implemented the ISO45001 occupational safety and health management system, ensure the achievement of safety and health objectives and performance, consider organizational risks and opportunities and identify occupational security risks in the group and seek to eliminate hazards or risks or control them to reduce their impact. 	Occupational Safety and Health Department
	Legal Compliance	Rationalization of laws and regulations	<ul style="list-style-type: none"> ◆ In response to the government's announcement of amended regulations, we will systematically compile the latest regulations issued within the month. The responsible teams will assess the compliance of these regulations to ensure that subsequent actions align with legal requirements. This process aims to guarantee that our operations adhere to legal standards and allows for the necessary adjustments to internal guidelines as needed. ◆ If there are any relevant laws and regulations on the environmental issues such as greenhouse gas, the Company actively participates in the contingency team organized by the government, pays attention to the draft laws and regulations and relevant changes, and keeps track of the relevant information at all times. 	President's Office Occupational Safety and Health Department

1.8 Safe and Reliable Cheng Shin Tire Tire Product Performance Accolades:

1. MAXXIS VS-EV Electric Vehicle Tire honored with:
Taiwan Excellence Award, SEMA (USA), Reddot (Germany), DNA (France), IDEA (USA), MUSE (USA), IDA (USA).



2. Designated RC-1 tires for the BMW E30 Series of the National Auto Sport Association (NASA, U.S.A.).
3. Designated tires for the 2022~2026 Karting Australia CADET 9 and CADET 12.
4. Designated tire supplier for BMW Electric Vehicle CE04 from 2021~2028.
5. MAXXIS MA-MT multi-purpose tire won the A design award in Italy
6. Maxxis is an OE supplier to the BMW 1 series models in Europe. The Premitra HP5 installed on the model received the highest A rating from Labeling in wet grip and rolling resistance.
7. General Motors named Maxxis the 2022 Supplier of the Year, in recognition of outstanding global suppliers that passed the requirements. This is the seventh time that Maxxis has received the award.
8. Subaru Indiana Automotive (SIA) has received the 2023 Supplier Excellence Award from Maxxis for the fifth consecutive year, in recognition of its achievements in achieving the targets in terms of safety, quality, cost, and delivery.
9. In the Rebelle rally, the Honda team equipped the Passport TrailSport and Pilot TrailSport with ZAZR AT tires to complete a 1500-mile rally of harsh desert terrain and achieved excellent results. Since 2021, the RAZR AT has been the tire of choice for the Honda of America Racing Team (HART) Maxxis rally team in the national and regional races of the American Rally Association.
10. According to Vital MTB statistics in 2023, MAXXIS continues to be the leading MTB brand in North America.
11. In 2023, Enduro Mountainbike Magazine announced MAXXIS as the most popular tire brand of the year, making it the world's best tire brand for four consecutive years.
12. Won: 2023 Dongfeng Nissan Outstanding Supplier; 2023 SAIC-GM Outstanding Supplier; 2023 Outstanding Supplier Award from Guangzhou TRINX Co., Ltd.; 2023 Outstanding Supplier Award from WUYANG-HONDA; the Yadea "Quality Excellence Award" in 2023; the 2023 TAI LING MOTOR "Strategic Cooperation Award", and the "2023 Outstanding Supplier Award" of Jiangsu Zongshen.



Also, we have won the best results in various races and sponsorships around the world.

Items	Events	Honor
Bicycle Tire Sponsored Cyclist	2023 Unbound Gravel	Keegan Swenson won the championship
	2023 UEC XC European XC Championships	Puck Pieterse won the championship (XCO) David Campos won the championship (XCC)
	2023 UCI Downhill WORLD Cup	Achievements: 13 golds, 16 silvers, and 13 bronzes.
	2023 French Downhill National Championships	Marine Cabirou won the championship
	2023 Slopestyle _(Crankworx _Whistler)	Emil Johansson won the first prize
	2023 UCI BMX WORLD CHAMPIONSHIPS	Bethany Shriever won the championship
	2023 CRANKWORX_ Innsbruck	Achievements: 4 golds, 3 silvers and 1 bronze
	2023 UCI XC WC	Nino Schurter Men’s Annual Champion Puck Pieterse Women’s Annual Champion
	2023 UCI ENDURO WC	Richie Rude Men’s Annual Champion Florencia Espineira Women’s Tramway of the Year Champion
ATV Tire Sponsored Cyclist	2023 Baja Reguengos	European Champion 2023
	2023 GNCC	Champion in XC1 Round 4 and Round 5
	2023 BITD	Class Champions - Champion
	2023 DP4	Class Champions - Champion
	2023 MAO	Class Champions - Champion and Third Place
	2023 Vorra	Class Champions - Champion and first runner-up
	2023 Red Bull championship	Scramble - won the first runner-up and second runner-up
	2023 ATV MX	Round 10 - won the second runner-up
	2023 ATV MX	Level: AMA Pro: Champion and 4th place
	2023 IXCR	Won the championship on Rounds 10, 11 and 12
Motorcycle Tire Sponsorship	TSR	Race 5: BIKE A - Finals Champion Race 5: BIKE C - Finals Champion Opening Race: EVS 10.0 - Finals Champion Race 2: 125 A Class - Finals Champion Race 3: 125 A Class - Finals Champion Race 4: EVS 10.0 - Finals Champion Race 5: EVS 10.0 - Finals Champion 125 Class A - Finals Champion

Items	Events	Honor
Go Kart International competitions	2024 - 2026 International Tillotson T4 Series T4 National Championships	MAXXIS T4 Tire Designated for Events
	2024 - 2026 CIK-FIA International Karting Championships	2024 - 2026 Exclusive tire supplier for the FIA Karting European Championship OK/Junior/OK-N World Cup and Academy Round and World Karting Championship.
	IAME Asia series X30	Won the tender for designated tires in 2023
	Asia Pacific Motorsports Championships	Won the tender for designated tires in 2023
Sedan/4X4 events	ARA Sno*Drift L2WD Series	A modified Honda Civic won the first place in the twelfth round, and finally finished the race in fourth place.
	Tire Rack 50 SCCA Solo Nationals	In the H Street-Ladies category, our Altima SR VC-Turbo equipped with VR-1 won third place. In the Super Street Modified-Ladies category, the Z performance equipped with an RC-1 won first place.

1.8.1 Product R&D and Technology Development

R&D Investment

Amount invested in R&D in 2023: NTD 3,783,394 thousand

R&D achievements

The products successfully developed in 2023 are as follows:

Highway Terrain Product Development for 4X4 Vehicles	Ultra High Performance A/S Product Development for Passenger Cars
Ultra High Performance Summer Product Development for EV Passenger Cars	Racing Tire Product Development for Passenger Cars
Gravel RT Product Development	MTB Downhill Product Development
Adventure Tire (BIAS) Product Development	Electric Vehicle Tire Product Development
Light Bike Sport Tire (BIAS) Product Development	MCR Hyper Sport Product Development
ATV EV Tire Product Development	Go-kart RC-1K 2nd Generation Product Development
Electric Bus Product Development	Light Truck (3.5T) All-Steel Product Development

2023 R&D New Product List

Product R&D Planning and Future Prospects

The R&D Department abides by the sustainable policy, injects the concepts of environmental friendliness and sustainable development into product R&D and design, and continues the R&D of sustainable and environmentally friendly products, including fuel-efficient and environmentally friendly, low rolling resistance tires, electric vehicle tires and so on, enhancing product safety and energy saving features.

