

CST ESG 2024

Sustainability Report

Cheng Shin Rubber Ind. Co., Ltd.



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— About This Report —

Content

Since 2014, Cheng Shin has continuously issued 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-friendliness, employee care, supplier management, shareholder equity, customer service and community participation, and explains to all stakeholders the efforts and achievements of Cheng Shin in implementing corporate social responsibility, 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). 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 Group's parent company Cheng Shin Rubber Industry Co., Ltd. (referred to as "Taiwan Region"), and, starting in 2024, also includes consolidated subsidiaries (referred to as "subsidiaries"). To differentiate the data, some information pertains only to the China-based subsidiaries (referred to as "China Region"). The financial and some sustainability information, as audited by CPAs, is consistent with that in the financial reports.

Review and Assurance

Cheng Shin's Sustainability Report was compiled by various departments and coordinated by the Sustainable Development Working Group, in accordance with the aforementioned international standards and guidelines. To ensure the quality of information disclosure, Cheng Shin engaged PwC Taiwan to issue 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, 2025.

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.

TEL: (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 2024 Sustainability Report discloses our sustainability performance and responds to stakeholders' concerns for the year 2024 (from January 1, 2024 to December 31, 2024); for completeness, some information can be traced back to 2022.

— Message from the Chairman —



In 2024, the global tire market continued to face a complex mix of challenges. International trade tariff wars and exchange rate fluctuations continued to affect industry dynamics. Furthermore, with the rapid rise of the Chinese auto industry, Chinese tire brands have been actively expanding their market share through low-price strategies, intensifying global market competition. In this environment, Cheng Shin Rubber adhered to the principle of steady operations, continuously optimized its product portfolio, reduced costs, and improved profitability. Annual operations remained stable, with consolidated revenue holding steady year-on-year. The net profit for the current period in 2024 increased by 11.53% compared to last year, and the earnings per share reached NT\$2.47, demonstrating the Company's resilience in the face of fierce competition.

We have been focusing on the in-depth cultivation and development of our core tire business, dedicated to building the Taiwanese international brand "MAXXIS" and marketing our products in over 180 countries worldwide. We are not just a professional tire manufacturer, but also a company with a deep corporate culture: "100% quality, 100% service, and 100% reliability, respect and care, gratitude". We have been promoting our brand culture globally since 2024. "MAXXIS CULTURE" signboards have been installed at every sales channel carrying MAXXIS products, with the hope that consumers will gain a deeper understanding and appreciation for the MAXXIS spirit, leading to genuine love and identification with the brand.



In addition to promoting the brand culture, we also actively integrate sustainability into our daily operations. From environmental management, energy utilization, talent development to public welfare care, we work with all family members to promote the sustainable development of the Company. We have been selected as a constituent stock of the "Taiwan Sustainability Index" (FTSE4Good TIP Taiwan ESG Index) for seven consecutive years. This is not only an honor, but also recognition of our commitment to sustainability.

In terms of environmental sustainability, we are constantly promoting green transformation. In 2024, we used a total of 52.01 million kWh of solar power and implemented the ISO 50001 energy management system. Through internal energy conservation and carbon reduction measures, we managed to reduce GHG emissions by 38,934.21 MtCO₂e. We also work with our suppliers to transform waste into high-performance tire materials, achieving resource recycling and reuse, and showcasing our concrete achievements in environmental and energy management. We are deeply aware that employees are the most valuable asset of a company. With "safety first" as its core value, Cheng Shin is dedicated to building a healthy, safe, and comfortable working environment, promoting workplace wellness and equipment optimization. At Cheng Shin, we enable employees to focus on their work with peace of mind and jointly advancing towards a sustainable future with the company.

Looking forward, Cheng Shin will continue to center itself on its corporate culture to practice sustainable management, and collaborate with all stakeholders to build a more resilient and value-creating future.

Chairman

Chen Yuhwa

Part 1

Cheng Shin “Rolls” the World



1.1 2024 Sustainability Highlight Achievements

- 1.Cheng Shin passed the external certification for the ISO50001 energy management system.
- 2.Greenhouse Gases Reduction
Promoted energy-saving programs, reducing GHG emissions by 37,416.27 tCO₂e.
- 3.Use of Green Energy
The solar photovoltaic system has been activated, and over 4 million kWh of renewable energy is used annually in Taiwan.
- 4.Selected as one of the constituents of the "Taiwan RAFI EMP 99 Index".
- 5.Continue to implement the Company' s Employee Stock Ownership Program.
- 6.TIPS Class A intellectual property management scope valid certification

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.

Company Profile :

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: 4,324 employees; Group: 21,973 employees

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 2022-2024

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.



2024 Cheng Shin was listed as a constituent stock of the FTSE4Good TIP Taiwan ESG Index for the 7th consecutive year.
MAXXIS VS-EV won A'Design AWARD
Maxxventure MT and E-Gargo Metroloads Pro won iF Design Award
2024 - E-Gargo Metroloads Pro won the Red Dot Design Award and Good Design Award



red dot winner 2024



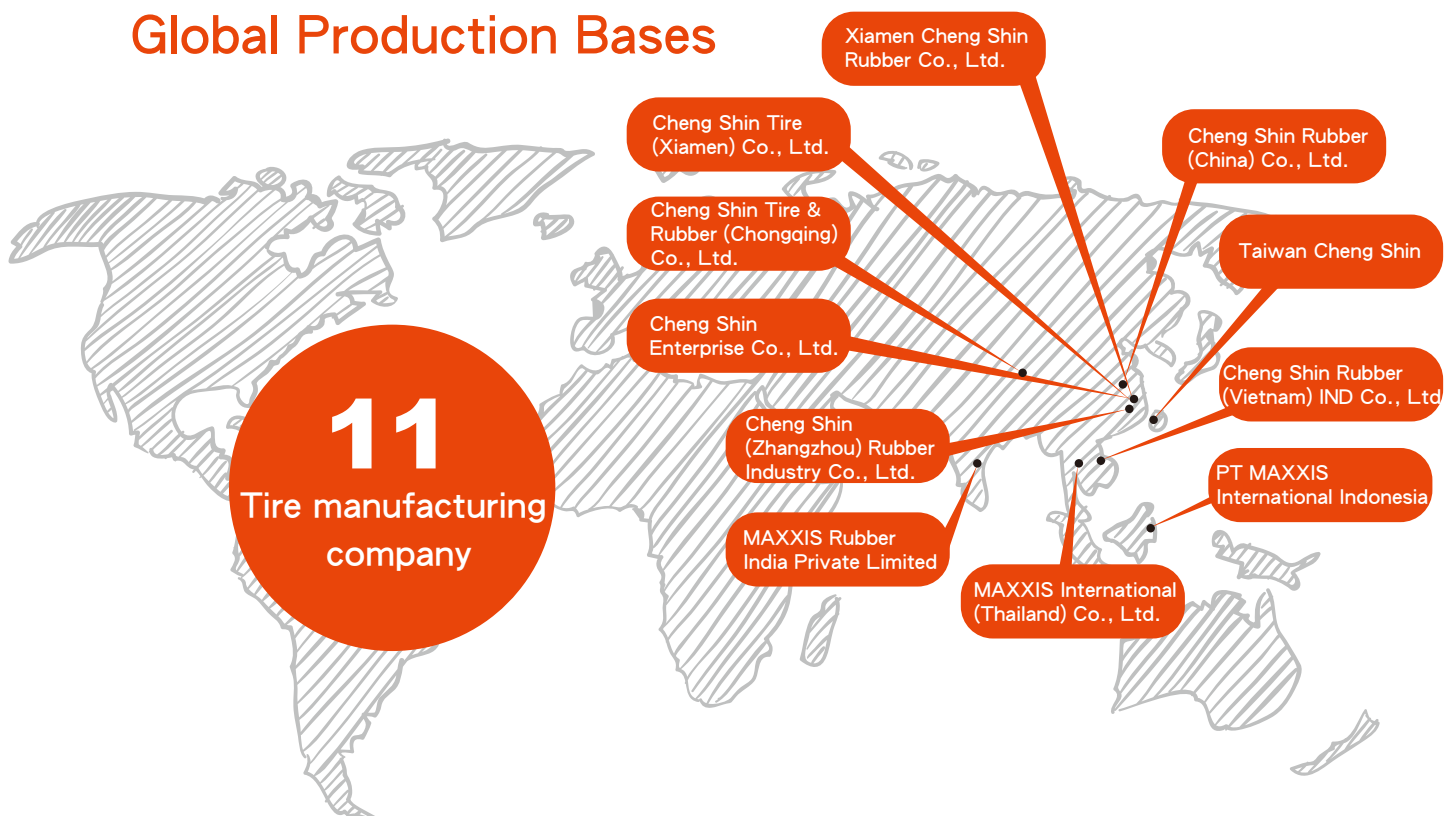
GOOD DESIGN AWARD 2024

Operational Performance

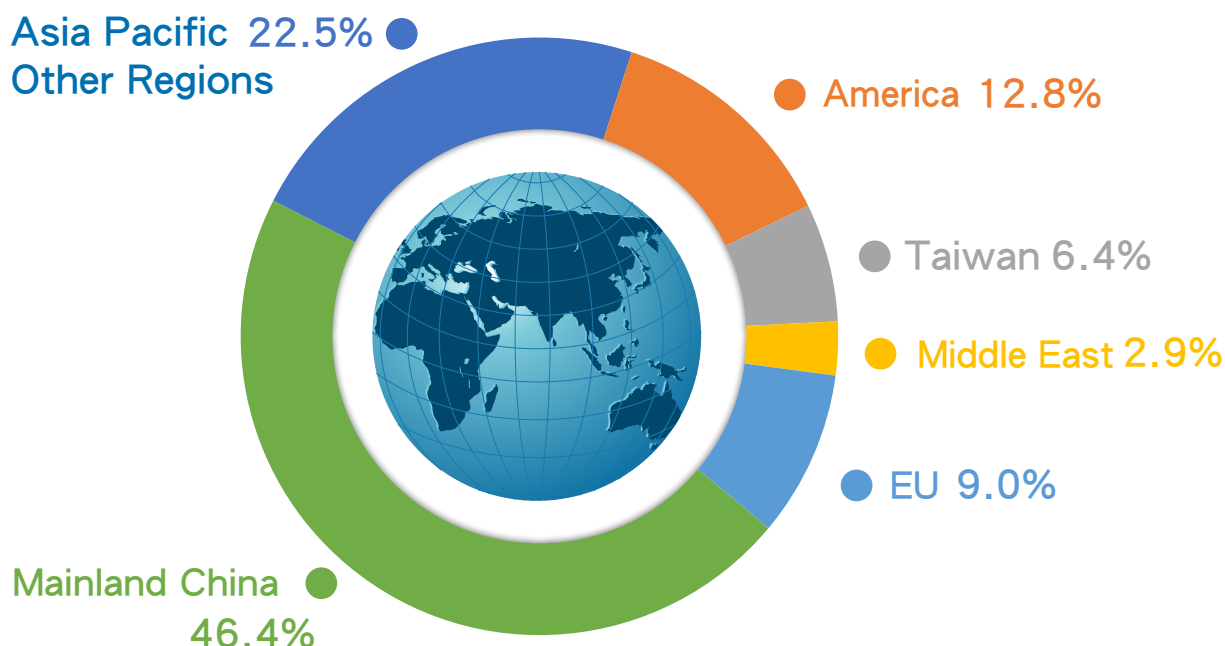
Cheng Shin considers focusing on our core business, integrity and innovation, and focus on the principal operation to embrace new opportunities, manifested in our corporate culture through the concept of "Three 100s: 100% Quality, 100% Service, 100% Trust." The Company continuously advances by enhancing 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.

- ◆ Cheng Shin has spared no effort in promoting overseas tire market sales, with export sales accounting for 73% of the total sales. At present, Cheng Shin has expanded its sales to more than 180 countries in the world, covering five continents.
- ◆ The rise of emerging markets has boosted demand for automobile tires. The recent investments in India and Indonesia, which are the second and fourth most populous countries in the world respectively, represent huge potential as consumer markets. 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 reputation by sponsoring numerous sporting events, leveraging diverse platforms to embed the brand and its products deeply into the hearts of consumers.

Global Production Bases



Cheng Shin Group Sales Analysis - By Region



In 2024, competition in the tire market remained fierce. As China's automotive industry continued its rise and low-price competition intensified in the tire market, the challenges became increasingly severe. However, Cheng Shin's operating revenue in 2024 remained at the same level as the previous year. Under the leadership of the management team, we streamlined our product portfolio, reduced costs, and enhanced profitability. The net profit in the consolidated financial statements for 2024 grew by 11.53% compared to the previous year, with earnings per share of NT\$2.47. We maintained a customer-centric approach, ramping up production to meet demand, creating new opportunities, and enhancing product value to achieve growth in both revenue and profit. Our brand value reached US\$239 million.

Unit: NT\$ thousand

Consolidated statements (Note)	2022年	2023年	2024年
Operating revenue	98,622,877	96,201,313	96,247,057
Gross profit	20,983,167	23,388,685	23,243,923
Operating profit and/or loss	7,374,178	10,357,806	10,011,804
Non-operating income and expenses	(403,502)	148,804	730,827
Profit before income tax	6,970,676	10,506,610	10,742,631
Net Profit for the Year	4,992,260	7,197,962	8,028,188

Government Subsidies

Cheng Shin actively responds to government policies, particularly in the areas of industry innovation, technological upgrades, and environmental protection. In 2024, the Taiwan Region received financial subsidies from the government for the following items: R&D investment credit for active research and development recognized by the Industrial Development Bureau; income tax credit for profit-seeking enterprise engaged in the development of intelligent machinery and 5G mobile communication systems; the Industry Upgrade Innovation Platform Guidance Program; employer salary subsidies for hiring employees who have suffered occupational injuries and employer salary subsidies for maternity and paternity leave; and subsidies from the Ministry of Economic Affairs for power and public equipment. Subsidiaries in the consolidated financial statements primarily received grants from the Industry Development Fund and subsidies for the purchase of R&D equipment.

Unit: NT\$ thousand

	2022	2023	2024
Cheng Shin Taiwan	37,776	51,357	34,671
Cheng Shin Kunshan	106,589	348,496	16,514
Cheng Shin Chongqing	40,113	34,218	187
Cheng Shin Xiamen	294,108	247,236	228,405
Except for subsidiaries in China	–	–	10,586

Note: From 2024, all data includes consolidated subsidiaries.

Participation in Public Association Organizations

Cheng Shin actively participates in industrial associations and organizations. The number of industrial associations and organizations in which Cheng Shin currently serves as a director/-supervisor or advisor and member is listed below:

Company	Director, supervisor, or advisor (number of industrial associations and organizations)	Members (number of industrial associations and organizations)	Amount invested (NT\$)
Taiwan	2	31	696,674
Subsidiary	17	6	NA

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 Significance 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 Working Group is composed of heads of various departments, who submit the Sustainable Development Report to the Board of Directors and report on the implementation status of the sustainable development strategy for the previous year. 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.	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	1. Occasional visits to the company website 2. New product launch events from time to time 3. Sales service mailbox and telephone	1.2024 Customer Satisfaction Survey:the satisfaction level remained high.
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.They should have fair access to material information about the company as their social evaluation of the Company will affect the change of stock price.	1.Compliance with laws and regulations 2.Risk Management 3.Information Systems Security Management 4.Product Quality Management 5.Business Continuity Management	1.Investor conferences during the shareholders' annual meeting (per annum) 2.Update of the MOPs (regularly) 3.Establishment of a shareholders' area and a shareholders' hotline on the company's website	1.Two investor conferences were held in 2024. 2.One shareholders' meeting was held in 2024. 3.Update information on the MOPs in accordance with the regulations. 4.Update investor information on the Company's website from time to time 5.Address shareholders' inquiries by phone and email. All inquiries were answered. 6. Corporate governance evaluation is conducted once a year. The 2024 evaluation ranked the Company as follows: 21%-35%
Employees	Employees of Cheng Shin	Employees are valued assets of the Company and are key stakeholders in the continued innovation and growth of the Company.	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	1.Hold labor-management conferences and occupational safety and health committee meetings (quarterly) 2. Holding corporate labor union meetings, Employee Welfare Committee meetings, and Human Resources Committee meetings (as required) 3. Conduct new employee seminars, employee interviews, and internal company announcements (as required)	1.Organized a total of 25 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.	1.Business Continuity Management 2.Sewage Discharge Management 3.Waste Management 4.Occupational Safety and Health 5.Labor Relations and Employee Benefit	1. Official documents (as required) 2. Communicating with the competent authority through the labor union to explain the regulations or public hearings (as required) 3. Reporting on the website of the competent authority (depending on the required reporting cycle) 4. Inspections and visits by the competent authorities (from time to time)	1.Publicity meetings held by environmental protection and occupational health related authorities: more than 30 meetings 2. Government agencies' promotion seminars and public hearings: occasional participation. 3. MOPs: Disclosures made according to regulations
Suppliers	Suppliers of raw materials, equipment and tooling	Stakeholders who are concerned about and willing to work together with Cheng Shin to establish a sustainable supply chain and to follow social corporate responsibility.	1.Supplier Sustainability Management 2.Product Quality Management	1.On-site audits or self-assessments of new and existing suppliers (from time to time) 2.Collecting and conducting statistical analysis of suppliers' delivery performance, major suppliers' quarterly reports on product process capability and phone calls and emails to notify suppliers who have not achieved performance in the month as required and sign back the contact letter for raw material abnormalities, and convene meetings to review where necessary (monthly)	A total of 21 suppliers implemented self-assessments in accordance with the annual audit plan, of which 13 were rated A, 8 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.

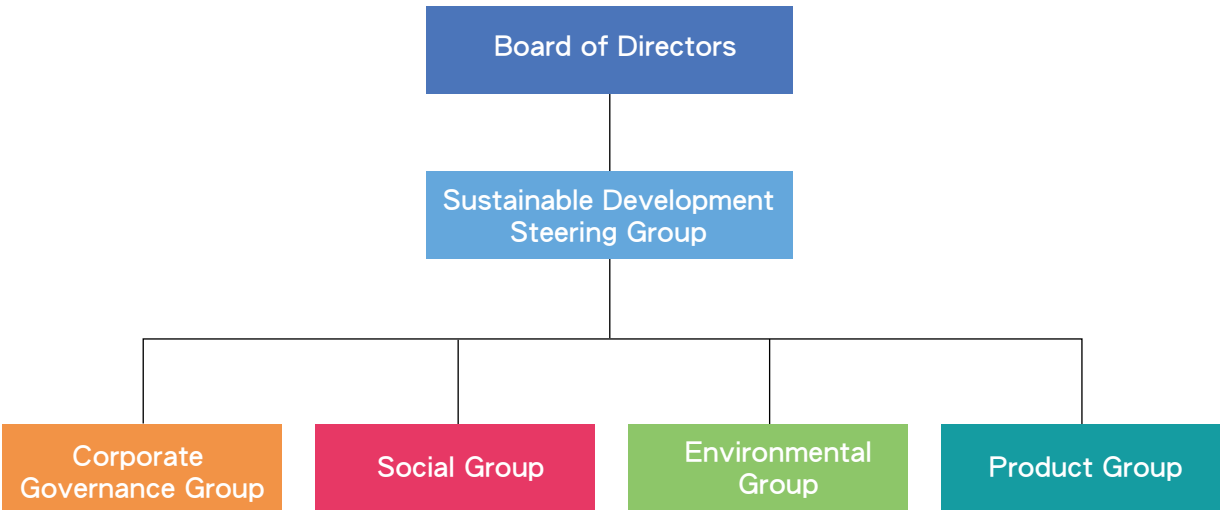


1.4.2 Sustainable Development Steering Group

In 2015, Cheng Shin began to promote and set up a CSR Steering Group. The Company publishes a sustainability report every year and converges the strengths of our operations in Taiwan Region and China Region 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 has established 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 May 13, 2025 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 fulfill the Company' s ESG commitment and implement a corporate culture centered on 100% quality, service, and trust, with a focus on preserving core values and complying with the sustainable development policy.






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 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 3,992,860 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 nearby Dachun Plant and Changhua Xizhou Plant, the mobility impaired, and low- and middle-income households. ●Douliu Plant sponsored the Douliu 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 2024, 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 2024, 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 3,992,860 sponsored.	4.3.3Educational Support

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
5 性別平等 	5.1.Achieve gender equality and empower all women and girls.	●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.	3.4.Employee Benefits and Care
	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.		
6 清潔飲水和衛生設施 	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.	●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 3.37% compared to 2023.	2.4.Water Resources Management
	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.		
	6.5.By 2030, implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.		
7 經濟適用的清潔能源 	7.3.By 2030, double the global rate of improvement in energy efficiency.	●The Company has been involved in voluntary reduction of greenhouse gases. ●Enhance efficiency of the Company's equipment. ●Reduce GHG emissions by 38,943.21 tCO ₂ e in 2024 by promoting energy saving programs in our operations in Cheng Shin Taiwan and subsidiaries.	2.3.2 Energy Management
8 體面工作和經濟增長 	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.	●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 2024, consolidated revenue reached NT\$96.2 billion, earnings per share was NT\$2.47, gross margin of sales reached 30%, and brand value reached US\$239 million.	1.2.About Cheng Shin
	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.	●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 2024, no child labor was used, and no child labor-related complaints were received.	3.2.Human Rights Policy and Labor-Management Relations
	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.	●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 2024 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.	3.3.Safe and Healthy Workplace

SDGs	Targets	Summary of Contributions ▲Projects●Results	Corresponding Chapter
 <p>11 永續發展 的市鎮規劃</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.	<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.policy. 	2.5.Waste Management, Recycling and Reuse 2.6.Air Pollution Prevention and Control
	12.2.By 2030, achieve the sustainable management and efficient use of natural resources.	<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. 	2.3.1 Resource Management 2.3.2 Energy Management 2.3.3 Energy Conservation and Carbon Reduction Measures.
	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.	<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 chemical addition equipment. But the plant effectively adjusts prevention equipment to achieve the best operating conditions to avoid needing to add chemicals. ●The number of waste generated in the Company's Taiwan plants in 2024 is 7.70% less than that in 2023. 	2.5.Waste Management, Recycling and Reuse
	12.5.By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.	<ul style="list-style-type: none"> ●By continuously promoting waste water (sewage) 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. 	2.4.Water Resource Management
 <p>12 確保永續消費 和生產模式</p>	12.6.Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	<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. 	About This Report
	16.5.Substantially reduce corruption and bribery in all its forms.	<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 2024. 	1.6.2Integrity and Anti-Corruption
 <p>16 和平、正義與 健全的司法</p>	16.6.The Company has developed an effective, responsible and transparent system at all levels.	<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 2024. 	

1.5 Identification of Material Topics

1.5.1 Procedures for the Identification of Material Topics

1.5.1.1 Understanding the enterprise organizational context

To conduct a materiality analysis of corporate sustainability issues, a comprehensive inventory and collection of sustainability issues are required. This is then followed by an assessment and ranking based on stakeholder opinions and the Company's development goals. Based on the guidelines of GRI 3, we have integrated sustainability issues related to the Group's business operations and value chain, international sustainable development trends, important international evaluation requirements, and industry development and peer disclosure trends.

Aspect of Consideration	Source of the Issue	Relevant sustainability issues
Business operations and value chain	Cheng Shin Internal Assessment	Corporate governance, operational performance, supplier sustainability management, information system security management, customer relationship management, product quality management, energy and GHG management, sewage discharge management, waste disposal, talent recruitment and cultivation, occupational safety and health.
International sustainable development trends	United Nations Sustainable Development Goals, related international regulations	Compliance with laws and regulations, energy and GHG management, sustainable raw materials, climate change governance, human rights protection, and diversity & inclusion.
Important international evaluation requirements	CDP questionnaire, IFRS Sustainability Disclosure Standards, SASB Standards	Compliance with laws and regulations, product quality management, product R&D and technology development, sustainable raw materials, waste disposal, energy and GHG management
Industry development and peer disclosure trends	Peer sustainability report	Climate change governance, talent recruitment and cultivation, supplier sustainability management, and sustainable raw materials.
Important stakeholder opinions	Stakeholder engagement results over the years	Product quality management, business continuity management, product R&D and technology development, supplier sustainability management, compliance with laws and regulations, risk management, information system security management, occupational safety and health, human rights protection and diversity & inclusion, labor relations and benefits, sewage discharge management, waste management.

After the above-mentioned consideration and inventory process, we consolidated similar sustainability issues and ultimately summarized 20 sustainability issues, encompassing 11 governance aspects, 4 environmental aspects, and 5 social aspects, to serve as the foundation for identifying impacts and assessing their significance.

1.5.1.2 Identify Impacts and Assess Significance.

Based on the list of sustainability issues identified in the previous stage, we further invited senior executives from within the Company to evaluate the potential likelihood and impact—both positive and negative—of these sustainability issues on Cheng Shin's environmental (E), social (S), and governance dimensions. A questionnaire was distributed and achieved a 100% response rate, with 24 valid responses collected.

- Likelihood of occurrence: Likelihood of positive and negative impacts
- Impact level: Benefits from positive impacts; severity and scope of negative impacts.

In addition, we regularly distribute sustainability questionnaires to important stakeholders to gauge their level of concern regarding corporate sustainability issues.

1.5.1.3 Prioritize Impact

The following steps are taken by Cheng Shin to determine the sustainability material topics for the current year:

Step 1 Calculate questionnaire analysis results

The ESG Working Group is responsible for compiling the results of the impact analysis questionnaire, statistically analyzing the probability and impact of positive and negative impacts—calculating the average (Note) and ranking them—to effectively evaluate the importance of each issue to the Company's operations.

Note: Average likelihood score = total likelihood scores from all valid questionnaires / number of valid questionnaires recovered; average impact score = total impact scores from all valid questionnaires / number of valid questionnaires recovered.

Step 2 Set the critical threshold

The ESG Group referred to the existing risk management framework of the Company and the practices of industry peers to define material topics as those with an average score of more than 3.5 for likelihood and impact. In addition, negative impacts scoring more than 3.5 were also defined as material topics, even if the likelihood of occurrence was low. A preliminary summary identified seven sustainability issues as material topics: corporate governance, legal compliance, product R&D and technology development, product quality management, energy and GHG management, and occupational safety and health.

Step 3 Stakeholder Input Incorporated

The ESG Group considered the product's main product value chain—from upstream raw materials, production, vehicle factories and dealers, and consumer use through to tire recycling—and regularly identified major stakeholders through internal evaluation documents. The identification process was based on a comprehensive consideration of five key aspects: responsibility, influence, tension, diverse perspectives, and dependence. A list of material stakeholders was generated in the form of a questionnaire and used for regular opinion surveys to track changes in stakeholder concerns. For the most recent significant stakeholders identified by Cheng Shin and the communication and interaction, please refer to Section 1.3. Stakeholder Engagement

Step 4 Identify Material Topics

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.

Occupational health and safety, talent cultivation, and human rights protection were important aspects of the workplace. The ESG Working Group formulated corresponding policies and goals for material topics and planned solutions for implementation.

Changes in 2024 Material Topics

Material Topics Compared to 2023		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.

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	2024 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 2024, the product performance indicators were certified. In 2024, there were no major violations of laws and regulations related to marketing and labeling of products.

Material Topics Compliance with laws and regulations

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

Items	2024 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.