The products we produced have been tested by global certification authorities to ensure product safety, and we act as the strictest gatekeeper for consumer safety.

Grand Touring A/S Product Development for Passenger Cars	Product Development for 4x4 Vehicles - All-Terrain & Rugged Terrain
Ultra High Performance Summer Product Development for EV SUV	Racing Tire Product Development for Passenger Cars
All-Season Product Development of OE for MPV Vehicle	All-Season Product Development of OE for MPV Vehicle
Light Truck Product Development of OE for Electric Commercial Vehicle	New Product Development for Big Scooter
Motorcycle Product Development of OE for ICE & BEV	MCR sports tire product development
BC New DH Construction Tire Development	RAZR XT Europe Development
Off-Road Product Development for Commercial Truck	

List of planned development products

Leading Technology, Innovative Cheng Shin

The extensive R&D activities of Cheng Shin focus on the development of sustainable and environmentally friendly products, focusing on the key areas of improving energy efficiency and wear resistance, safety, and comfort, while reducing weight and noise.

Product	Sustainability Highlights	Technical Description
<p>Electric sedan tires VICTRA SPORT EV</p> 	<ul style="list-style-type: none"> √Product Lifespan √Product Safety √Product Energy Saving 	<p>The new formula and the rubber polymer technology in the perfect proportion can improve grip and significantly reduce the energy lost during friction, significantly increasing the energy saving level by 20%; the optimized contour design reduces abnormal wear and can increase the wear mileage by 35%.</p>
<p>Metroloads Pro Electric Cargo Bicycle Tire</p> 	<ul style="list-style-type: none"> √Product Lifespan √Product Safety √Use of recycled materials 	<p>Introduce anti-wear compound formula and rubber compound puncture-proof layer to improve product safety and service life; 38% of new tires are made of materials recycled from fishing nets to achieve the goals of environmental protection and sustainable operation.</p>
<p>All-weather SUV tire MA-CT</p> 	<ul style="list-style-type: none"> √Product Lifespan √Product Safety √Product Energy Saving 	<p>The new-generation formula and tire tread design, which features energy saving and superior wet grip, have been tested and shown to show +25% in comfort in the wet, +7% in fuel efficiency for gasoline-powered vehicles, and 15% in the range extension of the dual-battery EV model. It has significantly increase safety and energy-saving performance.</p>
<p>High-performance sports tire MA-SP(L)</p> 	<ul style="list-style-type: none"> √Product Lifespan √Product Safety 	<p>Using a new nano-level formula to increase grip and the introduction of a reinforced special cord material, the wear is increased by 5%, and the tires are more stable. The overall performance rating can provide better cornering stability and handling.</p>










1.8.2 Product Quality Management

The tire has been an indispensable part of all kinds of vehicles, but also a security part of the vehicle. Its quality is involved in the safety of driving and passengers. Based on our customer-centric approach, after confirming customer needs, Cheng Shin designs and produces products that meet customer needs, considering safety as the paramount and crucial core value. Before the products enter mass production, internal testing and verification are conducted for product dimensions, load-bearing capacity, durability, and high-speed performance. At the same time, product safety is guaranteed by passing the test of relevant certification units around the world to ensure product quality and provide the most rigorous quality control for consumer safety. In 2023, Cheng Shin did not have any violations of health and safety regulations for products and services.



Customer-oriented Process

Acquiring stringent safety standards certifications have allowed our products to shine in every corner of the world, living up to the brand spirit of "Maxxis Everywhere".

Markets	Product Certification	Product Certification Description	Sales to Compliance Ratio
European Union		Certificate from the Economic Commission for Europe (ECE)	100%
USA	DOT	US Department of Transportation	100%
Indonesia		Standard National Indonesia	100%
Brazil		National Institute of Metrology, Quality and Technology	100%
India		The ISI Standard Mark	100%
China		China Compulsory Certification	100%
Thailand		TIS Certification TISI-Mark	100%
Philippines		BPS-Mark	100%
Taiwan		Taiwan BSMI Certified	100%
Taiwan		CNS-Mark	100%

Quality First and Customer Satisfaction

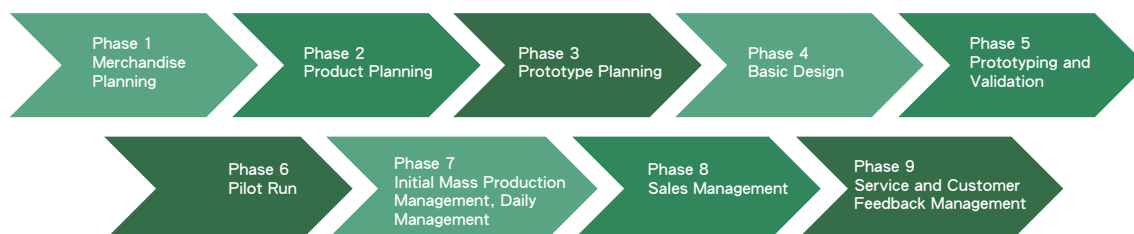
"Quality first, customers satisfied" is the Company's core competitive strategy for its products. In terms of quality system, Cheng Shin has implemented total quality management and obtained ISO9001 and IATF16949 quality management system certification, and established a dedicated quality department to promote the Company's quality management activities.

Region	Quality Management System
Cheng Shin Taiwan and Mainland China	100% implementation of ISO9001 for all production activities IATF16949 is implemented in 100% of the production activities of car tires and truck tires.

Note: IATF16949 is a quality management system for the supply chain of automotive/motorcycle industry.

Quality Activities	Responsibility
Quality Assurance	Company-wide quality assurance system, quality management system establishment/maintenance and management quality improvement, standardization planning/promotion and management, quality audit activity planning/execution and management
Quality Management	Implementation and evaluation of quality management activities for suppliers, raw materials, processes, semi-finished products and finished products

Based on the basic quality policy of "Quality First, Customer Satisfaction", the Quality Assurance Department has developed a new quality management structure, which is divided into nine quality management phases, as shown below.



Cheng Shin's quality management system is certified according to ISO 9001/IATF 16949 standards, which is the basis and guideline for the development of our quality management policies and standard procedures. Our products have also obtained certifications in compliance with European Union regulations and customer requirements. They adhere to chemical usage restrictions to ensure that they do not cause any lasting harm to the environment, promoting sustainability.

By instilling employees with the proper understanding of "quality," we encourage all staff members to uphold the mindset and practices of prioritizing quality in everything they do, including products, work, and services. Every new employee at Cheng Shin receives basic education on quality-related matters upon entering service with the Company. In addition, we incorporate relevant quality courses into our annual training programs and various levels of staff training to continuously reinforce our commitment to quality and enhance our management practices in this area.

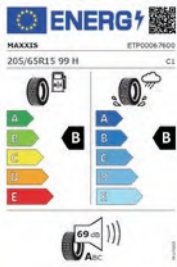
The "Customer Value Proposition" comes from effectively solving "customer concerns". In addition to providing high-quality products and services, we also have a complete and smooth customer service pipeline:

Free consultation service hotline: 0800-092123; customer service center e-mail: svc@tw.maxxis.com.

We aim to provide consumers with more opportunities to engage with Cheng Shin during their purchasing journey. With each customer service interaction, we seize the chance to fulfill their requests to the best of our abilities. This approach allows Cheng Shin tires to have more opportunities to contribute to customer satisfaction.

1.8.3 Clear Product Labeling

In order to help consumers choose the right tires for their needs, as well as in line with the concepts of environmental protection and safety, Cheng Shin follows global tire labeling regulations in major markets. These regulations primarily focus on three aspects: tire rolling noise, wet grip performance, and rolling resistance. Cheng Shin products are sold worldwide, and all our product offerings adhere to the legal requirements for product information labeling in their respective sales regions. In 2023, no violation of marketing and communication-related laws and regulations occurred.



Examples of European Union tire labels

Europe

In June 2020, EU 2020/740 European labeling regulation was announced to replace the European labeling regulation EC1222/2009, and all tires sold to European countries are required to upload data to the EPREL system to disclose tire information. The new label became mandatory from May 2021, and 100% of Cheng Shin tires sold to EU countries comply with the regulations.

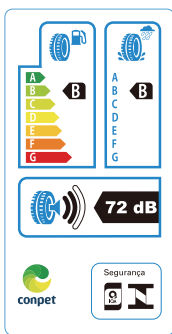


Saudi Arabia Examples of Saudi Arabia tire labels

Gulf Cooperation Council countries (GCC) / Saudi Arabia

Tires for passenger cars and for commercial light trucks and trucks sold to the Middle East Gulf Countries are required to comply with the Vehicle Tires Rolling Resistance and Wet Grip Requirements (GSO ECE 117:2016) from January 2016 and January 2017 respectively, and all Cheng Shin tires sold to the Gulf countries comply with such requirement.

Since November 2015, all tires sold to Saudi Arabia must comply with the Vehicle Tires Rolling Resistance and Wet Grip Requirements (SASO 2857:2016), and all Cheng Shin tires sold to Saudi Arabia comply with such requirements.



Examples of Brazilian tire labels

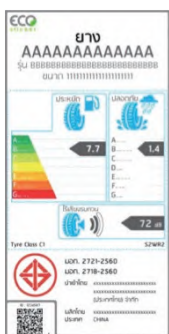
Brazil

In September 2020, INMETRO #379 was released, which stipulates the requirements for passenger car tires, commercial light truck tires, and bus tires sold in Brazil. These tires must meet the labeling standards for rolling noise, wet grip performance, and rolling resistance levels. Cheng Shin ensures that all tires sold to Brazil fully comply with these regulations, with 100% adherence to the specified performance standards.

Thailand

The Thailand Industrial Standards Institute (TISI) was established by the Cabinet of the Thai Government to act as the national standards legislature, promulgating and amending laws and regulations.

Tires for passenger cars, commercial light trucks and trucks sold in Thailand from September 2019 are required to comply with TISI 2721-2560, which is the standard for marking the performance levels of rolling noise, wet grip and rolling resistance. 100% of the tires sold by Cheng Shin in Brazil comply with the regulations.



Examples of Thai tire labels

Taiwan

In November 2019, the Bureau of Energy, Ministry of Economic Affairs, and Automotive Research & Test Center (ARTC) established the "Energy-Efficient Tire Industry Alliance" to introduce energy-saving labels for car tires, and manufacturers shall apply for energy-saving labels. According to the rolling resistance, the labeling can be divided into three grades: A, B, and C. The rolling resistance of grade A is the lowest one, which can save up to 8% fuel after measured, while the fuel-saving of grade B and C is 6% and 4%, respectively.

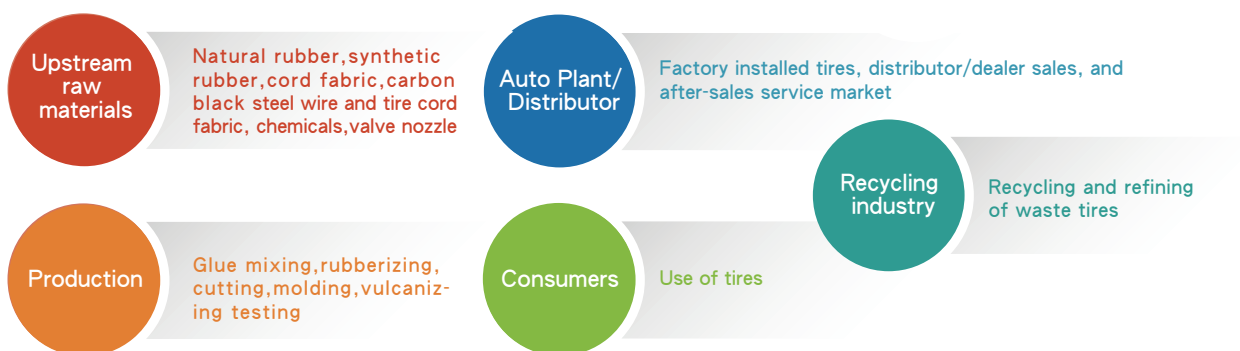


Examples of Taiwan tire labels

1.9 Supply Chain Partners, Growing with Cheng Shin

1.9.1 Cheng Shin's Partners

Cheng Shin has always approached its relationship with raw material suppliers from a partnership perspective. We uphold the concept of teamwork and strive for close and long-term collaborative relationships with our suppliers, aiming to achieve mutual benefit. Our commitment to sustainable business practices reflects our aspiration to create a win-win situation. The main product value chain of tire products from upstream raw materials, production, vehicle factories and dealers, consumer use to tire recycling is as follows:



In the value chain, Cheng Shin maximizes product value with safe and reliable tires. Among the upstream raw materials, rubber raw materials, equipment, and mold tooling companies are the three major suppliers of Cheng Shin, and the bulk purchase of raw materials mainly includes natural rubber, synthetic rubber, cord fabric, carbon black, steel wire, and tire cord fabric, accounting for about 80% of the total purchase amount.