Material Topics Customer Relationship Management

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

Items	2024 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 Operational Performance

Material Topics: GRI 201 Economic Performance

Items	2024 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	2024 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	2024 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 serious occupational accidents in Taiwan: 7 cases Number of severe occupational accidents of subsidiaries: 38

Material Topics Energy Resources and Greenhouse Gas Management

Material Topics: GRI 302 Energy, GRI 305 Emissions

Items	2024 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 in Taiwan Region 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: Occupational Safety and Health

Material Topics: GRI 403 Occupational Health and Safety

Items	2024 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: Information Security Management

Material Topics: GRI 418 Customer Privacy

Items	2024 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 to "enhance personnel awareness, prevent data leakage, implement daily maintenance and operation, and ensure service availability" so that customers and suppliers can rest assured when entrusting
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 Product R&D and Technology Development

Material Topics: Self-defined Topic - Product R&D and Technology Development

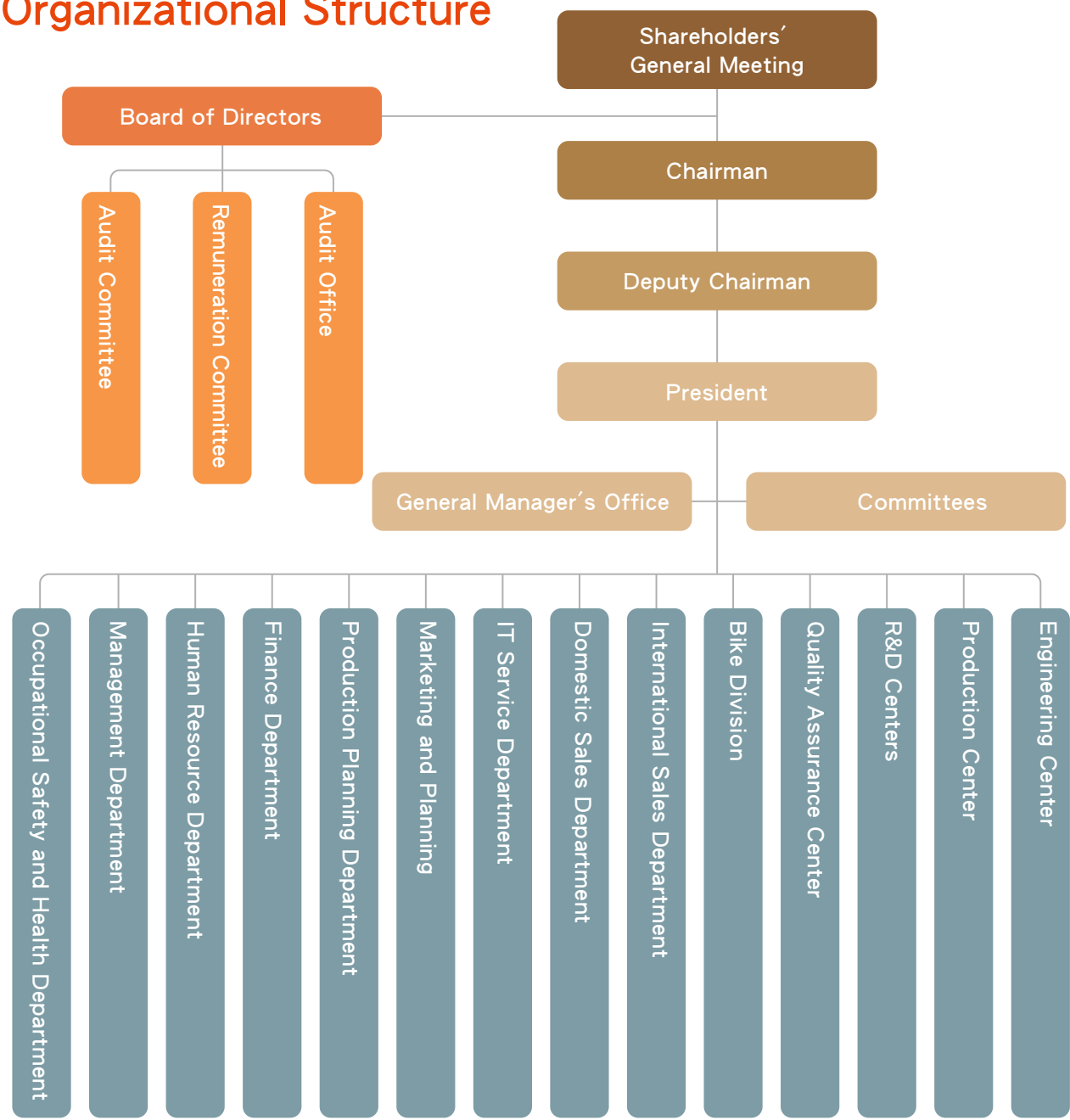
Items	2024 Management Approach
Policies	Follow the Company's policy to make continuous improvements, honor our commitments, improve quality, satisfy customers, and provide customers with the highest quality products.
Commitments	Cheng Shin is committed to providing customers with high-quality products and becoming their trustworthy partner for mutual growth.
Goals and Targets	Continued to develop high-performance, lightweight, low rolling resistance, durable, safe, 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; lightweight, low rolling resistance, durable tires, along with other product development, contributing to a sustainable circular economy.
Results of the management approach evaluation	<ul style="list-style-type: none"> ● 2024 - completed development of 12 low-energy consumption projects for electric vehicles <ul style="list-style-type: none"> - Developed 9 VS-EV for electric car tires - Developed MA 201 EV for electric bus tires - Developed one YAMAHA T56 EV for electric scooter tires - Developed one E-SUV Metropass AT for crossover commuter bicycle tires ● 2024 - completed five material and formulation development research projects <ul style="list-style-type: none"> - Developed one steel electric furnace tire bead wire - Developed one bio-based silica material - Developed one pyrolytic carbon black material - Developed one bio-based oil processing material - One EUDR natural rubber introduction

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 2024 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

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. For information about directors, please refer to the 2024 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 nine years. Among the directors, four are aged 71 and above, four are aged between 61 and 70, and three are aged below 60. There are five 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. Cheng Shin places a strong emphasis on diversifying the composition of its Board of Directors. All directors have professional backgrounds in business, industry, finance, and accounting.

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 we use regular stakeholder feedback to better understand changes in the market, economy, society and environment.

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 2024, a total of 5 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 2024.

According to the 2024 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 2024, a total of 3 meetings were held, with an attendance rate of 100%. For further detailed background information on the Remuneration Committee, please refer to our Annual Report for the Shareholders' Meeting in 2024 and Cheng Shin's 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 2024 with 100% attendance rate. For other detailed background information of the Audit Committee, please refer to the 2024 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: The remuneration to directors of Cheng Shin is determined by referencing the practices of peer companies of a similar scale. There are no provisions for remuneration clawback, severance pay, signing bonuses, or recruitment incentives.

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>.



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 (including anti-corruption) or internal regulations in the year 2024.

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 rights and responsibilities of personnel, assets, and finance between the Company and its affiliates are clearly divided. In addition to the Operating Procedures for Supervision of Subsidiaries and Related Party Transactions, audit personnel also supervise the implementation annually.

Suppliers - 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 complying with the above rules, personnel in procurement and engineering positions must regularly sign an "Integrity Commitment" to prevent any breaches of ethical conduct. Internal "Human Resources Management Procedures" have also been established in Mainland China to regulate against bribery and the acceptance of gifts from vendors and customers. 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. 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 2024.

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 2024, all directors completed 12 hours of training courses on ethical management.

In 2024, all operating locations of the Group conducted ethical management (including anti-corruption) education and training. The education and training hours are as follows:

Training hours for integrity management

(anti-corruption, anti-bribery, and employee code of conduct) over the years

Unit: Hours

Region \ Year	2022	2023	2024
Taiwan Region	370.0	2,741.2	3,685.0
Subsidiary	NA	NA	25,411.1
Total	NA	NA	29,096.10

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 2024, 3,685 hours of ethical management training (covering anti-corruption, anti-bribery, employee code of conduct, and corporate culture) were completed in the Taiwan Region.
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 it to the Human Resources Department. The same procedure applies to new employees and staff who are transferred. 2. Establish an integrity policy or sign an integrity commitment with cooperating vendors, and include a review of it in the legal unit's contract examination process. The same procedure applies to new partners. 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.
Promotion	<ol style="list-style-type: none"> 1. Through email, the Company provides quarterly education to directors (including independent directors) and managers on the following topics: Reducing Insider Equity Transfer Violations, Insider Trading Prevention Measures, Integrity Management Procedures and Code of Conduct, and Corporate Governance Guidelines. 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. Important ethical corporate management and operating procedures are posted on the company intranet. A company-wide notice has also been issued to reiterate the Company's commitment to ethical conduct. Department heads are asked to disseminate this information to their teams.
Violations of law	No violation as of December 31, 2024.

1.6.4 Information security management

Information security management framework

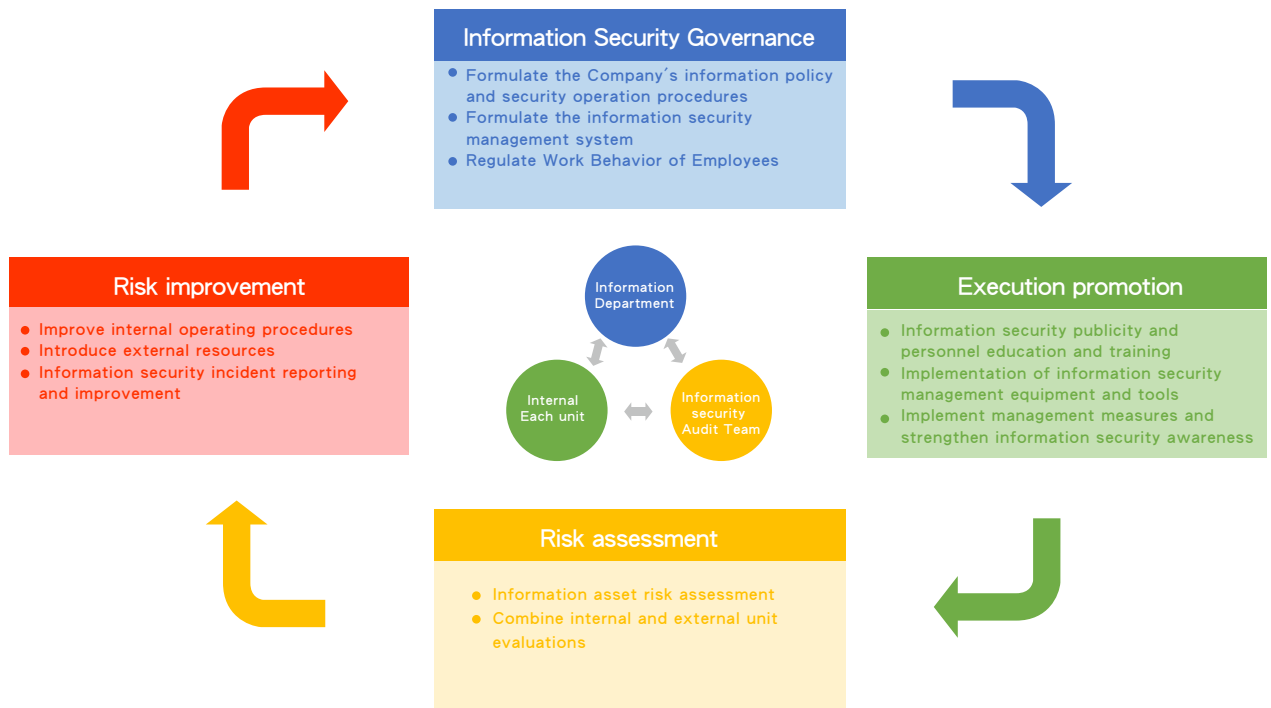
On November 10, 2022, Cheng Shin’s Board of Directors approved the establishment of the Information Security Team under the Information Service Department as the dedicated unit. Its organizational members are Chief Information Security Officer, Information Security Officer and 3 information security 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 12, 2024.

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.

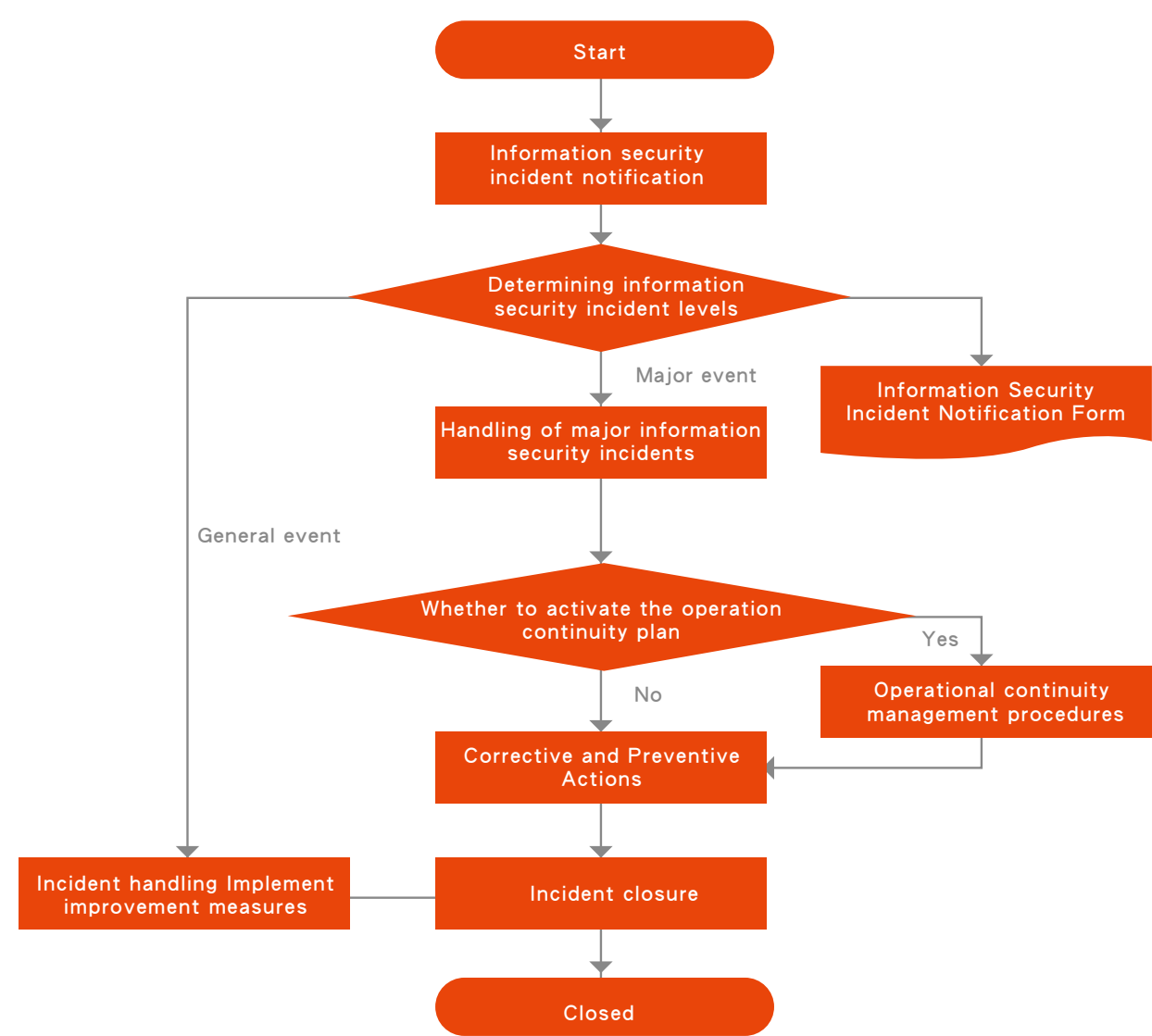
Information and communications security policy

Cheng Shin has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification. The Company has established the information security policy and vision: “strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability” . All various information security measures have been listed for implementation along with enhanced 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, the Company commissioned external consultants to provide guidance on information security management and risk control. On May 16, 2024, the Company passed ISO 27001:2022 international certification and obtained Trusted Information Security Assessment Exchange (TISAX) certification on July 15, 2024.

Results of the promotion of information security and personal data protection education

In 2024, all new hires received information security training in paper format before onboarding. A total of 1,780 current employees participated in information security education and training, totaling 3,560 training hours. Two social engineering phishing email tests were conducted throughout the year.

1.6.5 Intellectual Property Governance

Intellectual Property Strategy:

Since its founding, Cheng Shin has regarded research and development as the foundation of its technology. Technology is considered an "intangible asset," and the company strongly promotes the acquisition of intellectual property rights to protect its innovations. Starting in 2015, Cheng Shin has increased its investment in short-, medium-, and long-term technology development to enhance R&D capabilities. The goal is to ensure simultaneous growth in both the quality and quantity of patents, creating value through intellectual property protection and ultimately achieving revenue through patent commercialization.

In August 2020, the company integrated the management of "patents," "trademarks," and "trade secrets" under the Intellectual Property Division, enabling systematic management of intellectual property across the group. In addition to patents, trademarks and trade secrets further enhance the internal IP management strategy.

By 2024, IP management evolved from being factory-specific to centralized control under the Group's "Intellectual Property Center," covering patents, trademarks, and trade secrets. The management follows the Taiwan Intellectual Property Management System (TIPS) and implements the PDCA (Plan-Do-Check-Act) cycle.

Intellectual Property Governance Structure:

To implement its IP strategy, Cheng Shin's IP governance is led by the Intellectual Property Division under the General Manager's Office. The highest-ranking IP officer collaborates with the R&D Center, Information Services Department, and other supporting units to promote and maintain the IP management system. The company holds regular management review meetings to assess the IP system, consider internal and external IP-related issues and stakeholders, identify risks and opportunities, establish IP policies in compliance with relevant laws and company requirements, and set IP management goals. Annual reports are submitted to the Board of Directors to ensure the system remains appropriate, complete, and effective.

Intellectual Property Management System:

The Intellectual Property Division at Cheng Shin's Taiwan headquarters serves as the highest decision-making and execution body for IP management in Taiwan and supports global subsidiaries in promoting IP operations. It oversees global IP strategy and system implementation, including patent and trademark application planning, maintenance, infringement response procedures, and trade secret management and risk control mechanisms. Through centralized management and local support, Cheng Shin effectively integrates global resources to enhance IP utilization and corporate competitiveness. In 2023, Cheng Shin received TIPS Grade A certification for "Trade Secrets" and "Patent Rights," valid until December 31, 2025.

The IP management system includes:

1. Trademark Management

Cheng Shin has established comprehensive trademark management procedures covering application, maintenance, and infringement response. Preliminary searches and evaluations are conducted for new products or technologies to ensure trademark distinctiveness and eligibility. Dedicated units track application progress and handle renewals and oppositions per local regulations to maintain trademark validity.

2. Patent Management

With strong R&D capabilities, Cheng Shin continuously develops high-performance tires. Patent protection is required before launching any new product to ensure safe production, sales, import/export, and usage. If a patent proposal is deemed unsuitable after review, it may be transferred to the Trade Secret Review Committee for further evaluation and protection. This structured process ensures each technological achievement receives the most appropriate IP protection, enhancing competitiveness and security.

3. Trade Secret Management

Cheng Shin currently manages 38 trade secrets. The company has clearly defined trade secret regulations and established comprehensive management procedures, including flow control, declassification, and data destruction. Management at all levels emphasizes the importance of trade secret protection. Regular education and training highlight the importance of confidential information, and collaboration with IT strengthens cybersecurity. Access control mechanisms limit document viewing and duration, with watermarks indicating the borrower's identity. All trade secret-related communications must use company email or internal storage, and external transport of sensitive data is strictly prohibited.

IP Risk Management and Response Measures:

To optimize IP utilization and enhance its value and competitiveness, Cheng Shin follows trademark, patent, and trade secret management regulations. The company also collaborates with external professional firms for infringement monitoring, legal analysis, and response strategies. Key risk response measures include:

1. Trademark and Product Counterfeit Monitoring

Cheng Shin regularly monitors for unauthorized trademark registrations or counterfeits and proactively files cancellation requests or warning letters to protect its trademarks.

2. Patent Infringement Response Mechanism

In case of patent disputes, Cheng Shin conducts analysis and comparisons. If Cheng Shin is found to infringe, the company initiates product recalls and compensation. If another company infringes Cheng Shin's patents, it initiates claims, sends warning letters, and proposes compensation to protect its rights.

3. Trade Secret Infringement Remedies

Cheng Shin has established emergency reporting and dispute response procedures for trade secret breaches or suspected leaks, along with disciplinary mechanisms to demonstrate its commitment to protection.

4. Third-Party IP Risk Control

Cheng Shin also emphasizes IP risk control when collaborating with external vendors for raw material procurement, technology introduction, or licensing. Contracts and purchase orders include non-infringement clauses to safeguard rights and strengthen mutual IP protection awareness, reducing legal risks and ensuring supply chain stability.

IP Ownership Status:

As a world-class leader in the rubber and tire industry, Cheng Shin demonstrates strategic foresight in global patent and trademark deployment. Its IP protection network spans global markets, ensuring comprehensive protection of its technologies and brands.

1. Patents

Cheng Shin focuses domestic patent deployment on enhancing tire performance, with over 150 valid patents. Key areas include safety, environmental friendliness, handling, and noise reduction. Examples include noise and wet performance improvements, noise-reducing designs, and enhanced driving safety.

Patent Ownership Overview		(Unit: piece)
Patent \ Type	Taiwan	Subsidiaries
Invention	54	176
Utility Model	2	171
Design	298	377
Total	1,078	

2. Trademarks

Cheng Shin actively registers trademarks to protect its MAXXIS brand across various tire products. For motorcycle tires: "SUPERMAXX" and "MAXXVENTURE"; for bicycle tires: "HIGHROAD" and "MINION"; for passenger car tires: "MECOTRA" (eco-friendly), "VICTRA" (high performance), and "WALTZ" (comfort and quiet). Over 17 trademarks are registered for specialty products like ATV tires, reflecting thorough IP planning before product launches.

Trademark Ownership Overview		(Unit: piece)
Registration \ Region	Taiwan	Subsidiaries
Domestic	153	11
International	779	1,305
Total	2,248	

Incentive Policy:

To encourage innovation and improve IP output quality, Cheng Shin has established a robust incentive system. Employees are rewarded for submitting promising technology proposals. If a proposal is deemed patentable, a patent application is initiated and bonuses are awarded. If not suitable for patenting, it may be evaluated for trade secret protection, and if approved, the proposer receives a trade secret incentive.

2024 Talent Development: IP Education and Training

To enhance the effectiveness of the IP management system and raise employee awareness, Cheng Shin regularly conducts training on IP concepts, trade secret protection, information security, and updates on laws and case studies.

• For new and general employees

Basic IP courses covering IP concepts, Cheng Shin’s IP regulations, and information security training. A total of 545 participants completed the training.

• For IP-related personnel

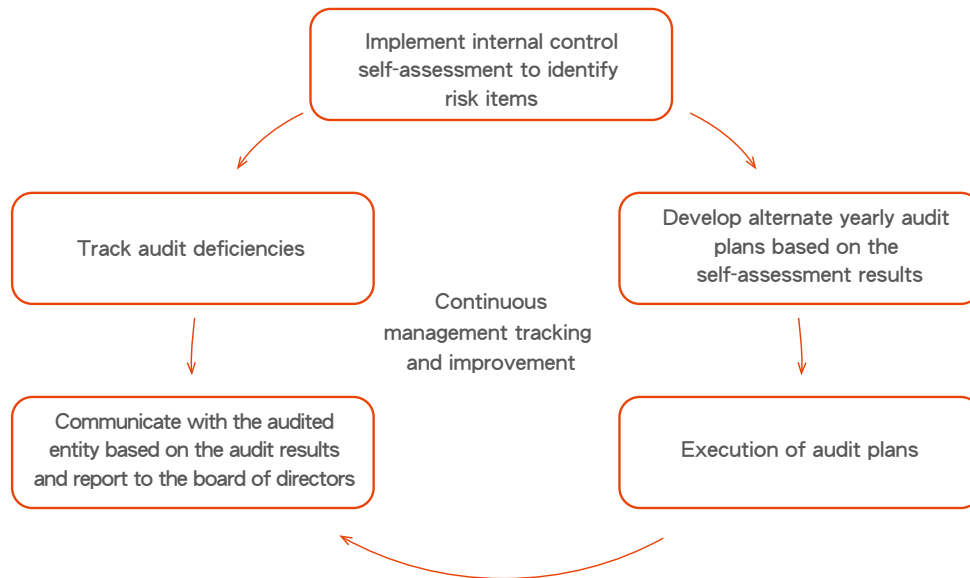
External training under the TIPS program, including corporate governance and IP system operations, totaling 24 hours. Two employees obtained self-assessment qualifications.

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 independent directors for approval.	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"> ◆ U.S. President Trump assumed the office in 2025 and has adopted tariffs as a negotiating strategy. The policy's uncertainty has caused drastic fluctuations in the exchange rate market. As the U.S. economy outperformed other countries and the FED's interest rate cut has been less than expected, the market expects the USD to maintain its strong position in 2025. ◆ 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 September 2024, the U.S. Federal Reserve (FED) cut interest rates by 0.5%, and again by 0.25% in November and December, bringing the base rate to between 4.25% and 4.50%. The room for interest rate cut in 2025 is limited by factors such as inflation, and the schedule for interest rate cut is still unclear. The market expects the FED will slow down the interest rate cut cycle with smaller range of interest rate cut; therefore, the interest rate is expected to maintain at a high level for certain period of time. ◆ 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	<ul style="list-style-type: none"> ◆ 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. However, tires are consumer goods, which are highly correlated with raw material prices, market demand, and inflation or deflation, and therefore will affect Cheng Shin's sales results to a certain extent, but will not have a material adverse effect on overall operations. 	

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Responsible Unit
Corporate governance and operations management	Continuous Operational Risk	Raw Material Price and Raw Material Supply Risk	<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. During the new material development stage, investigations will be conducted to determine if suppliers a. use prohibited substances and conflict minerals, or b. source materials from areas with illegal deforestation or protected zones. Suppliers will be required to submit supporting documentation such as CMRT & EMRT, supply chain management assessment questionnaires, due diligence reports, or statements, followed by risk assessment and management to mitigate procurement risks. 	President's Office
		Product R&D Management	<ul style="list-style-type: none"> Regularly collect market information and perform benchmark analysis, in order to understand market development trend, and to 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. Transportation price stabilization mechanisms: Inland transportation and manufacturers set up an oil price rolling mechanism and adopt reasonable and long-term transportation prices; for ocean freight transportation we have signed transportation contracts to stabilize transportation costs in the event of a large increase in current market prices. 	Production Planning 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. Reduce energy supply risks through improvements. 	Engineering Center
	Intellectual property management	Intellectual Property Right 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. ※Information is classified into four categories: open, internal use only, confidential, and top-secret. All definitions are implemented in accordance with internal regulations. If certain information is classified as trade secret, it is controlled in accordance with the highest principle. Information security issue is controlled in cooperation with the information department, in order to reduce the risk of disclosure of controlled data. 	Intellectual property management

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Responsible Unit
Corporate governance and operations management	Digital Information Security Risks	Confidential Information Protection	<ul style="list-style-type: none"> Cheng Shin has qualified the information security management system (ISO27001:2022) certification and obtained the international on-board information security TISAX:AL2 certification. The Company has established the information security policy and vision: "strengthen personnel awareness, prevent data disclosure, implement routine operation maintenance, ensure service availability". All various information security measures have been listed for implementation along with enhanced 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	Safety risk management	Material Disaster	<ul style="list-style-type: none"> Establishment of "Disaster Incident Management Regulations": Specify emergency response measures, emergency contact systems, and disaster countermeasures. Formulate the Comprehensive Emergency Plans: For factories in China, we have stipulated the Comprehensive Emergency Plans for accidents such as fire explosion, poisoning, machinery harm, vehicle harm, dust explosion, electric shock, and suffocation, specify the emergency team organization and the major responsibilities of each team, and emergency handling procedures to conform to the National Security Manufacturing Act, the General Safety and Health Requirements for Manufacturing Procedures, and the Guidelines for the Preparation of Emergency Plans for Production Safety Accidents in Production and Business Units. 	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. 	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. 	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 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. 	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. 	Safety and Health Department
Society	Human Resources Risk	Talent 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 Resource Department

ESG	Risk Category	Potential Risks	Management Strategies and Practices	Responsible Unit
Society	Human Resources Risk	Manpower 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 Resource 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. 	Safety and Health Department
	Legal Compliance	Regulation Justice	<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, Safety and Health Department

1.8 Safe and Reliable Cheng Shin Tire

Tire Product Performance Accolades:

1. MAXXIS VS-EV won A'Design AWARD
2. Maxxventure MT and E-Gargo Metroloads Pro won iF Design Award
3. 2024 - E-Gargo Metroloads Pro won Red Dot Design Award and Good Design Award



reddot winner 2024



GOOD DESIGN AWARD 2024

4. 2022~2027 - Designated RC-1 tires for the BMW E30 Series of the National Auto Sport Association (NASA, U.S.A.).
5. 2022~2026 - Designated tires for the Karting Australia CADET 9 and CADET 12.
6. 2024 - Vital MTB North American Magazine's survey ranked MAXXIS as the number one mountain bike tire product for the 12th consecutive year.
7. 2024 - Additionally, Road Bike Magazine rated MAXXIS High Road TR as an excellent tire with superior puncture resistance.
8. 2024 - Enduro Mountainbike Magazine recognized MAXXIS as the most popular tire brand of the year
9. 2024 - E-Mountainbike Magazine recognized MAXXIS as the most popular tire brand of the year
10. 2024 - MAXXIS sponsored riders achieved impressive results in various international mountain biking events, taking a total of 52 first-place finishes, 29 second-place finishes, and 21 third-place finishes.
11. Maxxis is an OE supplier to the BMW 2 series models in Europe. The Premitra HP6A installed on the model received the highest A rating from Labeling in wet grip and rolling resistance.