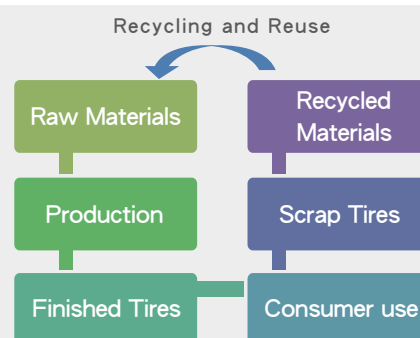
In recent years, Cheng Shin has embarked on three procurement policies in response to the rising international awareness of environmental protection and the need to strengthen the resilience of the supply chain:

1

Cheng Shin has joined the Global Platform for Sustainable Natural Rubber (GPSNR) and continues to be committed to adhering to and promoting the policies established by GPSNR to our natural rubber suppliers. These policies include a focus on "Livelihoods and Well-being of Communities, Good Ecosystems (including a commitment to no deforestation), and Respect for All Human Rights", and we establish a due diligence system to actively correspond to EU Deforestation Regulation (EUDR).

2

The environmental aspects and other assessments are 100% included in the supplier review phase and requires 100% compliance and verification. Some of the raw materials are introduced into the sustainable supply chain circular economy model. Please refer to the image on the right, and the Company is actively promoting sustainable raw materials (renewable and recyclable) development and implementation.



3

Local sourcing reduces carbon emissions from the transportation of key raw materials, stimulates local economic development, reduces the impact of shipping (including wars, extreme weather conditions, and outdated port infrastructure, labor shortages), and diversifies sourcing risks to help strengthen the supply chain.

The quantity of raw materials procured by Cheng Shin in FY2023 and the percentage of local procurement from FY2021 to FY2023 are as follows:

Cheng Shin Taiwan:

Material Name	2023 Quantity (metric tons)	% Local Procurement		
		2021	2022	2023
Natural Rubber (Note 1)	45,957	0.00%	0.00%	0.00%
Synthetic Rubber	47,739	55.00%	55.00%	82.00%
Cord Fabric	14,027	56.00%	44.00%	81.00%
Carbon Black	52,460	98.00%	99.00%	99.00%
Steel wires and Tire Cord Fabric (Note 2)	10,547	0.00%	0.00%	0.00%

Note 1 : Local is defined as the area where Cheng Shin's production base is located.

Note 2 : Natural rubber is mainly produced in Thailand, Vietnam, China, and other countries, while Taiwan completely relies on imports since it is located in a non-rubber producing area.

Note 3 : Taiwan does not have domestic manufacturers of tire-free steel wire and tire cord fabric, and must rely on imports.

Mainland China:

Material Name	Region	2023 Quantity (metric tons)	% Local Procurement		
			2021	2022	2023
Natural Rubber	Cheng Shin Kunshan	39,200	100.00%	100.00%	100.00%
	Cheng Shin Chongqing	8,132	100.00%	100.00%	100.00%
	Cheng Shin Xiamen	112,596	69.50%	71.00%	69.00%
Synthetic Rubber	Cheng Shin Kunshan	32,392	49.00%	51.00%	49.00%
	Cheng Shin Chongqing	8,729	59.00%	60.00%	71.00%
	Cheng Shin Xiamen	72,832	77.20%	78.00%	84.00%
Cord Fabric	Cheng Shin Kunshan	6,104	88.00%	96.00%	97.20%
	Cheng Shin Chongqing	1,723	99.00%	98.90%	98.90%
	Cheng Shin Xiamen	19,458	87.80%	88.00%	97.00%
Carbon Black	Cheng Shin Kunshan	32,783	100.00%	100.00%	100.00%
	Cheng Shin Chongqing	7,839	100.00%	100.00%	100.00%
	Cheng Shin Xiamen	84,325	100.00%	100.00%	100.00%
Steel wires and Tire Cord Fabric	Cheng Shin Kunshan	23,211	100.00%	100.00%	100.00%
	Cheng Shin Chongqing	4,456	100.00%	100.00%	100.00%
	Cheng Shin Xiamen	35,673	95.80%	96.00%	98.00%

1.9.2 Supply Chain Management Policies of Cheng Shin

Cheng Shin has a rigorous supplier audit process that includes product verification, qualification review, and on-site audits as the benchmarks for supplier audits.

Among the key items of supplier audits, the following aspects will be taken into consideration:

Concerns	Corresponding indicators	Requirements	Management Achievements
Environment	REACH: EU Substances of Very High Concern (SVHC)	Third Party Notarized Report	100%
	RoHS: Restriction of Hazardous Substances Directive	Third Party Notarized Report	100%
	Eco-friendly Tires PAHs (Polycyclic Aromatic Hydrocarbons Compound Content) (Note)	Third Party Notarized Report	100%
	Chemical Substance Identification and Safety Data Sheet (SDS)	Certificate of completion of certification and regulatory registration	100%
Quality	ISO 9001	Certification	100%
	Product Control Plan	Control Plan	100%
	Quality Assurance Report	Quality Assurance Report	100%
Human Rights	Cheng Shin values supplier employment and training, as well as health, safety, and environmental standards and anti-corruption, in accordance with the Responsible Business Alliance (RBA) Code of Conduct. We adhere to various international conventions and local labor regulations outlined by the Labor Standards Act.	Process review and verification	100%
Social Responsibility	Prohibit the use of conflict minerals	Sign a pledge statement	100%
	Follow and promote the GPSNR policy	Require natural rubber suppliers to follow relevant policy and guidelines	100%

Note 1: PAHs report is mainly for raw materials containing oil and resin.

Note 2: Regarding anti-corruption and social responsibility, there were a total of 115 suppliers in Taiwan in 2023, and the management achievement rate was 100%.

In addition, to comply with and correspond to the requirements of EUDR regulations, Cheng Shin has started due diligence on 10 relevant suppliers and completed risk assessments in the second half of 2023 (the survey results are no high-risk suppliers). Held meetings from time to time to review with the suppliers, and accurately implemented progress tracking and intelligence capture.

Cheng Shin values every product we put into the hands of consumers and use this as a guiding principle in selecting our partners.

- (1) The scale of production capacity of major suppliers can adequately supply the production demand.
- (2) The supplier has a large number of factories that can be immediately deployed in case of unforeseen circumstances.
- (3) Suppliers of major raw materials must obtain at least ISO 9001 or IATF 16949 quality system certification.
- (4) Raw material production plants must be evaluated and approved by Cheng Shin, including the supplier company's business license and the legality of product production.

In order to ensure the on-time supply of raw materials for production operations, Cheng Shin has formulated factory rules and regulations for the implementation of the "Emergency Response Plan" and, with reference to changes in the external environment, formulates a contingency theme each year for emergency response drills.

In 2023, we conducted two drills: information security and extreme weather events.