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

Items	Events	Honor
Sponsoring bike tires for cyclists	2024 UCI XC-1 Mairiporã Brazil (XCC)	Men's Category 1st Place: Sam Gaze Women's Category 2nd Place: Rebecca Henderson U23 Men's Category 2nd Place: Dario Lillo
	2024 UCI XC-1 Mairiporã Brazil (XCO)	Men's Category 3rd Place: Filippo Colombo
	2024 UCI XC-2 Araxã Brazil (XCC)	Women's Category 2nd Place: Linda Indergand Women's Category 2nd Place: Emily Johnston
	2024 UCI XC-2 Araxã Brazil (XCO)	U23 Women's Category 2nd Place: Emily Johnston
	2024 UCI DH-1 Fort William Scotland	Men's Category 2nd Place: Troy Brosnan Women's Category 2nd Place: Nina Hoffmann Junior Women's Category 3rd Place: Eliana Hulsebosch
	2024 European XCO Continental Championships	Women's Category Champion: Puck Pieterse
	2024 UCI EDR-1 Finale Ligure Italy	Men's Category 1st Place: Richie Rude Men's Category 3rd Place: Martin Maesa Women's Category 2nd Place: Ella Conolly U21 Men's Category 2nd Place: JT Fischer
	2024 UCI E-EDR-1 Finale Ligure Italy	Women's Category 1st Place: Florencia
	2024 UCI DH-2 Bielsko-Biala Poland	Men's Category 1st Place: Ronan Dunne Women's Category 1st Place: Marine Cabirou Women's Category 3rd Place: Nina Hoffmann
	2024 UCI EDR-2 Bielsko-Biala Poland	Men's Category 3rd Place: Slawomir Lukasik Men's Category 2nd Place: Richie Rude U21 Men's Category 3rd Place: Sascha Kim
	2024 UCI E-EDR-2 Bielsko-Biala Poland	Men's Category 1st Place: Slawomir Lukasik Women's Category 1st Place: Florencia Espineira
	2024 UCI XC-3 Nove Mesto (XCC)	U23 Men's Category 3rd Place: Dario Lillo
	2024 UCI XC-3 Nove Mesto (XCO)	Men's Category 2nd Place: Nino Schurter U23 Men's Category 2nd Place: Luca Martin
	2024 Red Bull Hard Line	Men's Category 1st Place: Ronan Dunne Rider of the Week: Gracey Hemstreet
	2024 Red Bull Hard Line	Men's Category 1st Place: Lucas Borba Men's Category 2nd Place: Felipe Agurto Men's Category 3rd Place: Adrien Loron
	2024 National Champ_Australia-DH	Men's Category 1st Place: Luke Meier-Smith Women's Category 1st Place: Ellie Smith
	2024 National Champ_Australia-XC	Men's Category 1st Place: Cameron Ivory Women's Category 1st Place: Rebecca Henderson
	2024 Crankworx Rotorua	A total of 6 championships, 3 runner-ups, and 1 third place.
	2024 Cape Epic	Champion: Anne Terpstra / Nicole Koller 2nd place: Nino Schurter & Sebastian Fini
	2024 Red Bull Hard Line Wales	Champion: Ronan Dunne
	2024 Unbound Gravel	2nd place: Chad Haga
	2024 Spanish XCC Champs	Champion: David Campos
	2024 Belgium XCO Champs	Champion: Pierre de Froidmont
	2024 Swiss National Champs XCO	Men's Category 1st Place: Filippo Colombo Women's Category 1st Place: Linda Indergand Women's Category 3rd Place: Nicole Koller
	2024 Canada National Champs XCC/XCO	Women's Category 1st Place: Jenn Jackson
	2024 UCI Mountain Bike Eliminator World Championships-	Men's Category 1st Place: Jeroen van Eck

Items	Events	Honor
Sponsoring bike tires for cyclists	2024 USA Gravity MTB Nationals-DH	Men's Category 3rd Place: Luca Shaw Women's Category 1st Place: Anna Newkirk
	2024 USA Gravity MTB Nationals-EDR	Women's Category 1st Place: Matilda Melton Men's Category 1st Place: Richie Rude Men's Category 3rd Place: Jt Fischer
	2024 Canadian Downhill National Championships	Women's Category 1st Place: Emmy Lan Women's Category 3rd Place: Andr é ane Lanthier Nadeau Men's Category 3rd Place: Johnathan Helly
	2024 Leadville 100	Men's Category 1st Place: Keegan Swenson
	2024 US Open Downhill	Women's Category 1st Place: Nina Hoffmann Men's Category 1st Place: Lachlan Stevens-McNab Men's Category 2nd Place: Dakotah Norton
ATV Tire Sponsored Cyclist	2024 Baja Reguengos	European Champion 2024
	2024 Mint 400	2nd place: UTV Pro NA
	2024 Legacy Racing 500	Champion: U NA 1900
	2024 BITD	Champion: UTV Open
	2024 BITD	Champion: UTV Turbo
	2024 BITD	Champion: Quad Pro
	2024 BITD	2nd place: UTV Super Stock
	2024 BITD	Champion: Pro N/A
	2024 BITD	Champion: Turbo Pro
Go Kart International	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 2024
	Asia Pacific Motorsports Championships	Won the tender for designated tires in 2024
Sedan/4X4 events	2024 - Sponsored ProLite, Champ Off Road RD 3, 4, 6, 7, 9, 10, 11	1st place: Trey Gibbs
	2024 - Sponsored Pro 4, Champ Off Road RD 1, 5, 6, 7, 8, 10	1st place: Adrian Cenni
	2024 - Sponsored Pro 4, Champ Off Road RD 9	1st place: Jimmy Henderson
	2024 - Sponsored Pro 2, Champ Off Road RD 1, 2, 3, 4, 11	1st place: Mickey Thomas
	2024 - Sponsored 4400, NCRR/NCSXS Round 6	1st place: Brendon Thompson
	2024 - Sponsored TT, Unlimited Legacy/ Desert Showdown	1st place: Eric/Kolton Hustead

1.8.1 Product R&D and Technology Development

R&D Investment

Amount invested in R&D in 2024: NTD 3,705,004 thousand

R&D achievements

The products successfully developed in 2024 are as follows:

Grand Touring A/S Product Development for Passenger Cars	Product Development for 4x4 Vehicles - All-Terrain & Rugged Terrain
Ultra High Performance Product Development for Passenger Cars - Summer Type & A/S Type	Ultra High Performance Summer Product Development for EV SUV
Racing Tire Product Development for Passenger Cars	Light Truck Product Development of OE for Commercial Vehicle
All-Season Product Development of OE for MPV Vehicle	MCR 50/50 Adventure Product Development
ATV Non-steel belt Product Development	Second-Generation Gravel Tires Product Development
The new generation of Light Truck (19") All-Steel Product Development	Electric Bus Product Development
MC 50/50 Adventure Product Development	SYM Adventure Model Development

2024 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.

Leading Technology, Innovative Cheng Shin

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

Product	Sustainability Highlights	Technical Description
<div>Grand Touring A/S for ER-GT</div> <div></div>	<ul style="list-style-type: none">• Product Lifespan• Product Safety• Product Energy Saving	<p>The new silicon nano-molecule formula, combined with wear-resistant and low-temperature rubber compounds, and next-generation compounding technology to achieve both “high mileage durability” and superior “snow performance” in all seasons.</p> <p>ER-GT offers high mileage performance and maintains good grip; its mileage performance is 3% better than competing tires. Optimized contour, tread pattern, and structural design, combined with a next-generation compound, deliver energy-saving performance by 8% compared to existing products. We continue to contribute to the preservation of a sustainable, low-carbon environment by developing low-carbon products.</p>
<div>Crossover commuter electric tire E-SUV Metropass AT</div> <div></div>	<ul style="list-style-type: none">• Product Lifespan• Product Safety• Use of recycled materials	<p>Introduce the 4-season wear-resistant rubber compound to increase mileage by 20%, and incorporate an anti-puncture layer in the rubber compound to improve puncture resistance by 22%, thereby extending product lifespan. The high-load tire structure increases load-bearing capacity by 47%, and the use of over 50% sustainable materials demonstrates a continued commitment to environmental protection and sustainable operations.</p>

Product	Sustainability Highlights	Technical Description
<p>Multi-purpose tires MA-MT</p> 	<ul style="list-style-type: none"> • Product Lifespan • Product Safety • Product Energy Saving 	<p>3 Advantages of Maxxventure MT</p> <ol style="list-style-type: none"> 1.Improved off-road performance with lightweight design. 2.Hexagonal cube design: Prevents mud from sticking to tires. 3.Eco-friendly and sustainable: After the front wheel is replaced and the trailer is mounted, the vehicle can travel additional 5,000 kilometers. <p>Brand-new concept of ECO-friendly usage</p>
<p>Electric/high-performance karting tire MD01</p> 	<ul style="list-style-type: none"> • Product Lifespan • Product Safety 	<p>A wear-resistant rubber compound combined with a reinforced rear sidewall structure is used for the tire to provide excellent support for go-karts, significantly enhancing cornering stability and handling.</p>
<p>Electric bus tires MA 201 EV</p> 	<ul style="list-style-type: none"> • Product Lifespan • Product Safety • Product Energy Saving 	<p>The new generation of urban buses employs new hybrid technology to reduce energy consumption, improving energy efficiency by +12%. A unique tread pattern reduces noise, while the use of high-tensile flexible steel wire enhances overall structural durability and load capacity, extending tire lifespan and improving safety performance.</p>
<p>Hybrid car tires VICTRA SPORT 6</p> 	<ul style="list-style-type: none"> • EV Ready • Product Lifespan • Use of recycled materials 	<p>The application of new blended materials, a highly dispersed white carbon black formula derived from environmentally friendly rice hulls, and the all-new Full Touch technology fully meets the performance requirements of both fuel and electric vehicles. Abrasion resistance is improved by 10%, wet braking by 5%, and wet handling by 8%.</p>
<p>All-around performance tires for passenger cars PREMITRA HP6</p> 	<ul style="list-style-type: none"> • Balanced performance • Product Lifespan • Product Energy Saving 	<p>The new environmentally friendly rice husks and new resin formula are combined with a new pattern, which improves wear performance by 11%, improves dry braking by 4%, and saves fuel consumption of gasoline vehicles by +9%.</p>

In addition, Cheng Shin continues to listen to customer needs and successfully developed the electric car tire VICTRA SPORT EV in 2024. It has a rolling resistance that is approximately 37% better than traditional tires, which can effectively extend the endurance and wear mileage of electric vehicles and reduce carbon emissions by 0.079 tCO_{2e} during the use phase. It also cooperates with the electric motorcycle manufacturer Gogoro to launch energy-saving and carbon-reducing electric motorcycle tires, using an optimal ratio formula with high-reinforcement fillers and polymer optimization technology, and reduces the rolling resistance coefficient by approximately 5% compared to traditional motorcycle tires, while maintaining grip and reducing heat generation, reducing carbon emissions by 0.014 tCO_{2e} during the use phase.










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 2024, 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

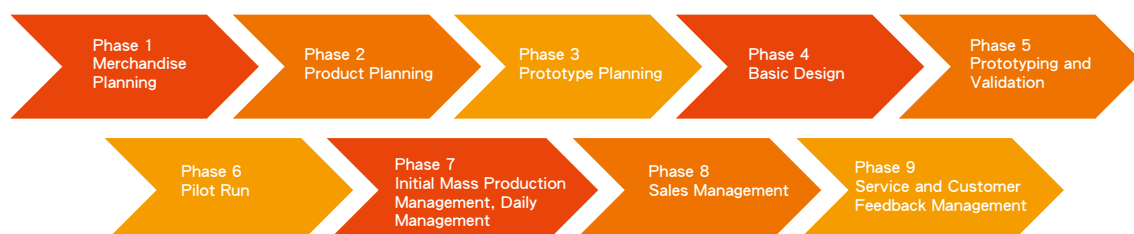
"Quality first, customers satisfied" is the Company's core competitive strategy for its products. In terms of quality system, Cheng Shin has implemented total quality management and obtained ISO9001 and IATF16949 quality management system certification, and established a dedicated quality department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

1.8.3 Clear Product Labeling

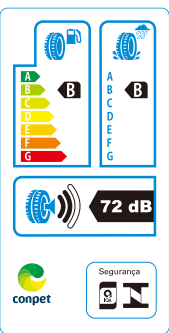
In order to help consumers choose the right tires for their needs, as well as in line with the concepts of environmental protection and safety, Cheng Shin follows global tire labeling regulations in major markets. These regulations primarily focus on three aspects: tire rolling noise, wet grip performance, 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 2024, no violation of marketing and communication-related laws and regulations occurred.



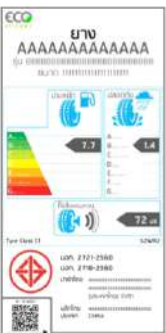
Examples of European Union tire labels



Saudi Arabia Examples of Saudi Arabia tire labels



Examples of Brazilian tire labels



Examples of Thai 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.

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.

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.

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.

MAXXIS®
MECOTRA ME3T

ME3T 205/55R16 91V

標稱胎面寬度 (mm) 380
標稱扁平比 (%) 55
輪胎結構代號 (R-徑向輪) 16
標稱輪面直徑代號 (in.) 16
載重指數 91
速度代號 V

DOT QUALITY GRADES

TREADWEAR	TRACTION	TEMPERATURE
380	AA	BC

TUBELESS STANDARD LOAD BLACKWALL
RADIAL PLY POLYESTER CORD STEEL BELTS

品名名稱：專用橡膠輪胎
數：1條
用途：專用
產地：台灣
規格：如圖
保存期限：5年
主要成分：橡膠、鋼絲、纖維、炭粉

製造日期：詳指輪胎側面，(數字前面碼為產品製造週期，後面碼為西元年份)
製造業者：正新橡膠工業股份有限公司
地址：彰化縣大村鄉南村美港路215號
電話：0800-092123
代理商名稱：瑪吉輪胎股份有限公司
代理商電話：04-8383383
代理商地址：彰化縣員林市三義里莒光路180號

使用方法及注意事項：
1.請由專業人員安裝並正確調整輪胎壓力，建議每週檢查輪胎壓力。
2.各型輪胎應依規定使用標準輪胎組裝。
3.請依車輛規定之負載狀況，使用適當之胎壓，空氣壓必須定期檢查。
4.輪胎組裝完成後，請確實檢查輪胎與輪圈有無密合及試水確認有無漏氣。
5.製造週期超過5年，應檢查輪胎是否繼續使用，製造週期超過10年，建議應立即更換輪胎。
6.胎面全層應有6個磨耗指示標，當胎面磨耗指示標與胎面切齊時，表示胎面厚度已達1.6mm，應立即更換輪胎。
7.輪胎有受損或異常時應由專業人員判定是否可繼續使用。
8.避免存放於日光直射無遮蔽雨水浸淫以及高溫、火災、熱源附近之處所。
9.避免遭受油類或化學藥品污染。

節能等級 **A**

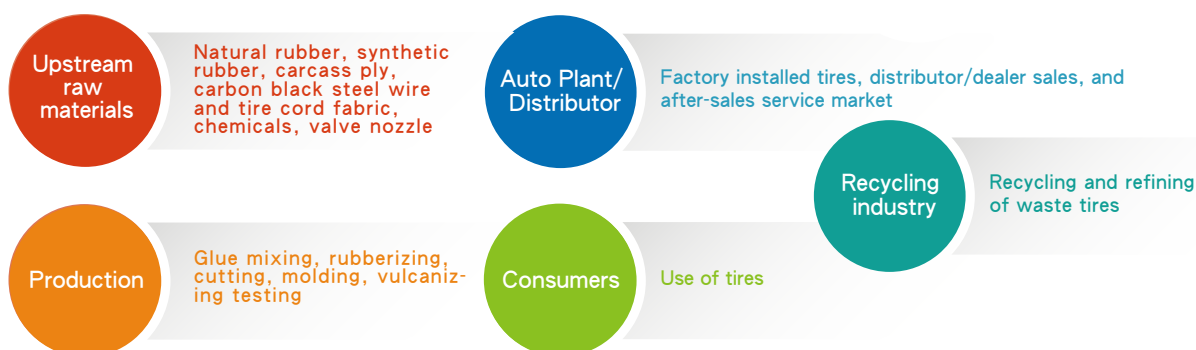
更多資訊請參閱網站

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1.9 Supply Chain Partners, Growing with Cheng Shin

1.9.1 Cheng Shin's Partners

Cheng Shin has always approached its relationship with 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, compound raw materials, equipment, and mold tooling companies are the three major suppliers of Cheng Shin, and the bulk purchase of compound raw materials mainly includes natural rubber, synthetic rubber, carcass ply, carbon black, steel wire, and tire cord fabric, accounting for about 80% of the total purchase amount.

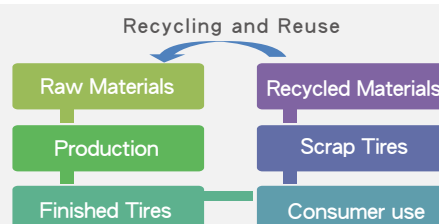
In recent years, Cheng Shin has embarked on three procurement policies in response to the rising international awareness of environmental protection and the need to strengthen the resilience of the supply chain:

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 Wellbeing of Communities, Good Ecosystems (including a commitment to no deforestation, protection of biodiversity), and Respect for All Human Rights", and we have established 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. From 2024 onwards, information on carbon emissions from upstream raw materials have been included in the annual tracking and management.



3

Local sourcing reduces carbon emissions from the transportation of key raw materials, stimulates local economic development, reduces the impact of shipping (including tariffs, 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 FY2024 and the percentage of local procurement from FY2022 to FY2024 are as follows:

Cheng Shin Region:

Material Name	2024 Quantity (metric tons)	% of Local Procurement (Note 1)		
		2022	2023	2024
Natural Rubber (Note 2)	24,098	0.00%	0.00%	0.00%
Synthetic Rubber	25,151	55.00%	82.00%	63.00%
Carcass Ply	6,552	44.00%	81.00%	60.00%
Carbon Black	24,944	99.00%	99.00%	99.00%
Steel wires and Tire Cord Fabric (Note 3)	10,840	0.00%	0.00%	0.00%

Subsidiaries:

Material Name	2024 Quantity (metric tons)	% Local Procurement 2024
Natural Rubber	282,183.61	87.13%
Synthetic Rubber	814,686.39	58.46%
Carcass Ply	163,614.43	97.12%
Carbon Black	674,777.60	94.52%
Steel Wire and Carcass Ply	145,959.90	89.39%

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 carcass ply, and must rely on imports.

1.9.2 Sustainable Supply Chain Management Policies of Cheng Shin

In 2024, we established a Supplier Sustainable Development Code of Conduct and Statement based on SAQ 5.0. From 2025 onwards, we request our suppliers to jointly implement the Supplier Sustainable Development Code of Conduct and Statement. This has been rigorously integrated with our supplier selection and risk assessment processes, which consist of supplier qualification review, sample quality confirmation, and on-site plant audits, to serve as the basis for supplier review.

The key items of the existing supplier selection and risk assessment process are as follows (Note 1):

Concerns	Corresponding laws/regulations/systems/indicators	Requirements	Management Achievements
Environment	REACH: EU Substances of Very High Concern (SVHC)	Provide third-party notary reports	100%
	RoHS: Restriction of Hazardous Substances Directive	Provide third-party notary reports	100%
	Eco-friendly Tires PAHs (Polycyclic Aromatic Hydrocarbons Compound Content) (Note)	Provide third-party notary reports	100%
	Chemical Substance Identification and Safety Data Sheet (SDS)	Certificate of completion of certification and regulatory registration	100%
	EUDR(EU Deforestation Regulation)	Provide due diligence and risk assessment	100%
Quality	ISO 9001	Provide valid certificates	100%
	Product Control Plan	Provide control plan	100%
	Quality must be verified	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.	Pass the review and verification process (Note 3)	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: The evaluation score proportion accounts for 75-80% of the overall evaluation.

Note 2: PAHs report is mainly for raw materials containing oil and resin.

Note 3: Regarding human rights, a total of 113 qualified suppliers in Taiwan were assessed in 2024. After the assessment, an annual on-site evaluation plan was scheduled for 10 suppliers, and no major deficiencies were identified that would place them in a high-risk management category.

It is expected that, from 2025 onwards, the following aspects (Note 1) will be added to the key items in the subsequent supplier selection and risk assessment process for assessment:

Concerns	Corresponding laws/regulations/systems/ indicators	Requirements	Goal	Project
Corporate Governance	Supplier Sustainability Code of Conduct	Sign the " Supplier Sustainable Development Code of Conduct and Statement"	100%	2025
	Supplier Sustainability Performance	Key suppliers(Note 2) are prioritized. Suppliers can additionally provide sustainability reports/international evaluations (e.g., CDP, EcoVadis, MSCI ESG Ratings, Corporate Sustainability Assessment, etc.)	Bonus items for supplier qualification review - one point per item, up to a maximum of five points	2025
	ISO 45001	Encourage key suppliers to obtain certification.	100%	2026
	ISCC PLUS	Key suppliers to pass the certification	Strengthen the percentage of sustainable raw materials and circular economy transparency.	2027
Environment	ISO 14064	Encourage key and important suppliers (Note 3) to obtain certification.	Carbon reduction targets and performance tracking	2025
	ISO 14067	Encourage key and important key suppliers to obtain certification.	Carbon emission factor provision	2025
	ISO 14001	Encourage key suppliers to obtain certification.	100%	2026

Note 1: The evaluation score proportion accounts for 80-90% of the overall evaluation.

Note 2: Key suppliers are those of carcass ply, steel belts, and bead wires.

Note 3: Important suppliers are those supplying natural rubber, synthetic rubber, and carbon black.

Cheng Shin values the quality of 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) Main raw material suppliers must obtain at least ISO 9001 quality system certification, and ultimately IATF 16949 quality system certification.
- (4) Key raw material suppliers must obtain IATF 16949 quality system certification.
- (5) 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 2024, two drills were conducted: natural disaster and regional tension drills.

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

Cheng Shin Region:

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. We have established the ESG Maxxis Family, requiring natural rubber suppliers to join and commit to the sustainable development of natural rubber, including: Natural rubber smallholders, 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

Potential Negative Social Impacts:

1. Natural rubber smallholders lack the technical capacity and financial capital to meet the stringent due diligence requirements of the new rules and achieve traceability.
2. The cross-border trade in Southeast Asia is complex, making traceability more difficult.
3. Some of the rubber farms are unable to provide accurate geographical positioning information due to the war or national security concerns.

Active Measures:

1. Cheng Shin EUDR team has been established to coordinate responses and meet regulatory/customer requirements, with regular meetings held to review and track progress.
2. Relevant procedures and management measures have been formulated; management, tracking, and verification are carried out in accordance with these measures.
3. Due diligence and risk assessments (including on-site audits) have been conducted on natural rubber suppliers or agents, and contracts compliant with EUDR for natural rubber are being signed progressively to guarantee that all products sold in Europe meet all EU requirements.
4. For tire products sold in Europe, all plants of Cheng Shin Tire provide the necessary information/documents to customers through the traceability system/platform in accordance with EUDR requirements.

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 qualified 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.

Taiwan Region

New Suppliers	Evaluation of New Suppliers	1 supplier	Grade A : 1 Grade B+ : 0	Grade B : 0 suppliers Grade C : 0
Existing Suppliers	On-site Evaluation	21 suppliers	Grade A : 13 Grade B+ : 8	Grade B : 0 suppliers Grade C : 0
	Supplier Capacity Performance Assessment (Note 1)	118 suppliers	Grade A : 117 Grade B+ : 0	Grade B : 1 Grade C : 0

Note 1: 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.

Subsidiary

New Suppliers	Evaluation of New Suppliers	19 suppliers	Grade A : 15 Grade B+ : 3	Grade B : 0 suppliers Grade C : 1
Existing Suppliers	On-site Evaluation	85 suppliers	Grade A: : 49 Grade B+ : 36	Grade B : 0 suppliers Grade C : 0
	Supplier Capacity Performance Assessment (Note 1)	312 suppliers	Grade A : 302 Grade B+ : 0	Grade B : 6 suppliers Grade C : 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 business secret certification in 2022, we also completed patent certification in 2023 and obtained the certificate in 2024. Currently, we hold two TIPS A-level intellectual property management scope certificates - for business secrets and patents - which are valid until December 31, 2025. This makes us the first tire manufacturer in Taiwan to pass TIPS certification and implement the TIPS introduction process and regulations, effectively protecting our 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.



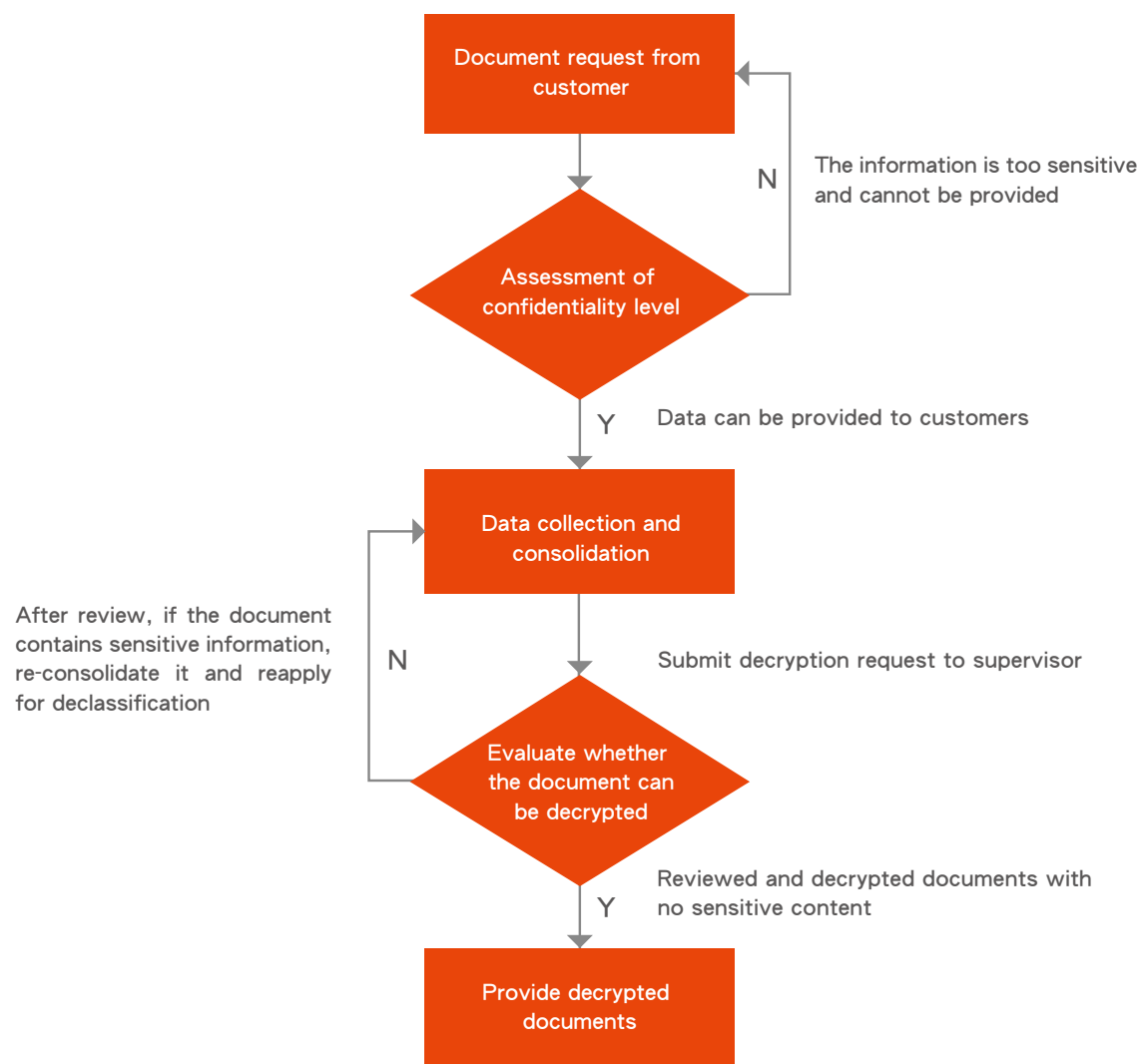
Implementation Methodology:

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 2024, there were no written complaints of violation of customer privacy or loss of customer data in Cheng Shin. 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 surveys every year, and develops new products through research and innovation, including products with improved tread design, controllability, quietness, comfortability, and abrasion resistance, etc., to maintain an R&D direction that is consistent with that of market demand and the needs of consumers, demonstrating our dedication to listening our customers and creating 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. For example, Taiwan Region:

In 2024, a total of 500 consumer satisfaction surveys were distributed for the Taiwan Region, with 480 responses received, resulting in a 96% response rate. The average survey result was rated as “average” or higher. The survey scoring system is as follows: 5 is very satisfied, 4 is satisfied, 3 is average, 2 is dissatisfied, and 1 is very dissatisfied.

In the 2024 survey, customers expressed high satisfaction with the handling stability and durability of Maxxis tires. In both high-speed driving and daily use, Maxxis tires demonstrate excellent grip and stability. Maxxis tires provide a good driving experience, especially under varying road conditions, and have consistently received positive reviews from consumers.

Additionally, Cheng Shin has established a communication channel:

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 Our dedicated customer service team provides professional and enthusiastic assistance to address any inquiries or concerns.

1.11 Adherence to Product Regulations

Tires are key safety features on all types of vehicles, and, therefore, the regulations in each country provide clear and strict rules regarding the 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 activities in violation of competition and marketing laws. 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. Regulations on product specifications and standards: including product specifications and safety factors in various countries, as well as health and safety regulations, etc.
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, and has dedicated personnel responsible for identifying the regulatory compliance of its developed products. During 2024, there were no major violations of the laws as described above in Cheng Shin Taiwan or 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

Part 2

Environmental Sustainability, Loving the Earth



Key Performance

- ◆ SO 50001
Cheng Shin's operations in Mainland China passed the external certification for the ISO50001 energy management system.
- ◆ Greenhouse Gases Reduction
The energy saving programs promoted in Taiwan and subsidiaries have reduced GHG emissions by a total of 38,934.21 tCO₂e.
- ◆ Reducing the Use of Water Resources
A total of 34.574 million liters of water consumption was reduced in the Taiwan Region.
- ◆ Use of Green Energy
Activated solar photovoltaic systems and the purchased of green power, generating approximately 4 million kWh annually in the Taiwan Region.

2.1. Risks and Challenges of Climate Change

In order to cope with the risk and impact of extreme weather, Cheng Shin convened relevant heads of all departments through the Sustainable Development Steering Group to identify major climate risk topics related to climate change based on the materiality principle and the Task Force on Climate-Related Financial Disclosures (TCFD), analyze their impact and opportunity, draw a climate change risk and opportunity matrix by identifying physical and transitional risks. Cheng Shin has developed a core and strategy for implementing climate change actions to address major risks in order to implement risk response measures, enhance the resilience of Cheng Shin to extreme climate and reduce the risk. Through regular review of the effectiveness of mitigation measures, Cheng Shin aims to standardize procedures to reduce the response time for similar risk treatment in the future.