If suppliers encounter any related issues, they can use the following complaint channels:

Cheng Shin Taiwan:

Complaint Hotline: +886(04)8525151#264

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

Mainland China

Cheng Shin Kunshan:

Complaint Hotline: +86(0512)-57673888#8294(Procurement)

Complaint E-mail: ccwang2@mail.cst.com.cn

Cheng Shin Xiamen:

Complaint Hotline: +86(0592)-6211606#6610(Procurement)

Complaint E-mail: csta027@cn.csttires.com

The purpose is to establish a complaint mechanism and implement corrective measures. We expect suppliers to evaluate the following two points:

1. Take appropriate corrective action in case of non-compliance.
2. No retaliation against anyone who, in good faith, reports a violation of policy or law.

Potential Negative Environmental Impacts:

1. The balance between the supply and demand of natural rubber and the sustainability of smallholder farmers has been a persistent challenge, often leading to issues related to the environment, biodiversity, human rights violations, and labor rights. These factors have a significant impact on the natural rubber supply chain and contribute to inequalities within it.
2. As natural rubber is an important raw material for the tire industry, and as Taiwan has no natural rubber resources, the demand for natural rubber is supplied from Southeast Asia, which has a far-reaching impact. With the development of global business, promoting the sustainable development of natural rubber will be an important issue for Cheng Shin in the future.

Active Measures:

1. Since 2021, Cheng Shin has been a part of the Global Platform for Sustainable Natural Rubber (GPSNR). Through this platform, Cheng Shin collaborates and engages with various stakeholders across the global natural rubber industry to discuss and work on policies that promote the sustainable development of natural rubber. These discussions aim to address and resolve issues such as deforestation and ecosystem conversion, biodiversity loss, violations of human rights and labor rights, as well as inequalities within the natural rubber supply chain. Cheng Shin is committed to being a responsible participant in the natural rubber industry and contributing to its sustainable development.
2. Cheng Shin has established the Sustainable Maxxis Family, inviting natural rubber suppliers to join and commit to the sustainable development of natural rubber. The family includes various members such as smallholder rubber farmers, rubber producers, rubber processors, and traders. We have formulated sustainable development policies aimed at guiding our natural rubber suppliers to prioritize their responsibilities in environmental, social, and human rights aspects.
3. Cheng Shin's regular audits of natural rubber suppliers will incorporate the implementation of sustainable development policies within the audit projects. To verify performance, we will continuously monitor the processes related to the Company's commitments, including monitoring systems and implementations that include information from the majority of stakeholders and impact companies that do not comply with their commitments. This process will be conducted at least once annually, and the progress and results of policy implementation and commitments will be publicly reported. The audit rating results will influence Cheng Shin's procurement principles with regard to suppliers.
4. A detailed announcement of the Sustainable Natural Rubber Policy can be found on the Company's website: http://www.maxxis.com.cn/csr_detail.php?cID=4&Key=28

1.9.3 Grading of suppliers' on-site audit results

Cheng Shin classifies the results of supplier audits into four different levels: A, B+, B, and C.

Grade A suppliers: 90.0~100.0: qualified, preferential purchasing and can increase purchase orders.

B+ suppliers: 86.0~89.9/B: 80.0~85.9: qualified.

Grade C suppliers: <79.9: Improvement needed. Can be judged as qualified after a follow-up review.

For approved suppliers, Cheng Shin conducts an annual evaluation of supplier delivery quality performance on a yearly basis with a re-evaluation ranking arrangement. If the supplier consistently achieves an A-level performance in annual deliveries, a re-evaluation will be scheduled at least once every three years. This re-evaluation process will follow the same procedure as the approval process for new suppliers. The goal is to ensure that the quality of supplied goods continues to improve over time.

In 2023, there were a total of 115 qualified suppliers for Cheng Shin. After the assessment, the annual assessment plan scheduled 11 suppliers for on-site assessments (Note 1), and the other 6 new suppliers underwent on-site assessments according to the development plan. The results for both showed pass rate at 100%, and the achievement rate at 100%. Please refer to the table below for details.

Cheng Shin Taiwan

New Suppliers	Evaluation of New Suppliers	6suppliers	Grade A: 2 Grade B+: 3	Grade B: 1 Grade C: 0
Existing Suppliers	On-site evaluation (Note 1)	11suppliers	Grade A: 3 Grade B+: 6	Grade B: 1 Grade C: 0
	Supplier Capacity Performance Assessment (Note 2)	105suppliers	Grade A: 105	Grade B: 0 Grade C: 0

Note 1: Since procurement has suspended for one supplier, the implementation of the audit has been suspended, and the audit will be conducted again after the supply of goods has been restored.

Note 2: The supply ability performance evaluation refers to the evaluation of suppliers with a delivery record in that year. Suppliers that have stopped production and have suspended procurement throughout the year are not in the scope of implementation.

Mainland China

New Suppliers	Evaluation of New Suppliers	Kunshan+Chongqing	5 suppliers	Grade A: 1 Grade B+: 4	Grade B: 0 Grade C: 0
		Cheng Shin Xiamen	8 suppliers	Grade A: 8 Grade C: 0	Grade B: 0
Existing Suppliers	On-site evaluation	Kunshan+Chongqing	32 suppliers	Grade A: 5 Grade B+: 27	Grade B: 0 Grade C: 0
		Cheng Shin Xiamen	35 suppliers	Grade A: 31 Grade C: 0	Grade B: 4
	Supplier Capacity Performance Assessment	Kunshan+Chongqing	96 suppliers	Grade A: 96 Grade B+: 0	Grade B: 0 Grade C: 0
		Cheng Shin Xiamen	124 suppliers	Grade A: 109 Grade C: 11	Grade B: 4

Note: In addition to the enhanced quality inspection of inbound goods, we also arranged for on-site supplier audits for Grade C suppliers.

In addition to supplier assessment and evaluation, Cheng Shin requires suppliers of raw materials to provide inspection reports from quality laboratories or third-party organizations for each shipment, and to conduct batch-by-batch or random inspections to ensure the quality of raw materials supplied. In addition to the quality control of Cheng Shin' s own products, we also trace back to the upstream sources and demand the input of quality raw materials to ensure that we provide consumers with safer and more quality-assured products.

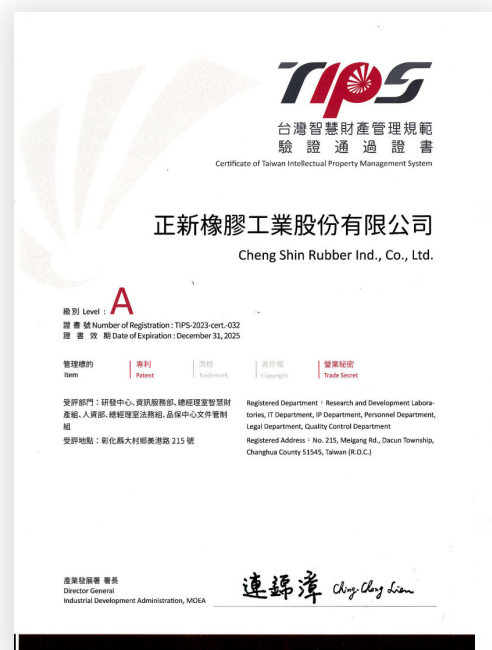
1.10 Protecting Customer Privacy

Technology is changing at a rapid pace, therefore to meet the needs of the digital age, which is advancing forward at an unprecedented speed. Under the rapid development, it has profoundly transformed the life of human beings in all aspects, among which the data protection with a large amount of information becomes ever more important.