Key steps to identify climate change risks/ opportunities and risk management processes



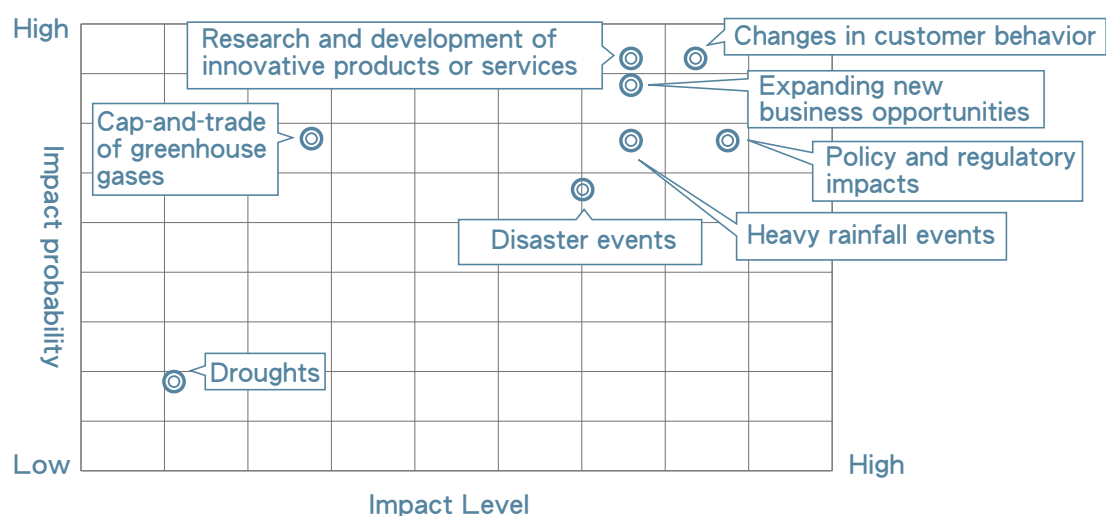
Cheng Shin' s TCFD Indicator Disclosure Framework

Level	Indicator	Corresponding Chapter
Governance	A. Describe the board's oversight of climate-related risks and opportunities.	2.1. Risks and Challenges of Climate Change: Identifying Climate Change Risks and Opportunities P.65
	B. Describe the role of management in assessing and managing climate-related risks and opportunities.	
Strategy	A. Describe the short term, medium term and long term climate-related risks and opportunities that the organization has identified	2.1. Risks and Challenges of Climate Change: Climate Change Risk and Opportunity Impact Analysis P.66
	B. Describe climate-related risks and opportunities that would have a significant impact on the organization's business, strategy, and financial planning.	
	C. Describe the organization's strategic resilience, taking into account different climate change scenarios, including 2°C or lower.	
Risk Management	A. Describe the organization's processes for identifying and assessing climate-related risks.	2.1. Risks and Challenges of Climate Change: Climate Change Adaptation Strategies and Goals P.57
	B. Describe the organization's climate-related risks.	
	C. Describe the organization's integration of processes for identifying, assessing, and managing climate-related risks into its overall risk management framework.	
Goals and Targets	A. Disclosure of the indicators the organization uses to assess climate-related risks and opportunities in accordance with its strategy and risk management processes.	2.1. Risks and Challenges of Climate Change: Climate Change Risk and Opportunity Impact Analysis P.55
	B. Disclose the emissions and related risks within Scope 1, 2, and 3 (where applicable).	
	C. Describe the objectives and performance of the organization to manage climate-related risks and opportunities.	

Identify Risks and Opportunities of Climate Change

In response to climate change and the energy usage crisis, the Cheng Shin ESG Group collaborates with personnel from various departments to assess the "likelihood of impacts" and "degree of impacts" of various risks based on materiality criteria. Eight climate change risks and opportunities have been identified, integrating Maxxis' development with policies and solutions related to economic growth, environmental protection, and sustainable development. They also establish short, medium, and long-term objectives to continuously enhance climate resilience and foster an environmentally sustainable culture.

Climate Risk and Opportunity Matrix



Climate Change Risk and Opportunity Impact Analysis

CATEGORY	Potential Risks and Opportunities	Point of Impact	Impact on the Company	Response Measures
Transitional Risk	Policy and regulatory impacts	Short-term	In response to government enforced environmental regulations, it is necessary to promptly comprehend and assess compliance within the Company. This facilitates alignment with governmental policies and regulations, but it also leads to increased expenditure on manpower costs.	<ul style="list-style-type: none"> Self-inspect the pollution prevention status and the pollution prevention equipment capability on a regular basis through the internal audit of the effective environmental management system. Establish regulations on the identification and management of environmental safety and health-related laws and regulations and collects regulations updated by relevant competent authorities every month to identify and implement them accordingly. Conduct compliance assessment once a year to comply with statutory provisions.

CATEGORY	Potential Risks and Opportunities	Point of Impact	Impact on the Company	Response Measures
Transitional Risk	Customer behavioral change	Mid-term	<ul style="list-style-type: none"> Increasing concern on environmental issues: In order to improve environmental protection and driving safety, with the expectation on the tire industry to provide consumers with better tire quality, stricter standards of EU Labeling/Marking Requirements have been put forward to implement in stages (2017~2030). Purchase of all-season tires: In some European countries, there is only light and light snow all year round, and although the temperature is cold, there are no extreme cold conditions, so for the sake of convenience, consumers are starting to buy all-season tires. In response to new trends, new product positioning and new R&D directions are planned, resulting in increased labor costs. 	Continue to carry out market and customer demand surveys so as to provide the new generation of all-season tire products in line with the market and customer demand.
	Cap-and-trade of greenhouse gases	Long-term	Cheng Shin's head factory and Xizhou Plant are subject to a carbon tax on the GHG emissions in 2025, resulting in an increase in operating costs.	<ul style="list-style-type: none"> The Energy Conservation and Carbon Reduction Committee and the energy conservation measures of each plant are regularly reported on the plans and results. Proposal of voluntary reduction plan is submitted, and we strive to obtain preferential tariff A for Xizhou Plant and preferential tariff B for headquarter plant. Reduce operating costs
Physical risks	Heavy rainfall events	Short-term	The waterways in the plant are not easily drained and swell, causing water to accumulate on the roads and making it difficult for vehicles to pass, and the expenses are increased by assigning manpower and purchasing additional equipment to resolve the waterlogging situation.	Remove the silt in the waterway and increase water load. Add and purchase new equipment to increase the number of drainage motors in the plant to promote drainage efficiency.
	Droughts	Mid-term	The government's water restriction policy has affected the water required for the Company's operations, resulting in increased costs.	Continuously monitor government policies related to water use restrictions to prevent unanticipated policies from affecting the Company's production capacity.
	Disaster events	Long-term	Disasters cause interruptions in operations and damages to equipment, resulting in loss of revenue.	<ul style="list-style-type: none"> Contingency shall be dealt with in accordance with the "Disaster and Accident Handling Management Methods". Such as: Emergency Response Plan Operation Process, Emergency Response Contact System, and Disaster Response Management, etc. In response to major industrial safety incidents such as fire and explosion, the Company has initiated the self-inspection, review, and prevention on the cause of the incident, and communicates with other plants within the Group. Implement in accordance with the Technical Guidelines on Emergency Response Measures and follow the Taiwan Occupational health and safety management systems (TOSHMS) guidelines and the five related technical guidelines (risk assessment, procurement management, contracting management, change management, and emergency response measures) issued by the Ministry of Labor.
Opportunities	Expanding new business opportunities	Mid-term	Climate anomalies can cause a change in customer demand. If we can predict the market demand and develop new products, we are likely to enter new markets and increase our revenue.	<ul style="list-style-type: none"> Develop new products based on customer performance requirements. Segmenting markets and finding new niches.

Opportunities	Research and development of innovative products or services	Mid-term	As the demand for electric vehicles continue to increase, we will develop EV products to increase brand power and market share in order to further increase the revenue.	We will continue to develop "sustainable materials and environmental and low-carbon products capable of reducing environmental impact".
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Note: Short-term: 2023-2025 / Mid-term: 2025-2030 / Long-term: 2030-2050

Response Strategies and Objectives for Climate Change

CATEGORY	Strategy	Climate Response Strategy Development Objectives	Achievements in 2024
Transitional Risk	Internal audit and regulatory identification	Continuously ensure compliance through internal audits and regulatory identification, and advance regulatory deployment being superior to the laws and regulations.	Monthly review of the newly revised regulations and bulletins against the current status of implementation in our factory plants. Monitor draft amendments to laws and regulations and attend public hearings when necessary to express our opinions.
	Precise response to market	In response to the rapid development of the EV industry, we will develop electric vehicle products for passenger cars, bicycles, and motorcycles. 1. Low rolling resistance: Low rolling resistance can increase battery life and reduce charging times. 2. Grip: EVs have high torque, tires need to be specially designed to meet the acceleration mode of EVs. 3. Quietness: EVs produce little noise, so the tires need to be even quieter on the road to ensure optimal comfort. 4. Wear resistance: Due to the battery load and high-torque output characteristics of EVs, tires require enhanced wear resistance to accommodate high load capacity and high torque output.	Four-wheeled sedans: Low fuel consumption, low rolling resistance, and high mileage VS-EV tire specifications - expanded development and sales. Two-wheeled bicycle crossover commuter electric tire E-SUV Metropass AT developed for sale. Acceptance and delivery for introduction of electric motorcycle tires for GOGORO PULSE tires.
	Promote energy-saving and carbon-reducing manufacturing	<ul style="list-style-type: none"> Align with the Bureau of Energy's electricity saving targets each year Our goal is to reduce energy consumption by 1%. 	The greenhouse gas emission intensity was 1.12 in 2023 and 1.09 in 2024.
Physical risks	Water resources risk management	<ul style="list-style-type: none"> Conduct management in accordance with the Measures for Flood Control Pumping, adjust motor-related equipment as necessary (e.g., water level of each area, setting of stopping pumping water level, maintenance cycle, regional maintenance management). Continue to monitor climate-related information for advance development of relevant countermeasures. 	<ul style="list-style-type: none"> Continuously monitor government policies related to water use restrictions to prevent unanticipated policies from affecting the Company's production capacity. Established a record file for obvious climate anomalies and related government policies.
	Enhance climate resilience	Conduct management according to the "Disaster Incident Management Regulations" every year, and continuously review and revise to conform to the current situation.	Implemented plant accident management in accordance with technical guidelines for emergency response measures, implemented and avoided disaster events in accordance with management regulations, and constantly revised and reviewed the contents of management provisions.

Opportunities	R&D innovation	<ul style="list-style-type: none"> Passenger Car Tires / Light Truck/ Passenger Bus Tires: <p>Continue to develop sustainable, eco-friendly, and low-carbon products.</p>	<ul style="list-style-type: none"> EU R117-04 compliance will account for 40% of sales in Europe, adhering to stricter environmental regulations (target of 100% by 2026). The development of EV tires contributed to carbon reduction and a sustainable circular economy. Sales in 2024 totaled NT\$3.95 million. Low-carbon products accounted for 51%, a 13% year-over-year increase in sales.
		<ul style="list-style-type: none"> Motorcycle Tires: Continue to develop sustainable and eco-friendly products 	<ul style="list-style-type: none"> MA-MBA's new product development utilizes APPROACH technology and features wet grip, wear resistance, and energy-saving capabilities, aligning with global carbon reduction trends. GOGORO New EV Model PULSE Delivery
		<ul style="list-style-type: none"> Bicycle tires: <p>Development of 90% sustainable material concept tire</p> <ul style="list-style-type: none"> Sustainable materials introduced in mass-produced products 	<ul style="list-style-type: none"> At 2024 Eurobike, a concept product made with 90% sustainable materials was displayed. Currently, recycled fishing net yarn has been introduced into mass production. The subsequent evaluation will consider the use of rice husk silica and recycled steel wire to further increase the proportion of sustainable materials in mass-produced products. In 2024, the sustainable E-Cargo tire Metroloads Pro won the iF Design Award, the Red Dot Product Design, and the Good Design Award.
		<ul style="list-style-type: none"> ATV Tires & Go Kart Tires: <p>Go Kart EV tire research and development and sales of puncture-resistant, durable tires for Europe and the United States.</p>	<ul style="list-style-type: none"> Go Kart CIK and EV tires certified for lightweight, high-performance tires. Assessment of the introduction of sustainable materials and R&D of puncture-resistant tire development for ATV tires
		<ul style="list-style-type: none"> Truck/Passenger Bus Tires: Continue to improve renewable performance <p>Develop eco-friendly, low-energy products.</p>	<ul style="list-style-type: none"> The current TBR/LTS products fully meet renewable tire body design requirements, and will be continuously refined and optimized. Achieved 56% of products meeting the EU Labeling standard by 2024 (R117-02).
		<ul style="list-style-type: none"> Materials and compound development: 	<ul style="list-style-type: none"> Development of rsteel electric furnace bead wires Development of bio-based silica materials Development of pyrolytic carbon black materials Development of bio-based processing oil materials EUDR natural rubber introduction

Climate scenario analysis

Cheng Shin's Sustainable Development Steering Group regularly analyzes the impact of specific climate risks under different greenhouse gas emission control conditions on the operations of the Cheng Shin Group based on the TCFD framework. The results are used for the development of the climate change response strategy of Cheng Shin. The climate scenarios used in the scenario analysis are mainly selected from the assessment reports released by the International Energy Agency (IEA), and multiple public scenarios were selected to conduct assessment for a more complete understanding of the potential impacts of the scenarios under the different results. With reference to the recommendation of the TCFD guidelines and adopting a scenario of 2° C or more severe, Cheng Shin selected the established policy scenario (STEPS) and the net-zero emissions scenario by 2050 (NZE) for analysis. The analysis followed the key year set in the guidelines based on the international initiatives and national policy, and the capital and investment plans of the Company were referred to, and the impact of 2030 was analyzed.

Description of selected climate scenarios

Scenario code	Scenario description	Corresponding to the warming scenario at the end of the century
IEA STEPS	Each country follows its National Contributions under the Paris Agreement, including existing and developing national policies and measures. Under this scenario, future greenhouse gas emissions will not be significantly different from today's	~2.5°C
IEA NZE	The world is committed to achieving net-zero carbon dioxide emissions by 2050, so that the global average temperature by the end of the century does not exceed the pre-industrial level by 1.5 degrees. Under such circumstances, countries around the world will urge organizations to change their business practices through the extensive application of clean energy technology and the improvement of energy efficiency.	~1.5°C

Scenario analysis: Transition risk - GHG capping and trading

As Cheng Shin have operating locations throughout Asia and considering that governments around the world are to comply with the global trend of net zero emission reduction, we may be subject to various carbon pricing systems (GHG caps, carbon taxes, and carbon fees). To ensure that our carbon reduction strategy is in compliance with the laws and regulations of the countries where our operations are located, and to analyze the potential impact of our emissions in the future, we have assumed the current laws and regulations and the planned carbon pricing system at the locations where we are operating, and assess the financial impacts and results that Cheng Shin may face in 2030 according to the two scenarios described in the preceding paragraph. According to the results of the latest analysis conducted by Cheng Shin, under the NZE scenario, the financial impact of the carbon fee imposed by the Taiwan Region in 2030 will reach 2.03% of the operating revenue, which is significantly higher than the 0.36% under the STEPS scenario.

(Unit: Financial impact as a percentage of operating revenue)

	Carbon pricing in the STEPS scenario	NZE Scenario Carbon Pricing
Financial Impact in 2030	0.36	2.03

Note 1: The financial impact only assesses the impact of carbon pricing due to regulations, excluding the related costs that Cheng Shin expects to invest in greenhouse gas reduction.

Note 2: The scope of the above financial impact assessment only covers the Cheng Shin Taiwan area. The financial impact assessment for countries outside Taiwan will be included in the assessment scope in the future depending on the GHG inventory progress of each operating location and the development of local laws and regulations.

Note 3: The basis for estimating carbon fees in the Taiwan Region is based on the "Regulations Governing the Collection of Carbon Fees" officially announced by the Ministry of Environment on August 29, 2024 and the carbon fee rate released on October 21 of the same year, which was implemented in 2024 for enterprises with emissions of 25,000 metric tons and more will be levied a carbon fee of NT\$300 per metric ton. This estimate assumes a 10% annual increase in carbon price and does not consider preferential rates or free allowances. Cheng Shin will re-execute this scenario analysis when the rules for collection of carbon fees are more clarified.

Note 4: The state of carbon pricing in Taiwan is based on the Carbon Fee Regulations announced by the Ministry of Environment in 2024. The carbon fee has been implemented and the carbon fee collection mechanism has been activated for companies that emit more than 25,000 metric tons of carbon annually, and with the assumption that the tax threshold is lowered to 10,000 metric tons of carbon in 2030, a carbon fee is levied based on the annual emissions.

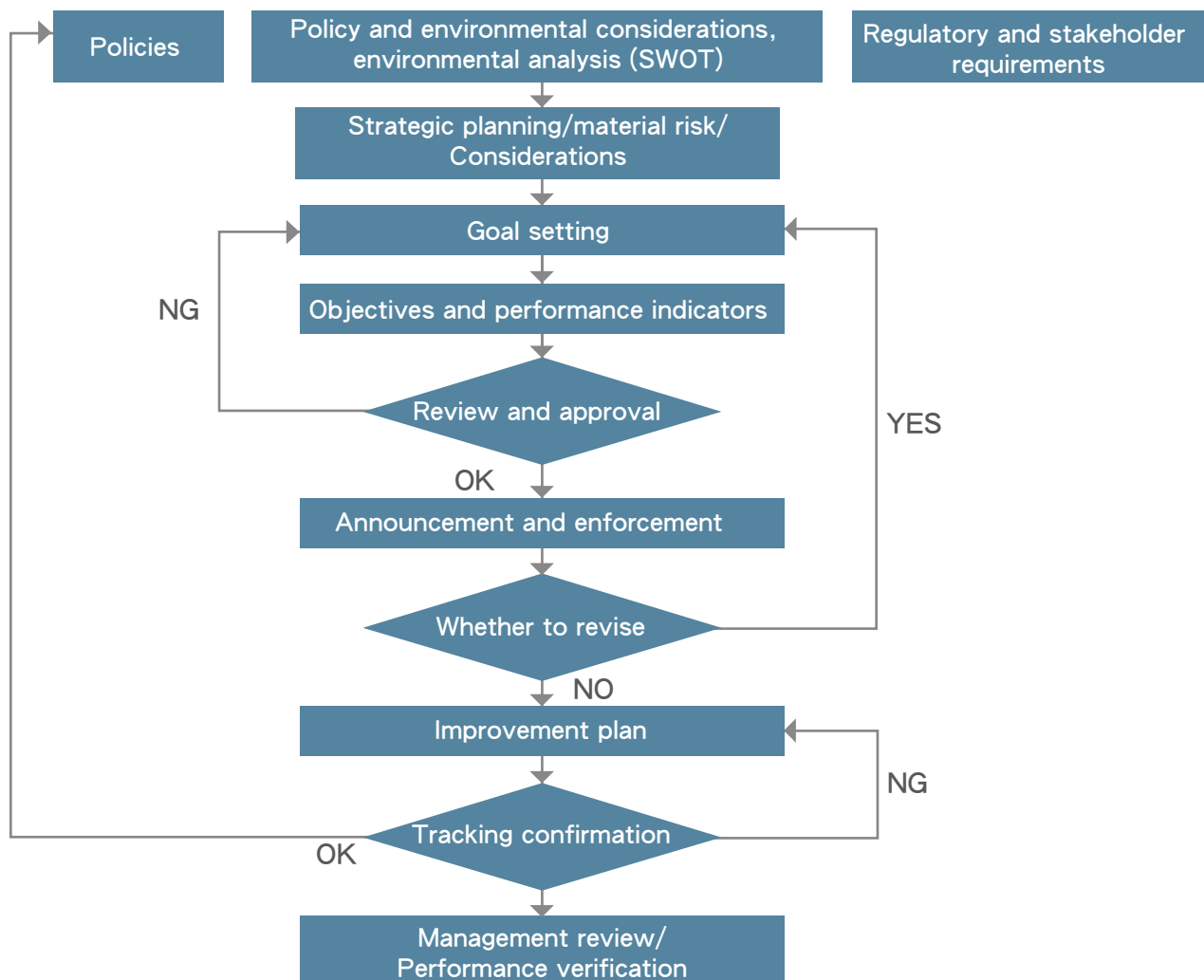
2.2. Environmental Management

The earth's climate and environment are deteriorating as a result of the effects of greenhouse gases, and Cheng Shin is fully aware of the fact that there is only one earth. As a global citizen, in order to comply with international norms such as the Paris Agreement and fulfill the corporate responsibility for environmental protection, Cheng Shin is committed to greenhouse gas inventory and has a good grasp of greenhouse gas emissions. Based on the inventory results, Cheng Shin further promotes voluntary greenhouse gas reduction programs and implements the environmental policy of "energy saving, resource recovery, operational safety, pollution prevention".

Cheng Shin believes that environmental protection is an indispensable factor in the sustainable operation of its business and has established a corporate environmental management system in line with the global environmental protection philosophy. Cheng Shin is committed to environmentally friendly product design and improving the equipment and operating environment, and has reduced the waste gas, wastewater, noise, and waste from the process and saved energy, achieving proper recycling of resources. Cheng Shin also strengthens the promotion of industrial safety, continues to carry out all kinds of pollution prevention and control to enhance its strength, enabling the harmonious coexistence and strong growth of the enterprise while protecting the environment.

Cheng Shin's commitment to the environment is:

- ◆ Comply with all work safety and environmental laws and regulations and related requirements.
- ◆ In considering the product life cycle, Cheng Shin is committed to continuous improvement of technology and methods during the process of design, raw material, manufacturing, storage, transportation, usage, and waste disposal, so as to reduce the impact on the environment and enhance safety.
- ◆ Set up a sound internal and external communication channel and promote the concept of environmental protection to partner suppliers.
- ◆ Continue to promote industrial waste reduction, resource recycling, and pollution prevention.
- ◆ Continue to promote environmental education and establish a complete and effective environmental management system.



Environmental Management System Flow Chart
In terms of environmental management policy, Cheng Shin's Taiwan operations have passed the ISO14001:2015 version change certification in 2023 and continued improvement through the "Plan-Do-Check-Act" model of the ISO14001 environmental management system. It has set annual targets for energy saving, water saving, waste reduction, and resource conservation and effectively improved the overall environmental performance through regular monitoring and tracking management by the ESH Committee. In addition, in order to comply with the national promotion of energy saving and carbon reduction, the industry is moving towards green industry, in line with the international trend of environmental protection, and to promote the sustainable development of the industry.



ISO 14001 : 2015 Certificate

Incorporation of the internal carbon pricing system into the environmental management strategy

Starting from 2025, we will set an internal carbon price (ICP) of NT\$300 per metric ton, referencing the Ministry of Environment's "Regulations Governing the Collection of Carbon Fees". This will introduce an internal carbon fee mechanism, applied to energy-saving and carbon reduction projects and renewable energy use across all Company units. We will also encourage employees to propose energy improvement projects to further reduce carbon emissions and improve energy efficiency at all our operating sites.

Since the introduction of this carbon pricing mechanism, various units have successively proposed a range of energy-saving and carbon-reduction plans, including replacing ice water machines, conducting regular inspections of air compressor systems, upgrading equipment, and evaluating and replacing energy-consuming devices. These measures aim to improve energy efficiency and establish this internal carbon pricing system, which will help the Company proactively address carbon fees and international carbon tax mechanisms, and serve as a key management tool for transitioning to low-carbon operations and net-zero emissions. Meanwhile, the ISO 50001 energy management system was established in 2025, and the Douliu 2nd Plant and the Zhongzhuang Plant passed the ISO 50001 external audit in June 2025. We hope that through the joint efforts of all colleagues, we can achieve a carbon reduction of at least 22% by 2030.

Environmental Communication

Adequate environmental communication and dialogue with stakeholders enables them to understand the emphasis Cheng Shin places on the management of environmental protection. In accordance with the principles of "environmental communication procedures" in the ISO14001 environmental management system, each plant will conduct community and neighborhood activities from time to time to establish smooth communication channels with the community and nearby residents. In addition, Cheng Shin also provides channels for telephone complaints for local residents or external stakeholder groups who have concerns about the environmental impact of the production process. When each plant receives a telephone complaint, the handling process will be recorded in detail in the "External Communication Record Form". If there is any improvement, it will be made by the competent and responsible unit according to the complaint content and tracked by the environmental management department.

Important Communication Records of Cheng Shin Taiwan and Subsidiaries in 2024

Region	External Agencies	Communication / Summary	Internal Handling Situation
Taiwan Region	Local Agencies	The public complained about the odor situation, and routine inspections were conducted at the plant.	1. Related prevention equipment shall be installed and maintained in normal operating condition as per the permit. 2. Continue to conduct external odor inspections.
	Community residents	People reported that the noise from Douliu Plant 1 was too loud at night.	1. Implemented isolation or closure of noise sources within the plant. No anomalies detected by the Department of Environmental Protection.
Subsidiary	No related complaints in 2024.		

Community refers to the local community near each plant.¹

2.3. Energy Resources and Greenhouse Gas Management

2.3.1. Resource Management

The products manufactured by Cheng Shin are tires, and mainly consume raw materials such as raw rubber, synthetic rubber, carbon black, steel wire, etc. In order to reduce the exploitation of earth resources and save procurement costs, Cheng Shin adopts the following methods to reduce raw material consumption as much as possible.

- ◆ Adjust process parameters to reduce raw material consumption.
- ◆ Seek substitution of by-products, or reduce the amount to eliminate the use of by-products.
- ◆ Review the reasonableness of material usage regularly.
- ◆ Look for high-strength and lightweight reinforcing materials as alternative materials.

In 2024, the total amount of raw materials used in Taiwan and subsidiaries was 106,829 and 741,594.85 metric tons respectively. The production of tires (including inner tubes) amounted to 104,603 and 715,590.36 metric tons respectively. The material usage intensity was 0.979 and 0.965 for Taiwan and Mainland China. Cheng Shin continues to enhance material management, reduce waste generation, and minimize losses from scrapped products. As a result, we are able to maintain high material usage intensity. In the future, Cheng Shin will continue to utilize raw materials efficiently and maintain the intensity of raw material usage.

Usage intensity of raw materials

Manufacturing Plants		2022	2023	2024
Taiwan Region		0.956	0.984	0.979
Mainland China	Cheng Shin Kunshan	0.999	0.992	-
	Cheng Shin Chongqing	0.999	0.991	-
	Cheng Shin Xiamen	0.995	0.994	-
Subsidiary		-	-	0.965

Note: Material usage intensity = Total product weight (metric tons) / Total consumed materials (metric tons)

Years		2024			
Manufacturing Plants	Consumption of Renewable Raw Materials (Tons)	Total Consumption of Materials (Tons)	Proportion of renewable raw materials	Gross Weight of the Product (Tons)	Usage intensity of raw materials
Taiwan Region	24,034	106,829	22.50%	104,603	0.979
Subsidiary	177,879	741,594	23.99%	715,590	0.965

2.3.2. Energy Management

Cheng Shin adheres to the energy policy of "Energy Conservation, Carbon Reduction, and Efficiency Enhancement." We have always attached great importance to energy usage and implemented energy management as a fundamental commitment to the environment. Energy management organizations have been established in all plants of Cheng Shin, each setting annual energy-saving goals and execution plans. By breaking down energy-saving targets, implementing assessment and incentive systems, various departments are motivated to actively adopt energy-saving technology upgrades, progressively implementing energy conservation and carbon reduction initiatives. At Cheng Shin Taiwan in 2024, the solar photovoltaic system provided 4.02 million kWh annually, reducing about 1,908 tCO_{2e} emissions. The subsidiary continued to purchase green power, reducing a total of 25,431.35 tCO_{2e} emissions in 2024. All energy management personnel have been trained in the requirements of the ISO50001 energy management system, and all have obtained the internal auditor's qualification certificate and are equipped to manage the relevant requirements. In addition, Cheng Shin has already passed the third-party management system certification, and the Kunshan plant has been awarded the Energy Efficiency Star Level 3 energy award.

ISO50001 Certificate of our Mainland China Plant



Regarding energy usage, Cheng Shin primarily utilizes electricity, gasoline, diesel, and natural gas. In 2024, the energy consumption in Cheng Shin Taiwan and Mainland China was 1,199,392.87 GJ and 7,277,487.35 GJ respectively. The energy intensity in the Taiwan Region was 11.47 GJ per metric ton, while in the China Region, it was 10.17 GJ per metric ton. Diesel fuel is used to power forklifts, company vehicles (included in the calculation in 2023), and emergency generators, while gasoline is used for Company vehicles.

Energy Usage Intensity

Region	2022	2023	2024
Taiwan Region	11.84	11.67	11.47
Subsidiary	NA	NA	10.17

Note: Energy Usage Intensity = amount of energy used (GJ) (including externally purchased energy and self-generated electricity) / Gross Weight of the Product (Tons)

State of energy use
Taiwan Region

Energy		Unit	2022	2023	2024
Electricity	Self-consumption and renewable	GWh	0	4.30	4.29
		GJ	0	15,466.53	15,439.50
	Externally purchased non-renewable energy	GWh	0	0	0
		GJ	0	0	0
	Externally purchased non-renewable energy	GWh	186.86	160.14	157.44
		GJ	672,680.56	576,499.57	566,769.55
Natural gas ²		million kiloliter (kL)	24.12	19.40	17.78
		GJ	992,397.96	649,291.53	595,207.71
Gasoline		kiloliter (kL)	92.83	109.69	98.48
		GJ	2,919.50	3,579.63	3,213.77
Diesel fuel		kiloliter (kL)	41.71	503.87	533.85
		GJ	1,497.60	17,708.96	18,762.34
Total Renewable Energy Consumption		GJ	0	15,466.53	15,439.50
Total Non-Renewable Energy Consumption		GJ	1,669,495.62	1,247,079.69	1,183,953.37
Total Energy Consumption		GJ	1,669,495.62	1,262,546.22	1,199,392.87
Percentage of Purchased Electricity		%	40.29	45.66	47.25
Renewable energy utilization rate		%	0	1.23	1.29

Note 1: The calorific value coefficient is based on the Energy Statistics Handbook of the Bureau of Energy, Ministry of Economic Affairs (updated October 4, 2024).
Note 2: Diesel consumption has been included under company cars since 2023.
Note 3: Percentage of externally purchased electricity is externally purchased electricity consumption/total energy consumption.

Subsidiary

Energy		Unit	2024年
Electricity	Self-consumption and renewable	GWh	0.00
		GJ	0.00
	Purchased Renewable	GWh	47.72
		GJ	171,802.00
	Purchased Non-renewable	GWh	909.86
		GJ	3,275,095.81
Purchased steam		Thousand metric tons	1,334.34
		GJ	3,623,873.36
Gasoline		kiloliter (kL)	136.59
		GJ	4,471.59
Diesel fuel		kiloliter (kL)	847.57
		GJ	30,442.59
Total Renewable Energy Consumption		GJ	171,802.00
Total Non-Renewable Energy Consumption		GJ	7,105,685.35
Percentage of Purchased Electricity		%	100.00%
Renewable Energy Utilization Rate		%	2.42%

Note 1: The energy category of each subsidiary was counted based on the energy supervision items stipulated by local laws and regulations.

Correction: The total non-renewable energy usage and total energy consumption in Taiwan in 2022 were incorrectly reported as²1,481,820; the correct value should be 1,699,495.62.

2.3.3. Energy Conservation and Carbon Reduction Measures

As for the energy reduction goals of Cheng Shin, refer to the "Energy Conservation Targets and Implementation Plans by Energy Users" of the Energy Administration, Ministry of Economic Affairs, R.O.C.. The annual and average electricity saving rate should reach more than 1%; the energy usage intensity should be reduced by 1% every year.

This electricity saving calculation excludes the energy reduction due to production capacity or production outsourcing. Since 2009, various Cheng Shin manufacturing plants have been implementing multiple energy-saving initiatives. In 2024, the main focus of energy-saving efforts was on process/plant equipment optimization, replacing outdated equipment, and implementing energy-saving control and management measures.

After the direct measurement and consolidation of the 2024 energy-saving plan, GHG emissions were reduced. Taiwan and its subsidiary reduced emissions by 4,595.55 tCO_{2e} and 34,338.66 tCO_{2e} respectively, for a total reduction of 38,934.21 tCO_{2e}.

Major Energy Saving Initiatives:

Region	Item	Content	Annual Energy Saving Performance		Annual Carbon Reduction Performance (tCO _{2e})
Taiwan Region	Equipment upgrades and optimization	The purpose of carbon reduction can be achieved by modifying the operation of the equipment or modify the equipment.	239,200 kWh	861.18GJ	113.39
	Replacement with energy-saving equipment	Replace old equipment with more energy-efficient equipment.	1,326,900 kWh	4,776.89GJ	628.96
	Technical optimization	Application of production technology or equipment technology transformation, in order to achieve the purpose of carbon reduction.	1.Electricity Capacity: 1,520,000 kWh 2.Natural gas: 587,968 m ³	2,512.45GJ	1,944.31
	Green energy use	Solar energy system construction.	4,072,000 kWh	14,497.93GJ	1,908.89
Subtotal					4,595.55
Subsidiary	Equipment upgrades and optimization	The purpose of carbon reduction can be achieved by modifying the operation of the equipment or modify the equipment.	1.Electricity Capacity: 6,633,160 kWh 2.Steam: 1,152.00 tons	27,070.46GJ	3,074.18
	Replacement with energy-saving equipment	Replace old equipment with more energy-efficient equipment.	333,000 kWh	1,201GJ	228.00
	Technical optimization	Upgrade production technology or equipment technology transformation, in order to achieve the purpose of carbon reduction.	1.Electricity Capacity: 4,300,810 kWh 2.Steam: 12,583.43 tons	49,916.17GJ	5,605.13
	Green energy use	Purchase green power.	45.27183 million kWh	162,978.47GJ	25,431.35
Subtotal					34,338.66
Total					38,934.21

Note 1: The baseline for calculating the reduction in energy consumption is calculated with reference to the electricity consumption of the old equipment.

Note 2: The amount of carbon dioxide in the Taiwan Region: refers to the electricity emission coefficient announced by the Bureau of Energy, citing the electricity coefficient for 2024 provided in the announcement issued on April 14, 2025.

Note 3: The carbon dioxide conversion coefficient for Mainland China is based on the data submitted in the "Model Greenhouse Gas Accounting Reports for Other Industrial Sectors" filed in 2024. Emission coefficient for steam: 0.11 CO_{2e}/GJ, emission coefficient for electricity: 5.978 CO_{2e}/10,000 kWh.

2.3.4. Greenhouse Gas Management

The Intergovernmental Panel on Climate Change (IPCC) emphasizes that the global average temperature increase is "very likely" caused by human-induced greenhouse gas emissions. In response to international regulations such as the Paris Agreement and to fulfill our corporate responsibility for environmental protection, 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. In the past, Cheng Shin has referenced ISO 14064-1:2006 for organizational greenhouse gas inventory procedures and the Environmental Protection Administration's guidelines for greenhouse gas inventory reporting. We voluntarily disclose our greenhouse gas emissions annually. In 2022, the Taiwan Region officially introduced the ISO 14064-1:2018 version to conduct an inventory of seven categories of GHGs (CO₂, N₂O, CH₄, HFCs, PFCs, SF₆, and NF₃). In addition, the Group's GHG inventory and verification planning schedule are also underway according to the "Sustainable Development Roadmap" published by the Financial Supervisory Commission in March 2022. The goal is to conduct a GHG inventory for all plants, with 2023 set as the base year for energy conservation and carbon reduction. Following a meeting of the Energy Conservation and Carbon Reduction Committee, the base year was changed to 2019, with a reduction target of 22% in emissions by 2030 compared to the base year. In 2024, the total GHG emissions of Taiwan and its subsidiaries for Scope 1 and 2 were tCO₂e 114,036.801 and 900,983.738 tCO₂e respectively. Cheng Shin is seeing a downward trend in direct emissions. It is presumed that the direct emission project has been effective because of the continuous energy saving measures carried out at each plant year after year to improve the operating equipment required for manufacturing processes.

Three-Year GHG Emissions

Unit: tCO₂e

Region	Item	2022	2023	2024
Taiwan Region	Scope 1: Direct Emissions	56,656.489	42,670.504	39,423.413
	Scope 2: Indirect Energy Emissions	89,791.781	79,131.433	74,613.388
	Total	146,448.270	121,801.937	114,036.801
	Scope 3 other indirect emissions	NA	306,173.638	294,140.778
Subsidiary	Scope 1: Direct Emissions	NA	NA	33,565.545
	Scope 2: Indirect Energy Emissions	NA	NA	867,418.193
	Total	NA	NA	900,983.738
	Scope 3 other indirect emissions	NA	NA	NA
Total		NA	NA	1,309,161.317

Note 1: Emissions in the Taiwan Region were calculated based on the "GHG Emission Coefficient announced on February 5, 2024" by the Ministry of Environment of Taiwan.

Note 2: The organizational boundaries are set using the operational control method.

Note 3: GWP values for GHG type are based on the IPCC Sixth Assessment Report (2021). Note 4: The carbon emission coefficient for electricity is referenced from the announcement by the Bureau of Energy on April 14, 2025, based on the 2024 electricity carbon emission coefficient.

Note 5: The data of subsidiaries for 2022 and 2023 only discloses information for the China Region.

Note 6: The above GHG information does not include carbon dioxide emissions from biogenic sources.

Note 7: The GHG emissions of the subsidiaries are voluntarily disclosed, and the scope of inventory will be expanded to include Scope 3 starting in 2026.

GHG emissions intensity

Unit: tCO₂e

Region	2022	2023	2024
Taiwan Region	1.170	1.120	1.090
Subsidiary	NA	NA	1.259

Note: GHG emission intensity = (Scope 1 + Scope 2 GHG emissions) (tCO₂e) / total product weight (t)

2.3.5. Climate-related Information

2.3.5.1. Risks and opportunities for the Company arising from climate change and related measures taken by the Company.

Items and implementation status

1. Describe the board's and management's oversight and governance over climate-related risks and opportunities.

Implementation status: In response to climate change and the energy usage crisis, Cheng Shin's Board of Directors conducts monitoring and the Sustainability Development Task Force works with various department personnel to assess the "likelihood of impacts" and "degree of impacts" of various risks and opportunities based on materiality criteria. Eight climate change risks and opportunities have been identified, integrating Cheng Shin's development with policies and solutions related to economic growth, environmental protection, and sustainable development. They also establish short, medium, and long-term objectives to continuously enhance climate resilience and foster an environmentally sustainable culture.

2. Describe how the identified climate risks and opportunities affect the business, strategy and finances of the Company (short, medium and long term).

Implementation status:

CATEGORY	Potential Risks and Opportunities	Point of Impact	Impact on the Company	Response Measures
Transitional Risk	Policy and regulatory impacts	Short-term	In response to government enforced environmental regulations, it is necessary to promptly comprehend and assess compliance within the Company. This facilitates alignment with governmental policies and regulations, but it also leads to increased expenditure on manpower costs.	<ul style="list-style-type: none"> Self-inspect the pollution prevention status and the pollution prevention equipment capability on a regular basis through the internal audit of the effective environmental management system. Establish regulations on the identification and management of environmental safety and health-related laws and regulations and collects regulations updated by relevant competent authorities every month to identify and implement them accordingly. Conduct compliance assessment once a year to comply with statutory provisions.
	Customer behavioral change	Mid-term	<p>Increasing concern on environmental issues: In order to improve environmental protection and driving safety, with the expectation on the tire industry to provide consumers with better tire quality, stricter standards of EU Labeling/Marking Requirements have been put forward to implement in stages (2017~2030).</p> <p>Purchase of all-season tires: In some European countries, there is only light and light snow all year round, and although the temperature is cold, there are no extreme cold</p>	Continue to carry out market and customer demand surveys so as to provide the new generation of all-season tire products in line with the market and customer demand.

			conditions, so for the sake of convenience, consumers are starting to buy all-season tires. In response to new trends, new product positioning and new R&D directions are planned, resulting in increased labor costs.	
	Cap-and-trade of greenhouse gases	Long-term	Cheng Shin's head factory and Xizhou Plant are subject to a carbon tax on the GHG emissions in 2025, resulting in an increase in operating costs.	<ul style="list-style-type: none"> The Energy Conservation and Carbon Reduction Committee and the energy conservation measures of each plant are regularly reported on the plans and results. Proposal of voluntary reduction plan is submitted, and we strive to obtain preferential tariff A for Xizhou Plant and preferential tariff B for head-quarter plant. Reduce operating costs
Physical risks	Heavy rainfall events	Short-term	The waterways in the plant are not easily drained and swell, causing water to accumulate on the roads and making it difficult for vehicles to pass, and the expenses are increased by assigning manpower and purchasing additional equipment to resolve the waterlogging situation.	Remove the silt in the waterway and increase water load. Add and purchase new equipment to increase the number of drainage motors in the plant to promote drainage efficiency.
	Droughts	Mid-term	The government's water restriction policy has affected the water required for the Company's operations, resulting in increased costs.	Continuously monitor government policies related to water use restrictions to prevent unanticipated policies from affecting the Company's production capacity.
	Disaster events	Long-term	Disasters cause interruptions in operations and damages to equipment, resulting in loss of revenue.	<ul style="list-style-type: none"> Contingency shall be dealt with in accordance with the "Disaster and Accident Handling Management Methods". Such as: Emergency Response Plan Operation Process, Emergency Response Contact System, and Disaster Response Management, etc. In response to major industrial safety incidents such as fire and explosion, the Company has initiated the self-inspection, review, and prevention on the cause of the incident, and communicates with other plants within the Group. Implement in accordance with the Technical Guidelines on Emergency Response Measures and follow the Taiwan Occupational health and safety management systems (TOSHMS) guidelines and the five related technical guidelines (risk assessment, procurement management, contracting management, change management, and emergency response measures) issued by the Ministry of Labor.
Opportunities	Expanding new business opportunities	Mid-term	Climate anomalies can cause a change in customer demand. If we can predict the market demand and develop new products, we are likely to enter new markets and increase our revenue.	<ul style="list-style-type: none"> Develop new products based on customer performance requirements. Segmenting markets and finding new niches.
	Research and development of innovative products or services	Mid-term	As the demand for electric vehicles continue to increase, we will develop EV products to increase brand power and market share in order to further increase the revenue	We will continue to develop "sustainable materials and environmental and low-carbon products capable of reducing environmental impact".

Note: Short-term: 2023-2025 / Mid-term: 2025-2030 / Long-term: 2030-2050

3. Describe the financial impact of extreme climate events and transformational actions.
Implementation status:

CATEGORY	Potential Risks and Opportunities	Point of Impact	Financial impact on the Company	Response Measures
Transformation action	Policy and regulatory impacts	Short-term	In response to government enforced environmental regulations, it is necessary to promptly comprehend and assess compliance within the Company. This facilitates alignment with governmental policies and regulations, but it also leads to increased expenditure on manpower costs.	Self-inspect the pollution prevention status and the pollution prevention equipment capability on a regular basis through the internal audit of the effective environmental management system. Establish regulations on the identification and management of environmental safety and health-related laws and regulations and collects regulations updated by relevant competent authorities every month to identify and implement them accordingly. Conduct compliance assessment once a year to comply with statutory provisions.
	Customer behavioral change	Mid-term	Increasing concern on environmental issues: In order to improve environmental protection and driving safety, with the expectation on the tire industry to provide consumers with better tire quality, stricter standards of EU Labeling/Marking Requirements have been put forward to implement in stages (2017~2030). Purchase of all-season tires: In some European countries, there is only light and light snow all year round, and although the temperature is cold, there are no extreme cold conditions, so for the sake of convenience, consumers are starting to buy all-season tires. In response to new trends, new product positioning and new R&D directions are planned, resulting in increased labor costs.	Continue to carry out market and customer demand surveys so as to provide the new generation of all-season tire products in line with the market and customer demand.
	Collection of greenhouse gas emission carbon fee	Long-term	Cheng Shin's headquarter plant and Xizhou Plant are subject to a carbon tax on the GHG emissions in 2025, resulting in an increase in operating costs.	The Energy Conservation and Carbon Reduction Committee and the energy conservation measures of each plant are regularly reported on the plans and results. Proposal of voluntary reduction plan is submitted, and we strive to obtain preferential tariff A for Xizhou Plant and preferential tariff B for headquarter plant. Reduce operating costs.
Extreme climate	Heavy rainfall events	Short-term	The waterways in the plant are not easily drained and swell, causing water to accumulate on the roads and making it difficult for vehicles to pass, and the expenses are increased by assigning manpower and purchasing additional equipment to resolve the waterlogging situation.	Remove the silt in the waterway and increase water load. Add and purchase new equipment to increase the number of drainage motors in the plant to promote drainage efficiency.
	Droughts	Mid-term	The government's water restriction policy has affected the water required for the Company's operations, resulting in increased costs.	Continuously monitor government policies related to water use restrictions to prevent unanticipated policies from affecting the Company's production capacity.
	Disaster events	Long-term	Disasters cause interruptions in operations and damages to equipment, resulting in loss of revenue.	Contingency shall be dealt with in accordance with the "Disaster and Accident Handling Management Methods". Such as: Emergency Response Plan Operation Process, Emergency Response Contact System, and Disaster Response Management, etc. In response to major industrial safety incidents such as fire and explosion, the Company has

				initiated the self-inspection, review, and prevention on the cause of the incident, and communicates with other plants within the Group. Implement in accordance with the Technical Guidelines on Emergency Response Measures and follow the Taiwan Occupational health and safety management systems (TOSHMS) guidelines and the five related technical guidelines (risk assessment, procurement management, contracting management, change management, and emergency response measures) issued by the Ministry of Labor.
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4. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.

Implementation status:

(1) Convene the Sustainable Development Task Force and divide groups with relevant department's responsible persons → (2) Identify and list the main risks and opportunities of Cheng Shin, and discuss their relevance to Cheng Shin → (3) Assess the urgency and incidence of the risks and opportunities → (4) Assess the intensity of the impact posed by climate change risks to Cheng Shin → (5) Draw climate risk and opportunity matrix → (6) Formulate climate risk response measures and assess whether the cost is correspondent to effects to carry out mitigation measures → (7) Regularly review the effectiveness of the mitigation measures. If the improvement is not satisfactory, reduce the level of impact through a second discussion or risk transfer → (8) Review the process and formulate standardized procedures for future related impacts, in order to reduce the response time to risk treatment in the future.

5. If scenario analysis is used to assess the resilience to climate change risks, describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts.

Implementation status: Cheng Shin selects material climate risks and opportunities each year for scenario analysis and management, and discloses them in the Sustainability Report and CDP questionnaire.

Cheng Shin selected and analyzed the financial impact posed by the carbon fee levied by the government agency for Cheng Shin's specific operating locations under different scenarios with reference to the trend of domestic law and regulation and the public information of international peers;

For the parameters, assumptions, analysis factors and main financial impact used in the aforementioned scenario analysis, please refer to Chapter 2.1 of the Sustainability Report.

6. If there is a transition plan for managing climate-related risks, describe the plan, as well as the metrics and targets used to identify and manage physical risks and transition risks.

Implementation status: The demand for eco-friendly products will continue to grow worldwide, especially in the automobile industry. The market for electric vehicles and high-performance low-emission tires will see significant growth, and governments in various countries will introduce stricter environmental regulations. For example, Taiwan's tire levy mechanism will force companies to accelerate their transformation. Tire manufacturing technology and material science have also made significant progress in recent years, particularly in the use of renewable materials and extending tire lifespan. We have passed third-party certification for ISO 14001:2015 environmental management systems. By effectively implementing our environmental policy, we integrate climate risks and opportunities based on our dependencies and impacts, putting our environmental strategy and goals into practice. This ensures compliance with international and domestic laws and regulations, responsiveness to stakeholder expectations, and collaboration with supply chain partners and research institutions to develop new technologies and products.

The current transformation plan of Cheng Shin includes:

(1) In response to the "Net-Zero Pathway for the Manufacturing Sector" published by Taiwan's Ministry of Economic Affairs, which sets 2019 as the base year for GHG reduction, the reduction target is a 22% decrease in emissions by 2030 compared to that base year.

2. In August 2024, the renewable energy target was set: Achieve 12% renewable energy penetration by 2030.

(3) 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.

(4) In response to the "Renewable Energy Development Act", we have installed a solar photovoltaic system, which provided 4.46 million kWh of electricity in 2023, reducing CO2e emissions by approximately 2,206 tons.

In terms of resource planning, we will take measures to obtain the necessary resources, including R&D investment, capital arrangement, talent cultivation, and supply chain management. Through these measures, we are committed to achieving our sustainable development goals and maintaining competitiveness in the global market.

In terms of indicators and targets, we have established energy use indicators and targets - 13.05 Energy Use (GJ)/ Total Product Weight (tons) - to control the energy use of production sites and address the transformation risk of future cost impacts from carbon levies for GHG emissions.

7. If internal carbon pricing is used as a planning tool, elaborate on the basis for setting the price. Implementation status: Relevant information is being collected for research and introduction.

8. If climate-related targets have been set, please provide information about the covered activities, scope of greenhouse gas emissions, planning schedule, progress achieved each year, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, please explain the source and quantity of the offset carbon emissions or the number of RECs used for the purpose.

Implementation: Cheng Shin has set 2019 as the base year for greenhouse gas reduction, and the reduction target is to reduce the emission by 22% by 2030 compared with the base year; covering the tire production activities of each plant, the scope of greenhouse gas emissions: Scope 1: direct emissions from burning fossil fuels, and Scope 2: Indirect emissions from energy use. In response to the government's renewable energy policy, we actively adopt the self-generation and self-use approach to obtain green power. In 2024, our green power usage totaled 4.02 million kWh, and we applied for 621 renewable energy certificates (T-REC) from the National Renewable Energy Certification Center, with certificate numbers ranging from 23SP0406-B024000001 to 621.

9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (indicated in 1-1 and 1-2 separately).

2.3.5.2. GHG inventory and assurance in the last 2 years

Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tCO₂e), intensity (metric tCO₂e/NTD million), and data coverage for the most recent two years.

Year		2023 (assured by third-party in the Taiwan Region)		2024 (assured by third-party in the Taiwan Region)	
Item (Unit)		Emissions (tCO ₂ e)	Intensity (metric tons of CO ₂ e/NTD million of revenue)	Emissions (tCO ₂ e)	Density (tCO ₂ e/NT\$ million)
Taiwan Region	Scope 1	42,670.5037	-	39,423.4137	-
	Scope 2	79,131.4331		74,613.3876	
	Subtotal	121,801.9368		114,036.8013	
All subsidiaries included in the consolidated financial statements	Scope 1	-	-	33,565.5450	-
	Scope 2	-		867,418.1930	
	Subtotal	-		900,983.7380	
Total		121,801.9368	1.266	1,015,020.5393	10.546
Taiwan Region	Scope 3	306,173.6382	17.549	294,140.7776	17.528

Data coverage: All plants in Taiwan (including Headquarters, Plant II, Plant III, Zhongzhuang Plant, Xizhou Plant, and Douliu Plants I, II and V) and all subsidiaries covered in the consolidated financial statements. The 2024 emission data was inventoried and externally verified according to ISO 14064-1:2018, as detailed in the table above.

Group-wide Scope 1 + Scope 2 emissions intensity = Group-wide Scope 1 + Scope 2 emissions/consolidated revenue; Taiwan Region's Scope 3 emissions intensity = Taiwan Region's Scope 3 emissions/revenue indicated in the parent company only financial statements.

GHG Assurance Information

Describe the circumstances of assurance in the last two years, including the scope of assurance, assurance body, assurance criteria, and assurance opinions.

The 2023 annual emission data was inventoried and externally verified according to ISO 14064-1:2018. Assurance scope: All plants in Taiwan (including Headquarter Plant, Plants 2, 3, Zhongzhuang, Xizhou, Douliou 1, Plants 2, and 5, Taipei Office)

The 2023 annual emission data was inventoried and externally verified according to ISO 14064-1:2018.
 Assurance scope: All plants in Taiwan (including Headquarter Plant, Plants 2, 3, Zhongzhuang, Xizhou, Douliou 1, Plants 2, and 5, Taipei Office)
 Assurance institution: The external verification is commissioned to AFNOR Asia Ltd., and greenhouse gas verification report has been obtained.
 Assurance opinions: None.
 For the annual emissions data for 2024, inventory inspection and external verification were performed according to the ISO14064-1:2018 version. After verification, the data may be revised.
 Assurance scope: All plants in Taiwan (including Headquarter Plant, Plants 2, 3, Zhongzhuang, Xizhou, Douliou 1, Plants 2, and 5, Taipei Office)
 Assurance institution: The external verification is commissioned to AFNOR Asia Ltd., and greenhouse gas verification report has been obtained.
 Assurance opinions: The Company expects to obtain a GHG Verification Report in August 2025.

GHG reduction goals, strategies and concrete action plans

Describe the GHG reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.

In 2023, we established the Energy Conservation and Carbon Reduction Committee, and set 2019 as the base year for GHG reduction. The reduction target is to reduce emissions by 22% by 2030 in comparison to the emissions in the base year.
 Reduction actions will be divided into three major aspects: A. Update and replacement of equipment; B. Improvement of equipment (energy leakage, etc.); C. improvement of process.
 Through the direct measurement and integration of the implemented energy conservation plans in 2024, GHG emissions were reduced. In Taiwan and subsidiaries, 4,595.55 tCO₂e and 34,338.66 tCO₂e were be reduced, for a total of 38,934.21 tCO₂e.

2.4. Water Resource Management

2.4.1. Water Use Management

Due to climate change, water resources are becoming increasingly scarce. Both developed and developing countries have been affected by dwindling water resources. Moreover, in the Global Risk Report of the World Economic Forum issued over the past three years, "water crises" around the world have been listed as one of the five global risks. Amidst the difficult conditions of poor water resources, the stability of water supply is becoming a growing concern for business operations. Based on the position of risk control and corporate sustainability, Cheng Shin has already promoted cooling water recycling through dedicated pipes, boiler steam recovery, etc., and advocated water saving, and installed faucets with water-saving features. Cheng Shin's RO reverse osmosis is mainly used for boilers, and the wastewater after reverse osmosis is reintroduced with cooling water for recycling to avoid water waste. The water sources used by Cheng Shin include tap water and underground water. Cheng Shin holds the water rights certificate issued by the competent authority for all wells in which groundwater is extracted and uses water according to the authorized amount. In 2024, Taiwan and its subsidiaries consumed a total of 782.933 and 1,541.635 million liters of water, respectively. Thanks to production adjustments and increased employee awareness of water conservation, total water consumption decreased by 5.50% compared to 2023.

Water Withdrawal Over the Past Three Years

Unit: megaliters

Region	Item	2022	2023	2024
Taiwan Region	Tap water	236.964	212.235	177.937
	Groundwater	517.786	474.850	461.340
	Third Party Park Water Supply	NA	141.447	143.656
	Total	754.750	828.532	782.933
Subsidiary	Tap water	907.763	950.736	1,055.760
	Groundwater	0.000	0.000	0.000
	Third Party Park Water Supply	402.323	370.754	485.875
	Total	1,310.086	1,321.490	1,541.635

In addition, Cheng Shin's Mainland China operations have always attached importance to water conservation, educating employees on water conservation in work activities, and posting water conservation reminders and signage around employee bathrooms, toilets, and sinks. The Company also encourages the multiple reuse of water resources, eliminate water leakage and waste, improve industrial water reuse, and reduce waste water discharge.



Cheng Shin's Kunshan Plant in China was awarded a "Water-Saving Enterprise"

2.4.2. Wastewater Management

For wastewater generated from daily operations, Cheng Shin conducts wastewater discharge operations in accordance with local laws and regulations and ensures that the quality of the discharge water is within the limits of the "Effluent Standards". In order to reduce the discharge of wastewater, the boiler water in Taiwan plants is replaced with RO pure water so that the residual water can be recycled for process use and the reverse washing water for process water can be recycled. In addition, a water recovery facility has been set up in the Xizhou Plant to recycle about 35% effluent of the waste (sewage) water for irrigation and toilet flushing to reduce the discharge of water. In addition, by integrating the production configuration of each plant, Cheng Shin effectively utilizes the space and water sources in the plant, fully verifies the discharge pipelines in the plant, diverges the flow direction of wastewater and rainwater, integrates the main pipelines, and eliminates those with water leakage, damage and low frequency of use. This improvement plan can effectively reduce the discharge of wastewater (sewage).

In 2024, Taiwan and its subsidiaries generated 316.035 and 890.152 million liters of wastewater, respectively.

Wastewater Discharge over the Past Three Years (water discharge) Unit: million tons

Region	Wastewater characteristics	2022	2023	2024
Taiwan Region	Mainly consists of domestic wastewater and cooling wastewater	374.999	327.060	316.035
Subsidiary	Mainly domestic wastewater, industrial wastewater, and cooling wastewater.	764.840	722.776	890.152
Total		1,139.839	1,049.836	1,206.187

Note 1: At Cheng Shin Taiwan, wastewater volume is calculated using flowmeter equipment. Flow meters are calibrated by qualified third-party verification units in accordance with Taiwan's environmental regulations. Calibration is conducted once a year.

Water Consumption

The calculation of water consumption is based on water withdrawal minus water discharge.

Water Consumption in the Recent Three Years

Unit: million liters

Region	Wastewater characteristics	2022	2023	2024
Taiwan Region	Mainly consists of domestic wastewater and cooling wastewater	379.751	501.472	466.898
Subsidiary	Mainly domestic wastewater, industrial wastewater, and cooling wastewater.	142.923	227.960	651.483
Total		522.674	729.432	1,118.381

Wastewater Discharge Basin and Environmentally Sensitive Areas

The wastewater from the Changhua main plant and each branch plant is first treated internally before being discharged to the Yangzaicuo River and the Zhuoshui River respectively, while the wastewater from each branch plant in Douliou is discharged to the Huwei River after being treated by the wastewater treatment plant in the Yunlin Technology-based Industrial Park (Zhuweizi Zone). None of the above discharge river sections affect particularly sensitive water bodies, wetlands or other nature reserves.

Region	Treatment Unit	Discharge Basin	Whether flowing through particularly sensitive water bodies, wetlands or other nature reserves
Changhua Plant	Self-treatment	Yangzaicuo River	No
Changhua Plant 2	Self-treatment	Yangzaicuo River	No
Changhua Plant 3	Self-treatment	Yangzaicuo River	No

Changhua Zhongzhuang Plant	Self-treatment	Yangzaicuo River	No
Changhua Xizhou Plant	Self-treatment	Yangzaicuo River	No
Douliou Plant 1	Yunlin Technology-based Industrial Park (Zhuweizi Zone) Sewage Treatment Plant	Huwei River	No
Douliou Plant 2	Yunlin Technology-based Industrial Park (Zhuweizi Zone) Sewage Treatment Plant	Huwei River	No
Douliou Plant 5	Yunlin Technology-based Industrial Park (Zhuweizi Zone) Sewage Treatment Plant	Huwei River	No

The water quality standards in Cheng Shin Taiwan and Mainland China vary in accordance with the regional nature of the discharge standards. The standards for general areas and industrial areas in Taiwan are detailed in the following table. The wastewater in industrial areas is treated by the wastewater treatment facilities in the plants and discharged after reaching the discharge standard. The wastewater in industrial areas is treated by the treatment facilities in the plants and discharged to the wastewater treatment plants in the industrial parks, so the water quality and quantity standards are different from those in general areas. For water quality and quantity that exceeds the allowable discharge standard of the industrial area, additional treatment fees will be paid and the industrial area will be subject to regular water quality and quantity spot checks.