Cheng Shin has always taken the utmost care to protect our customers' intellectual property and identity, and to control every document and data file that is relevant to the confidentiality and secrecy of our products. In addition to passing the trade secret certification in 2022, we will also complete the patent certification in 2023; the currently completed subjects include business secrets and patents. The TIPS Class A intellectual property management scope certificate is valid until December 31, 2025. The first tire factory to pass the TIPS verification. The implementation of the procedures and regulations introduced by the TIPS is beneficial to the protection of the core business and related brands. Furthermore, we are committed to ensuring the highest level of data protection and security. Through continuous updates and the establishment of leak prevention mechanisms, we strive to achieve the goal of "data protection without any leaks." This approach aims to provide complete peace of mind to our customers and suppliers when engaging with us, ensuring their utmost confidence in their engagements with Cheng Shin.

At Cheng Shin Taiwan, the implementation of the customer information management policy focused on:

1. Establishment and comprehensive update of an automated active file encryption system.
2. Establishment of document review mechanism.



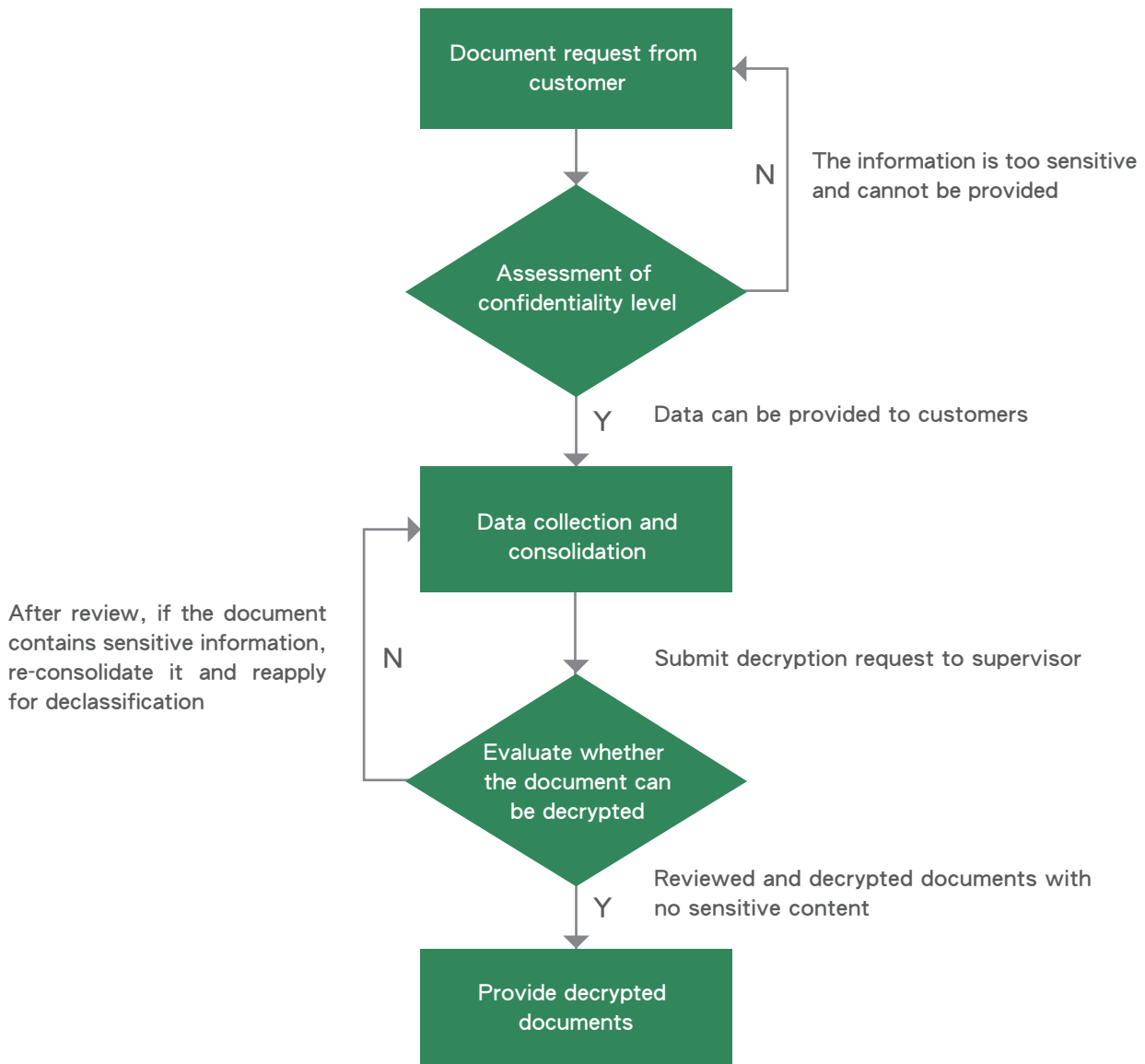
Implementation Methodology:

1. Starting from the key departments to install and update the system, and then expanding to all departments in the Company.
2. All new documents must be declassified to the designated supervisor for document review.
3. Each department has only a single window for file declassification review mechanism to ensure that each application for declassification is reviewed at the highest standard.

In addition to data encryption, Cheng Shin is committed to protecting the intellectual property of its customers. In addition, the office computers distributed by the Company are equipped with automated electronic data protection systems and Microsoft Document Protection and Data Leakage Protection tools to encrypt and classify documents and emails and prevent unauthorized personnel from accessing sensitive information. More importantly, any unauthorized operation will be recorded and tracked to the managers and general users of the operation, including decrypted files, printed files, deleted files. In the event of any abnormal operation, the system will immediately alert the system administrator to understand and analyze abnormal behaviors. Meanwhile, the abnormally opened files will also become garbled text to avoid the risk of disclosure of confidential documents.

In 2023, there were no written complaints of violation of customer privacy or loss of customer data in the Taiwan region and Mainland China region. Cheng Shin strictly manages and maintains the storage and use of the intellectual property rights and privacy information provided by customers and keeps confidential the contract products, projects under development, and related product information of customers. With the concerted efforts of all staff and under the operation of the data protection system, Cheng Shin is perfecting its data protection, so that customers can be rest assured and put their trust in us.