Cheng Shin adheres to local testing and reporting regulations. At Cheng Shin Taiwan, water quality testing is conducted every six months to facilitate reporting. The water quality tests conducted in 2024 all met the standards for wastewater discharge

Taiwan Region

Water Quality Item	Taiwan Effluent Standards		Effluent Testing of Main Plant (Applicable to general local standards)	Effluent Testing of Douliou Plant 1 (Applicable to industrial area standards)
	General area	Industrial area	Effluent	Effluent
Water temperature(℃)	5-9月38℃ 10-4月35℃	45	37.8	30.8
Suspended solids(mg/L)	30	320	1.4	1.1
Biochemical oxygen demand(mg/L)	30	320	2.3	3.9
Chemical oxygen demand(mg/L)	100	480	11.8	15.4
pH	6-9	5-9	7.4	8.3
Oil and grease(mg/L)	10	10	2.7	0.6

Note: The relevant testing standards are as follows: Suspended solids (NIEA W210.58A), biochemical oxygen demand (NIEA W510.55B), chemical oxygen demand (NIEA W517.53B), pH (NIEA W424.53A), and water temperature (NIEA W217.51A).

2.5. Waste and Recycling

Currently, Cheng Shin manages its waste disposal according to approved "Business Waste Cleanup Plans" by local environmental authorities. The Company follows the regulations outlined in the "Regulation for the Administration of an Institution Jointly Handling and Disposal the Wastes" by the Ministry of Economic Affairs and the Waste Disposal Act by the Executive Yuan. Waste materials are entrusted to certified and qualified environmental transport companies for proper disposal. The Company regularly monitors the transportation routes of these companies to ensure the legality of the waste's final destination. Additionally, Cheng Shin retains the waste transport triplicate forms issued by government systems and cross-references them with inventory records to ensure data consistency. Recyclable waste (residual) includes waste rubber, waste metal, waste plastic, waste pallet, and waste paper/carton, etc., which are sorted and collected by qualified local recyclers for recycling to enhance the life cycle of recycling of waste resources. Cheng Shin also announces the waste items and containers that should be recycled, and has properly established a sorting and recycling system to strengthen the concept of resource recycling among all personnel. In addition to compliance with the regulations for waste disposal, Cheng Shin also adopts the following practices to minimize waste generation:

- ◆ Waste is classified and recycled to reduce the type and quantity of waste disposal.
- ◆ Cheng Shin has developed Level 1-3 independent maintenance plans to extend the service life of articles by regular maintenance and gradually introduce consumables and raw materials of eco-friendly materials.
- ◆ In accordance with regulations concerning the operation of business waste reuse, Cheng Shin entrusts recycling firms to handle the Company's recyclable (scrap) waste materials.
- ◆ Reduce the use of disposable tableware, provide staff with personal tableware and use stainless steel tableware in restaurants for reuse.
- ◆ In 2024, the categories of waste from Cheng Shin included domestic waste, general industrial waste, and hazardous industrial waste, with a total waste generation of 22,810.83 metric tons.

Waste generation and treatment statistics

Unit: tons

Region	2021	2022	2023
Taiwan Region	2,992.840	2,931.508	2,705.820
Subsidiary	14,581.060	14,663.404	20,105.010
Total	17,573.900	17,594.912	22,810.830

Note: The above data has been cross-referenced with the government's waste transport triplicate forms and confirmed to be consistent.

Region	Waste type	Disposal method (Unit : metric tons)			Total	%
		Incineration	Landfill	Recycling		
Taiwan Region	Domestic waste	205.49	0.00	0.00	205.49	7.59%
	General Business Waste	222.03	45.53	2,232.31	2,499.87	92.39%
	Toxic Business Waste	0.46	0	0	0.46	0.02%
	Total				2,705.82	100.00%
Subsidiary	Domestic waste	1,007.17	219.44	158.39	1,385.00	6.89%
	General Business Waste	972.85	122.45	16,287.20	17,382.50	86.46%
	Toxic Business Waste	431.25	295.79	610.48	1,337.52	6.65%
	Total				20,105.02	100.00%

Note 1: The above data has been cross-referenced with the government's waste transport triplicate forms and confirmed to be consistent.

Note 2: The recycling rate of hazardous industrial waste reached 45.63% for Cheng Shin overall, and was 0% for its Taiwan Region.

2.6. Air Pollution Prevention

In the tire industry, the main sources of air pollutants are process emissions and exhaust gases from combustion in boilers. The types of pollutants include dust, particulate matter, nitrogen oxides, volatile organic compounds (VOCs), and odors. There are no substances produced that would harm the ozone layer (ODS). To control various pollutants, Cheng Shin primarily focuses on improving the efficiency of end-of-pipe treatment and implementing rigorous monitoring. The Company invests significant resources in optimizing and upgrading exhaust gas treatment equipment. For the treatment of VOCs and odors in the Cheng Shin Taiwan plants, Cheng Shin has implemented water-washing scrubbers and photocatalytic systems at the backend of the compounding process. These measures effectively reduce the emissions of VOCs and the dispersion of odors. At the Taiwan Region, historical air pollution emissions have shown a decreasing trend, primarily due to the replacement of heavy oil boilers with more eco-friendly natural gas boilers.

Air pollution emissions over the past three years

Unit: kg

Region		2022	2023	2024
Taiwan Region	Oxysulfide	0	0	0
	Nitrogen Oxides	43,520	32,680	33,732
	Volatile Organic Compounds	131,860	122,020	107,658
	Particulates	1,100	896	818
	Total	176,480 ²	155,596	142,208
Subsidiary	Oxysulfide	0	0	143
	Nitrogen Oxides	0	0	452
	Volatile Organic Compounds	57,073	96,726	12,610
	Particulates	24,281	18,750	7,953
	Hydrogen sulfide(H ₂ S)	52	317	103
	Total	81,406	115,793	21,261

Note 1: Statistics were conducted according to the major controlled pollutants according to local regulations.

Note 2: The emission factors used in this table are as follows.

SO_x: NIEA A413.76C, NO_x: NIEA A411.75C; volatile organic compounds: announcement letter no. Huan-Shu-Kong-Zi-Di 1050059294 Industry process emission coefficients of volatile organic compounds for air pollution control fees declared for stationary pollution sources in public and private places; operation unit (including equipment components) emission coefficient; control efficiency; and other measurement regulations, particulate matter: NIEA A101.77C.

³Correction: The total number of pollutant types in the Taiwan Region in 2022 was mistakenly printed as 176,840; it should be 176,480. This is hereby corrected.

2.7. Compliance with Environmental Regulations

Cheng Shin adheres to the principle of complying with laws and regulations, improving environmental quality, and reducing environmental pollution. Through effective internal audits of the environmental management system, Cheng Shin regularly reviews the pollution prevention situation and the proper rate of pollution control equipment, and corrects any deficiencies immediately. Additional provisions are established for the identification and management of environmental, health, and safety regulations. The OSH and ESH units collect relevant updates from regulatory authorities on a monthly basis and verify their compliance one by one in accordance with the implemented regulations. An annual assessment of regulatory compliance is conducted to ensure adherence to legal requirements. However, in 2024, Cheng Shin China region had five instances of violating environmental regulations. In response to these violations, Cheng Shin immediately made corrections to the penalized matters, and formulated measures for prevention and improvement to prevent the recurrence of similar incidents.

Violations of environmental protection laws and regulations in Taiwan and Mainland China in 2024

Region	Name of Laws or Regulations Violated	Causes/Circumstances of Violation	Amount of Fines Imposed	Improvement Plan
Cheng Shin Xiamen	The Regulation on the Administration of Permitting of Pollutant Discharges	The actual number of waste gas discharge outlets did not match the requirements of the pollutant discharge permit	CNY 135,563	Changed pollutant discharge permit
	The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	Exceeded the standard for atmospheric pollutant emissions	CNY 555,458	Exhaust gas was combined with the sulfurization waste gas treatment equipment, with the pollution control permit modified to include one extruder.
	The Regulation on the Administration of Permitting of Pollutant Discharges	Checked the door of 3B Procedure Room of calendering workshop 102 which was not closed	CNY 140,625	Collaborated with online testing vendors to confirm parameters, and report to the Provincial Environmental Protection Department.
	The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution	The height of the 101A exhaust pipe of mixed exhaust gas did not meet the legal requirements	CNY 127,607	Exhaust duct renovation
	Regulations on Automatic Monitoring of Stationary Pollution Sources in Fujian Province	After replacing the non-methane total hydrocarbon automatic monitoring equipment, the acceptance inspection was not overdue	CNY 158,346	Acceptance inspection work was immediately initiated and the work plan reported to the Xiamen Municipal Ecological Environment Bureau

Note: Except for Shin Xiamen, there were no violations of environmental laws and regulations occurred in other Taiwan and overseas plants.

Part3

Employee as Partners, A Happy Workplace



Key Performance

Taiwan RAFI EMP 99 Index

- ◆ Selected as one of the constituents of the "Taiwan RAFI EMP 99 Index"
- ◆ Changhua County Outstanding Manufacturer Award for Hiring Persons with Disabilities Exceeding Legal Requirements

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

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



Changhua County Outstanding Manufacturer Award for Hiring Persons with Disabilities Exceeding Legal Requirements

3.1 Employee Care Policy

Cheng Shin is a renowned global tire manufacturing company with flourishing overseas operations. While maintaining a strong presence in Taiwan, the Company employs more than 4,300 employees and has been selected as a constituent of the "Taiwan RAFI EMP 99 Index" (Note). Moreover, Cheng Shin actively contributes to overseas expansion and promotes local talents.

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

Cheng Shin recruits and hires talent regardless of race, gender, age, religion, nationality or political affiliations. The total number of permanent employees by the end of 2024: 4,324 in Taiwan, including nine directors who do not hold other positions, with a female-to-male ratio of 1:1.55. The subsidiaries employ 16,175 people, with a male-to-female ratio of 1:2.1. Compared to 2023, the number of regular employees remained relatively stable. Due to the industry's characteristics, the proportion of female employees is lower. Over 99% of regular employees are based in Taiwan, with the remaining non-regular employees consisting of temporary staff or outsourced personnel (security guards). The number of these employees also remained stable compared to 2023.

At Cheng Shin, all employees, including those in higher management positions, undergo a fair and rigorous performance evaluation mechanism, which serves as the basis for promotions and rewards. In terms of employment, the Company aims to recruit talents and create a multicultural environment and considers local employment and giving back to the community as key objectives.

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

Employee Overview 2024

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

Category	Cheng Shin Taiwan		Subsidiary	
	Male	Female	Male	Female
Regular Employees	3,660	664	10,953	5,222
Non-regular Employees (Note)	20	0	1,690	113
Non-regular Employees work hours (hours)	69,120	0	631,358	63,850
Subtotal	3,680	664	12,643	5,335
Total	4,344		17,978	

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

Members of the Organizational Governance Unit

Percentage of Members in the Organizational Governance Unit						
Taiwan Region		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	1	15	3	19	2.54%
	Male	13	580	135	728	97.46%
	Subtotal	14	595	138	747	100.00%
		1.88%	79.65%	18.47%	100.00%	
Subsidiary		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	11	239	4	254	10.94%
	Male	68	1,609	391	2,068	89.06%
	Subtotal	79	1,848	395	2,322	100.00%
	%	3.40%	79.59%	17.01%	100.00%	

Number of Employees by Job Grade and Gender

Number of Employees by Job Grade and Gender Statistics					
Taiwan Region		Supervisor	Non-supervisor	Subtotal	%
Gender	Female	19	645	664	15.36%
	Male	728	2,932	3,660	84.64%
	Subtotal	747	3,577	4,324	100.00%
		17.28	82.72%	100.00%	
Subsidiary		Supervisor	Non-supervisor	Subtotal	%
Gender	Female	254	4,968	5,222	32.28%
	Male	2,068	8,885	10,953	67.72%
	Subtotal	2,322	13,853	16,175	100.00%
	%	14.36%	85.64%	100.00	

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

Number of Employees by Job Grade and Age

Percentage of Members in the Organizational Governance Unit						
Taiwan Region		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Job Grade	Supervisor	14	595	138	747	17.28%
	Non-supervisor	614	2,605	358	3,577	82.72%
	Subtotal	628	3,200	496	4,324	100.00%
	%	14.52%	74.01%	11.47%	100.00%	
Subsidiary		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Job Grade	Supervisor	80	1,941	301	2,322	14.36%
	Non-supervisor	2,607	10,272	974	13,853	85.64%
	Subtotal	2,687	12,213	1,275	16,175	100.00%
	%	16.61%	75.51%	7.88%	100.00%	

Number of Employees by Educational Qualification and Gender

Number of Employees by Educational Qualification and Gender Statistics								
Taiwan Region		Ph.D.	MBA	Bachelor's Degree	High School	Junior high school and below	Subtotal	%
Gender	Female	0	60	239	200	164	663	15.33%
	Male	6	387	1,300	1,061	907	3,661	84.67%
	Subtotal	6	447	1,539	1,261	1,071	4,324	100.00%
	%	0.14%	10.34%	35.59%	29.16%	24.77%	100.00%	
Subsidiary		Ph.D.	MBA	Bachelor's Degree	High School	Junior high school and below	Subtotal	%
Gender	Female	0	18	1,645	1,028	2,527	5,218	32.26%
	Male	1	43	3,499	2,867	4,547	10,957	67.74%
	Subtotal	1	61	5,144	3,895	7,074	16,175	100.00%
	%	0.01%	0.38%	31.80%	24.08%	43.73%	100.00%	

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

Year	Number of Employees with Physical and Mental Disabilities		Number of Foreign Workers	Number of Employees from Ethnic Minorities
	Total	Weighted by level of disability		
2024	56	57	728	10

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

Cheng Shin won the Changhua County 2023 Outstanding Supplier Award for Outstanding Employment of Persons with Disabilities, providing employment opportunities for people with disabilities, creating a friendly workplace environment, and fulfilling its corporate social responsibility.

New hires in 2024 (Number)

The percentage of new employees in Cheng Shin Taiwan was 5.8% and the percentage of employees leaving the job was 8.9%, based on the total number of employees at the end of 2024; in subsidiaries, the percentage of new employees was 56.2% and the percentage of employees leaving the job was 53.9% for the same period. The relatively higher ratio of employee turnover in subsidiaries is due to changes in the local labor market and industry environment.

Percentage of Members in the Organizational Governance Unit						
Taiwan Region		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	23	12	0	35	14.06%
	Male	125	88	1	214	85.94%
	Subtotal	148	100	1	249	100.00%
	%	59.44%	40.16%	0.40%	100.00%	
Subsidiary		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	756	1,169	101	2,026	22.28%
	Male	3,674	3,313	81	7,068	77.72%
	Subtotal	4,430	4,482	182	9,094	100.00%
	%	48.71%	49.29%	2.00%	100.00%	

Number of employees leaving the Company in 2024 (people)

Percentage of Members in the Organizational Governance Unit						
Taiwan Region		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	11	48	10	69	17.88%
	Male	68	212	37	317	82.12%
	Subtotal	79	260	47	386	100.00%
	%	20.47%	67.36%	12.17%	100.00%	
Subsidiary		Under 29 years old	30-50 years old	51 and above (inclusive)	Subtotal	%
Gender	Female	644	1,146	123	1,913	21.96%
	Male	3,353	3,349	98	6,800	78.04%
	Subtotal	3,997	4,495	221	8,713	100.00%
	%	45.87%	51.59%	2.54%	100.00%	

3.2 Human Rights Policy and Labor-Management Relations

Human Rights Policy

To protect the basic human rights of our employees and value chain partners (including customers, suppliers, and local communities) and promote sustainable development of the environment, society, and economy, Cheng Shin supports and respects the "United Nations Universal Declaration of Human Rights" and the "UN 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.

After assessing Cheng Shin and its overseas operations to ensure compliance with local labor laws and regulations, and identifying operations and suppliers at risk of child labor, we confirm there were no instances of child labor and no related complaints were received between 2014 and 2024. Under the Labor Standards Act in Taiwan, forced labor is prohibited; the same applies to expatriate employees. In addition, in order to protect employees' rights and interests and provide a workplace environment free from sexual harassment, Cheng Shin has also established management mechanisms such as measures to prevent and control sexual harassment, complaints, and disciplinary measures. In addition, each Cheng Shin plant also provides the necessary information/documents to customers according to EUDR requirements, as required by the due diligence statement.

Cheng Shin continues to conduct publicity, education and training on human rights policies to deepen the internal emphasis on human rights issues and implement human rights protection.

Note: United Nations Universal Declaration of Human Rights <https://www.ohchr.org/en/universal-declaration-of-human-rights>

Note: United Nations Global Compact <https://unglobalcompact.org/>

Labor Union Organization

In order to pursue the improvement of work efficiency and working conditions, and to promote harmony between the employer and the employee, Cheng Shin has established trade union organizations in accordance with local laws and regulations. Although there is an enterprise trade union established in Taiwan, no collective agreement has been signed yet. When there is any related issue to be discussed, the Company provides diversified communication channels and also adopts a positive communication method.

Percentage of Unionized Employees by 2024

Region	Number of unionized employees	%
Taiwan Region	2,336	54.02%
Subsidiary	14,795	86.99%

Minimum Notice Period

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

In the Taiwan Region, the minimum notice period according to the Labor Standards Act is as follows:

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

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

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

Labor-Management Meetings

In addition, in order to coordinate labor-management relations, promote labor-management cooperation and improve working efficiency, Cheng Shin holds labor-management meetings on a regular basis in accordance with the procedures for labor and management meetings and holds temporary meetings in case of major labor and management issues to ensure smooth and fair communication between labor and management. The frequency of labor-management meetings is four times a year, with a total of 28 meetings held in Taiwan in 2024.

Employee Communication Channels

Cheng Shin requires that all operational activities shall be in compliance with relevant laws and regulations. If employees encounter any related issues, they can file a complaint with the Human Resources Department or apply for labor mediation with the local government. In 2024, there were no complaints related to freedom of association, discrimination, child labor, sexual harassment, or other labor conditions and human rights issues in Cheng Shin. The complaint channels and mediation events are described as follows:

Complaint Channels - Human Resources Department

Taiwan Region:

Complaint hotline: (04)8525151#321

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

Physical complaint mailbox

Mainland China (Cheng Shin Kunshan):

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

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

Mainland China (Cheng Shin Chongqing):

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

Mainland China (Cheng Shin Xiamen):

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

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

Local government mediation incidents

Region	CATE-GORY	Case Volume	Description	Corrective Measures
Taiwan Region	Mediation	5	Mediation on wage payment cases	Continue to strengthen the employee suggestion and feedback mechanism, and optimize the communication channels between Cheng Shin and employees to create a stable and harmonious labor-management relationship.
Cheng Shin Xiamen	Mediation	1	Job site adjustment issues	Enhanced communication and mediation with employees, clarified SOPs for employee work adjustments, and fully took in employees' opinions to establish a good labor-management relationship.

3.3 Safe and Healthy Workplace

Occupational health and safety management system (OSHMS)

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

The management system is externally audited by a certification body (Metal Industries Research & Development Centre) every year, and the current version of the system is ISO 45001:2018, which is valid until May 2, 2028; the latest verification audit was conducted in April 2025. The scope of the Taiwan Region's management system certification covers both employees and non-employee workers. Employee coverage is 97.12%, while coverage among non-employees (including contractors, subcontractors, temporary staff, and visitors) is 2.88%.



Occupational Safety and Health Committee

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

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

Region	Taiwan Region
Name	Occupational Safety and Health Committee
Committee members	43
Labor representatives (note)	19
Ratio of labor representatives	44%

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

Hazard Risk Assessment

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



Occupational Accidents Management

In 2024, a total of seven serious occupational disasters occurred in Taiwan and 38 in Mainland China. The main types of occupational disasters were clamping and roll injuries. According to the Occupational Safety and Health Administration's statistical data on total injury index for all industries from 2021 to 2023, the Disabling Injury Frequency Rate (FR) for the rubber manufacturing industry is 2.67, 77 for the Disabling Injury Severity Rate (SR), and 0.45 for the Total Injury Index. Cheng Shin Taiwan's 2024 Disabling Injury Frequency Rate (FR):0.83, Disabling Injury Severity Rate (SR):37.48, Total Injury Index (TII): 0.18, which are all far lower than the industry average. The occupational accident investigation form must be completed by the unit where the occupational disaster occurred according to Cheng Shin's factory regulations. An investigation is to be conducted on the root causes and proposed improvement measures, and then submitted for approval, review and follow-up. Improvement measures for all occupational accident cases have been completed.

Statistics on Occupational Accidents in 2024

2024	Taiwan Region		Subsidiary	
Total Work Hours	8,404,221.5		44,715,709.5	
Gender	Male	Female	Male	Female
Number of Severe Occupational Accidents	4	3	28	10
Rate of Serious Occupational Accidents	0.83		0.85	
Total	7		38	
Fatalities	0		0	
Mortality rate.	0		0	
Recordable Number of Occupational Accidents	77		73	
Recordable occupational hazard rate	9.16		1.63	
Lost Days	251	64	2,141.47	464.80
Disabling Injury Frequency Rate (FR)	0.83		0.85	
Disabling Injury Severity Rate (SR)	37.48		58.29	

Note: Severe occupational accidents: rest for more than 1 day (in 8 hours) due to occupational accidents

Recordable occupational disasters: Severe occupational accidents and occupational accidents with a rest period of less than 1 day (calculated as 8 hours).

Serious occupational accident rate: Number of serious occupational accidents x 1,000,000/total number of working hours

Recordable occupational accident rate: Number of recordable occupational accidents x 1,000,000/total number of working hours

FR: Number of serious occupational accidents per million working hours. FR = Number of serious occupational accidents x 1,000,000 / total number of hours worked

SR: Total number of lost days with severe occupational accidents per million working hours. SR = Total number of lost days with severe occupational accidents x 1,000,000 / total number of hours worked

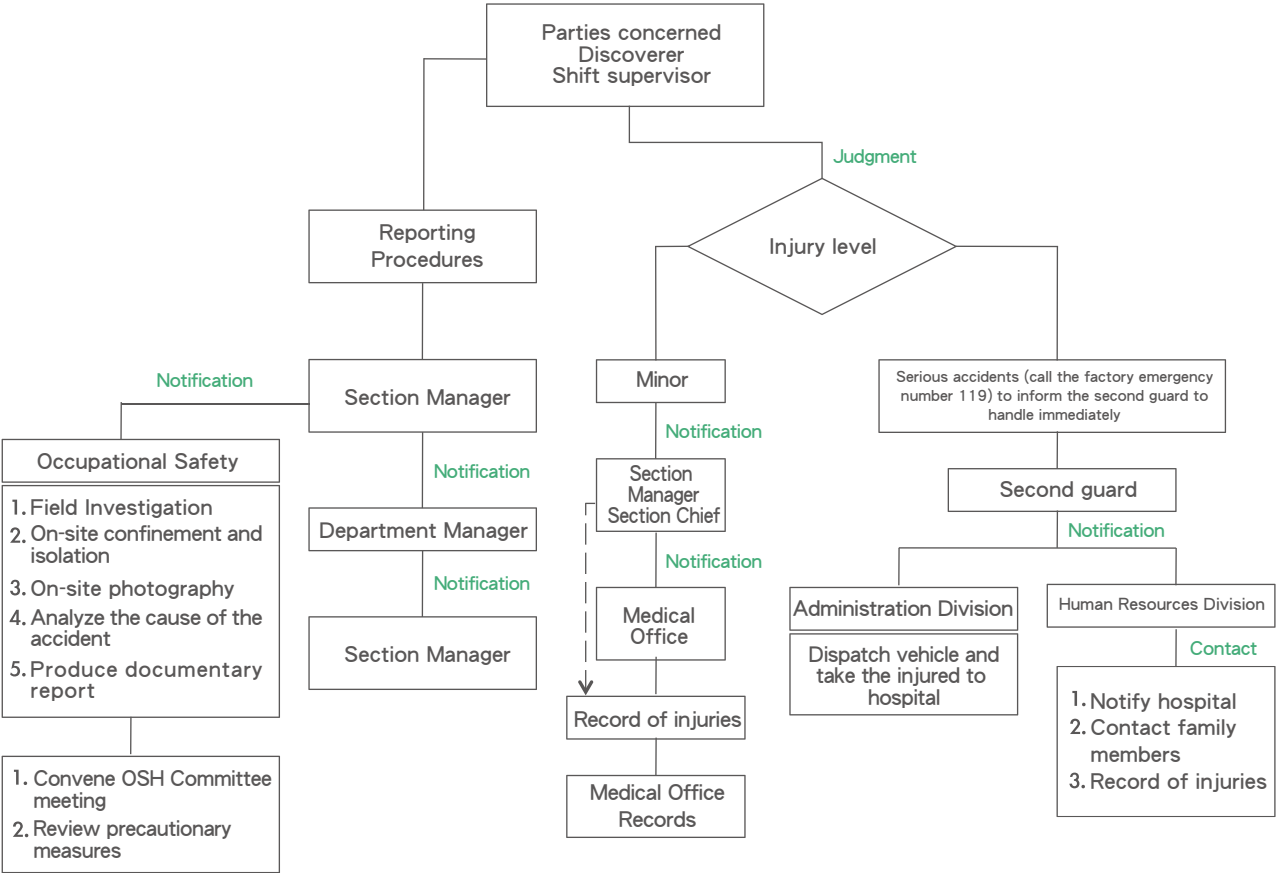
Types of occupational disasters in 2024

Classification	Taiwan Region	Subsidiary
Clipping, rolling injury	22	23
Collision/bump injuries	2	8
Exposure to high and low temperatures	3	1
Cuts and scrapes	35	11
Falls	5	8
Falling objects	0	1
Flying objects	4	5
Others	6	16
Total	77	73

Cheng Shin collects data and reports occupational injuries on a monthly basis in accordance with the Occupational Safety and Health Act. The main types of occupational accidents, "clamping, rolling injuries" and "cuts, scrapes, or bruises", are the same as those in the general manufacturing industry. In 2024, 7 serious occupational injuries were recorded in Cheng Shin Taiwan and 38 in subsidiaries. In 2024, there were no cases of occupational diseases in Cheng Shin Taiwan or subsidiaries.

There are disaster accident management regulations. When on-site personnel discover any conditions that may cause injury or illness, they are allowed to leave the scene without any punishment. In the event of an occupational accident that requires emergency rescue, the on-site supervisor acts in accordance with the regulations to notify on the accidents internally, conduct occupational accident investigation and improvement in the factory. The notification process is as shown in the figure below. Different notification process and handling will be taken based on the severity of the injuries and damages of the accident. The organization personnel will also initiate the investigation process of the flowchart.

Reporting Procedures of Occupational Accident in Plant



The increase in occupational accidents in Taiwan in 2024 was mainly due to operators' lack of safety awareness. Most of these accidents were caused by operators' failure to comply with standard operating procedures when eliminating abnormalities for the sake of speed. At present, Cheng Shin is carrying out the "Zero Danger Zone Campaign" actively promoting on-site hazard identification activities. Supervisors, with a caring attitude, pinpoint problematic areas, and those reminded approach the issues with a sense of gratitude, working together to prevent accidents and disasters.

Occupational Safety Education and Training

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

Region	Percentage of completion of general safety and health education for new employees
Taiwan Region	100%
Subsidiary	100%

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



Fire Fighting and Disaster Prevention Training

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



Safety Education in Each Unit

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



Training Grounds and Venues

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



On-site Hazard Identification Activities

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

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

1. Identification call implementation

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

2. 30 minutes safety observation of the duty system The site supervisor shall conduct safety observation 30 minutes before daily operation, inspect the working environment and personnel conditions, detect the potential risk factors such as unsafe behavior or environment as early as possible, and take effective improvement countermeasures and corrective measures according to the observation results.



3. False alarm proposal

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

虛驚事故提案單				
廠別：	部門：	課(股)：	發生時間： 年 月 日	
員工編號：	姓名：	發生地點：		
STOP - 6： <input type="checkbox"/> 夾、捲傷 <input type="checkbox"/> 重物壓傷 <input type="checkbox"/> 車輛碰撞 <input type="checkbox"/> 墜落 <input type="checkbox"/> 感電 <input type="checkbox"/> 與高溫接觸 <input type="checkbox"/> 其他				
虛驚事由、經過(按SWH原則填寫)：				
處置改善情形：(由廠部主管以調查表填寫並改善)				
改善追蹤確認：(由安衛部填寫)		<input type="checkbox"/> 立即改善，已於 月 日完成 <input type="checkbox"/> 待改善，以： <input type="checkbox"/> 改善計劃書 <input type="checkbox"/> 專案改善 <input type="checkbox"/> 需 審 <input type="checkbox"/> 提案改善 <input type="checkbox"/> 聯絡單 <input type="checkbox"/> 修護單 NO.		
安全衛生部	填報日期	經理	課長	股長
		<input type="checkbox"/> 認可		
		<input type="checkbox"/> 不認可		
保存期限：1年 6159_0000111_2				
正新橡膠工業股份有限公司			AS NO.6159	

Department/Unit Safety and Health Inspection Activities

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



Hazards Awareness

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



"Enhanced Safety Month" Activities

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



Safety and Health Protective Equipment Standards

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

On-site Safety and Health Inspection Activities

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



Employee Health Service

In accordance with labor health protection regulations, Cheng Shin has set up occupational health service nurse practitioners and engages specialized doctors on an ad-hoc basis based on the number of employees in each plant. The on-site medical service situation for each plant in 2024 was as follows:

On-site clinical service status by plant in 2024

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

Continuous Health Monitoring

In accordance with the Labor Health Protection Rules and Regulations, Cheng Shin arranges for a nearby hospital for each plant to conduct on-site health checkups for its employees at the Company's premises every July. Employee health checkups include general (for all employees) and specialized health checkups (for employees who work in a hazardous environment). In 2024, the number of employees who received specialized health checkups was 825. Employees with abnormality found in their chest X-ray, or cholesterol level, blood pressure or blood sugar level above normal range will be notified for a follow-up appointment. In March and November 2024, physicians and nutritionists were invited to conduct two seminars to educate employees on the correct concepts for preventing hypertension, hyperlipidemia, and hyperglycemia, as well as how to eat a healthy diet and prevent cardiovascular diseases. In June 2024, for workers in special operations (high-temperature), prevention is better than cure in particular in increasingly hot weather. Employees should be equipped with the ability to resist high temperatures, and the plant physician explained the principles of heat injury prevention and treatment. Furthermore, for logistics drivers, Cheng Shin conducts additional annual health checks that include night vision, visual acuity, electrocardiogram, and heart-related functions. This is done to prevent driving accidents caused by health factors. Local regulations in China do not require a general health check for employees, but Cheng Shin still provides a special health check for employees in the high-risk working environment. The Kunshan Plant has also introduced automated logistics and actively improved the working environment to enhance the health and safety management of employees. The number of employees receiving special health examinations in 2024 is shown in the table below. The employees checked with an abnormal result have been notified for re-examination. After the re-examination, the case can only be closed by handing in the medical certificate or receipt to the resident nurse. The hospital in charge of health examination can only issue the grading report of special health examination results after the completion of the re-examination.

Special Health Screening Items:

Noise	High temperature	Dust	N-Hexane (organic solvent) (provided by Cheng Shin Taiwan)	Ionizing radiation
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Number of special health checkups in 2024

Region/number of employees	Number of employees receiving health checkups	Number of employees tracked
Taiwan Region	825	36
Subsidiary	6,839	1,026
Total	7,664	1,062

3.4 Employee Benefits and Care

Remuneration and Benefits

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

The Company is streamlining its organization to build a more capable team. To support employees and encourage them, the Company adjusts salaries based on performance, resulting in an average salary increase of NT\$31,000 per year and a median increase of NT\$32,000 per year.

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

Year	Employee Headcount Annualized Average (person)	Employee Salary - Average (NT\$ thousand/person)	Salary - Median (NT\$ thousand/person)
2021	5,415	718	650
2022	4,699	696	658
2023	4,349	703	664

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

Related benefits: Statutory holidays and insurance (Note 1), regular annual health checkups, on-site physician (Note 2) Medical consultation, pension, employee bonus (Note 3), etc.

Employee support: Employee trust (Note 4), medical benefits, pension, bereavement allowance, marriage/burial/disability benefits (Note 5), and education incentives for children of employees.



Life benefits: employee meals, uniforms, dormitories, parking lots, discount partner stores, and employee activity recreation areas, discounts for employees to purchase tires.

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

Note 1 : Except for the statutory insurance paid by Cheng Shin, no other insurances were provided.

Note 2: Only for Taiwan region.

Note 3: Only for Taiwan region.

Note 4: Only for Taiwan region.

Note 5: Only for Taiwan region.

Parental Leave Without Pay

To enable employees to work with a peace of mind, Cheng Shin Taiwan entitles employees to unpaid parental leave in accordance with the law. For Cheng Shin China, no such leave statistics are available due to the government decree. In the event of an injury or illness that requires a long leave of absence, employees can also apply for leave without pay and then apply for reinstatement after the period expires, so as to better take care of both personal and family care needs. Taking parental leave without pay as an example, in 2024, a total of 58 colleagues from Cheng Shin Taiwan applied for parental leave without pay. The rate of returning to work after the leave was 100%. For those who took parental leave in 2023 and returned to work, the retention rate after completing one year of service was 93.2%. The above information demonstrates that Cheng Shin is able to provide assistance to its employees to facilitate their return to work. Cheng Shin provides employees with the option to apply for parental leave without pay. The number of employees who applied for said leave in 2024 was as follows:

Taiwan Region

Item	Number of male employees	Number of female employees	Total
The number of eligible employees for parental leave in 2024	193	62	255
The number of employees who applied for unpaid parental leave in 2024	29	29	58
The number of employees expected to return to work after conclusion of unpaid parental leave in 2024 (A)	16	14	30
The number of employees expected to return to work after conclusion of unpaid parental leave and were actually reinstated in 2024 (B)	16	14	30
The number of employees who actually returned to work after unpaid parental leave in 2023 (C)	25	19	44
The number of employees who returned to work after unpaid parental leave in 2023 and remained in the Company's employment after one year in 2023 (D)	25	17	41
Reinstatement from unpaid parental leave% =B/A	100.0%	100.0%	100.0%
Retention rate upon reinstatement from unpaid parental leave% =D/C	100.0%	100.0%	100.0%

Care for Foreign Migrant Workers

In Taiwan, we have a total of 728 migrant workers from Vietnam, Thailand, and Indonesia. All dormitory staff are responsible for the care of migrant workers. For factories far away from the dormitory, the Company arranges transportation to commute to and from work; the dormitory provides fitness equipment and recreational venues for migrant workers to relieve work stress and cook in the dormitory cooking area when they want to taste the flavors of home. In 2024, the Changhua Dormitory was recognized with the “Changhua Foreigners Dormitory Environmental Evaluation Competition, Group A Excellence Award”.



2024 Changhua Foreigners Dormitory Environmental Evaluation Competition Excellence Award



Changhua Dormitory



Festive Experience (Sachet Making for the Dragon Boat Festival, egg-balancing)



Home cooking competition



Ball game

3.5 Career Development and Assessment

Education, Training and Career Development

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

Training and Education Hours - by Gender

Category	Taiwan Region		Subsidiary	
Gender	Male	Femal	Male	Femal
Total hours of training	48,223.825	20,343.4	392,120.48	176,681.14
Average number of hours of training per employee	13.18	30.64	35.80	33.83

Training and Education Hours - by Employee Type

Category	Taiwan Region		Subsidiary	
Position	Supervisor	Non-supervisor	Supervisor	Non-supervisor
Total hours of training	11,507.1	57,060.1	89,249.68	548,119.14
Average number of hours of training per employee	15.57	16.16	38.26	39.60

New Employee Training:

We provide comprehensive pre-employment training courses for new employees, covering various aspects such as corporate culture, ethical business practices, safety education, quality concepts, and company policies and regulations. These courses enhance employees' understanding of Cheng Shin and help instill a strong sense of quality and safety awareness. Once the orientation training is completed, employees still need to take the on-site training and obtain the qualification and capability for the job. The new employees will also be assigned mentors for assistance.

Training by job level:

A series of topical courses designed for different job levels to improve employees' management skills and efficiency. For example, we offer a series of courses on presentation skills and report writing for trainee-level staff to help them integrate into the work environment and master the work pace and efficiency; courses on interpersonal communication, daily management, and problem solving steps for junior staff to improve their work efficiency; and courses on direction management and leadership case studies for supervisors to enhance their leadership and management skills. In recent years, we have optimized the learning roadmap, the project-based programs that are focused on elevating the capability of middle-top management are now conducted regularly on an annual basis to keep the management up to date and continue their learning. The training will also incorporate a work safety program, corporate culture and risks mitigation, and cost management. Employees' training will start early before employees reach the management level to cultivate their management skills from very early on.

Professional courses:

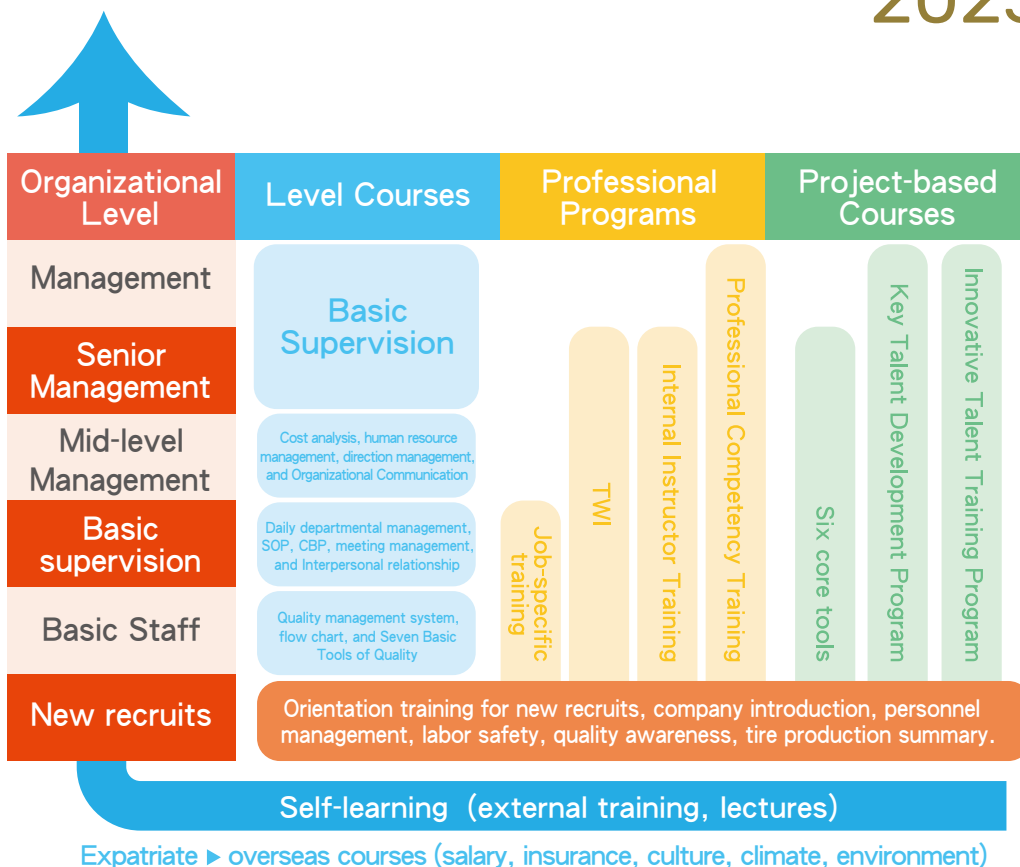
We have tailored specialized courses for different job positions, ensuring that our colleagues receive comprehensive training at every stage of their career. During the initial stages of joining the company, we offer position-specific training based on the knowledge and skills required for each role.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

Project-based courses:

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

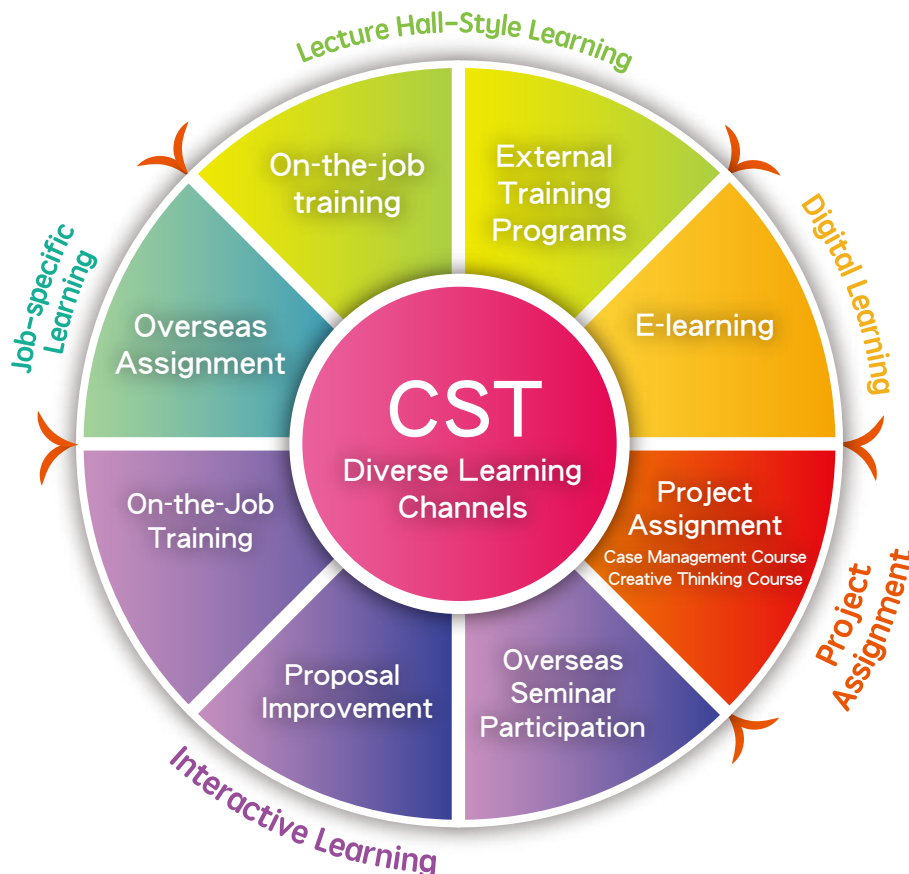
Personal development:

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



Professional Training Framework

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



Maxxis University (China Region)

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

Foreign Consultants and TWI Instructor Training for Overseas Plants

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

Overseas Expatriation Experience Exchange

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

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

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

As of December 2024, the number of employees who have joined this ESOT program stood at 58%.

Employee pensions

Old pension system	Cheng Shin sets aside 2% of the employee's total salary each month as pension funds and deposits it to the designated account under the name of the Labor Pension Funds Supervisory Committee at the Bank of Taiwan. Before the end of each year, the Company shall assess the balance in the designated account. If the total available amount of the appropriation is less than the amount required for the payment of pensions to all the employees who are eligible to retire in the following year, calculated according to the above method, the Company will make up the deficiency in one single appropriation before the end of March in the following year. As of December 31, 2024, the amount of pension funds recognized by Cheng Shin under the former pension system was NT\$10,599 thousand.
New pension system	The new pension system is available to all employees who came on board as of July 1, 2005. If an employee chooses to be subject to the new pension system, Cheng Shin will appropriate a set amount of pension funds into such employee's personal bank account (appropriation by the Company). Alternatively, the employee may appropriate 1-6% as pension funds to his/her personal bank account (appropriation by the employee). As of December 31, 2024, the amount of pension funds recognized by Cheng Shin under the former pension system was NT\$122,532 thousand.

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

Retiree Advisory Team

Cheng Shin regards employees as talents, and colleagues with extensive experience are valuable assets. The regular employees of Cheng Shin include those "rehired after retirement". These are employees qualified for retirement under the Labor Standards Act and rehired by Cheng Shin. This practice leverages the practical experience of seasoned colleagues to promote a culture of internal knowledge transfer, preventing a significant loss of experienced personnel and enhancing the capabilities of the middle-aged and senior workforce. Under the policy of actively promoting retired employees to be rehired as specialized technicians and consultants, the internal knowledge management of Cheng Shin will continue to circulate and pass down. By the end of 2023, the total number of retired employees who were rehired in Cheng Shin Taiwan, Cheng Shin Kunshan and Cheng Shin Chongqing were 183 persons.

Performance Evaluation System

In 2024, 100% of new employees underwent performance appraisals.

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

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

Part 4

Corporate Social Responsibility for the Betterment of Society



Key Performance

Charitable Donations

- ◆ In 2024, the total amount of charitable donations in the Taiwan Region by the Company reached **NT\$8,813,452**.
- ◆ In 2024, the amount of charitable donations from subsidiaries reached **NT\$2,520,630**.

Industry-Academia Cooperation

- ◆ Mainland China:
From 2021 to 2024, the Company held 119 "MAXXIS College Tour Recruitment Activities". In 2024, we participated in 19 industry-academia job fairs and launched the "University Internship Program", with a total of 70 students interning at the Company in 2024.

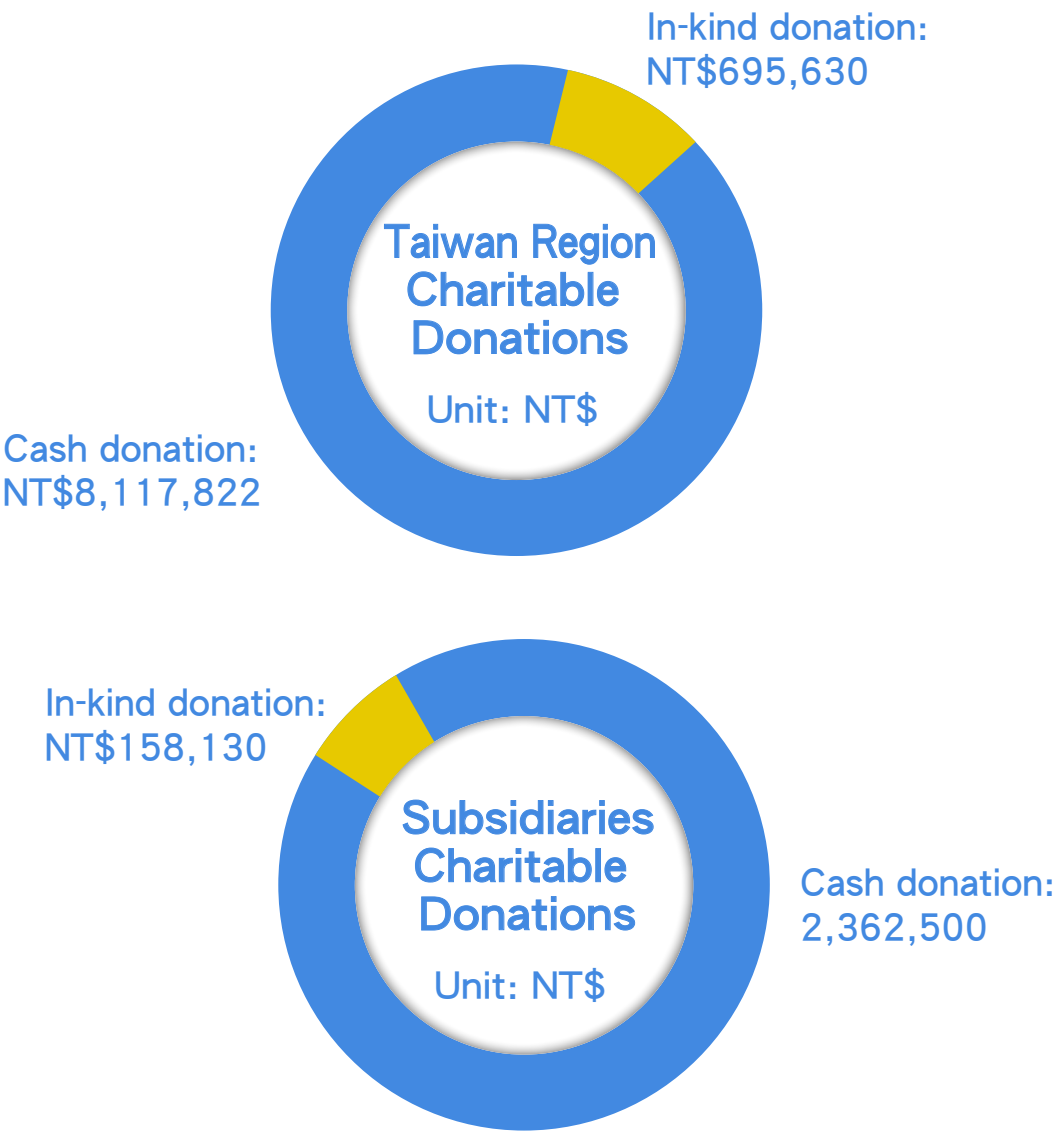
4.1 Social Harmony and Prosperity

With the Maxxis brand at its core, Cheng Shin is actively promoting and implementing a corporate culture of "100% quality, 100% service, and 100% trust," ensuring it is deeply rooted in the daily work and values of every partner. At the same time, through a diverse network of channels in over 180 countries worldwide, we extend the brand spirit globally. By integrating charitable initiatives, we put the concept of sustainable social contribution into practice, comprehensively establishing Brand, Culture, Channel, and Charity (B3C) as the core of our sustainable operations. This positions Cheng Shin not merely as a tire manufacturer, but as a corporate role model with a rich cultural foundation actively promoting sustainable charity.



Adhering to the concept of "what is taken from the society is used for the benefit of society", Cheng Shin actively engages in various charitable activities, assisting disadvantaged groups and participating in social welfare initiatives. The Company works to mobilize resources both within and outside the organization, fulfilling its corporate social responsibility. Cheng Shin participates in social welfare through a diversified approach, including "industry-academia collaboration," "educational support," "community outreach," "sports activities," "art and cultural promotion," and more. These efforts reflect the Company's core values of giving back to society, fostering positive forces within Taiwanese society, and addressing important social issues. The Company aims to make a positive impact by caring for local communities, supporting social causes, and assisting disadvantaged and marginalized groups. This approach not only raises awareness about community concerns and the challenges faced by vulnerable populations but also fosters a culture of care for community well-being and inclusivity, contributing to a better and more positive society.

4.2 Annual Investments in Social Engagement and Care



4.3 Social Engagement and Giving Back to the Community

Upholding the spirit of "taking what is taken from society and giving back to society", despite the challenges posed by the pandemic, Cheng Shin remains actively engaged in various social welfare and activities, continuing to make long-term contributions through educational support and community engagement initiatives.

4.3.1 Industry-academy cooperation

Taiwan Region:

In 2024, Cheng Shin advanced into campuses to recruit new talent, holding a total of five campus recruitment events to actively seek outstanding individuals. In addition to talent acquisition, Cheng Shin also sponsored the NTHU Racing Team, supporting the research and competition of student Formula SAE race cars, demonstrating the company's strong commitment to education and innovative technology.

Sponsorship of Formula Student Taiwan (FST)

Cheng Shin sponsored Formula Student Taiwan (FST), a student engineering competition founded in 2019, where participants design and build their own formula-style race cars. The 2024 - 2025 season featured three key events: Track Day, Technical Showcase, and Final Race. By providing professional racing venues, Cheng Shin supports young engineering talent in pursuing their automotive aspirations and contributes to the advancement of high-level technical education in Taiwan.



Taiwan Region:

With the progress of society and the development of the Company, the performance and quality requirements for tires are becoming more and more stringent. In order to improve the level of research, production and management, the demand for talents by Cheng Shin has increased. In order to meet the demand for higher-level talents, promote project innovation and development, and realize the sharing of resources between universities and enterprises, Cheng Shin has launched interactive activities with universities in recent years, including

(1) MAXXIS College Tour Recruitment Activities

From 2021 to 2024, Cheng Shin Kunshan went into university campuses and launched the "MAXXIS College Tour Recruitment Activities", participating in a total of 119 recruiting activities in three years, injecting new vitality into the demand for Cheng Shin's talents and establishing a good foundation for industry-academia cooperation.



(2) New Seed Class

In 2024, a total of 70 interns participated in the program, and a special training program called "New Seed Class" was organized to provide focused development opportunities for interns, enhancing their professional skills through practical work experiences. Regular intern interviews and team-building activities were also conducted to provide guidance and support, showing care for the interns' work and living needs. This initiative aimed to establish a new collaboration model between Cheng Shin Kunshan and partner universities.



(3) Internship Collaboration Program with Xiamen University Tan Kah Kee College

In 2024, Cheng Shin Xiamen participated in a total of 19 university career fairs and signed an internship cooperation agreement with the School of Management at Xiamen University Tan Kah Kee College. The collaboration agreement spans a period of 3 years, during which Cheng Shin Xiamen will periodically offer relevant job opportunities to the university.



(4) Cheng Shin Museum Tour

In April 2024, the Cheng Shin Tyre Museum welcomed students from Jimei University, Xiamen University of Technology, and Taiwanese interns from Xiamen Bank, among many others. They visited the Cheng Shin Tyre Museum to learn about the development of the tire industry, understand the important role of smart manufacturing in tire production, and gain reference points for their future career planning based on their own interests.



4.3.2 Promotion of Arts and Culture

Sponsorship of the Yun Tech Performance Hall of National Yunlin University of Science and Technology

The Yun Tech Performance Hall is a professional performance space dedicated to offering high-quality arts and cultural events located on the campus of National Yunlin University of Science and Technology. This reflects Cheng Shin's long-term commitment to education and cultural endeavors, supporting the development of local arts and culture, fostering community prosperity, and fulfilling its corporate social responsibility. The sponsorship of the Yun Tech Performance Hall of National Yunlin University of Science and Technology embodies this dedication.



Sponsorship of the Yuanlin Senior High School Wind Ensemble’s 74th Achievement Presentation

On July 14, 2024, the Yuanlin High School Wind Music Club held a wind music club performance at Changhua’s Yuanlin Performing Arts Hall. The concert, "Flowing Melody", aimed to convey the feeling of music flowing naturally and seamlessly, like a flowing stream. This performance led the audience to experience the diverse styles and rich emotions of wind music, from classical to modern. Every note demonstrated their tireless efforts and love for music. We actively support Yuanlin Senior High School Concert Band, fulfilling our corporate social responsibility and contributing to the development of local musical ensembles.



Sponsoring Hu Sheng Music Center

Hu Sheng, who is recognized by the music industry as the world’s leading ethnic Chinese saxophonist, regularly performs his saxophone and other wind instruments on Fridays and Saturdays at the Miramar Entertainment Park in Taipei City, Taiwan. Cheng Shin is supporting domestic musicians by sponsoring equipment and materials. In doing this, we hope to contribute to the overall music industry in Taiwan.



4.3.3 Educational Support

Taiwan Region

The total amount of educational support in Taiwan includes in-kind donations and cash, totaling approximately NT\$982,860, with the estimated number of beneficiaries being more than 800 teachers and students.

Sponsoring the Dacun Junior High School Cycling Team

With the support of the Changhua County Government, the Dacun Junior High School Cycling Team was officially established in 2022. It is also the first school in Changhua County to establish a cycling program. Cheng Shin is providing the team with a set of training and competition tires and equipment, demonstrating its commitment to actively supporting the school's cycling endeavors. In 2024, Cheng Shin continued to sponsor the team's road car tires and tubes, and provided Maxxis slats, track ropes and stickers for use in the events.



Sponsorship of Xizhou Elementary School New Student Gifts

It is a challenge for new students to adapt to new school environments and the new people in their lives. Cheng Shin Douliu Plant hopes to encourage new students in embracing the new stage of learning with confidence and courage by giving them a gift, and hopes that the children will develop positively and learn happily.



Sponsoring Scholarships for Elementary Schools

Since 2012, Cheng Shin has sponsored scholarships for many years in elementary and junior high schools located in the areas near our operating locations, including the Cheng Shin Zhongzhuang Plant and the nearby Huanan Elementary School, and the Cheng Shin Dacun Plant and the nearby Dacun elementary school, as well as 10 other elementary and junior high schools around the country. Through these tangible efforts, Cheng Shin aims to cultivate the growth of young students, assisting them in focusing on their studies while also rewarding outstanding scholars. The company hopes to contribute to the bright and promising future of both the children and the nation.



Sponsorship in NTHU Racing Team

We have sponsored the NTHU Racing Team to support the research and development of student formula racing cars and their participation in international competitions, demonstrating our commitment to education and innovative technologies. This sponsorship not only improved the technical skills of the students, but also promoted Taiwan's reputation in the international racing community, demonstrating Cheng Shin's commitment to fulfilling its corporate social responsibility.



Subsidiary

Supporting Educational Development

(1) Volunteer Classroom

Cheng Shin's China plant participated in after-school programs at local elementary schools in the community. As part of this initiative, Cheng Shin provided students with snacks such as bread and milk. Additionally, the Company hired professional trainers to offer extracurricular art classes for the children, providing them with creative opportunities beyond regular curriculum.



(2) Little Bird Summer Camp

During the summer vacation, the children of our employees came to Kunshan to spend a short time with their parents. We took this opportunity to launch the Little Bird Summer Camp to enhance parent-child communication and interaction, and to care for the growth of our employees' children.



(3) Hosting Student Study Groups

In 2024, the Cheng Shin International Automobile Culture Center Tire Museum welcomed 22,056 student visitors. Students from kindergartens, primary schools, junior high schools, and high schools visited the Museum to explore and learn about tire knowledge. The waste tire recycling course was particularly popular among students, with a total of 3,883 used tires recycled and transformed.



(4) In September 2024, the Cheng Shin Tire Museum Science Popularization (Education) Base and Cheng Shin Tire Museum's personnel visited local elementary schools and communities of Xiamen City to teach tire science classes and popularize "Advanced Tire Technology"



(5) Fun Research

Cheng Shin China held a "Fun Tire Manufacturing Camp" for students from Kunshan Dongfang Hefeng Kindergarten to visit its R&D Center, learning about the tire production process, and different car logos. The camp was both educational and enjoyable, broadening the children's horizons and sparking curiosity into interest. The camp also signified Cheng Shin China's commitment to fulfilling its corporate social responsibility alongside its focus on company development. Looking ahead, Cheng Shin China will continue to organize a series of events to promote positive corporate values.



4.3.4 Giving Back to the Community

Taiwan Region

Streetlight Donation

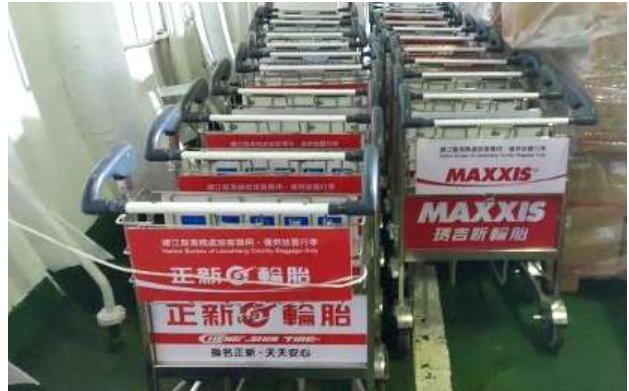
Since 2013, the Cheng Shin Douliu and Changhua Xizhou Plant have been actively participating in community improvement by adopting and maintaining 28 streetlights in Douliu City and 50 streetlights in Xizhou Township annually, at a cost of NT\$46,800. This not only brightens up the nights in these areas⁴ but also enhances nighttime road safety, contributing to improved public safety and traffic conditions.



⁴ Community refers to the local community near each plant.