Customer Data Confidentiality Process



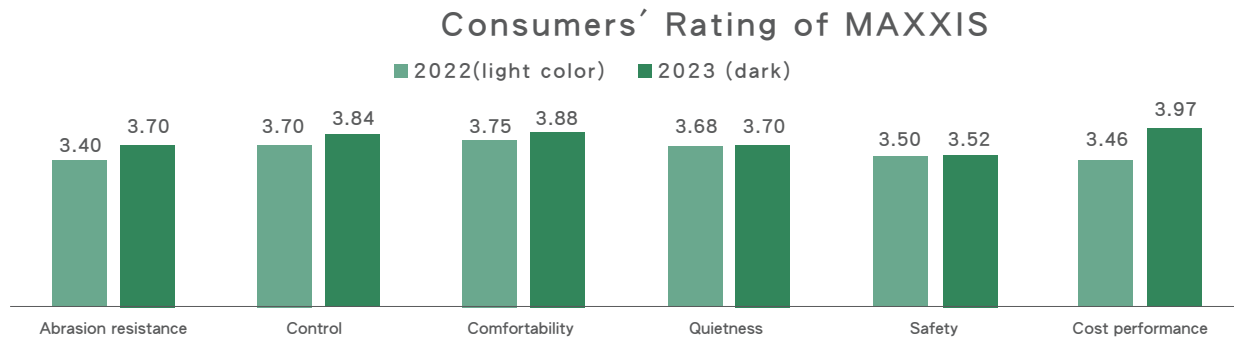
1.10.1 Customer Satisfaction Customer Satisfaction Survey

To provide tires more in line with the needs of consumers, Cheng Shin keeps close to consumers through market research and market satisfaction survey every year and develops new products through research and innovation with a rigorous attitude in the face of customer voices, including tread design, controllability, quietness, comfortability and abrasion resistance, etc., to maintain the direction of technology research and development to be consistent with that of market pull demand according to the satisfaction analysis result, so as to thoroughly understand the voice of customers and create customer value.

We conduct annual customer satisfaction surveys through distributed questionnaires to understand customer needs and ensure satisfaction levels. This helps us adjust our strategies to align new product development with market demands. Additionally, Cheng Shin has established communication channels, including a toll-free consultation hotline at 0800-092123, and a customer service center e-mail: svc@tw.maxxis.com. Our dedicated customer service team provides professional and enthusiastic assistance to address any inquiries or concerns.

Cheng Shin Taiwan:

A total of 500 copies of the 2023 Taiwan Consumer Satisfaction Survey were distributed and 470 copies were recovered, with a response rate of 94%:



Note: The scoring method of the survey

5 is very satisfied, 4 is satisfied, 3 is average, 2 is dissatisfied, and 1 is very dissatisfied.

In the 2023 survey, the scores of wear resistance, handling, comfort, and price-performance ratio improved, while quietness and safety remained unchanged. It is inferred that the main driving force is the new high-end sedan tire product: MAXXIS' first electric vehicle tire, the VICTRA SPORT EV (VS-EV). This tire is specially designed for electric vehicles and integrates the latest technologies, including sound-absorbing foam technology, a new-generation rubber compound formula, and high-strength steel wire material. It aims to provide electric vehicle owners with a high-level balanced performance of "smooth, quiet, and swift" driving. Furthermore, the development of VS-EV primarily addresses three major pain points for electric vehicle owners: range anxiety, driving noise, and increased tire replacement frequency. VS-EV highlights three key features: Low Noise (achieved by shoulder noise-reducing groove design and MAXXIS SILENT technology, certified with the EU R117 regulation test at 68 dB), Energy Efficiency (utilizing a new EV energy-saving formula technology to optimize rolling resistance by 20% and increase wear mileage by 25%), and Agile Control (improved dry and wet handling performance).

The new Maxxis brand, the VICTRA SPORT PRO (VSP) high-performance tire was launched in 2023. It is designed for luxury sedans and SUVs and developed to address the three demands of "control, safety and quietness". The climate in Taiwan is rainy and humid, and short bursts of high-intensity rainfall can easily accumulate water on the roads, increasing the risk of skidding during driving. In the face of changing weather conditions, ultra-high dosage silicon nanoparticles (Silica) are used to break through the water film through the strong bond between the functional groups (-OH) of the silicon nanoparticles and the water film, thereby enhancing the grip strength of the tread and road surface, enhancing wet handling performance and significantly shorten wet braking distance to enhance driving safety. VSP increases tire shoulder width and strengthens shoulder rigidity to enhance contact surface area and cornering grip, as well as enhance tread rigidity and ground contact achieving excellent control and brake performance. Aside from control and safety, tire noise is also a concern of drivers. VSP adopts the latest MAXXIS Optim-tech pitch arrangement optimization technology to effectively reduce driving noise and provide the driver and passengers with a quiet and comfortable cabin space.

In the fierce and severe market competition, Cheng Shin adheres to the concept of "Customer Value Proposition (CVP)" to develop products that meet the needs of customers, allowing the "Customer Value Proposition" to be focused, which results from effectively addressing "Customer Concerns", grasping every opportunity to serve customers, integrating customers' opinions and related needs, and using its own key resources to meet customer needs. Cheng Shin has created high-quality products and perfect services while actively establishing different channels to increase the interaction with consumers and trying its best to achieve customers' expectations, which enables Cheng Shin to obtain more opportunities to realize customer expectations.

Mainland China: Cheng Shin Kunshan, Cheng Shin Chongqing

In the Mainland China region, our primary customers are brand automobile manufacturers and dealerships. Therefore, customer satisfaction surveys in this region focus on these two customer categories. The surveys are conducted semi-annually, and the results from the past three years are as follows. Additionally, we have enhanced the focus on dealership business and channel policies to provide a weighted average calculation:

Customer Type	Survey Item 7 (e.g. quality, delivery time, overall satisfaction, etc.)	2021 H1	2021 H2	2022 H1	2022 H2	2023 H1	2023 H2
Four-Wheeler Product Brand car customers	Delivery	30	29.6	29.7	30	30	30
	Quality	29.9	29.8	29.8	29.6	29.7	29.6
	Price	8.7	8.2	8.6	8.5	8.5	8.7
	Development	13.6	14	13.8	13.8	13.9	14.1
	Services	14.9	14.9	14.9	14.9	14.9	14.9
	OE Customer Total Score	97.1	96.5	96.8	96.8	97.0	97.3
Four-Wheeler Product Dealership/ Distributor Customers	Sedan-type Products	86	85	85	84	82	85
	SUV-type Products	86	85	85	84	82	85
	Off-Road SUV Products	86	85	85	84	82	85
	Commercial	86	85	85	84	82	85
	Services	83	82	83	82	82	85
	Promotional Campaigns	78	71	76	75	77	80
	Brand Promotion	76	73	78	76	75	78
	Distributor Commercial Policy	79	76	79	78	77	83
	Channel Policies	75	76	78	77	78	82
	Average Score	82	80	81	80	80	83

Cheng Shin Xiamen

Cheng Shin Xiamen offers a range of products, including four-wheeler products (passenger car tires, radial freight truck/passenger bus tires, BIAS and industrial vehicle tires), as well as two-wheeler products (bicycle tires, motorcycle tires, two-wheeled electric vehicle tires, and heavy-duty motorcycle tires). These products cater to both dealerships and assembly plants. Taking into account these distinctions, the customer satisfaction surveys are conducted annually, categorized based on the customer type. For each product category and distribution channel, different survey items have been tailored to reflect their unique characteristics. The results for the past three years are as follows, with weighted averages calculated:

Customer Type	Tire Type	Survey Item (e.g. quality, delivery time, overall satisfaction, etc.)	2021 Score	2022 Score	2023 Score
Four-Wheeler Product Dealership/ Distributor Customers	Passenger car tires Domestic Sales	Product	50.1	53.8	55.1
		Sales Services	32.5	33.9	34.3
		Average Score	82.6	87.7	89.4
	Radial Truck/Passenger Bus Tires Domestic Sales	Services	32.8	20.5	18.1
		Product	46.8	61.8	64.6
		Average Score	79.7	82.3	82.7

Customer Type	Tire Type	Survey Item <small>(e.g. quality, delivery time, overall satisfaction, etc.)</small>	2021 Score	2022 Score	2023 Score
Four-Wheeler Product Dealership/ Distributor Customers	BIAS/ Engineering Vehicle Tires Domestic Sales	Product	24.4	24.5	24.4
		Delivery/Packaging	28.2	28.1	28.5
		Services	28.1	27.9	27.8
		Others	13.2	13.5	13.4
		Average Score	93.9	94.0	94.1
	Passenger car tires Export Sales	Services	38.9	39.1	44.0
		Delivery/Packaging	19.6	19.6	19.7
		Product	38.4	38.3	33.4
		Average Score	96.9	97.0	97.1
	Radial Truck/Passenger Bus Tires Export Sales	Services	38.1	38.6	44.3
		Delivery/Packaging	19.5	19.0	19.4
		Product	38.0	37.7	33.1
		Average Score	95.6	95.3	96.8
	BIAS/ Engineering Vehicle Tires Export Sales	Services	38.5	38.7	43.9
		Delivery/Packaging	19.1	19.3	19.1
		Product	38.1	37.1	33.6
Average Score		95.7	95.1	96.6	
Four-Wheeler Product Brand Customers	Spare Tires Domestic/Export Sales	Services	39.8	39.5	39.5
		Delivery/Packaging	14.9	14.8	14.8
		Product	39.0	38.8	38.9
		Market	5.0	5.0	5.0
		Average Score	98.7	98.2	98.2
	BIAS/ Engineering Vehicle Tires Domestic Sales	Product	32.9	32.5	33.4
		Delivery/Packaging	26.3	25.5	26.2
		Services	13.5	14.2	14
		Others	16.4	16.7	16.5
		Average Score	89.1	88.9	90.1

Customer Type	Tire Type	Survey Item (e.g. quality, delivery time, overall satisfaction, etc.)	2021 Score	2022 Score	2023 Score
Two-Wheeler Product Dealership/Distributor Customers	Bicycle tires Export Sales	Services	38.8	39.1	44.2
		Delivery/Packaging	19.3	19.4	19.4
		Product	39.8	37.6	33.9
		Average Score	97.9	96.1	97.5
	Tires for Motorcycles Export Sales	Services	38.9	38.9	45.2
		Delivery/Packaging	19.4	19.1	25.1
		Product	38.0	38.1	47
		Average Score	96.0	96.1	97.2
	Bicycle tires Domestic Sales	Services	37.8	38.8	37.8
		Delivery/Packaging	19.0	19.0	19
		Product	38.5	35.7	38
		Average Score	95.3	93.5	94.8
	Heavy Motorbike Tires Domestic Sales	Quality	29.5	29.1	29.1
		Product Packaging Appearance	24.0	23.4	23.9
		Delivery	9.3	9.2	9.3
		Service Level	24.4	23.7	23.9
		Others	9.9	9.5	9.7
		Average Score	97.0	95.0	96
	Tires for Motorcycles Domestic Sales	Services	23.6	23.9	24.2
		Delivery/Packaging	32.8	33.1	33.8
Product		38.5	38.4	38.9	
Average Score		94.9	95.4	96.9	
Two-Wheeler EV Tire Domestic Sales	Services	23.6	23.8	24	
	Delivery/Packaging	32.4	32.8	33.2	
	Product	38.0	37.7	38.4	
	Average Score	94.0	94.3	95.6	
Two-Wheeler Product Brand Customers	Bicycle tires Domestic Sales	Services	18.4	18.0	18.0
		Delivery/Packaging	46.5	41.2	28.2
		Product	22.3	31.8	45.2
		Average Score	87.2	91.0	91.4
	Motorbike Tire/Two-Wheeler EV Tire Domestic Sales	Services	13.9	14.4	13.9
		Delivery/Packaging	14.2	13.5	25.6
		Product	54.1	54.0	47.2
		Average Score	82.2	81.9	86.7

1.11 Adherence to Product Regulations

Tires are the key safety features of all types of vehicles, and, therefore, the regulations in each country provide clear and strict rules regarding tire standards, specifications and requirements applicable to tire products.

In distribution and marketing, tire manufacturers are also required to comply with relevant laws and regulations and are prohibited from engaging in anti-competitive behavior. The Legal Affairs Unit of the President's Office at the headquarters will serve as the final decision-making authority for legal compliance matters within Cheng Shin. Similarly, dedicated personnel are designated in each regional group company and manufacturing facility to act as the point of contact for local regulatory compliance matters with the respective authorities. This approach ensures that Cheng Shin keeps abreast of the latest legal developments and can make necessary adjustments to its operational management in a timely manner.

In terms of product compliance, it mainly includes the following categories:

1. Product specifications and standards: such as the specifications and safety factors of products set by various countries.
2. Product labeling and disclosure of information: specifications for labeling on products and for information to be disclosed to the public.
3. Product sales and marketing laws: such as the antitrust, advertising, and marketing laws to be followed.
4. Product usage and service provision laws: for example, tires over a certain number of years shall not be used for commercial purposes, used or sold as products of inferior quality.

Cheng Shin has always strictly adhered to compliance with relevant laws and regulations. During the year 2023, there were no major violations of the laws as described above in Cheng Shin Taiwan and Mainland China, and there have been no significant complaints or reports of non-compliance with regulations from regulatory authorities or local residents through the established communication channels.

Cheng Shin has established open channels for stakeholders to communicate directly with Cheng Shin regarding compliance with laws and regulations.

Toll-free service hotline: 0800-092123 (Customer Service Center)

Service hours: Mondays to Fridays 08:00 AM - 05:00 PM

E-mail : svc@tw.maxxis.com