Adoption of airport luggage trolleys from 2019 onwards

Cheng Shin has undertaken the adoption and maintenance of luggage trolleys at various major airports and seaports across the country. This initiative includes airports such as Taipei Songshan International Airport (1,000 carts), Kinmen Airport, Lienchiang County Port Bureau (200 carts), Nangan Airport (100 carts), and Penghu Magong Port (200 carts). In addition to donating new trolleys, Maxxis also regularly replaces old carts to ensure the quality and quantity of the carts. This effort aims to provide the best companionship for both domestic and international travelers on their business and leisure journeys. Since 2019, we have continuously adopted airport luggage trolleys, totaling more than 2,700 trolleys.



Employee Blood Donation Drives

Cheng Shin organized two blood donation drives in 2024, with a total of 78 employees participating and donating their blood. These efforts resulted in the collection of 131 bags of blood. Cheng Shin is committed to continuing these blood donation activities in the future, aiming to inspire more individuals to contribute their compassion through practical actions.



Cooperation With Maxxis Distributors to Hold a Blood Drive

Cheng Shin Maxxis Store (Jianqiang Tire) held annual blood drives in Yuanlin City, inviting Maxxis to participate together. In 2024, four blood drives were organized, with 533 blood bags collected at each drive. Through these practical actions, we turn compassion into life-saving contributions of blood.



Maxxis X Sansheng Temple Joint Blood Donation Drive

The joint blood donation drive organized by Yuanlin Sansheng Temple and Cheng Shin Maxxis invited the public to roll up their sleeves and donate blood. By working together with local communities, we aimed to unite more local forces and promote community wellbeing. They successfully collected a total of 117 bags of blood in 2024, contributing to the blood banks in the central and southern regions, which were facing low blood inventory.



Charity Lunch Boxes

Cheng Shin Dachun and the Changhua Xizhou Plant provide more than 200 free lunch boxes every day to the communities near the plants and more than 60,000 lunch boxes every year, valued at NT\$2,770,000. The local village leaders and neighborhood leaders personally deliver these meals to residents in need, including the elderly living alone, those with limited mobility, and individuals with moderate means or low incomes. This heartwarming effort brings sustenance and warmth to every corner of the community, aiming to make society a warmer and more compassionate place with our modest contributions.



Sponsoring Senior Canteens

Cheng Shin Douliu Plant sponsors the "Seniors Canteens" in Chang' an Village in the nearby community promoted by Douliou City Office every month. In 2024, a total of NT\$144,000 was donated, providing meals for 53 seniors, including those with mobility difficulties. This sponsorship aims to enhance the proper care of the elderly, allowing them to enjoy nutritious and healthy meals together in the community. It encourages seniors to step out of their homes and participate in community activities, fostering interaction among the elderly and promoting their overall wellbeing.



舉辦健行淨山活動

In 2024, Cheng Shin organized a mountain-cleaning event near the "Tengshan Trail," joining hands with colleagues from the main factory to protect the forest environment. More than 70 participants took part in the activity, picking up litter along the winding trail and putting the spirit of environmental protection into action.



Subsidiary
Care for Special Groups

Donation of charity funds to help the poor, assist the disabled, and support the vulnerable, with a total of RMB 100,000 donated to the charitable foundations.



Blood Donation Drive


Cheng Shin Xiamen Blood Donation Program
Cheng Shin Xiamen Blood Donation Drive was held on July 9-14, 2024, with a total of 121 people successfully donating a total of 33,700 ml of blood.



Activity in Cheng Shin International Automobile Culture Center


Q&A With Prizes at Cheng Shin International Automobile Culture Center

In 2024, the Cheng Shin International Automobile Culture Center organized over ten themed Q&A activities with prizes during the holidays. To educate visitors about tires, we hosted fun Q&A activities with prizes, giving away over 500 prizes.



Donation of Necessities to the Gu-Xiang Humanitarian Center

Cheng Shin Rubber (Vietnam) regularly invites distributors to support disadvantaged groups in Vietnam through practical actions, fulfilling its corporate social responsibility. We donated necessities to the "Gu-Xiang Humanitarian Center" in Yian City, Pingyang Province, spreading love. The Center has adopted and provides care for over 400 orphans and disabled individuals, offering not only daily care but also education and tuition for school-aged children. The Center has a particular focus on supporting students from impoverished backgrounds to further their studies, hoping they will become self-sufficient upon entering society.



Donation of Necessities to the Poor in Central Vietnam

Cheng Shin Rubber (Vietnam) has long been committed to promoting social enterprise responsibility and invited partners from the Maxxis Family to visit impoverished areas in central Vietnam to spread positive energy. Working with local religious organizations, our Vietnam Plant participated in caring for vulnerable local communities, embodying the Maxxis Family's core corporate values of "respect, care, and gratitude," and bringing warmth to every corner of society.



4.3.5 Sports Activities

In Taiwan, 14 cycling events were held in 2024, with a sponsorship amount of NT\$1,271,657 and an estimated number of over 30,000 participants.

Changhua Classic 100K

Cheng Shin sponsored the "2024 Merida Mega Bank Changhua Classic 100K" long-distance cycling self-challenge event, held on March 30, 2024. The event took place at the THSR Changhua Station in Tianzhong, Changhua. The cycling route spanned several towns across Changhua and Nantou counties, covering a total distance of approximately 107 kilometers. Participants were required to complete the ride within 5.5 hours, making it a highly challenging endeavor.



MAXXIS Carnival

We sponsored the "Changhua Cycling Carnival" around the Bagua Mountain, held on November 24, 2024, with over 2,000 participants. The ride spanned Changhua and Nantou, starting from the Cheng Shin's headquarters along the scenic County Highway 139. The race concluded at the historic Siling Elementary School on Bagua Mountain, a school with a century of history, where a carnival was held with cyclists invited to take part.



FTL Team Bike Riding Event

We jointly organized the "RideWithUs" with GIOS and FTL. With over 150 enthusiastic cyclists participating, we challenged the mountainous roads and plains of Kaohsiung together, enjoying the warm autumn sunshine and cool breeze. GIOS and FTL team members led the race together. This has allowed the cyclists to create beautiful memories together, no matter if they were a first-time rider or an experienced rider.



Sponsorship of the Chinese Professional Baseball League - CTBC Brothers

Since 2024, Cheng Shin Tire has sponsored the Chinese Professional Baseball League (CPBL)-CTBC Brothers, with an average of 6,000 spectators attending home games. In addition, we also set up "flash sales" on holidays to interact with fans at the stadium to promote the Company's corporate brand and tire products, strengthening brand recognition.



Sponsorship of the Taiwan Professional Basketball League - Formosa Dreamers

Since 2023, Cheng Shin has sponsored the Taiwan Professional Basketball League (TPBL)-Formosa Dreamers, with an average of over 3,000 spectators attending each game. In addition to regular season and playoff games, the "Prosperous Dragon Year" corporate theme day and close interaction with attending fans further strengthened the connection between Cheng Shin and basketball.



Sponsorship of the National Tennis Championships-First Financial Holding Maxxis Cup

Since 2011, Cheng Shin Tire has partnered with First Financial Holding to host the National Tennis Championships for 13 consecutive years. It is the tennis tournament with the highest prize money in Taiwan, attracting over 1,200 participants annually. In addition, the Company invited community charity groups to perform at the opening ceremony. In addition to supporting sports activities, the Company also cares for local disadvantaged groups.



Financial Holding Maxxis Cup

We have joined forces with Taiwan Cooperative Financial Holding to hold the National Table Tennis Championships for 11 consecutive years as of 2024, with over 1,200 participants annually. We also invite table tennis stars to participate in the opening ceremony, attracting fans to join the event which is also one of the highlights of the tournament.



Mainland China

Cross-Strait (Kunshan) Marathon

In 2024, the Company sponsored the Cross-Strait (Kunshan) Marathon, with over 16,000 participants. The Cross-Strait (Kunshan) Marathon is a distinctive marathon hosted by the Kunshan Municipal People's Government. The 2024 marathon is themed "Family Across the Straits" and was held on December 8, 2024, with the goal of fostering cultural exchange and integration between both sides of the strait. The marathon started from the Kunshan West Sports Center and finished at the East National Olympic Sports Center, covering a total of 42 kilometers, with each kilometer representing a personal challenge overcome.



Appendix: GRI Index

Statement of Use: Cheng Shin Rubber Industry Co., Ltd. has followed the GRI Standards for reporting for the period January 1, 2024 to December 31, 2024.

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI industry standards: At the time of this report, there were no applicable GRI industry standards.

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
2-1	Organizational details	6	1.2 About Cheng Shin	
2-2	Entities included in the organization's sustainability reporting	3	About This Report	Please refer to the Company's consolidated financial statements for details.
2-3	Reporting period, frequency and contact point	3	About This Report	
2-4	Restatements of information	67	2.3.2 Energy Management	The total non-renewable energy use and total energy consumption figures for Taiwan in 2022 have been corrected.
		78	2.6 Air Pollution Prevention	The total amount of air pollution emissions over the past three years in the Taiwan Region of 2022 have been corrected.
2-5	External assurance	125	Third-party assurance report	
2-6	Activities, value chain and other business relationships	40	1.8 Safe and Reliable Cheng Shin Tire	
		48	1.9 Supply Chain Partners, Growing with Cheng Shin	
		54	1.10 Protecting Customer Privacy	
2-7	Employees	80	3.1 Employee Care Policy	
2-8	Workers who are not employees	81	3.1 Employee Care Policy	
2-9	Governance structure and composition	25	1.6 Corporate Governance	
2-10	Nomination and selection of the highest governance body	26	1.6 Corporate Governance	
2-11	Chair of the highest governance body	26	1.6 Corporate Governance	
2-12	Role of the highest governance body in overseeing the management of impacts	36	1.7 Risk Management	
2-13	Delegation of responsibility for managing impacts	36~40	1.7 Risk Management	
2-14	Role of the highest governance body in sustainability reporting	14	1.4.2 Sustainable Development Steering Group	
2-15	Conflicts of interest	28~29	1.6.3 Integrity and Anti-Corruption	
2-16	Communication of critical concerns	11~12	1.3 Stakeholder Engagement	
		18~24	1.5 Identification of Material Topics	
		25	1.6 Corporate Governance	
2-17	Collective knowledge of the highest governance body	27	1.6 Corporate Governance	
2-18	Evaluation of the performance of the highest governance body	27	1.6 Corporate Governance	
2-19	Remuneration policies	27	1.6 Corporate Governance	
2-20	Process for determining remuneration	27	1.6 Corporate Governance	
2-21	Annual total compensation ratio	94	3.4 Employee Benefits and Care	
2-22	Statement on sustainable development strategy	4~5	Message from the Chairman	
		13~17	1.4 Sustainable Cheng Shin	
2-23	Policy Commitments	50~52	1.9.2 Supply Chain Management Policies of Cheng Shin	
		85~86	3.2 Human Rights Policy and Labor-Management Relations	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
2-24	Embedding policy commitments	50~52	1.9.2 Supply Chain Management Policies of Cheng Shin	
		85~86	3.2 Human Rights Policy and Labor-Management Relations	
2-25	Processes to remediate negative impacts	20~24	1.5.2 Management of Material Topics	
2-26	Mechanisms for seeking advice and raising concerns	20~24	1.5.2 Management of Material Topics	
2-27	Compliance with laws and regulations	28	1.6.3 Integrity and Anti-Corruption	
		79	2.7 Compliance with Environmental Regulations	
2-28	Membership associations	10	1.2 About Cheng Shin	
2-29	Approach to stakeholder engagement	11~12	1.3 Stakeholder Engagement	
		18~24	1.5 Identification of Material Topics	
2-30	Collective bargaining agreements	85~86	3.2 Human Rights Policy and Labor-Management Relations	Although Cheng Shin has not signed a collective bargaining agreement, it has formed a labor union in accordance with the law to manage the areas where no labor union has been formed to ensure smooth labor-management communication.
GRI 3 Material Topics 2021				
3-1	Process to determine material topics	18~24	1.5.1 Identification of Material Topics	
3-2	List of Material Topics	18~24	1.5.2 Management of Material Topics	
3-3	Management of Material Topics	18~24	1.5.2 Management of Material Topics	
Material Topics				
Economic Indicators				
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	29	1.6.3 Integrity and Anti-corruption	
205-2	Communication and training about anti-corruption policies and procedures	29	1.6.3 Integrity and Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	29	1.6.3 Integrity and Anti-corruption	
Operational Performance				
GRI 201 Economic Performance 2016				
201-4	Financial assistance received from government	10	1.2 About Cheng Shin	
Environmental Indicators				
Energy Resources and Greenhouse Gas Management				
GRI 305 Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	69	2.3.4 Greenhouse Gas Management	
305-2	Energy indirect (Scope 2) GHG emissions	69	2.3.4 Greenhouse Gas Management	
305-3	Other indirect (Scope 3) GHG emissions	69	2.3.4 Greenhouse Gas Management	
305-4	GHG emissions intensity	73	2.3.4 Greenhouse Gas Management	
305-5	Reduction of GHG emissions	67~68	2.3.3 Energy Conservation and Carbon Reduction Measures	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	78	2.6 Air Pollution Prevention	The reason for omission: Not applicable, as the Company does not have any emissions.
Social Indicators				
Talent Development and Cultivation				
GRI 404: Training and Education 2016				
404-1	Average hours of training per year per employee	98	3.5 Career Development and Evaluation	
404-2	Programs for upgrading employee skills and transition assistance programs	99~101	3.5 Career Development and Evaluation	
404-3	Percentage of employees receiving regular performance and career development reviews	102	3.5 Career Development and Evaluation	
Occupational Safety and Health				
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system (OSHMS)	87	3.3 Safe and Healthy Workplace	
403-2	Hazard identification, risk assessment, and incident investigation	88	3.3 Safe and Healthy Workplace	
403-3	Occupational health services	93~94	3.3 Safe and Healthy Workplace	
403-4	Worker participation, consultation, and communication on occupational health and safety	87	3.3 Safe and Healthy Workplace	
403-5	Worker training on occupational health and safety	91~93	3.3 Safe and Healthy Workplace	
403-6	Promotion of worker health	93~94	3.3 Safe and Healthy Workplace	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	93~94	3.3 Safe and Healthy Workplace	
403-8	Workers covered by an occupational health and safety management system	87	3.3 Safe and Healthy Workplace	
403-9	Work-related injuries	89	3.3 Safe and Healthy Workplace	
403-10	Work-related ill health	89	3.3 Safe and Healthy Workplace	No such event occurred during the period covered by this report.
Customer Relationship Management				
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories	56	1.11 Adherence to Product Regulations	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	56	1.11 Adherence to Product Regulations	No such event occurred during the period covered by this report.
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	47~48	1.8.3 Clear Product Labeling	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
417-2	Incidents of non-compliance concerning product and service information and labeling	47~48	1.8.3 Clear Product Labeling	No such event occurred during the period covered by this report.
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	54	1.10 Protecting Customer Privacy	No such event occurred during the period covered by this report.
Other Topics				
Environmental Indicators				
GRI 301: Materials 2016				
301-1	Materials used by weight or volume	65	2.3.1 Resource Management	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	65~67	2.3 Energy Resources and Greenhouse Gas Management	
302-3	Energy intensity	66~67	2.3 Energy Resources and Greenhouse Gas Management	Due to the unavailability of external information, the energy intensity outside the organization was not disclosed in this year's report.
302-4	Reduction of energy consumption	68	2.3 Energy Resources and Greenhouse Gas Management	
GRI 303: Water and Effluents 2018				
303-1	Interactions with water as a shared resource	74~76	2.4 Water Resources Management	
303-2	Management of water discharge-related impacts	76	2.4 Water Resources Management	
303-3	Water withdrawal	74	2.4 Water Resources Management	
303-4	Water discharge	75	2.4 Water Resources Management	
303-5	Water Consumption	75	2.4 Water Resources Management	
GRI 306: Waste 2020				
306-2	Management of significant waste-related impacts	77	2.5 Waste Management, Recycling and Reuse	
306-3	Waste generated	77	2.5 Waste Management, Recycling and Reuse	
306-4	Waste diverted from disposal	77	2.5 Waste Management, Recycling and Reuse	
306-5	Waste directed to disposal	77	2.5 Waste Management, Recycling and Reuse	
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	50~51	1.9.2 Sustainable Supply Chain Management Policies of Cheng Shin	
308-2	Negative environmental impacts in the supply chain and actions taken	52	1.9.2 Sustainable Supply Chain Management Policies of Cheng Shin	

Indicator	Disclosure Items	Page	Corresponding Chapter	Supplementary Notes
Social Indicators				
GRI 401: Employer-employee relationship 2016				
401-1	New employee hires and employee turnover	54	3.1 Employee Care Policy	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	94~97	3.4 Employee Benefits and Care	
401-3	Parental leave	96	3.4 Employee Benefits and Care	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes	85	3.2 Human Rights Policy and Labor-Management Relations	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	80~83	3.1 Employee Care Policy	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	86	3.2 Human Rights Policy and Labor-Management Relations	
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	86	3.2 Human Rights Policy and Labor-Management Relations	No operations and suppliers with significant risks were found during the reporting period
GRI 409: Forced or Compulsory Labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	86	3.2 Human Rights Policy and Labor-Management Relations	No operations and suppliers with significant risks were found during the reporting period
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	63~64	2.2 Environmental Management	
GRI 414: Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	50~51	1.9.2 Sustainable Supply Chain Management Policies of Cheng Shin	
414-2	Negative social impacts in the supply chain, and actions taken	52	1.9.2 Sustainable Supply Chain Management Policies of Cheng Shin	

SASB Index (ALL)

TOPIC	Indicator	VALUE	Corresponding Chapter	CATEGORY	CODE
Energy Management	(1) Total energy consumed (GJ) (2) Percentage grid electricity (%) (3) Percentage renewable (%)	(1) 7,556,375.23 (2) 48.85% (3) 2.47%	2.3.2 Energy Management	Quantitative	TR-AP-130a.1
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled (%)	(1) 21,044.36 tons (2) 8.48% (3) 53.56%	2.5 Waste Management, Recycling and Reuse	Quantitative	TR-AP-150a.1
Product Safety	Number of recalled vehicles (Note 1)	0	No such event occurred during the period covered by this report.	Quantitative	TR-AP-250a.1
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency or reduce emissions	To increase revenue from fuel efficiency products (NT\$): NT\$8,271,535 Revenue from products that reduce emissions (NT\$1,000): NT\$8,121,892		Quantitative	TR-AP-410a.1
Materials Sourcing	Description of the management of risks associated with the use of critical materials		1.9 Supply Chain Partners, Growing with Cheng Shin	Discussion and Analysis	R-AP-440a.1
Materials Efficiency	Percentage of products sold that are recyclable	100% The products manufactured by Cheng Shin are tire products, primarily using raw materials such as natural rubber, synthetic rubber, carbon black, and steel wires. After tire usage, they can be directly converted into energy through fuel conversion or transformed into other reusable resources using various technologies.		Quantitative	TR-AP-440b.1
	Percentage of input materials from recycled or re-processed content (Note 2)	Percentage of products sold that are recyclable: 0.13% Percentage of recycled/remanufactured materials (%): 28.94%		Quantitative	TR-AP-440b.2
Competitive Behaviour	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations (note 3)	NT\$ 0	No such event occurred during the period covered by this report.	Quantitative	TR-AP-520a.1
Number of parts produced	Production volume	272,375,356		Quantitative	TR-AP-000.A
Weight of parts produced (t)	Production weight Unit: metric tons	814,677 metric tons		Quantitative	TR-AP-000.B
Area of manufacturing plants (sqm)	Based on the area of the factory as stated in the Factory Registration Certificate.	435,449.84 sqm		Quantitative	TR-AP-000.C

Note 1: Disclosure should include discussions of major recalls, such as recalls that affect a large number of vehicles, multiple models, or recalls related to serious injury or death.

Note 2: Entities should describe their initiatives for obtaining scrap products and components for remanufacturing, including product recycling programs.

Note 3: The entity should provide a brief description of the nature, background, and any corrective actions taken as a result of the monetary losses.

United Nations Global Compact comparison table

Classification	10 Principles	Report content or description	Page
Human Rights	Businesses should support and respect internationally proclaimed human rights.	Cheng Shin should support and respect internationally proclaimed human rights. For details, please refer to "Human Rights Policy and Labor-Management Relations" in this report.	86
	Guarantee not to be complicit in human rights abuses.	Cheng Shin focuses on supplier hiring and training, health, safety, and environment, anti-corruption, and complies with various international conventions and local Labor Standards Act.	50~52
Labor Standards	Businesses should support freedom of association and the effective recognition of the right to collective bargaining.	Cheng Shin respects the employees' right to free association and regularly holds labor-management meetings to ensure smooth communication between the two parties.	85~86
	Prohibition of All Forms of Forced and Compulsory Labor	Cheng Shin's Prohibition of All Forms of Forced and Compulsory Labor	85~86
	Effectively prohibit child labor	Cheng Shin strictly prohibits child labor. For details, refer to Cheng Shin's "Work Rules"	85~86
Environment	Elimination of discrimination in employment and occupation	Cheng Shin's Elimination of discrimination in employment and occupation	85~86
	Businesses should support a precautionary approach to environmental challenges	Cheng Shin follows the TCFD framework to disclose climate change-related risks, and formulates corresponding goals and strategies for risk management.	57~61
	Initiatives to promote more environmentally responsible practices	Cheng Shin includes environment-related indicators in supplier screening and increases the proportion of local procurement to mitigate the environmental impact of procurement.	50~53
	Encourage the development and diffusion of environmentally friendly technologies	Cheng Shin continues to develop high-performance, lightweight, low rolling resistance, safety, and smart tires, and actively invests in the use and R&D of innovative sustainable materials.	43~44
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery	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.	28~29

Independent Limited Assurance Report

To **CHENG SHIN RUBBER IND. CO., LTD.**

We have been engaged by **CHENG SHIN RUBBER IND. CO., LTD.** (“Company”) to perform assurance procedures in respect of the key performance indicators identified by the Company and reported in the 2024 Sustainability Report (hereinafter referred to as the “Identified Key Performance Indicators”) and have issued a limited assurance report based on the result of our work performed.

The subject matter information is the Identified Key Performance Indicators of the Company. The Identified Key Performance Indicators and the respective applicable criteria are stated in the “Summary of Subject Matter Assured” of the Sustainability Report. The scope of the aforementioned Identified Key Performance Indicators is set out in the “Scope and Boundary” of the Sustainability Report.

Management’s Responsibility

The Management of the Company is responsible for the preparation of the Identified Key Performance Indicators disclosed in the Sustainability Report in accordance with the respective applicable criteria. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Identified Key Performance Indicators that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Certain subject matter information assured involves non-financial data which is subject to more inherent limitations than financial data. Qualitative interpretations of the relevance, materiality and the accuracy of data are more dependent on individual assumptions and judgments.

Compliance of Independence and Quality Management Requirement

We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the Standard on Quality Management 1, “Quality Management for Public Accounting Firms” of the Republic of China, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Identified Key Performance Indicators based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the Standard on Assurance Engagements 3000, “Assurance Engagements other than Audits or Reviews of Historical Financial Information” of the Republic of China. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Identified Key Performance Indicators are free from material misstatement.

Under the requirements of the aforementioned standards, our limited assurance engagement involves assessing the suitability in the circumstances of the Company’s use of the criteria as the basis for the preparation of the Identified Key Performance Indicators, assessing the risks of material misstatement of the Identified Key Performance Indicators whether due to fraud or error, responding to the assessed risks as necessary in the circumstances and evaluating the overall presentation of the Identified Key Performance Indicators. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above, we:

- Made inquiries of the persons responsible for the Identified Key Performance Indicators to obtain an understanding of the processes, and the relevant internal controls relating to the preparation of the aforementioned information to identify the areas where there may be risks of material misstatement; and
- Based on the above understanding and the areas identified, performed analytical procedures on the Identified Key Performance Indicators and performed substantive testing on a selective basis, including inquiries and inspection to obtain evidence for limited assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the Company’s Identified Key Performance Indicators have been prepared, in all material respects, in accordance with the respective applicable criteria.

We also do not provide any assurance on the Sustainability Report as a whole or on the design or operating effectiveness of the relevant internal controls. Furthermore, our assurance does not extend to information disclosed in the Sustainability Report for the period ended December 31, 2023 or prior periods.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Identified Key Performance Indicators in the Sustainability Report are not prepared, in all material respects, in accordance with the applicable criteria.

Other Matter

The Management of the Company is responsible for maintaining the Company's website. We have no responsibility to re-perform any procedures regarding the Identified Key Performance Indicators after the date of our assurance report, even if the Identified Key Performance Indicators or the applicable criteria have been subsequently modified.

Lai, Chih-Wei

For and on behalf of PricewaterhouseCoopers, Taiwan

August 12, 2025

For the convenience of readers and for information purpose only, the independent practitioner's report has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent practitioner's report shall prevail.

Assurance Target Summary Table

No.	Information on Assurance Targets	Page No.	Corresponding Chapters	Applicable Standards															
1	<table><tr><td>Target Indicators</td><td>Unit</td><td>The Taiwan region for the year 2024</td></tr><tr><td>Total Energy Consumption</td><td>GJ</td><td>1,199,392.87</td></tr><tr><td>Percentage of Purchased Electricity</td><td>%</td><td>47.25</td></tr><tr><td>Renewable energy utilization rate</td><td>%</td><td>1.29</td></tr><tr><td>Total Renewable Energy Consumption</td><td>GJ</td><td>15,439.50</td></tr></table>	Target Indicators	Unit	The Taiwan region for the year 2024	Total Energy Consumption	GJ	1,199,392.87	Percentage of Purchased Electricity	%	47.25	Renewable energy utilization rate	%	1.29	Total Renewable Energy Consumption	GJ	15,439.50	P.69	2.3.2. Energy Management	"Total Energy Consumption" refers to the total amount of renewable and non-renewable energy used within the organization in Taiwan from January 1, 2024, to December 31, 2024. "Percentage of Purchased Electricity" is calculated as the total amount of externally purchased non-renewable electricity in Taiwan divided by the total energy consumption. "Renewable Energy Usage Rate" is defined as the total amount of self-generated and self-used renewable energy in Taiwan divided by the total energy consumption. "Total Self-Generated and Self-Used Renewable Energy" refers to the total amount of energy generated and used by the organization in Taiwan through renewable energy sources from January 1, 2024, to December 31, 2024. Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.
Target Indicators	Unit	The Taiwan region for the year 2024																	
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Target Indicators	The Taiwan region for the year 2024																		
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3	The weight and percentage of Toxic Business Waste generated in the Taiwan region for the year 2024 are 0.46 metric tons and 0.02%, respectively.	P.82	2.5. Waste and Recycling	"The weight of hazardous industrial waste" refers to the total amount of hazardous waste reported in the Environmental Protection Administration's Resource Recycling Business Waste Reporting and Management Information System by the organization in the Taiwan region from January 1, 2024, to December 31, 2024. "Percentage of Hazardous Industrial Waste" is calculated as the weight of hazardous industrial waste in Taiwan divided by the total amount of waste generated. Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.															
4	The number and rate of occupational accidents in the Taiwan region for the year 2024: (1) Number of Severe Occupational Accidents : 7, 0.83 (2) Recordable Number of Occupational Accidents : 77, 9.16 (3) Fatalities : 0, 0.00	P.94	3.3 Safe and Healthy Workplace	"Number and Rate of Occupational Accidents" are calculated using the occupational accident data that the organization in the Taiwan region reports to the government every month in accordance with Article 38 of the Occupational															

No.	Information on Assurance Targets	Page No.	Corresponding Chapters	Applicable Standards																																								
				Safety and Health Act. Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.																																								
5	<p>The number and percentage of new employees in the Taiwan region for the year 2024, categorized by age group and gender, are as follows:</p> <table border="1"> <thead> <tr> <th></th><th>Under 29 years old</th><th>30-50 years old</th><th>51 and above (inclusive)</th><th>%</th></tr> </thead> <tbody> <tr> <td>Female</td><td>23</td><td>12</td><td>0</td><td>14.06%</td></tr> <tr> <td>Male</td><td>125</td><td>88</td><td>1</td><td>85.94%</td></tr> <tr> <td>%</td><td>59.44%</td><td>40.16%</td><td>0.40%</td><td>100.00%</td></tr> </tbody> </table> <p>The number and percentage of departing employees in the Taiwan region for the year 2024, categorized by age group and gender, are as follows:</p> <table border="1"> <thead> <tr> <th></th><th>Under 29 years old</th><th>30-50 years old</th><th>51 and above (inclusive)</th><th>%</th></tr> </thead> <tbody> <tr> <td>Female</td><td>11</td><td>48</td><td>10</td><td>17.88%</td></tr> <tr> <td>Male</td><td>68</td><td>212</td><td>37</td><td>82.12%</td></tr> <tr> <td>%</td><td>20.47%</td><td>67.36%</td><td>12.17%</td><td>100.00%</td></tr> </tbody> </table>		Under 29 years old	30-50 years old	51 and above (inclusive)	%	Female	23	12	0	14.06%	Male	125	88	1	85.94%	%	59.44%	40.16%	0.40%	100.00%		Under 29 years old	30-50 years old	51 and above (inclusive)	%	Female	11	48	10	17.88%	Male	68	212	37	82.12%	%	20.47%	67.36%	12.17%	100.00%	P.89	3.1 Employee Care Policy	<p>"The number and percentage of newly hired and departed employees categorized by age and gender" are calculated based on data from the payroll system of the organization in the Taiwan region.</p> <p>The gender ratio is calculated as the total number of new hires or departures of each gender within each age group in Taiwan divided by the total number of new hires or departures in that year.</p> <p>The age group ratio is calculated as the total number of new hires or departures within each age group in Taiwan divided by the total number of new hires or departures in that year.</p> <p>Note: "Taiwan region" refers to the scope covered by the parent company Cheng Shin Rubber Ind. Co., Ltd.</p>
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